

## ASX ANNOUNCEMENT

### MORE SIGNIFICANT INTERSECTIONS AT MCPHEE CREEK HEMATITE DISCOVERY

- More encouraging results from a further 9 holes from initial widely spaced iron ore drilling testing the 8km long main range at Giralia's 100% owned McPhee Creek project, located 220 kilometres south east of Port Hedland;
  - **46 metres @ 60.2% Fe open at end of hole**
  - **34 metres @ 58.9% Fe open at end of hole, including 28 metres @ 60.4% Fe**
- Results for a further 26 holes to come.

The Directors of Giralia Resources NL (Giralia) report more encouraging results from initial drilling at the main range at the Company's 100% owned McPhee Creek iron ore prospect, located 220 kilometres south-east of Port Hedland in the Pilbara region of Western Australia, and around 50 kilometres north of BC Iron Limited/ FMG's Nullagine-Bonnie Creek channel iron deposits ("CID").

A preliminary 47 hole first pass RC drilling program of widely spaced holes on traverses up to 600 metres apart was completed in mid September to test a major zone of unexplored iron ore potential along an 8 kilometre long range at McPhee Creek. The main range comprises partially CID capped bedded Archaean aged BIF with strong hematite iron ore mineralisation evident over substantial strike lengths.

Assays for a further 9 holes have been received, following the reporting on 30 September of results for the first 12 holes of this program. Further significant iron ore intersections were returned including: **46 metres @ 60.2% Fe, and 34 metres @ 58.9% Fe including 28 metres @ 60.4% Fe.**

**Table 1: Mc Phee Creek main range, RC drilling September 2009: Intersections >4m @>55%**

Hole No	Coordinates		Dip	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	CaFe %	P %	SiO2 %	Al2O3 %	LOI %
	East	North											
*RCMC048	203586	7613554	-60	60	44	60	16 (EOH)	57.2	63.6	0.06	5.4	2.0	10.05
*RCMC051	203271	7613339	-60	78	4	62	58	55.6	60.3	0.06	8.6	3.1	7.93
				incl.	22	58	36	58.1	62.6	0.05	6.6	2.1	7.12
*RCMC053	203474	7612778	-60	73	0	36	36	53.1	59.5	0.01	8.9	4.1	10.81
				incl.	14	24	10	57.6	64.3	0.01	5.0	2.2	10.54
RCMC057	203229	7612607	-60	66	4	36	32	54.3	59.4	0.05	12.0	2.2	8.55
				incl.	6	26	20	56.0	61.3	0.05	9.5	2.1	8.75
RCMC058	203190	7612656	-60	60	6	50	44	55.4	59.5	0.05	13.3	1.0	6.92
				incl.	8	26	18	59.9	65.0	0.06	5.8	1.1	7.83
RCMC060	202500	7612384	-60	60	0	4	4	55.2	60.4	0.04	8.1	4.3	8.57
				and	26	48	22	57.9	64.8	0.13	4.3	1.9	10.76
				incl.	26	46	20	58.2	65.3	0.13	3.9	1.7	10.74
RCMC061	202535	7612368	-60	72	26	72	46 (EOH)	60.2	65.2	0.07	3.8	2.0	7.66
RCMC062	202460	7612325	-60	54	20	54	34 (EOH)	58.9	63.7	0.10	5.0	2.9	7.57
				incl.	26	54	28 (EOH)	60.4	65.1	0.11	3.9	2.3	7.24

*RC drill samples collected as 2m riffle split composites. Intersections quoted using lower cut-offs of 50% Fe. All coordinates in MGA Zone 51 GDA 94, by hand held GPS (± 5m). XRF analyses by Spectrolab Laboratory Geraldton. QA/QC included typically field duplicate samples and two standards (Certified Reference Material), comprising one coarse standard and one pulverised standard for each drill hole. CaFe is a measure of iron content upon removal of volatiles (i.e. LOI). \*Holes marked previously reported (30 Sept 09)*

Assays for the first 12 holes of this program were reported on 30 September 2009, with significant iron ore intersections returned; **58 metres @ 55.6% Fe**, including **36 metres @ 58.1% Fe, 2.1% Al<sub>2</sub>O<sub>3</sub>, 0.05% P**.

An earlier 43 hole drill program in mid 2008 at McPhee Creek tested a channel iron deposit mesa just to the east of the main range (Crescent Moon CID mesa) defining an initial JORC resource of **5.17 million tonnes @ 53.6 % Fe (60.4% CaFe)**.

Assay results are awaited for a further 26 holes completed at McPhee Creek before the drilling rig was mobilised to the Earahedy project where a 128 hole program is fully permitted, and in progress.

R M Joyce  
DIRECTOR

13 October 2009

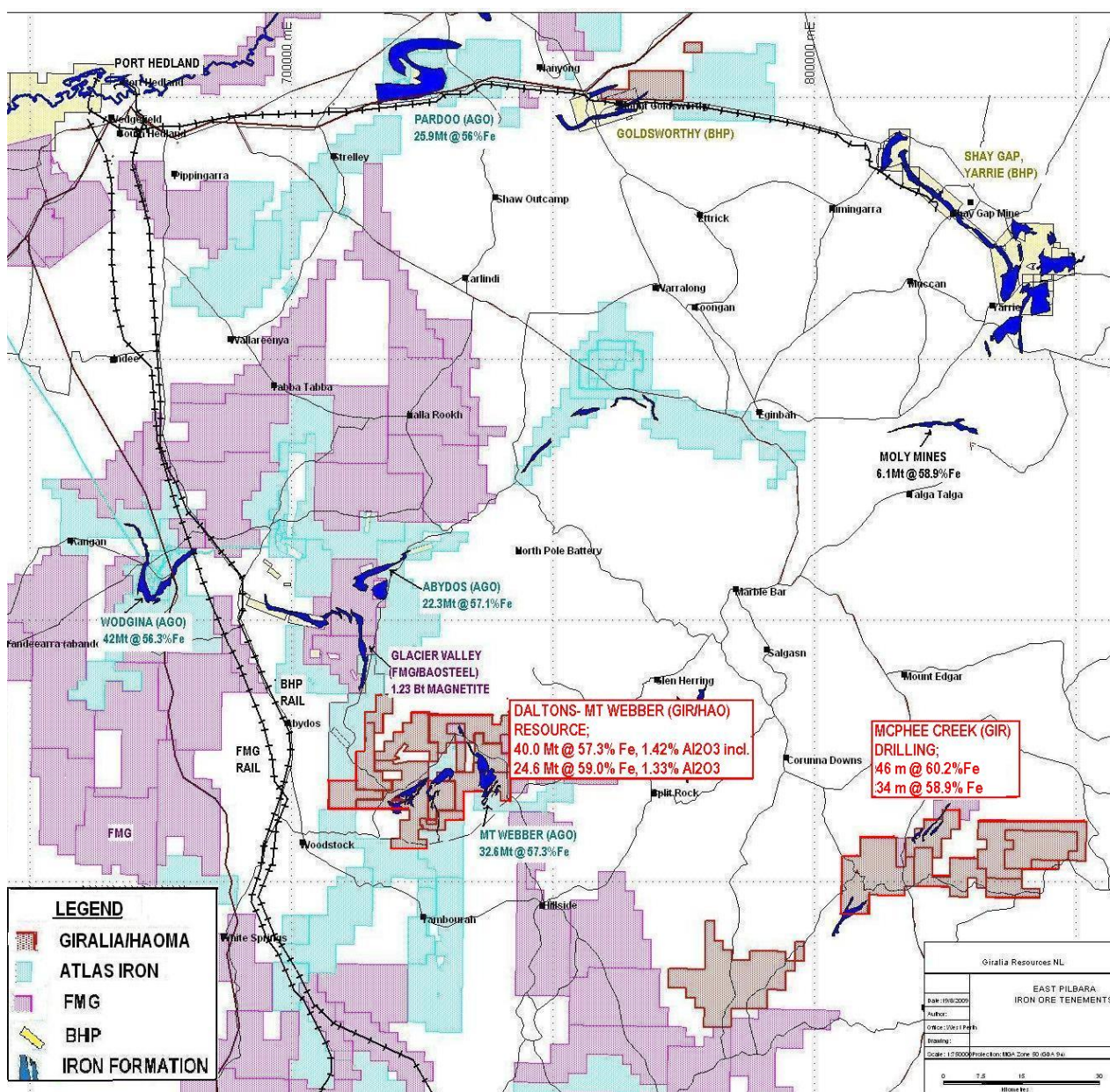


Fig 1; Iron ore projects in the Port Hedland area. Giralia’s tenements in red.

The information in this report that relates to Exploration Results is based on information compiled by R M Joyce, who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of the Company. Mr Joyce has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Joyce consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

## About Giralia Resources NL

Giralia Resources NL ("ASX: GIR") is a well funded (~\$70 million cash) mineral exploration company based in Perth, Western Australia. Giralia's iron ore projects in Western Australia are the Company's major exploration and development focus:

**Beebyn (100%) – Hematite** (MidWest) – Adjoins Sinosteel Weld Range deposits. Initial Inferred Mineral Resource **7.2 million tonnes @ 57.2% Fe**. Major upside at nearby Beebynganna Hills project, where 7 new zones of hematite have been discovered.

**Western Creek (100%) – Hematite** (15 km W of Newman) – Marra Mamba iron ore as direct extensions to BHP Silver Knight deposit. Inferred Mineral Resource **52.4 million tonnes @ 56.7% Fe**. Deposit is near surface, with several zones open ended.

**Earaheedy (100%) – Hematite** (200 km S of Newman) – 23 known hills with rock sample grades over 57% Fe, within 130 kilometres of iron formations on Giralia tenements, with shallow dips indicating large tonnage potential. Drilling; 20 metres @ 55.7% Fe, 8 metres @ 58.7% Fe, and 12 metres @ 57.3%Fe from 8 hills tested to date.

**Anthiby Well (100%\*) -CID** (Pilbara) – Channel iron deposit (CID) mesas, drill intersections include 32 metres @ 55.1%Fe including 24 metres @ 56.0%, 22 metres @ 56.3%Fe, and 18 metres @ 56.2%Fe. Initial Inferred Mineral Resource **63.5 million tonnes @ 50.5% Fe, including 37.6 million tonnes @ 53.6% Fe (59.1%CaFe)**. \* subject to production royalty

**McPhee Creek (100%) – CID** (Pilbara) – Channel iron deposit (CID) mesa. Initial Inferred Mineral Resource **5.17 million tonnes @ 53.6% Fe (60.4%CaFe)**.

**Daltons (75%) - Hematite** (Pilbara) – newly discovered zone of massive hematite outcrop, only 150 km south of Port Hedland, and 40km from FMG, BHP rail lines. Drilling **70m @ 58.4% Fe from surface, including 54m @ 60.9% Fe, 1.5%Al<sub>2</sub>O<sub>3</sub>**. Initial Inferred Mineral Resource **40.0 million tonnes @ 57.3% Fe (62.3%CaFe)**.

**Yerecoin – Magnetite** (150 km from Perth) – 1 km to railway. Initial drilling March 2009; **72 metres @ 32.4%Fe, 52.4 metres @ 31.6 %Fe**. Coarse magnetite; excellent DTR testwork. Scoping Study in progress.

The Company also has significant other commodity interests, including the Lake Frome Joint Venture around the operating Beverley uranium mine in South Australia, and the 100% owned 170,000 ounce Snake Well gold project in Western Australia.

In addition to its strong cash balance, Giralia also holds significant stakes in several ASX listed companies (shown below), which are held largely as a result of the spin-off of independently managed and funded companies over the last 3 years. Giralia shareholders have benefited through priority IPO entitlements and in specie distributions, and ongoing exposure to upside from exploration success.

Company	ASX Code	Key Commodity	Giralia Stake
PacMag Metals Limited	PMH	copper	~10.4%
U3O8 Limited	UTO	uranium	~15%
Zinc Co Australia Limited	ZNC	zinc	~12%
Carpentaria Exploration Limited	CAP	NSW, Qld copper-gold	~10.4%
Hazelwood Resources Ltd	HAZ	nickel, tungsten	~3.3%