

QUARTERLY REPORT FOR THE THREE MONTHS ENDING 31 MARCH 2010

Giralia Resources NL
ABN 64 009 218 204

ASX code: **GIR**

Activities:

Iron Ore exploration and development

Details (31 Mar '10):

Issued shares: **178.3m**
Unlisted options: **4.9m**
Mkt Cap (\$2.31): **A\$411m**
Cash Mar 10: **A\$60m**
Investments: **A\$12m**
Debt: **Nil**

Listed Investments:

PacMag Metals Limited-copper
(ASX:PMH) Giralia ~10.4% stake

U308 Limited -uranium
(ASX:UTO) Giralia ~15% stake

Zinc Co Australia Limited - zinc
(ASX:ZNC) Giralia ~12% stake

Carpentaria Expl. Ltd -NSW,Qld
(ASX:CAP) Giralia ~10.4% stake

Hazelwood Resources Ltd -nickel
(ASX:HAZ) Giralia ~ 3.3% stake

Gascoyne Resources Limited -gold
(ASX-GCY) Giralia ~5.9% stake

Directors:

Chairman - **Graham Riley**
Exec Director - **Stan Macdonald**
Managing Director -**Mike Joyce**

Senior Management:

Company Sec. - **Bruce Acutt**
Expl. Mgr - **Julian Goldsworthy**

Major shareholders :

AMCI	9.82%
BlueGold Cap Mgmt	7.28%
Breamlea P/L	5.59%
Macdonald SA	3.46%
Yandal Inv.	2.92%

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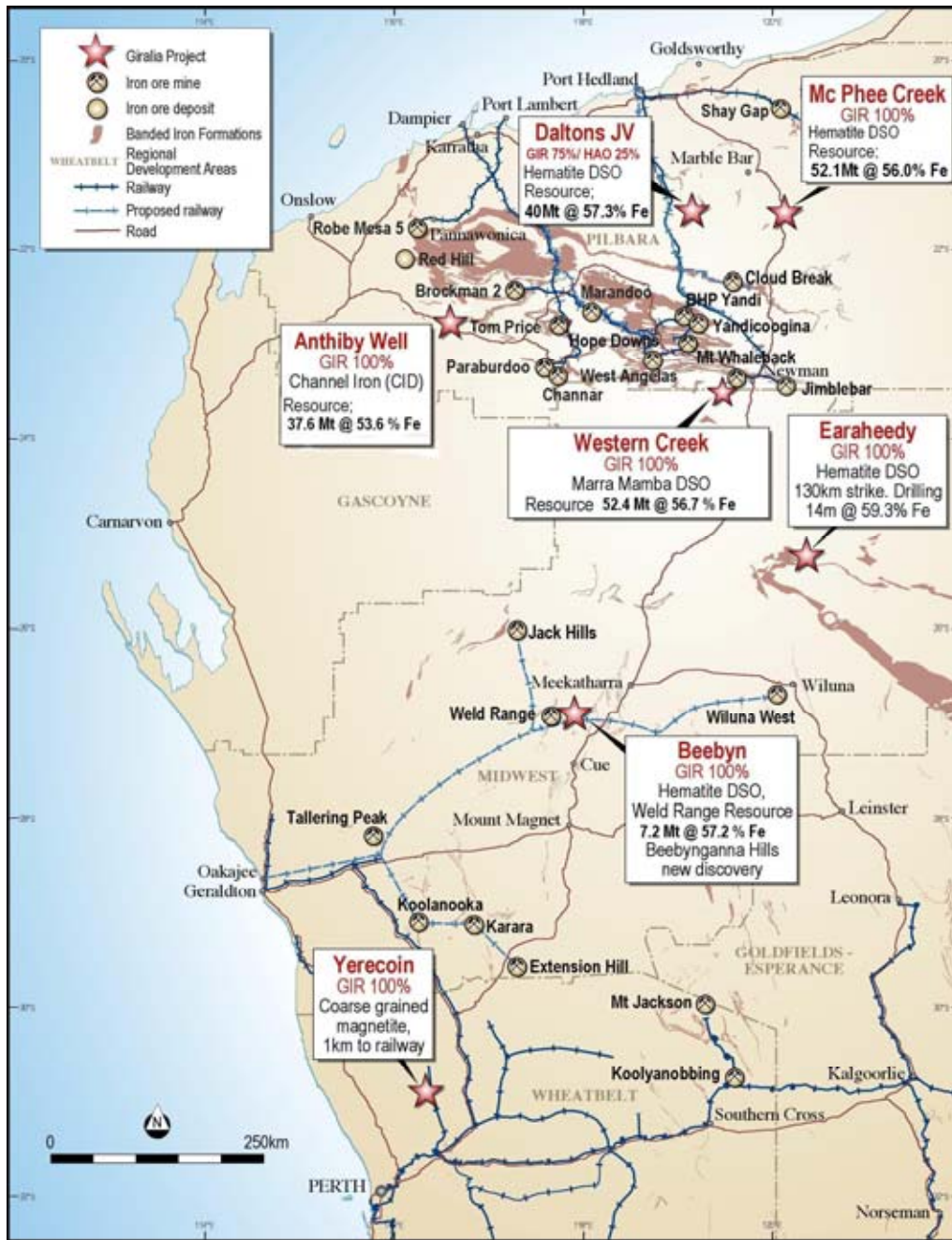
EXPLORATION:

Resource drilling continued with up to 3 rigs in operation, progressing a fully permitted program of over 600 holes testing the Company's iron projects. Pre-Feasibility Study elements have commenced at Daltons-Mt Webber and Yerecoin, following the recent release of positive Scoping Study findings for these projects in December 2009 and February 2010 respectively. Additionally, a major drill-out and Scoping study are underway on the exciting new McPhee Creek hematite discovery, and a 4th development study is planned at Anthiby Well project following current metallurgical testwork.

- **Daltons-Mt Webber Iron Ore Project (75%):** Pre Feasibility Study elements were initiated, following positive December 2009 Scoping Study, including detailed environmental investigations and environmental impact assessment documentation required for a proposed 2mtpa mine through to mining approvals. Proposals are being reviewed for groundwater search and licensing, and permitting completed for infill and metallurgical drilling. Two PQ diamond core holes for 61.8 metres were drilled during the quarter to provide material for further product specification testwork.
- **Yerecoin Iron Ore Project (100%):** Positive Scoping Study on development options delivered in early 2010 yielding a NPV (10%) of A\$321 million and an IRR of 33.8%. Initial Exploration Target of **200 to 250 million tonnes** of magnetite mineralisation grading 30-35%Fe established 150 km north of Perth, and within 1 km of existing rail access. Resource drilling program (59 holes/7549 metres) completed with positive early results including 96 metres @ 34.8%Fe (DTR 71.3%Fe, 1.0%SiO₂, 45.7 % weight recovery).
- **McPhee Creek Iron ore Project (100%):** Major resource drilling program commenced just after the end of the quarter on the new main range discovery. A total of 365 drill holes fully permitted to increase December 2009 maiden **52.1 million tonnes** JORC Inferred Mineral Resource , with two RC drill rigs currently operating, and a third rig scheduled to commence in May. Conservative initial **Exploration Target# of 100 to 140 million tonnes** of hematite iron ore (57-60%Fe) established, for a ~250 metre wide zone along the western side of the range only.
- **Anthiby Well Iron Ore Project (100%): Beneficiation testwork in progress following** completion of PQ diameter diamond drill core holes.

CORPORATE:

Giralia completed the in specie distribution of the majority of its shares in Gascoyne Resources Limited ("Gascoyne; ASX-GCY") reducing its holding from 29.77% to 5.89%.



Location of Giralia’s Western Australian iron ore projects

Table : Giralia JORC Iron Ore Mineral Resources

Deposit	Tonnes (Mt)	Grade at Fe > 50%						Resource Category	Deposit Type
		Fe %	P %	SiO ₂ %	Al ₂ O ₃ %	LOI %	^CaFe%		
Western Creek (100%)	52.4	56.7	0.06	6.2	3.6	8.9	62.2	Inferred	DSO
Daltons-Mt Webber (75%)	30*	57.3	0.09	7.5	1.4	8	62.3	Inferred	DSO
McPhee Ck (100%) Main	51.2	56.0	0.08	6.7	3.2	9.2	61.7	Inferred	CID
McPhee Ck (100%) CID	5.2	53.6	0.03	7.2	6.1	11.3	60.4	Inferred	CID
Anthiby Well (100%)	37.6	53.6	0.04	7.5	4.8	9.3	59.1	Inferred	CID
Beebyn (100%)	7.2	57.2	0.07	8.4	3.0	5.2	60.4	Inferred	DSO
Yerecoin (100%)									Magnetite
Earraheedy (100%)									DSO
GRAND TOTAL	184.5	55.9	0.06	6.9	3.4	8.8	61.3	Inferred	

[^]Calcined Iron grade (CaFe) is iron content upon removal of volatiles (i.e. LOI). * Mt Webber tonnage is GIR attributable 75%

CORPORATE

Following shareholder approval at a General Meeting of Giralia Shareholders on 8 February 2010, Giralia completed the distribution in specie of approximately 14.6 million of the 18.2 million Gascoyne Resources Limited (“ASX-GCY”) shares held by the Company, at the ratio of approximately 1 GCY share for each 12.2 Giralia shares held. The Company retains a 5.89% stake in GCY post distribution.

At 31 March 2010, the Company had a total of approximately \$60 million in cash on deposit plus interest accruing at maturity on fixed interest deposits.

EXPLORATION

IRON ORE PROJECTS

Daltons Joint Venture (Giralia 75%, Haoma Mining NL 25%)

The Daltons Joint Venture (Giralia 75% interest, Haoma Mining NL (“Haoma”) 25% interest), covers four tenements located around 150 kilometres south of Port Hedland in the Pilbara region of Western Australia.

The Daltons JV’s Mt Webber iron ore deposit has an Inferred Mineral Resource reported on 14 September 2009 of 40 million tonnes @ 57.3% Fe, including 33.8 million tonnes @ 57.9% Fe, 1.44% Al₂O₃ (63.06% CaFe) in the Main Southern Zone. The Daltons JV’s Mt Webber tenements directly adjoin Atlas Iron Limited’s Mt Webber prospect, which has a reported resource of 43.7 million tonnes @ 57.4% Fe.

On 17 December 2009 the Daltons JV reported the findings of an independent Scoping Study on development options for its Mt Webber Iron Ore Project, targeting the production of direct shipping iron ore (“DSO”) at 2 million tonnes per year by open pit mining.

A number of mining, processing and transport options were considered. For an owner owned and operated plant and equipment (Base Case) operating costs were estimated at \$42.12/ tonne, with CAPEX estimated at \$115million. For leasing of mining fleet and contract trucking (Alternative 1) CAPEX is much lower, estimated at \$49.5million with operating costs of \$47.80/tonne. The Base Case of road haulage to Port Hedland yielded a NPV (10%) of A\$170 million and an IRR of 53.9% with 30% equity and 70% debt funding.

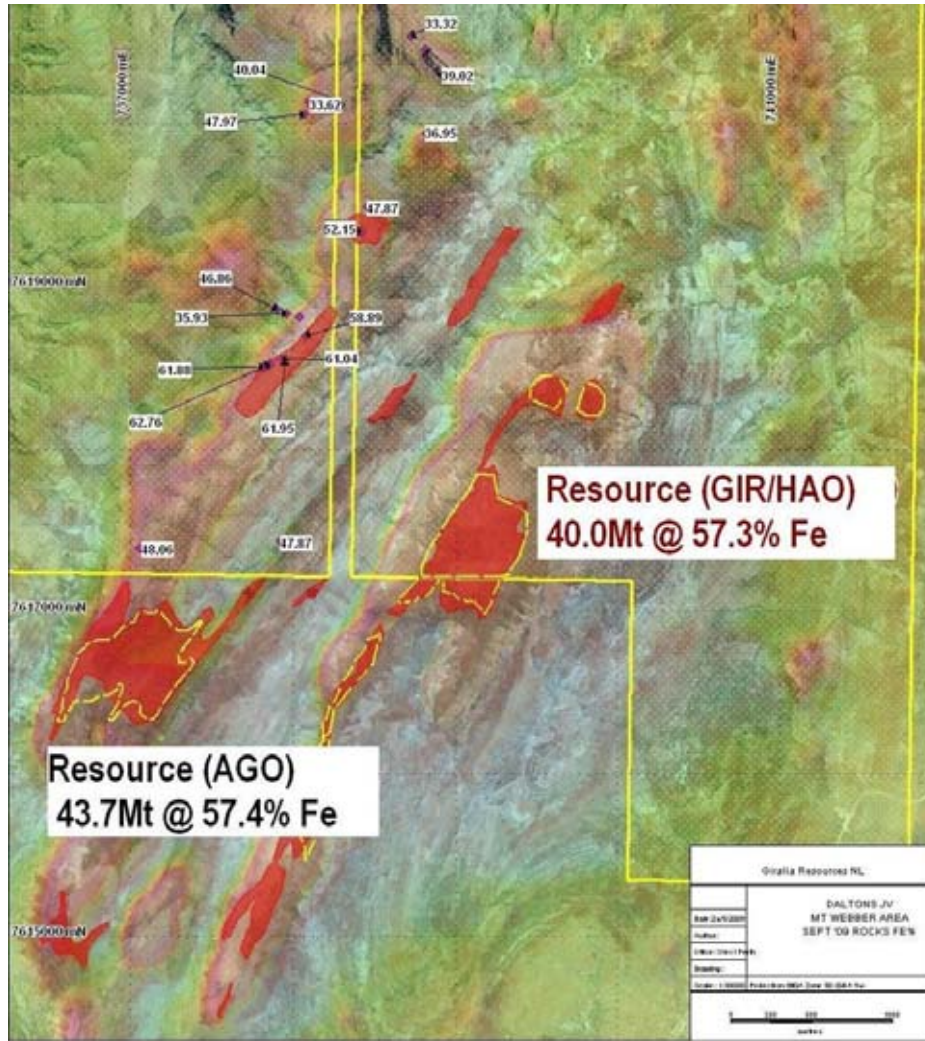
Pre Feasibility Study elements were initiated during the quarter. Detailed environmental studies are in progress, with consultants ecologia Environment contracted to undertake all environmental investigations and environmental impact assessment documentation required for a proposed 2mtpa mine through to mining approvals. Proposals are being reviewed for groundwater search and licensing, and a total of 58 drillholes have been fully permitted for infill and metallurgical drilling. Further drilling is planned into resource growth targets following additional mapping and access track planning.

Two PQ diamond core holes for 61.8 metres were drilled during the quarter to provide material for further product specification testwork at the Mt Webber iron ore deposit.

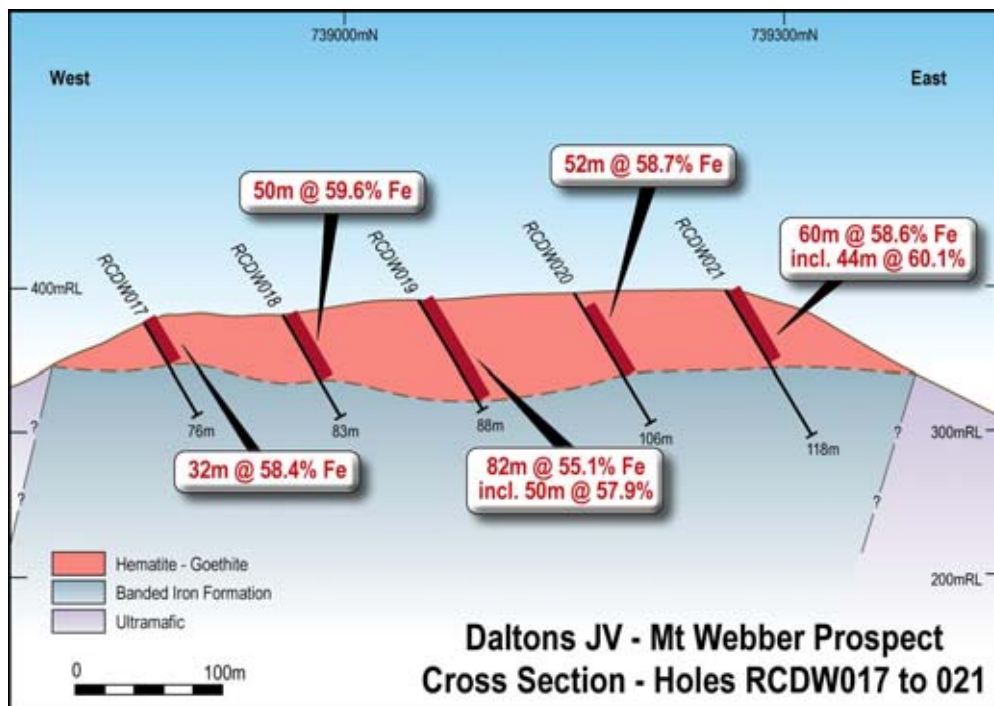
Table 1; Mt Webber PQ metallurgical diamond core drilling March 2010

Hole No	Coordinates		Dip	Depth (m)	Comment
	East	North			
RDDW004	738945	7617460	-90	30.3	Drill core awaiting compositing for testwork
RDDW006	739186	7617675	-90	31.5	Drill core awaiting compositing for testwork

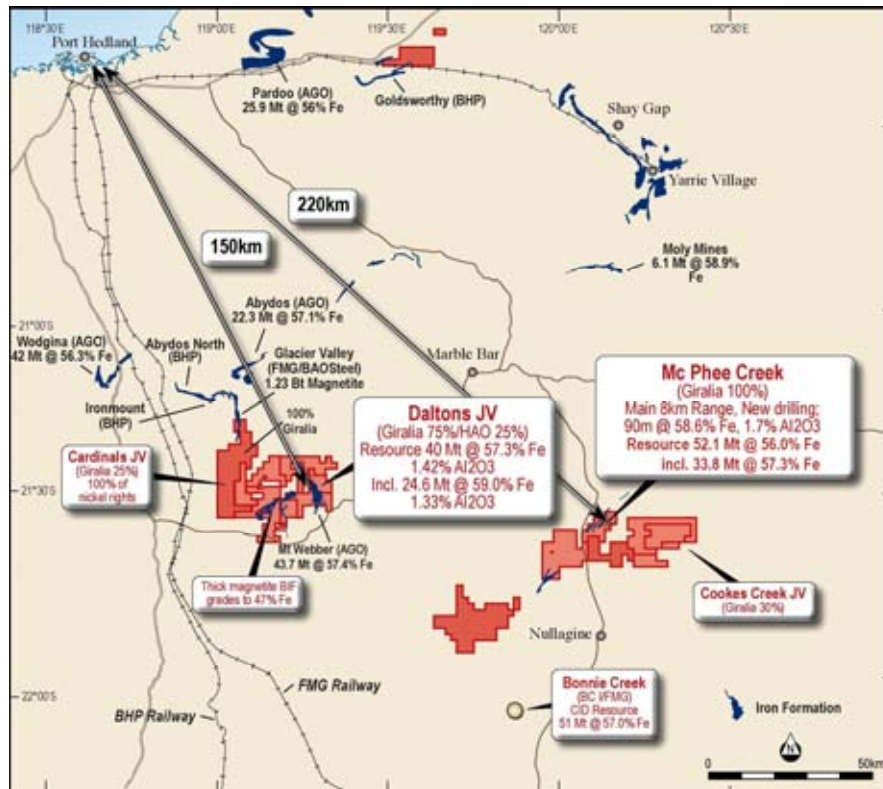
Drilling was suspended following a vehicle accident on the ramp ascending Mt Webber, and the resulting investigation led to both a review of contractor management practices, and to the construction of significantly improved access tracks.



Daltons JV Mt Webber iron ore prospect. JV tenements in Yellow



Mt Webber Cross Section



Location plan Daltons JV and McPhee Creek tenements

McPhee Creek Iron Ore Project - (Giralia 100%)

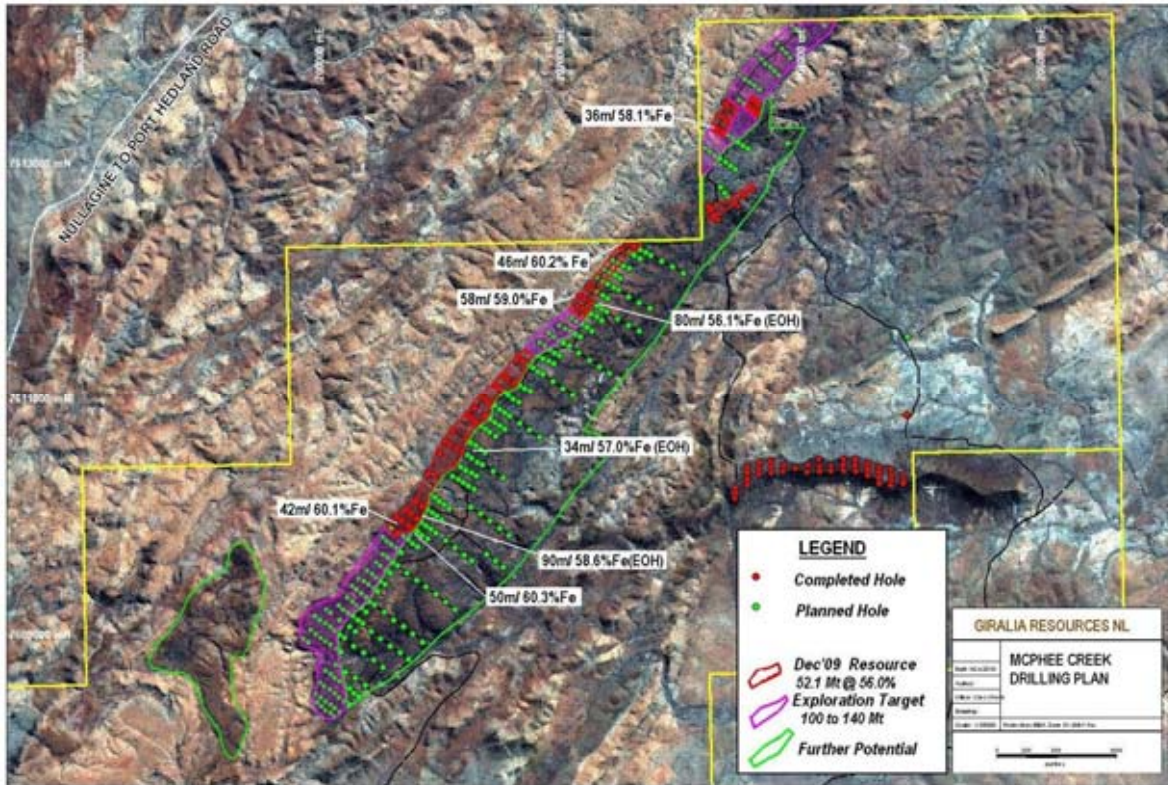
Just after the end of the March quarter a major drilling program commenced at the Company's 100% owned McPhee Creek iron ore project, located 220 kilometres south-east of Port Hedland, and around 50 kilometres north of BC Iron Limited/ FMG's Nullagine Iron Ore JV deposits in the Pilbara region of Western Australia. A total of 365 drill holes are now fully permitted at McPhee Creek. Two RC drill rigs are currently operating, and a third rig is scheduled to commence diamond drilling in May.

On 15 December 2009 the Company announced the maiden JORC Inferred Mineral Resource for the new main range discovery at McPhee Creek of **52.1 million tonnes @ 56.0%Fe (61.7% CaFe)**, at 50% Fe cut-off, including **33.8 million tonnes @ 57.3%Fe (62.9% CaFe)**, based on 71 RC holes completed to date, since discovery in September 2009.

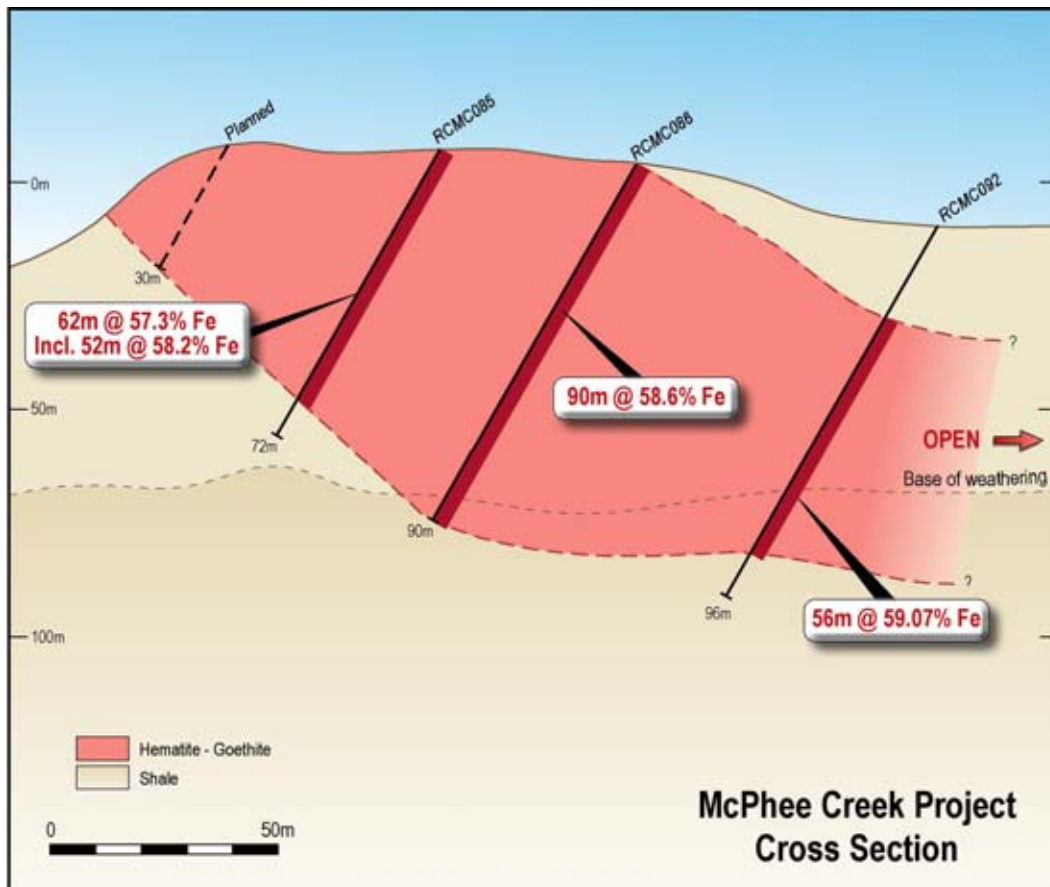
The main range deposit, which is potentially within road haulage distance of Port Hedland, comprises a shallow dipping, near-surface hematite rich zone up to 90 metres thick within an Archaean aged banded iron formation sequence.

The deposit remains open in most directions and the shallow dips indicate large tonnage potential along the range which is ~8 kilometres long and up to 1 kilometre wide. Outcropping hematite mineralisation extends south into an interpreted synclinal keel where rock sampling has returned high iron grades. The Company has established a conservative initial **Exploration Target# of 100 to 140 million tonnes** of hematite iron ore (57-60%Fe) for the main range deposit, for a ~250 metre wide zone along the western side of the range only.

Surface mapping indicates that mineralisation extends further east than the area of the Exploration Target. As the eastern most hole on most sections drilled to date is mineralised, this suggests that relatively flat lying mineralisation could extend considerably further than currently modelled.



McPhee Creek iron ore deposit, drill hole plan with planned April-May 2010 resource drilling (green dots)



McPhee Creek main range cross section

An independent Scoping Study into development options at McPhee Creek is nearing completion, with a Base Case of road haulage to Port Hedland, initially at 2 million tonnes per year.

Yerecoin Iron Ore Project – (Giralia 100%)

Resource drilling targeting the establishment of a maiden JORC compliant resource was completed during the quarter at the Company’s 100% owned Yerecoin magnetite project, located around 120 kilometres NNE of Perth in Western Australia. The Company has defined an initial Exploration Target at Yerecoin of **200 to 250 million tonnes** of magnetite mineralisation grading **30% to 35% Fe** within 1 kilometre of existing rail access.

Davis Tube Recovery (“DTR”) and grind optimisation tests indicate that mineralisation at Yerecoin has exceptionally favourable magnetic separation liberation characteristics, likely to enable a premium product at a grind size much coarser than other Western Australian magnetite projects.

The resource drilling program (59 holes/7549 metres), followed positive results announced on 9 February 2010 from an independent Scoping Study which provided detail on the various options for product specifications, production levels, capital and operating costs and port/rail planning solutions. The Scoping Study’s design basis was production at 2.5 million tonnes per year of magnetite concentrate from the mine site hauled over the existing rail networks to the Kwinana Bulk Terminal for export. Financial modeling of the most attractive alternative investigated yielded a NPV (10%) of A\$321 million and an IRR of 33.8%, with capital and operating costs estimated at A\$373.5 million and A\$55/tonne.

Initial assays and DTR results received for the first 8 holes of the resource drill-out show significant early results including; **96 metres @ 34.8%Fe (DTR 71.3%Fe, 1.0%SiO₂, 45.7% weight recovery)**, and **68 metres @ 35.7%Fe (DTR 71.4%Fe, 0.9% SiO₂, 39.6% weight recovery)**.

Table ; Yerecoin Project 2010 Drill Intersections (DTR Results >20% Fe and >20% Wt Recovery)

Hole No	Coordinates		Dip/Az	Depth (m)	Fr (m)	To (m)	Interval (m)	Fe %	DTR Fe % conc.	DTR SiO ₂ %	DTR Al ₂ O ₃ %	DTR P %	DTR S %	Weight Rec %
	East	North												
RCY024	440698	6577352	-60/N	132	20	116	96	34.8	71.3	1.0	0.08	0.003	0.004	45.7
RCY025	440700	6577300	-60/N	120	69	120 (EOH)	51	32.6	71.2	1.3	0.10	0.002	0.005	40.2
RCY027	440494	6577250	-60/N	109	33	101	68	35.7	71.4	0.9	0.10	0.003	0.004	39.6
RCY030	443845	6577096	-60/W	90	37	73	36	30.0	71.2	1.5	0.13	0.002	0.004	36.0
RCY031	443894	6577097	-60/W	150	86	150 (EOH)	64	33.2	69.6	3.8	0.17	0.002	0.004	42.2

RC prefix = reverse circulation hole, RD prefix = diamond drilled tail. RC samples 2 to 5m composites. Analyses by XRF and DTR (Davis Tube Test) Spectrolab Geraldton. Intersections quoted using >20 % Fe and >20% weight recovery. Sizing indicates approximately 95% passing 75 microns.

Following receipt of all assay and DTR results, a maiden JORC resource estimate will be completed, along with substantial additional metallurgical testwork to establish preferred product specifications, and the commencement of Pre Feasibility engineering, marketing and environmental studies.

The Company elected to initially bypass a drillout to JORC compliant resource at Yerecoin, and commissioned experienced magnetite specialists ProMet Engineers Pty Ltd (“ProMet”) to prepare a Scoping Study in order to better understand the various options for product specifications, production levels, capital and operating costs and port/rail planning solutions.

On 9 February 2010 the findings of the Scoping Study were reported to ASX. The Study’s design basis is production at 2.5 million tonnes per year of Blast Furnace (“BF”) grade concentrate (i.e. 68% Fe, <4.5% SiO₂ and nominally P₈₀ of 45 micron). Because of its excellent beneficiation characteristics, the Yerecoin mineralization does not require grinding to 45 microns to achieve BF grade, (testwork confirms a coarser grind size of P₈₀ 106 microns can achieve BF grade specifications), so a number of other processing and product specification options were able to be considered.

The main components of the Project are:

- Open Pit Mine (Contract mining assumed)
- Process plant facilities including:
 - Crushing and screening
 - High Pressure Grinding Rolls (HPGR)
 - Milling
 - Magnetic separation
 - Filtering
- Product storage
- Train loadout facilities
- Rail haulage by contract including any capital for rolling stock
- Port receipt, storage and export facilities at Kwinana provided by the Fremantle Port Authority.

The concentrate from the mine site would be hauled over existing rail networks to the Kwinana Bulk Terminal for export, or for possible sale to a potential local user of magnetite in Kwinana who has access to the rail network.

High level economic analysis indicated that the Project is viable, and scenario investigation indicates that the Project becomes more attractive if:

1. the product is changed to a coarser sinter feed blending product or a combination of both sinter and BF pellet feed; and/or
2. production capacity is increased, e.g. to 5 Mt/y.

The most attractive alternative investigated is Scenario 1 (above), which yields a NPV (10%) of A\$321 million and an IRR of 33.8% with 30% equity and 70% debt funding. The estimated capital and operating costs for Base Case and Scenario 1 with an accuracy of ±25%, and financial model results are shown below;

Table ; CAPEX, OPEX, and financial modeling results for Base Case and Scenario 1.

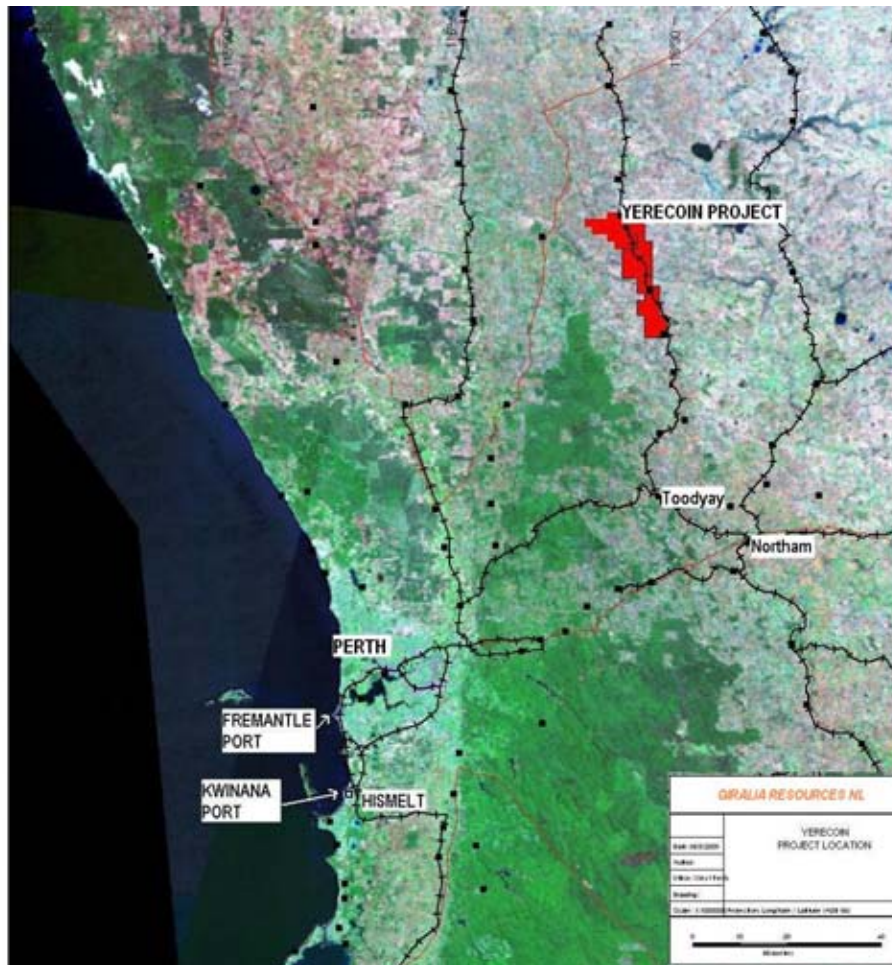
Case	Description	CAPEX	Contingency included	#OPEX \$/t	*NPV(10)	*IRR
Base Case	2.5mtpa BF pellet feed	\$415M	\$54M	\$58	\$67M	13.8%
Scenario 1	2.5mtpa sinter feed blend	\$373.5M	\$48M	\$55	\$321M	33.8%

*Notes: # Excluding Royalties, * at gearing ratio 30% equity/70% debt*

ProMet has identified potential for further upside including:

- Further increasing the size of the product to ~150 microns and hence its attractiveness as a sinter feed blend or for other users
- Improving the quality of the product to Direct Reduction (“DR”) grade, i.e. >70% Fe, to reduce the impact of export logistic charges

The implementation schedule for the Project indicates that it may be possible to achieve a first shipment of concentrate by 3rd quarter 2013 if long lead equipment is ordered prior to Project approval.



Location Plan showing existing port and rail

Western Creek Iron Ore Project – (Giralia 100%)

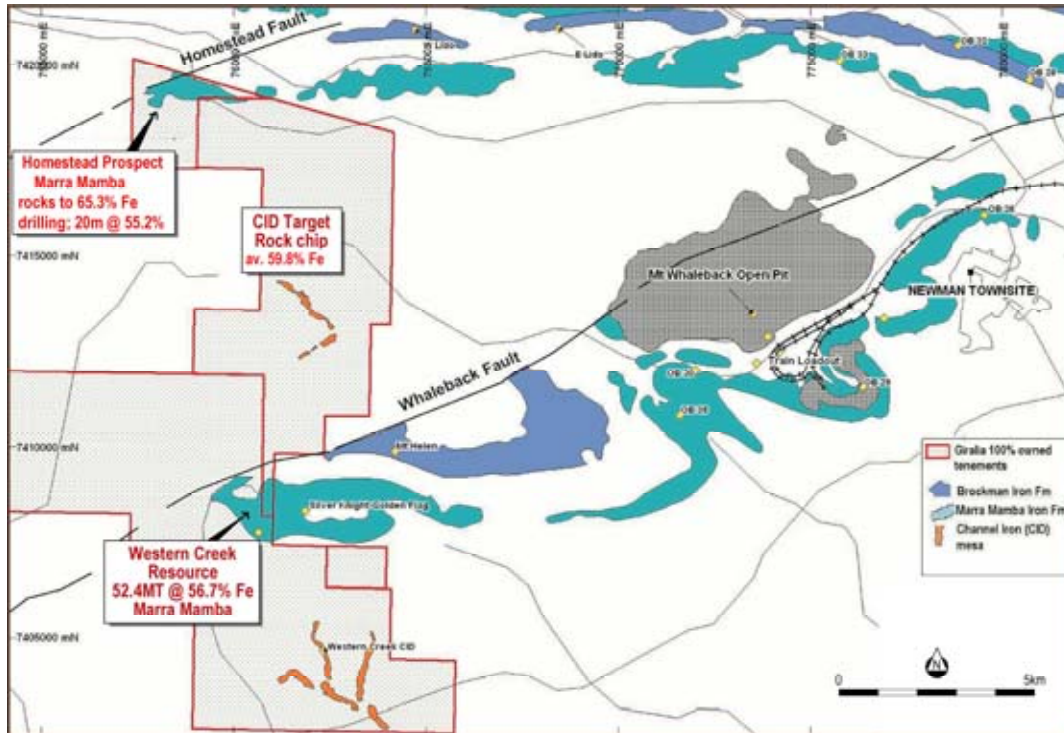
Giralia's 100% owned Western Creek tenements adjoin the BHP Billiton Mt Newman iron-ore mining leases in the Western Ridge area, around 15 kilometres west of Newman in the Pilbara region of Western Australia.

The current Inferred Mineral Resource at Western Creek of **52.4 million tonnes @ 56.7% Fe** (estimated at a lower cut-off grade of 50%Fe) includes higher grade zones of **32.6 million tonnes @ 58.3% Fe** (at a 56%Fe lower cut-off grade).

The Mineral Resource comprises thick zones of flat lying or shallow dipping iron ore mineralisation, and occurs to a maximum depth of only around 50 metres from the natural land surface, likely to result in very low waste to ore ratios. Average thickness of the shallow dipping sheet of mineralisation in the higher grade South Marra Mamba zone is approximately 30 metres, with better intersections of near surface iron ore including; **50m @ 60.4% Fe, 50m @ 58.2% Fe and 42m @ 59.1% Fe.**

A 59 hole program of RC drilling is now fully permitted, with drilling scheduled for late in the March quarter to test two new resource growth targets;

- the central Marra Mamba hill at the “Homestead” prospect around 10 kilometres north of the Western Creek Mineral Resource, where rock sampling has identified a zone of strong hematite with grades to 65.3%Fe, and
- a nearby Channel Iron Deposit (“CID”) mesa where the average of Giralia’s rock chip samples is 59.8%Fe, with less than 2% Al₂O₃



Location of Giralia’s Western Creek Project (red) near BHPBilliton’s Newman operations

Anthiby Well (Giralia 100%, subject to production royalty)

PQ diameter diamond drilling (2 holes/91.4 metres) was completed in early February 2010 at the Anthiby Well iron ore channel iron (CID) project, located around 100 kilometres west of Paraburdoo in the Pilbara Region of Western Australia. The drilling was designed to produce drill core material for beneficiation testwork to establish whether the lower grade CID mineralisation is amenable to low cost upgrading using screening.

Giralia reported an initial JORC Inferred Mineral Resource of **37.6 million tonnes @ 53.6%Fe (59.1% CaFe)** within an overall CID deposit of 63.5million tonnes @ 50.5% Fe in the March 2009 quarter at the The CID mineralisation occurs on several prominent mesas, from surface to a maximum depth of approximately 40 metres. Better drilling intersections include; **32 metres @ 55.1% Fe including 24 metres @ 56.0% Fe, 22 metres @ 56.3% Fe, and 18 metres @ 56.2% Fe.**

The Anthiby Well CID resource is well located with respect to infrastructure, around 220 kilometres by road from Onslow port, and directly adjacent to the sealed Paraburdoo to Nanutarra Highway. Subject to positive beneficiation results from metallurgical testwork now in progress the Company intends to investigate development options for the project through a Scoping Study.

Hole No	Coordinates		Dip	Depth (m)	Comment
	East	North			
RDMW001	7475810	468850	-90	41.4	Testwork in progress
RDMW002	7476000	469050	-90	50.0	Testwork in progress

Beebyn Iron Ore Project - (Giralia 100%)

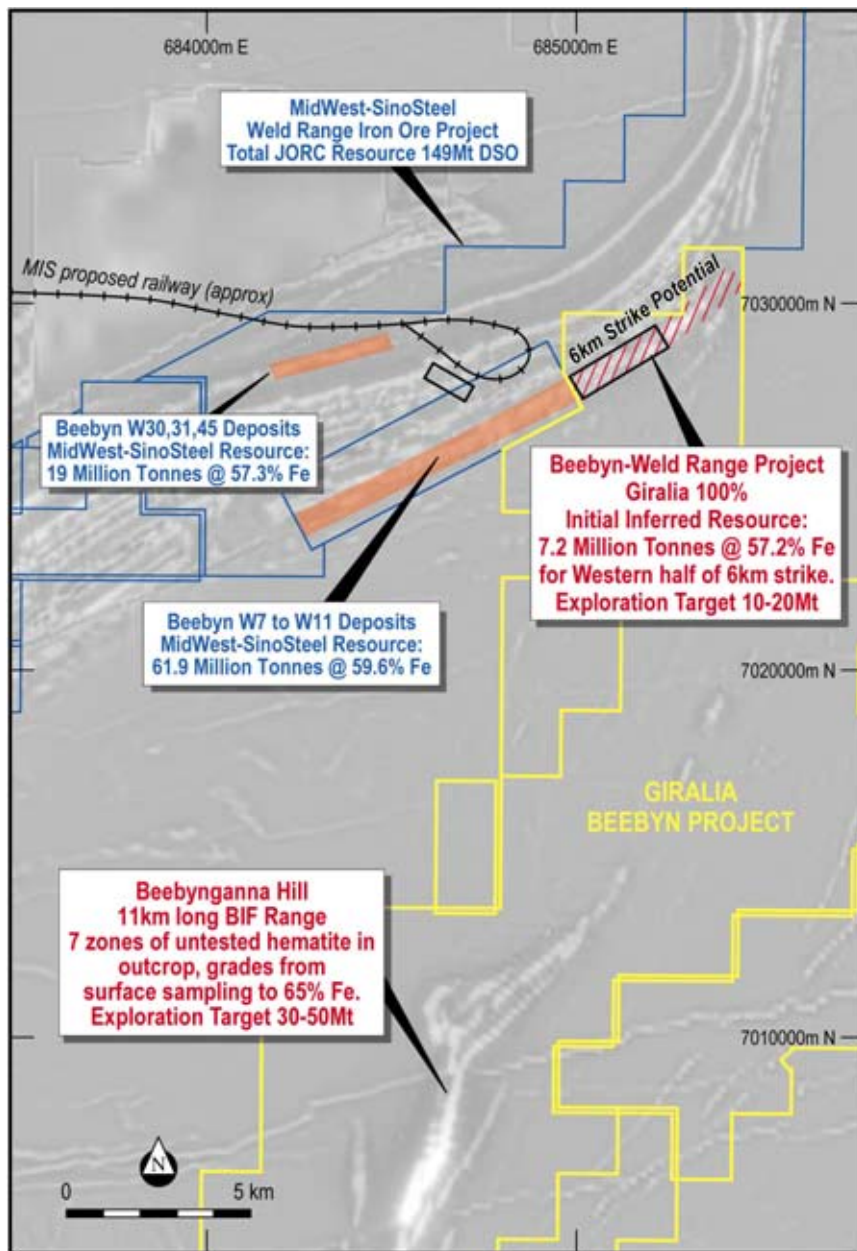
Giralia's 100% owned Beebyn project is located in the emerging MidWest iron ore province of Western Australia. Third party access rail infrastructure is proposed right to Giralia's project, which directly adjoins the Sinosteel Midwest Corporation Weld Range deposits. Two target areas for iron ore are being advanced at Beebyn; a 6 kilometre long segment of the north-eastern Weld Range, with an initial JORC Inferred Resource estimate of **7.2 million tonnes @ 57.2 % Fe** based on shallow drilling to date of around 50% of the strike, and the "Beebynganna Hills" prospect, an 11 kilometre long iron formation range located just

south of the Weld Range, where 7 previously untested outcropping zones of hematite have been discovered by Giralia geologists.

An August 2009 RC drilling program returned the best hematite intersections to date at Beebynganna Hills; **28 metres @ 59.1% Fe, and 28 metres @ 58.3%Fe, including 16 metres @ 61.1%Fe**, and confirmed hematite resource extensions on the Weld Range; **18 metres @ 61.3%Fe**.

The Company considers that a substantial magnetite target exists at Beebynganna Hills beneath lenses of high grade hematite mineralisation.

Initial DTR testwork was completed during the previous quarter to establish magnetite beneficiation characteristics. Results were positive, with the average grade of all DTR concentrates 67% Fe and 4.5% SiO₂ at 17.5% weight recovery, while for samples below 50 metres downhole depth the average weight recovery was 20.8% with a maximum weight recovery of 37% in the deepest composite tested. The banded iron formation package is over 150 metres wide on the section tested.



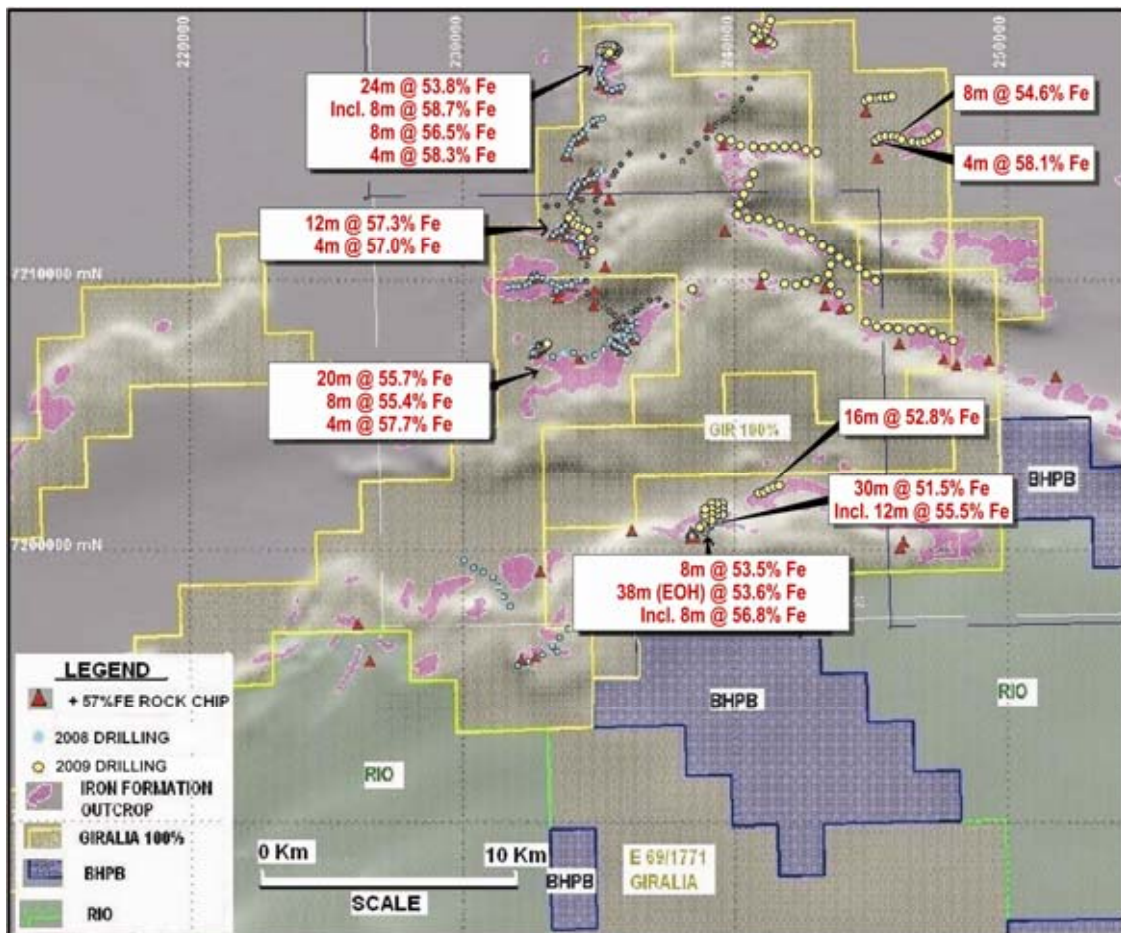
Beebyn Project locations on grey scale aeromagnetic image

Earaheedy Iron Ore Project (Giralia 100%)

Giralia's Earaheedy tenements cover 570 square kilometres, in the Miss Fairbairn Hills area of the northern Earaheedy Basin, 100 km north of Wiluna, and 200 km south of Newman in Western Australia. A small program of shallow drilling in the late 1970s by Amax Exploration (Australia) Inc. returned intersections of 22 metres @ 56.5% Fe including 14 metres @ 59.3% Fe, and 4 metres (to end of hole) @ 60.4% Fe wholly within Giralia's current tenements.

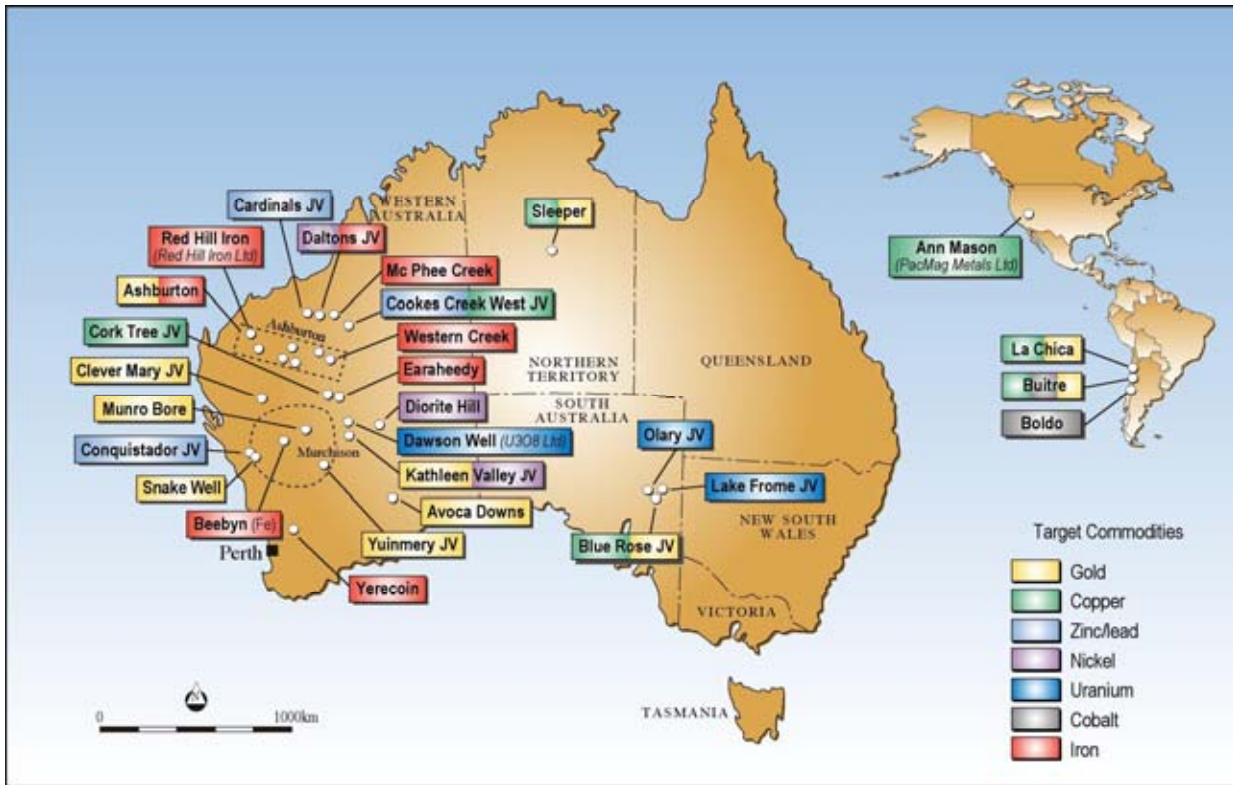
Giralia's mapping and rock sampling has confirmed high-grade outcropping hematite mineralization, and better intersections from Giralia drilling include **20 metres @ 55.7% Fe**, within an overall zone of **40 metres @ 51.6% Fe**, **24 metres @ 53.8% Fe** from surface including **8 metres @ 58.7% Fe**, **12 metres @ 57.3% Fe** from surface and **38 metres to end of hole @ 53.6% Fe**, including **8 metres @ 56.8% Fe**, **40 metres @ 50.4% Fe** (open at end of hole), **12 metres @ 55.5% Fe** within **30 metres @ 51.5% Fe**, and **4 metres @ 58.1% Fe**. Mineralisation appears to be occurring as thick, shallowly dipping, open ended sheets of bedded hematitic iron formation and shale as anticipated from surface outcrop mapping and sampling. The results confirm deep penetrative hematite enrichment of the iron formations in the Miss Fairbairn Hills, with many intersections commencing from surface.

Additionally, pisolitic and pelletal hematitic gravels were again noted flanking the hills of hematite outcrop; previous drilling of these detrital gravels in the south west hills reported by Giralia in early 2008 showed large tonnage potential and encouraging results from field screening testwork for beneficiation to DSO grades. Further beneficiation testwork is planned on the gravels, and on the thick low grade bedded hematite zones.



Earaheedy Project, grey scale aeromagnetics with Giralia tenure (yellow) showing iron formation outcrops (pink) and November 2009 drilling (yellow dots)

OTHER PROJECTS



Location Plan – Giralia Projects

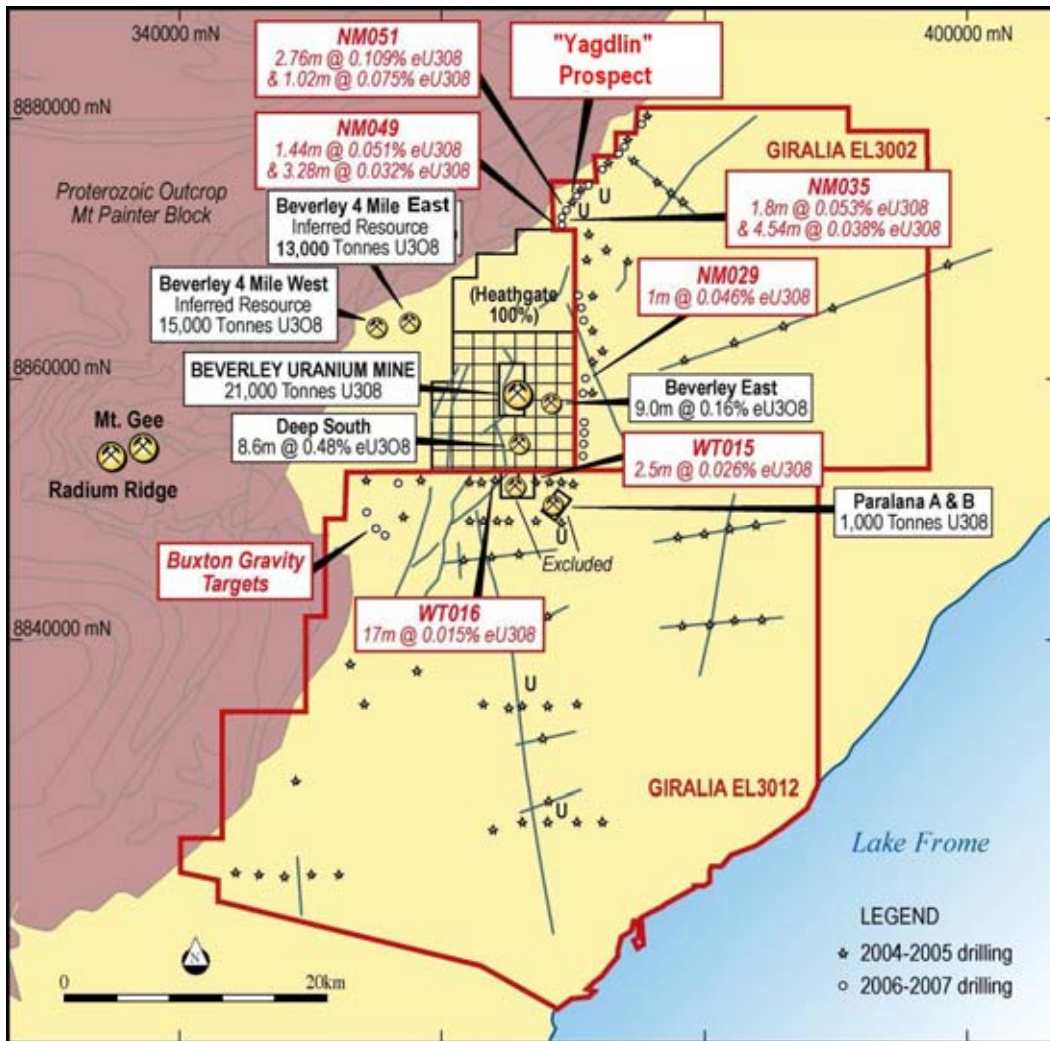
Lake Frome Joint Venture (Giralia 25% free carried, Heathgate Resources Pty Ltd 75%)

The Company's key Lake Frome Joint Venture is located adjacent to the operating Beverley in-situ leach uranium mine in South Australia, and covers around 45 kilometres of strike of the range front north and south of the new Beverley Four Mile discovery, along with the direct extensions of the Beverley East and Deep South deposits. Heathgate Resources Pty Ltd ("Heathgate"), an affiliate of the US utility General Atomic, manages a joint venture over Giralia's tenements, under which Heathgate can confirm a 75% interest by meeting all expenditure up to a decision to mine, with Giralia free carried at 25%. Heathgate has recently extended its mineral production leases at Beverley to the east and south, to now directly adjoin Giralia's tenements.

On the North Mulga tenement, several previous drill holes have reported significant intersections at the Yadglin prospect including **2.76 metres @ 0.109 % eU₃O₈**, **3.76 metres @ 0.038 % eU₃O₈**, **1.09 metres @ 0.095 % eU₃O₈**, and **0.87 metres @ 0.119 % eU₃O₈**.

Heathgate report no field activity during the quarter.

"eU₃O₈"-refers to the equivalent U₃O₈ grade as estimated from downhole gamma logging and provides a more representative sample than chemical assays due to a much larger volume of rock being measured. This method is commonly used to estimate uranium grade in drillholes where the radiation contribution from thorium and potassium is believed to be negligible. Compared to chemical assays, gamma logging also offers a vastly superior resolution, increased precision and does not suffer from contamination.



Lake Frome JV summary plan

Snake Well Gold Project (Giralia 100%)

The Company's 100% owned Snake Well gold project, located 150 kilometres north-east of Geraldton in Western Australia, has a global resource of 170,000 ounces of gold hosted in near surface laterites and quartz lode/shear zone style deposits in an undeveloped Archaean greenstone belt. Giralia's tenements cover 45 kilometres of strike of three parallel mineralised structures.

The Company continued discussions with Native Title claimants at Snake Well in order to progress the grant of key Mining Leases.

Snake Well- Conquistador Joint Venture (Zinc Co Australia Limited earning up to 75%)

The Conquistador Joint Venture has been expanded to cover most of the area of the Company's Snake Well gold project, excluding the mafic hosted Mixy, Calisi, Warren gold lode systems and the Lop and Buckshot laterite deposits. Zinc Co Australia Limited ("Zinc Co") can earn up to 75% interest, with Giralia retaining certain gold exploration rights. The JV area now covers 50 strike kilometres of volcanic rocks in the Tallering Greenstone Belt. These rocks are prospective for high unit value volcanic hosted massive sulphide (VHMS) deposits. The setting is similar to that of the world class Golden Grove VHMS deposits (Gossan Hill, Scuddles) 150 kilometres to the south east.

Diamond drilling has previously intersected mineralisation of VHMS style including; 4 metres @ 8.25% Zn, 20.5 g/t Ag, 0.53% Cu and 0.63% Pb from 88 metres and 6.7 metres @ 6.1% Zn including 2 metres @ 18% Zn from 118 metres at Conquistador, and 1 metre @ 4.90% Zn, 14.0 g/t Ag, 0.51% Cu, 0.90% Pb and 5.63

g/t Au from 154 metres, and 2.1 metres @ 2.34% Zn, 13.5 g/t Ag, 0.69 % Cu, 0.22 % Pb and 1.81 g/t Au from 131.4 metres from A-Zone.

Zinc Co reported no field activity during the quarter.

Paterson Joint Venture –Nifty Area (Giralia 33.33%, Midas Resources Limited 33.33%, MPF Exploration Pty Ltd 33.33%)

Giralia, Midas Resources Limited and MPF Exploration Pty Ltd are the applicants for the Exploration Licences 45/3498 – 3502, 45/3503 – 3505, 45/3506 – 3510, 45/3514 – 3519, 45/3540 and 45/3556 and formed the Paterson Joint Venture (“PJV”) in November 2009. Each company has a one third participating interest in the PJV. The tenements are located in the highly prospective Paterson Province, Western Australia, on strike from the Nifty Copper Mine and in a highly mineralised district that includes the Telfer Gold Mine and the Kintyre Uranium deposit.

Birla Nifty Pty Ltd (“Birla Nifty”), the owner of the Nifty Copper Mine, and the former holder of the expired exploration licences covered by the PJV’s applications has objected to all of the applications on various grounds and has also appealed to the Minister for Mines and Petroleum requesting that the Minister exercise his powers under section 111A of the Mining Act 1978 and terminate the PJV’s applications. During the Quarter both Birla Nifty and the PJV completed their respective submissions to the Minister and a decision by the Minister is now pending.

Birla Nifty and the PJV sought, and were granted, an adjournment of Warden’s Court proceedings until May 6 pending the Minister’s decision. No date is set for any decision to be made by the Minister and the Warden’s Court proceedings could be further adjourned until a decision is made by the Minister. It should be noted that if the Minister decides in favour of the PJV then the objections currently before the Warden’s Court will proceed to a hearing.

The PJV remains confident that it has complied with all of the requirements of the Mining Act 1978 in making its applications and the participants have agreed to commit \$750,000 in exploration expenditure in the first 18 months after grant, if the PJV’s applications are ultimately successful.

Cardinals Joint Venture (Zinc Co earning up to 75%, Giralia retaining nickel rights.)

The Cardinals project is a joint venture between Zinc Co Australia (“Zinc Co”) as manager (earning up to 75%) and Giralia. Giralia retains nickel rights. Cardinals is located 150 kilometres south of Port Hedland in Western Australia’s Pilbara region and covers strike extensions to the host rocks of CBH Resources Ltd’s Panorama-Sulphur Springs VHMS base metals project located 35 kilometres to the north east.

Shallow 1970’s percussion drilling at Cardinals returned an intersection of 10 metres @ 5.9% Zn, 0.94% Cu, 36 g/t Ag (including 2 metres @ 13.2% Zn) just south of a prominent gossan. Zinc Co completed 15 shallow RC drill holes at Cardinals in 2008 with intersections including 5m @ 3.9% Zn, 0.3% Pb, 0.6% Cu, 37 g/t Ag. Two diamond drill holes were completed in the September 2009 quarter to test EM anomalies south of the Cardinals gossan at depth. Best assay results were 1m @ 4.96% Zn, 0.23% Pb, 0.18% Cu, 9 ppm Ag, and 3m @ 2.59% Zn, 0.15% Pb, 0.43% Cu, 25 ppm Ag in a coarse volcanoclastic. The drilling results indicate that the massive sulphide position may have been stoped out by an ultramafic intrusion on the section drilled.

Zinc Co reported no work during the quarter.

Cookes Creek Western Extension JV (Giralia 30% free carried, Hazelwood Resources Ltd 70%)

Hazelwood Resources Ltd (Hazelwood) is earning a 70% participating interest with Giralia free carried at 30% to decision to mine in a large tenement in the Pilbara region of WA. A major HoistEM geophysical survey outlined a large conductor at the Copper Gorge prospect, and three conductors at Far West along

the Cookes Creek ultramafic sequence to the west of Hazelwood's 100% owned Anomaly Hill nickel sulphide deposit. Hazelwood has indicated its intention to conduct drill tests of conductor targets in the coming months.

Blue Rose–Olary Joint Venture – (Giralia 49% contributing, PacMag Metals Limited 51%)

The Blue Rose – Olary Joint Venture is located 300 kilometres north-east of Adelaide in South Australia. PacMag Metals Ltd ("PacMag") has earned 51% interest from Giralia in the 1500 square kilometre project. Giralia is contributing to ongoing exploration programs. Several major targets have been defined to date by the JV partners:

- The Blue Rose oxide copper deposit contains intersections such as: 46 metres @ 2.2% copper and 0.8 g/t gold from 11 metres depth, (including 28 metres @ 3.0% copper and 0.8 g/t gold). Beneath the oxide zones, drilling has intersected copper-gold-molybdenum sulphide mineralisation.
- The Netley Hill molybdenum prospect comprises a broad near surface zone of molybdenum mineralisation with drill intersections including 40 metres @ 0.05% molybdenum and 1 g/t silver from 11 metres.
- North of the Blue Rose prospect, limited previous shallow drilling at the Golden Sophia Prospect intersected near surface zones of low-grade gold mineralization including; 60m @ 0.58g/t Au (10 – 70m eoh) incl 6m @ 1.07g/t Au and 2m @ 8.4g/tAu and 30m @ 0.61g/t Au (2 – 32m), incl 5m @ 1.3 g/t Au.
- Magnetite rich units of the Braemar Iron Formation occur within the Blue Rose JV area, along strike from the Razorback Ridge target recently optioned by Royal Resources Limited (some 20km west of the Blue Rose JV tenure).

During the quarter the JV partners announced the execution of a Mineral Development Agreement ("MDA") with private group Wasco Mining Pty Ltd ("Wasco"). Under the MDA Wasco will acquire 100% of a 12 km² area covering the Blue Rose oxide copper deposit, and the rights to mine and process all mineralisation extracted.

The MDA includes a staged refund (subject to standard industry terms and conditions) of historical exploration costs to the Blue Rose joint venture by Wasco totalling \$1.95 million and a 1.5% gross revenue royalty payable to the Blue Rose JV partners on the production of metals mined from the deposit.

PacMag and Giralia intend to continue to evaluate the surrounding prospective Blue Rose and Olary leases (approximately 900 km²).

Wasco's principals have extensive experience in small to medium scale copper production in Australia as well as direct access to the Chinese copper consumption market.

Discussions continued during the quarter with interested parties in regards to the iron ore potential on the joint venture leases.

Yuinmery Joint Venture (Giralia 49% diluting, La Mancha Resources Australia Pty Ltd 51%)

La Mancha Resources Australia Pty Ltd (formerly Mines & Resources Australia Pty Ltd) reports that processing and interpretation was completed for data from a 500 line km velocity-timed electromagnetic survey ("VTEM") survey completed in late 2009 at the Yuinmery Joint Venture tenements. Several moderate to strong conductors were identified along strike from Empire Resource's Just Dessert deposit (1.07 million tonnes @ 1.8% copper 0.8 g/t gold), some of which are coincident with copper and nickel anomalies generated by recent auger drilling and by historical drilling.

Modelling of the stronger conductors in 3D is planned to confirm targets for RC drilling testing. A ground EM survey planned for June or July 2010 will focus initially on five strong anomalies.

Corktree Joint Venture (Giralia 100%, PacMag Metals Limited can earn an initial 51%)

PacMag Metals Limited reports no field activities during the quarter on the Corktree copper prospect located around 80 kilometres north of Wiluna, and 25 kilometres ESE of Sandfire Resources NL's Doolgunna copper discovery. The Corktree area has previously been explored by WMC and CRA, whose drilling returned intersections including 24 metres @ 0.22% copper, 16 metres @ 0.26% copper, and 3 metres @ 1.6% copper.

Kathleen Valley/MtHarris Joint Ventures (Giralia 13.1 -26% diluting)

Xstrata Nickel (formerly Jubilee Gold Mines NL) operates the Kathleen Valley and Mt Harris joint venture tenements north of the Cosmos nickel mine.

Xstrata report that there was no work on the nickel sulphide target at the South Ilias prospect on the Electromagnetic results show a moderate conductor which requires follow up work at an approximate depth of 100m on the east contact of the ultramafic unit.

In January 2010 geological field inspections were made to ground truth the seven anomalies generated from the regional soil survey conducted over the Kathleen Valley Intrusion. 20 Rock samples were taken to test the anomalies and were sent to ALS for analysis.

The soil survey was originally conducted to test the layered intrusive for PGE potential. Variations in geochemical values appear to reflect background values in a mafic (fractionated) lithology, and indicate that there appears to be little opportunity for PGE mineralisation. Gold and copper anomalies were also field checked and sampled. One rock sample returned an elevated gold value of 1 g/t associated with 4.76% copper, taken from an iron stained quartz vein near the historic equinox workings.

R M Joyce

29 April 2010

Director

Perth, WA

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 his information in the form and context in which it appears.

The information in the report that relates to in-situ Mineral Resources at Mt Webber and McPhee Creek main range is based on information compiled by Mr Chris Allen of CSA Global. Mr Chris Allen takes overall responsibility for the Report. He is a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Mr Chris Allen consents to the inclusion of such information in this Report in the form and context in which it appears.

The information in the report that relates to in-situ Mineral Resources at Western Creek and Anthiby Well is based on information compiled by Mr Grant Louw of CSA Global. Grant Louw takes overall responsibility for the Report. He is a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a

Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Grant Louw consents to the inclusion of such information in this Report in the form and context in which it appears.

The information in this Report that relates to in-situ Mineral Resources at Beebyn and Mc Phee Creek CID is based on information compiled by Malcolm Titley of CSA Global. Malcolm Titley takes overall responsibility for the Report. He is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Malcolm Titley consents to the inclusion of such information in this Report in the form and context in which it appears.

The information in the report that relates to the Scoping Study has been approved for release by ProMet Engineers.

** The term "Exploration Target" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. Exploration Targets are conceptual in nature, and it is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.*

GIRALIA RESOURCES NL
CONSOLIDATED STATEMENT OF CASH FLOWS
For Quarter Ended 31 March 2010

	Current Quarter \$A'000	Year to Date (9 months) \$A'000
CASH FLOWS RELATED TO OPERATING ACTIVITIES		
1.1 Receipts from product sales and related debtors		
1.2 Payments for:		
(i) exploration and evaluation	(1,118)	(3,924)
(ii) development	-	-
(iii) production	-	-
(iv) administration	(626)	(1,336)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	576	1,956
1.5 Interest and other costs of finance paid	-	-
1.6 GST & Taxation received/(paid)	104	(3,741)
1.7 Other - Office Contribution Received	-	-
NET OPERATING CASH FLOWS	<u>(1,064)</u>	<u>(7,045)</u>
CASH FLOWS RELATED TO INVESTING ACTIVITIES		
1.8 Cash paid for purchases of:		
(i) prospects	(117)	(117)
(ii) equity investments	-	(715)
(iii) other fixed assets	(42)	(42)
1.9 Cash proceeds from sale of:		
(i) prospects	93	93
(ii) equity investments	-	-
(iii) other; fixed assets	-	151
JV Contribution	129	199
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - Underwriting Fee Received	-	-
NET INVESTING CASH FLOWS	<u>63</u>	<u>(431)</u>
CASH FLOWS RELATED TO FINANCING ACTIVITIES		
1.13 Cash proceeds from sale of shares, options etc.	61	61
1.14 Proceeds from sale of investments	-	-
1.15 Repayment of borrowings	-	-
1.16 Dividends paid	-	-
1.17 Other: Capital Raising Costs	-	-
NET FINANCING CASH FLOWS	<u>61</u>	<u>61</u>
NET INCREASE(DECREASE) IN CASH HELD	<u>(940)</u>	<u>(7,415)</u>
1.18 Cash at beginning of quarter/year to date	60,727	67,202
1.19 Exchange rate adjustments to Item 1.18 above	-	-
1.20 CASH AT END OF QUARTER	<u>59,787</u>	<u>59,787</u>

PAYMENTS TO DIRECTORS OF THE ENTITY AND ASSOCIATES OF THE DIRECTORS

PAYMENTS TO RELATED ENTITIES OF THE ENTITY AND ASSOCIATES OF THE RELATED ENTITIES

	Current Quarter \$A'000
1.21 Aggregate amount of payments to the parties included in item 1.2	195
1.22 Aggregate amount of loans to the parties included in item 1.10	-
1.23 Explanation necessary for the understanding of the transactions: Management and Directors' fees paid to Directors of the Company	

NON-CASH FINANCING AND INVESTING ACTIVITIES

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows:	-
2.2 Details of outlays made by other entities to establish or increase their shares in projects in which the reporting entity has an interest:	-

FINANCING FACILITIES AVAILABLE

Provide details of used and unused loan facilities and credit standby arrangements, adding such notes as are necessary for an understanding of the position	Amount Available A\$'000	Amount Used A\$'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

ESTIMATED OUTLAYS FOR CURRENT AND FOLLOWING QUARTERS

Estimated Outlays	Current Quarter \$A'000	Following Quarter \$A'000
4.1 Exploration and evaluation	2,000	2,000
4.2 Development		
TOTAL	2,000	2,000

RECONCILIATION OF CASH

Cash at the end of the quarter as shown in the statement of cash flows is reconciled to the related items in the accounts as follows:	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	446	266
5.2 Deposits at call	59,341	60,461
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
TOTAL = CASH AT END OF QUARTER (Item 1.20)	59,787	60,727

CHANGES IN INTERESTS IN MINING TENEMENTS

	Tenement Reference	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
6.1	-	-		-
6.2	E52/2343 E52/2348 E46/802	100% 100% 100%	Nil Nil Nil	100% 100% 100%

ISSUED AND QUOTED SECURITIES AT END OF CURRENT QUARTER

Category of Securities	Number Issued	Number Quoted	Issue Price Per Security (cents)	Amount Paid Up Per Security (cents)
7.1	178,260,170	178,260,170	25	25
7.2				
(a) Increases through issues	-	-		
(b) Exercise of options	75,000	75,000	75	75
7.3				
7.4			<i>Exercise Price (cents)</i>	<i>Expiry Date</i>
Options:	1,000,000	-	14.35	29/11/2010
	1,000,000	-	19.35	29/11/2010
	550,000	-	66.60	30/06/2011
	650,000	-	98.70	30/06/2011
	1,175,000	-	73.80	30/06/2012
	500,000	-	143.80	31/12/2012
7.5	75,000	-	75.00	30/06/2012

COMPLIANCE STATEMENT

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX.
- This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 29 January 2010

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Director/Company Secretary

Print name: **B ACUTT**