

7 July 2010

ASX ANNOUNCEMENT

MAIDEN JORC RESOURCE FOR YERECOIN MAGNETITE PROJECT

- Maiden JORC reported Inferred Mineral Resource estimate completed for Giralia's 100% owned Yerecoin magnetite project;
 - Overall Resource 186.8 million tonnes @ 30.9 % Fe (70.1% Fe, 2.1% SiO₂ DTR concentrate) with weight recovery of 32.8%
 - Includes 153.4 million tonnes @ 31.1%Fe (70.6% Fe, 1.7% SiO₂ DTR concentrate) with weight recovery of 34.3%, in the northern Yerecoin area.
- Provides for +20 years of production at proposed mining rate of 7.5mtpa, and concentrate production rate of 2.5mtpa.
- Positive Scoping Study previously reported in February 2010.
- Pre-Feasibility Study will evaluate development options, mining and process engineering, product specification testwork, transport, marketing, environmental and groundwater studies.
- Key is location within 1 km of existing railway.

The Directors of Giralia Resources NL ("Giralia") are pleased to report the maiden JORC reported Mineral Resource at the Company's 100% owned Yerecoin magnetite project, located around 120 kilometres NNE of Perth in Western Australia. The key to the development of the Yerecoin project is its location within 1 kilometre of existing rail access.

Davis Tube Recovery ("DTR") and grind optimisation tests indicate that magnetite 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.

Giralia Resources - Mineral Resource Estimate – Yerecoin Magnetite Deposit as at 6 July 2010								
Deposit Area	Category	Tonnes (Mt)	Head Fe %	DTR Wt Rec %	DTR Fe Conc. %	DTR SiO ₂ %	DTR Al ₂ O ₃ %	DTR P %
Northern Area	Inferred	153.4	31.1	34.3	70.6	1.7	0.3	0.003
Southern Area	Inferred	33.3	29.6	26.2	68.0	3.7	0.7	0.007
Total	Inferred	186.8	30.9	32.8	70.1	2.1	0.4	0.004

Note: The Mineral Resource was estimated within constraining wireframe solids based on a nominal lower cut-off grade of 20% Fe head assay. The resource is quoted from blocks above the specified cut-off of 15 % DTR Weight Recovery. Differences may occur due to rounding. DTR Grind size approximately 95% passing 75 microns.

The maiden Mineral Resource estimate provides support for the Company's previously defined Exploration Target at Yerecoin (200 to 250 million tonnes grading 30% to 35% Fe). At the mining rate envisaged in the Scoping Study (7.5mtpa) this will equate to in excess of 20 years of production. Additional potential is envisaged in untested magnetic anomalies along strike.

Giralia's Chairman Graham Riley commented;

"This initial JORC resource for Giralia's Yerecoin magnetite project provides the basis for us to move forward with our development studies. Being so close to existing rail and Kwinana port, the Yerecoin magnetite project has considerable infrastructure advantages, and the deposit also has some of the best metallurgical characteristics of any existing magnetite project, which gives us the optionality to target a range of premium magnetite concentrate products."

Internationally recognised geological consultants CSA Global Pty Ltd (CSA) were commissioned by Giralia to complete the maiden Mineral Resource estimate for the Yerecoin magnetite deposit. Methodology, procedure and parameters used for the Mineral Resource estimate are detailed in the CSA summary report (Annexure 1). Delineation of this initial Mineral Resource is based on 82 reverse circulation ("RC") and diamond drill holes completed to date at Yerecoin, which returned significant results including; **96 metres @ 34.8%Fe (DTR 71.3%Fe, 1.0%SiO₂, 45.7% weight recovery), 125.1 metres @ 32.7%Fe (DTR 69.8%Fe, 2.8%SiO₂, 38.8% weight recovery), 82.8 metres @ 32.1%Fe (DTR 70.9%Fe, 1.3%SiO₂, 37.2% weight recovery), 73 metres @ 33.4%Fe (DTR 71.6%Fe, 1.6%SiO₂, 37.7% weight recovery and 68 metres @ 35.7%Fe (DTR 71.4%Fe, 0.9% SiO₂, 39.6% weight recovery).**

The Company announced positive results on 9 February 2010 from an independent Scoping Study by magnetite specialists ProMet Engineers, with a design basis of 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. The implementation schedule for the Project indicated that it may be possible to achieve a first shipment of concentrate by late 2013.

Substantial additional metallurgical testwork will now be completed to establish preferred product specifications, along with the commencement of Pre Feasibility engineering, transport, marketing, environmental and groundwater studies.

R M Joyce
DIRECTOR

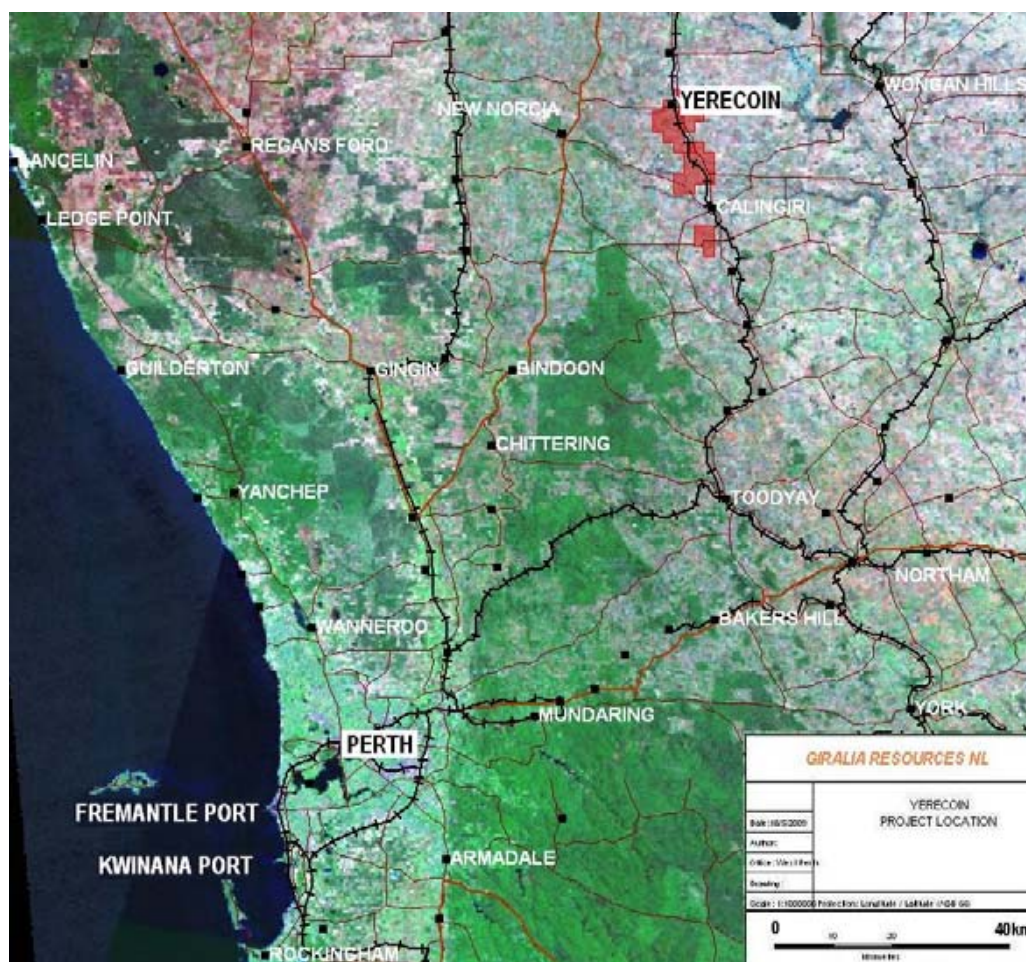


fig 1: Location Plan showing existing port and rail

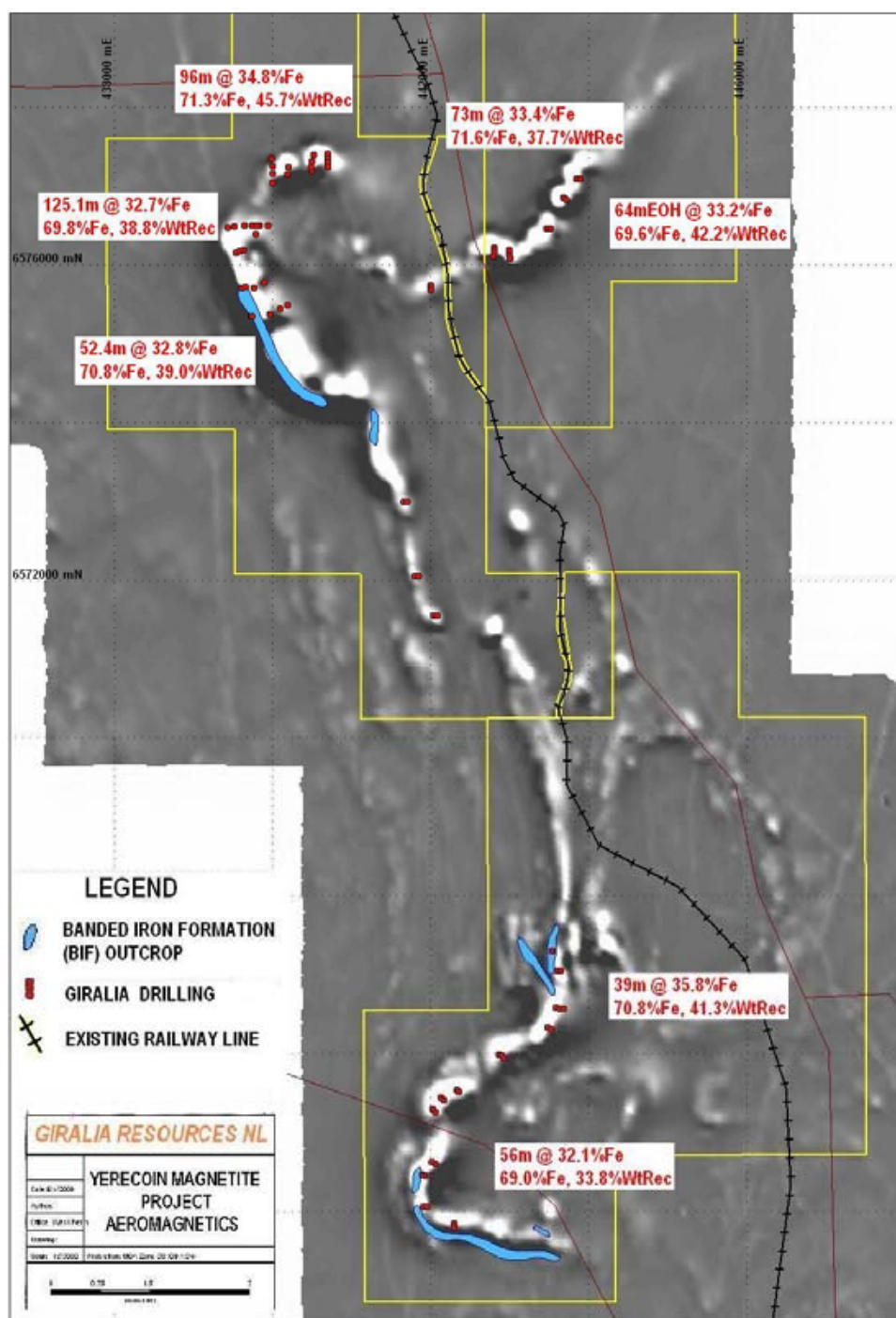


fig 2: Yerecoin drill hole locations on aeromagnetic image

* 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.

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

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 is based on information compiled by Mr Grant Louw of CSA Global. Mr 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). Mr Grant Louw consents to the inclusion of such information in this Report in the form and context in which it appears.

About Giralia Resources NL

Giralia Resources NL ("ASX: GIR") is a well funded (~\$60 million cash) mineral exploration company based in Perth, Western Australia. Giralia's iron ore projects, with a current global JORC reported resource inventory of **184.5 million tonnes** are the Company's exploration and development focus:

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

McPhee Creek (100%) – Hematite (Pilbara) – New hematite discovery 220km south east of Port Hedland. Drill intersections include 90 metres @ 58.6 % Fe, 46 metres @ 60.2% Fe. Initial Inferred Mineral Resource **52.1 million tonnes @ 56.0% Fe (61.7%CaFe)**. Additional small CID mesa nearby 5.17 million tonnes @ 53.6% Fe (60.4%CaFe).

Daltons (75%) - Hematite (Pilbara) – Newly discovered zone of hematite, 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%Al₂O₃. Initial Inferred Mineral Resource **40.0 million tonnes @ 57.3% Fe (62.3%CaFe)**. Scoping Study (Base Case of 2Mtpa mining and road haulage to Port Hedland, targeting production by 2nd quarter 2011) found an **NPV(10%) of A\$170 million, IRR of 53.9%**.

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

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 new zones of both hematite and magnetite have been discovered.

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.

Yerecoin – Magnetite (150 km from Perth) – 1 km to railway. Initial drilling; 72 metres @ 32.4%Fe, 52.4 metres @ 31.6 %Fe. Coarse magnetite; excellent DTR testwork. Exploration Target 200-250million tonnes @ 30 to 35%Fe.

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
U3O8 Limited	UTO	uranium	~15%
Zinc Co Australia Limited	ZNC	zinc	~12%
Carpentaria Exploration Limited	CAP	NSW, Qld	~10%
Gascoyne Resources Limited	GCY	gold	~5.9%
Hazelwood Resources Ltd	HAZ	nickel, tungsten	~3.3%
Entrée Gold	ETG-(TSX)	copper	~1%

ABN 67 077 165 532

Level 1, 47 Burswood Road
Burswood WA 6100
AUSTRALIA

PO Box 139
Burswood WA 6100
AUSTRALIA

Phone: +61 8 9355 1677

Fax: +61 8 9355 1977

Email: csaaus@csaglobal.com



MEMORANDUM

To: Julian Goldsworthy
Date: July 7, 2010
From: Grant Louw
Re: Yerecoin Magnetite Mineral Resource estimate, Technical Summary.

Giralia Resources NL, Yerecoin Magnetite Project Mineral Resource Estimate.

CSA Global Pty Ltd (CSA) was engaged by Giralia Resources NL (Giralia) to complete a Mineral Resource estimate for magnetite iron mineralisation in the 100% Giralia owned Yerecoin Magnetite project. The modelled mineralisation consists of a series of generally steeply dipping, partially folded Banded Iron Formation (BIF) lenses, within an Archaean BIF sequence. The project area is divided into southern and northern zones with a number of lenses in each zone. The Mineral Resource estimate is based on the results obtained from 82 drillholes, consisting of 73 Reverse Circulation (RC), and 9 Diamond drill holes.

The Mineral Resource estimate for the modelled mineralised zones in the Yerecoin magnetite project area is classified as Inferred. This is based on confidence in the geological interpretation and continuity from the results of the drilling campaign, aeromagnetic anomalies and surface mapping. The results of the Mineral Resource estimate for the Yerecoin Magnetite South and North deposits are tabulated in Table 1.

Table 1 Mineral Resource estimate results for the Yerecoin Magnetite project area.

Giralia Resources - Yerecoin Magnetite Project - Mineral Resource Estimate as at July 2010								
Deposit Area	Category	Tonnes (Mt)	Head Fe %	DTR Wt Rec %	Cons Fe %	Cons SiO₂ %	Cons Al₂O₃ %	Cons P%
North	Inferred	153.4	31.1	34.3	70.6	1.7	0.3	0.003
South	Inferred	33.3	29.6	26.2	68.0	3.7	0.7	0.007
Combined	Inferred	186.8	30.9	32.8	70.1	2.1	0.4	0.004

Note: The Mineral Resource was estimated within constraining wireframe solids based on a nominal lower cut-off grade of 20% Fe head assay. The resource is quoted from blocks above the specified cut-off of 15 % DTR Weight Recovery. Differences may occur due to rounding. DTR grind size approximately 95% passing 75 microns.

The Mineral Resource estimate for the Yerecoin Magnetite deposits completed by CSA is based on:

- Giralia supplied all geological and sampling data and provided technical and geological support to CSA during the resource modelling process.
- CSA imported the supplied drill hole data to Datamine Studio 3 software with no truncation of co-ordinates and carried out the modelling in the Datamine extended precision environment.
- Wireframe solids were generated based on the sectional interpretations provided by Giralia to delineate the zones of magnetite Fe mineralisation in the northern and southern areas. A nominal lower Fe head grade cut-off of 20 % in conjunction with a nominal lower DTR cut-off of 15% was used to define the mineralised envelopes within the unweathered BIF horizons.
- Figure 1 demonstrates the outlines of the modelled mineralised zones.

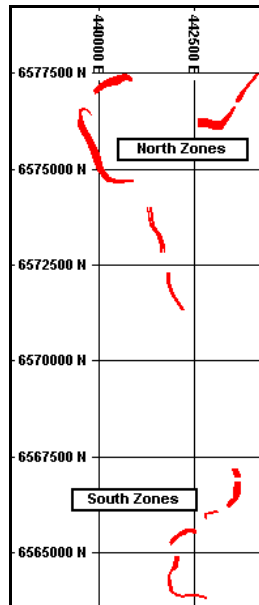


Figure 1 Plan showing extents of the modelled mineralised zones.

- Drill hole samples were flagged according to mineralised zone based on the constructed wireframes.
- The majority of samples are 4m long. Downhole compositing within the mineralisation envelopes to 4m for the grade estimation had a very small effect on the grade variables.
- Statistical analysis of the mineralised zone samples was completed for all samples together and then for the northern and southern zones separately. The northern zones have a slightly higher Fe head grade and DTR weight recovery than the southern zones.
- Top or bottom cuts were applied to the grade variables based on a detailed statistical analysis, to avoid potential estimation bias associated with outlier values.
- Variograms were modelled for DTR, Fe Head, Fe Concentrate, SiO₂ Head, SiO₂ Concentrate, P Head and P Concentrate for the northern and southern zones. Due to fairly low sample numbers and somewhat variable strike in the two zones the experimental variograms were very poor. The downhole nugget and approximate ranges were used to create model variograms for interpolation.
- A volume block model was constructed, with blocks coded based on the wireframes in a similar fashion to the drill hole samples.
- The block models used parent block sizes of 40m x 40m x 8m (X x Y x Z) with subcells down to 2m x 2m x 2m.
- Ordinary Kriging (OK) was used to estimate the grades into the parent blocks for all grade variables. An Inverse Distance to the power of 2 (IDS) estimate also used as part of the cross check validations of the OK grades for all grade variables.
- In order to accommodate the variable strike and dip, six different search ellipses and model variograms were used in the grade estimation. These were orientated based on the geometry of the modelled mineralisation within six separate estimation domains, with soft boundaries being used between domains.
- A minimum of 15 samples and a maximum of 36 samples were used to estimate the sample grades into each block. For blocks not estimated in the first pass, the second pass doubled the search ellipse. Finally a third pass with the search ellipse increased ten fold, and the minimum number of samples reduced to 8 ensured all blocks found sufficient samples to be estimated.
- A maximum of 7 samples from any one drill hole were used per block estimate, with cell discretisation of 3 x 3 x 1 (X x Y x Z), and no octant based searching utilised.
- The results of the grade estimation were validated by means of visual comparison along sections, statistical analysis and trend plots comparing the estimated block grades and the drill hole sampling.
- A density of 3.4 t/m³ was applied to the mineralised zones based on results obtained from measurements taken from core samples from within the mineralised zone.
- The Mineral Resource was classified as Inferred, based on current drill coverage and confidence in geological and grade continuity. Additional work including closer spaced drilling is required to bring the Mineral Resource up to a higher classification for mining studies to be undertaken.

- DTR grade-tonnage curve data is presented in Tables 2 and 3 and Figures 2 and 3 for the Northern and Southern areas respectively.

Table 2 Grade Tonnage Yerecoin Magnetite project Northern Area

Giralia Resources - Yerecoin Magnetite Project - North Area Interpreted Mineralised Zones June 2010										
DTR % Cut	Volume	Tonnes	DTR %	FE_C %	FE_HEAD %	P_C %	SiO ₂ _C%	Al ₂ O ₃ _C%	LOI_C %	S_C %
40	8,310,000	28,260,000	42.0	70.8	33.8	0.003	1.7	0.2	-3.2	0.01
37	17,840,000	60,650,000	40.2	70.8	33.2	0.003	1.7	0.2	-3.2	0.02
35	22,790,000	77,500,000	39.3	70.7	32.8	0.003	1.7	0.2	-3.2	0.02
34	24,720,000	84,050,000	39.0	70.7	32.6	0.003	1.8	0.3	-3.2	0.02
33	26,210,000	89,110,000	38.6	70.7	32.5	0.003	1.8	0.3	-3.2	0.02
32	27,560,000	93,690,000	38.3	70.7	32.4	0.003	1.8	0.3	-3.2	0.02
31	30,460,000	103,580,000	37.7	70.6	32.3	0.003	1.8	0.3	-3.2	0.02
30	32,120,000	109,220,000	37.3	70.6	32.2	0.003	1.7	0.3	-3.2	0.02
29	33,770,000	114,820,000	36.9	70.6	32.0	0.003	1.7	0.3	-3.2	0.02
28	36,100,000	122,600,000	36.4	70.6	31.8	0.003	1.7	0.3	-3.1	0.03
27	39,000,000	132,500,000	35.7	70.6	31.6	0.003	1.7	0.3	-3.1	0.04
26	41,600,000	141,400,000	35.2	70.6	31.5	0.003	1.7	0.3	-3.1	0.05
25	43,000,000	146,200,000	34.8	70.6	31.3	0.003	1.7	0.3	-3.1	0.05
24	43,700,000	148,700,000	34.7	70.6	31.3	0.003	1.7	0.3	-3.1	0.05
23	44,200,000	150,200,000	34.6	70.6	31.2	0.003	1.7	0.3	-3.1	0.05
22	44,400,000	151,100,000	34.5	70.6	31.2	0.003	1.7	0.3	-3.1	0.05
21	44,600,000	151,700,000	34.4	70.6	31.2	0.003	1.7	0.3	-3.1	0.05
20	44,800,000	152,400,000	34.4	70.6	31.2	0.003	1.7	0.3	-3.1	0.05
15	45,100,000	153,400,000	34.3	70.6	31.1	0.003	1.7	0.3	-3.1	0.05
10	45,200,000	153,600,000	34.2	70.6	31.1	0.003	1.7	0.3	-3.1	0.05
5	45,200,000	153,600,000	34.2	70.6	31.1	0.003	1.7	0.3	-3.1	0.05
0	45,200,000	153,600,000	34.2	70.6	31.1	0.003	1.7	0.3	-3.1	0.05

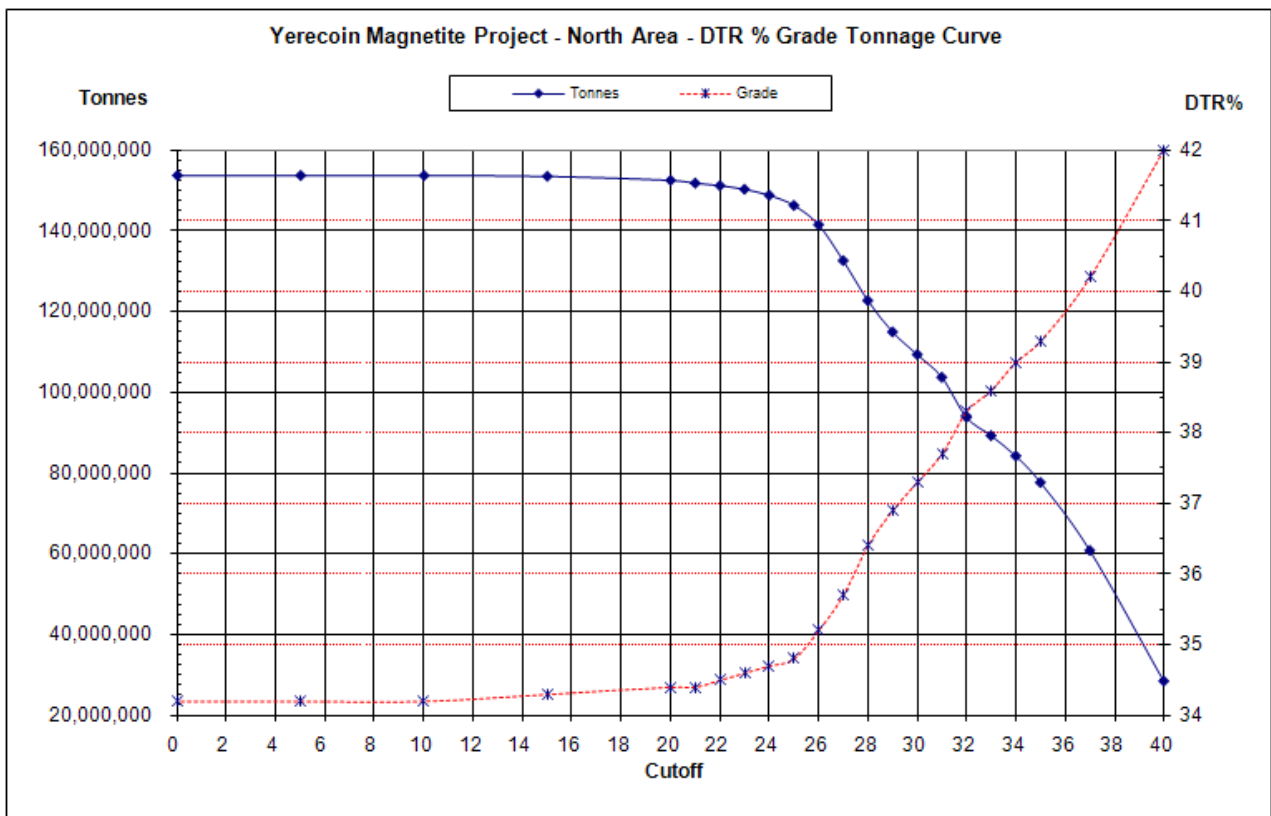


Figure 2 Fe Grade Tonnage curve for Yerecoin Magnetite project Northern Area

Table 3 Grade Tonnage Yerecoin Magnetite project Southern Area

Giralia Resources - Yerecoin Magnetite Project - South Interpreted Mineralised Zones June 2010										
DTR % Cut	Volume	Tonnes	DTR %	FE_C %	FE_HEAD %	P_C %	SIO ₂ _C %	AL ₂ O ₃ _C %	LOI_C %	S_C %
40	110,000	370,000	44.1	70.8	36.8	0.005	1.2	0.2	-3.1	0.06
37	310,000	1,040,000	40.1	70.7	34.7	0.004	1.4	0.3	-3.1	0.09
35	710,000	2,430,000	37.8	70.7	34.0	0.004	1.5	0.3	-3.1	0.07
34	850,000	2,890,000	37.3	70.6	33.8	0.004	1.5	0.3	-3.1	0.07
33	1,020,000	3,480,000	36.6	70.6	33.5	0.004	1.5	0.3	-3.0	0.07
32	1,190,000	4,040,000	36.1	70.5	33.1	0.004	1.6	0.3	-3.0	0.08
31	1,390,000	4,710,000	35.4	70.4	32.9	0.004	1.7	0.3	-3.0	0.14
30	2,080,000	7,070,000	33.8	69.4	32.4	0.005	2.4	0.5	-2.8	0.50
29	2,750,000	9,350,000	32.7	68.8	32.0	0.006	2.9	0.6	-2.7	0.66
28	3,200,000	10,900,000	32.1	68.5	31.7	0.006	3.1	0.7	-2.7	0.70
27	3,900,000	13,200,000	31.3	68.2	31.4	0.007	3.4	0.7	-2.7	0.69
26	4,500,000	15,100,000	30.7	68.0	31.1	0.007	3.6	0.8	-2.7	0.66
25	5,300,000	17,900,000	29.9	67.9	30.8	0.007	3.7	0.8	-2.7	0.67
24	6,300,000	21,500,000	29.0	68.0	30.6	0.007	3.7	0.8	-2.7	0.66
23	7,100,000	24,100,000	28.4	68.0	30.4	0.007	3.6	0.7	-2.7	0.66
22	7,800,000	26,600,000	27.9	68.1	30.3	0.007	3.6	0.7	-2.7	0.66
21	8,300,000	28,100,000	27.5	68.1	30.2	0.007	3.6	0.7	-2.7	0.66
20	8,600,000	29,300,000	27.2	68.1	30.1	0.007	3.6	0.7	-2.7	0.68
15	9,800,000	33,300,000	26.2	68.0	29.6	0.007	3.7	0.7	-2.7	0.70
10	10,400,000	35,400,000	25.4	67.9	29.4	0.008	3.8	0.7	-2.7	0.75
5	10,400,000	35,500,000	25.4	67.9	29.3	0.008	3.8	0.7	-2.7	0.74
0	10,400,000	35,500,000	25.4	67.9	29.3	0.008	3.8	0.7	-2.7	0.74

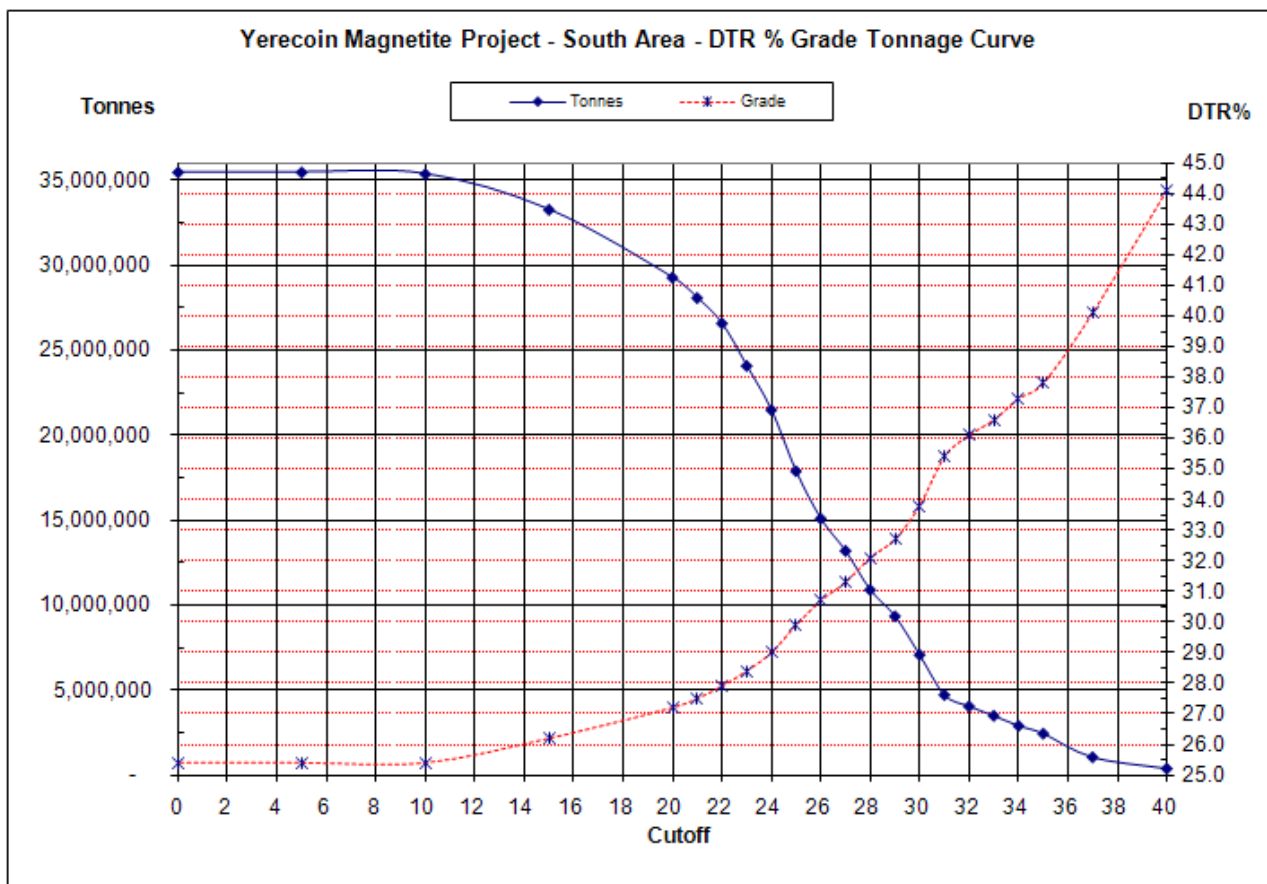


Figure 3 Fe Grade Tonnage curve for Yerecoin Magnetite project Southern Area

The information in this Report that relates to in-situ Mineral Resources is based on information compiled by 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.