

24 August 2010

ASX ANNOUNCEMENT

STRONG DSO RESULTS FROM HOMESTEAD PROSPECT AT WESTERN CREEK

- **Strong new DSO results returned from a 59 hole RC drilling program completed in July at Homestead Marra Mamba prospect at Giralia's 100% owned Western Creek project;**
 - **42 metres @ 59.1% Fe from 6 metres**
 - **24 metres @ 61.7% Fe from 10 metres**
 - **58 metres @ 57.9% Fe from 52 metres**
- **Significant hematite mineralisation now intersected over 1.6 kilometres strike.**
- **The Homestead deposit is 10 kilometres north of Giralia's current 52.4 million tonne Marra Mamba resource at Western Creek, located only 15 kilometres from railway and train loading facilities at Newman.**
- **Increase to Western Creek project resource likely.**

The Directors of Giralia Resources NL ("Giralia") report strong results from recent drilling at the Company's 100% owned Western Creek iron ore project. Giralia's Western Creek tenements adjoin BHP Billiton Limited's Newman iron-ore mining leases in the Western Ridge area only 15 kilometres from railway and train loading facilities at Newman, in the Pilbara Region of Western Australia.

Giralia has outlined an Inferred Mineral Resource of **52.4 million tonnes @ 56.7% Fe** as a direct extension of BHP Billiton's adjoining Silver Knight-Golden Flag deposit. This global resource includes a higher grade zone of **32.6 million tonnes @ 58.3% Fe** (at a 56% Fe lower cut-off grade), with the deposit comprising thick zones of near surface Marra Mamba iron ore including; 50 metres @ 58.2% Fe, 50 metres @ 60.4% Fe and 42 metres @ 59.1% Fe.

Additional targets defined on the Western Creek tenements include the Homestead prospect, located around 10 kilometres north of the Company's current JORC resource, where another area of Marra Mamba Formation outcrop has been mapped, along strike from known Rio Tinto held hematite iron ore deposits along the Music Hall line on the Ophthalmia Range. Results from Giralia's initial 22 hole December 2008 drilling program at the Homestead prospect included 20 metres @ 55.2% Fe, 14 metres @ 55.5% Fe and 8 metres (EOH) @ 56.1% Fe in the Marra Mamba Formation. Limited previous drilling by Pacminex in 1975 intersected up to 16 metres @ 56.2% Fe in the Marra Mamba Formation.

A follow up RC drilling program completed in July 2010 at the Homestead Marra Mamba prospect and a nearby channel iron mesa (CID) comprised 59 holes/ 2480 metres. Better intersections from the drilling program include **42 metres @ 59.1% Fe, 0.06% P, and 2.0% Al₂O₃, 24 metres @ 61.7% Fe, 0.06% P, 1.8% Al₂O₃ and 58 metres @ 57.9% Fe** in the Marra Mamba Formation (see Table 1). Results from testing of the CID mesa returned relatively thin near surface intersections including 0 to 8 metres @ 55.4%Fe, and 0 to 6 metres @ 56.4%Fe.

The Marra Mamba mineralisation at Homestead has now been traced over around 1.6 kilometres strike, and looks likely to add substantially to the current Western Creek project JORC resource. A further drilling program to extend and infill the Marra Mamba mineralisation is planned prior to resource estimation.

R M Joyce
DIRECTOR

Table 1; Western Creek July 2010 RC Drilling Results > 4metres @ 50%Fe

Hole No	Coordinates East North		Dip / Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	CaFe %	P %	SiO2 %	Al2O3 %	LOI %
CID prospect													
RCHC028	762090	7413460	90/	18	0	4	4	51.9	56.5	0.04	9.8	6.5	8.3
RCHC029	762158	7413490	90/0	24	0	6	6	56.4	61.7	0.03	7.1	4.2	8.5
RCHC030	762228	7413400	90/0	24	0	4	4	55.2	60.0	0.03	7.0	5.0	7.9
RCHC031	762320	7413425	90/0	24	0	4	4	52.0	57.0	0.03	9.0	6.9	8.7
RCHC032	762423	7413339	90/0	24	0	4	4	54.1	59.5	0.03	7.1	5.5	8.9
RCHC033	762476	7413220	90/0	24	2	6	4	53.2	58.9	0.03	8.4	5.8	9.8
RCHC034	762522	7413145	90/0	18	0	6	6	51.0	56.3	0.03	9.2	6.4	9.5
RCHC041	761387	7414285	90/0	18	0	4	4	55.1	58.0	0.03	8.6	6.6	5.0
RCHC056	762568	7412857	90/0	18	0	8	8	55.4	61.1	0.03	6.2	4.8	9.3
RCHC057	762575	7412784	90/0	17	0	6	6	55.0	60.9	0.03	6.4	4.5	9.8
RCHC058	762465	7412803	90/0	18	0	6	6	53.6	59.2	0.03	7.0	5.3	9.5
RCHC059	762460	7412738	90/0	17	0	4	4	52.7	59.3	0.03	6.3	5.0	11.1
RCHC060	762340	7412703	90/0	17	0	4	4	55.3	60.6	0.03	5.7	5.1	8.7
RCHC061	762341	7412775	90/0	18	4	10	6	52.3	58.9	0.03	7.4	4.7	11.1
RCHC063	761820	7412440	90/0	18	0	6	6	52.7	57.4	0.03	9.0	6.0	8.2
Homestead Marra Mamba Prospect													
RCHC065	759492	7419445	60/006	150	82	88	6	53.2	56.3	0.02	7.8	3.1	5.6
RCHC067	759231	7419432	60/004	126	92	94	4	50.6	56.5	0.02	7.9	2.2	10.4
RCHC068	759228	7419356	60/001	132	48	62	14	56.5	61.3	0.10	9.0	1.9	7.9
				and	74	84	10	52.4	57.1	0.07	13.5	3.1	8.2
				and	124	132	8(EOH)	56.8	62.1	0.11	8.5	1.0	8.5
RCHC070	758992	7419461	60/003	126	32	36	4	56.6	62.9	0.02	3.3	4.6	10.1
				and	52	110	58	57.9	62.4	0.06	5.2	4.3	7.2
				incl.	52	96	44	59.1	63.2	0.04	4.7	4.0	6.5
				and	100	110	10	58.7	64.5	0.11	3.4	3.3	9.0
RCHC071	758996	7419378	60/000	102	24	54	30	54.8	60.9	0.04	6.2	4.5	10.1
				incl.	32	54	22	55.8	61.9	0.04	5.9	4.0	9.9
				and	72	78	6	57.1	62.7	0.08	7.7	1.5	8.9
RCHC072	758805	7419386	60/002	90	6	48	42	53.8	59.1	0.07	10.3	2.6	8.9
				incl.	8	20	12	55.8	61.3	0.06	8.0	2.7	9.1
				and	30	46	16	57.4	63.3	0.08	4.3	2.4	9.4
RCHC073	758805	7419328	60/000	78	0	6	6	52.3	57.6	0.07	11.0	3.9	9.3
RCHC074	758728	7419295	50/003	72	4	8	4	57.0	60.5	0.04	9.0	3.5	5.7
RCHC075	758687	7419281	50/355	66	2	6	4	54.6	58.7	0.04	11.8	2.6	7.0
RCHC076	758622	7419260	50/003	66	6	26	20	54.8	60.4	0.05	8.0	3.4	9.3
				incl.	10	24	14	55.8	61.8	0.05	5.9	3.7	9.8
RCHC077	758487	7419228	50/003	72	6	48	42	59.1	62.9	0.06	7.3	2.0	6.0
				incl.	6	16	10	62.9	66.2	0.05	3.5	2.1	5.0
				and	36	48	12	61.7	66.3	0.05	3.1	1.3	7.0
RCHC078	758384	7419234	50/000	77	10	34	24	61.7	66.3	0.06	3.0	1.8	7.0
RCHC079	758273	7419211	50/005	60	0	20	20	56.5	61.7	0.06	4.7	1.6	8.5
				incl.	4	18	14	58.3	63.6	0.06	3.0	1.5	8.3
RCHC080	758267	7419154	50/000	79	0	6	6	50.6	55.5	0.06	12.3	3.6	8.8
				and	14	24	10	51.2	57.0	0.07	9.6	4.3	10.3
RCHC081	758367	7419138	50/004	78	0	12	12	54.6	60.0	0.07	7.0	3.0	8.9
				and	26	38	12	55.0	61.3	0.04	6.4	2.9	10.3
				incl.	28	36	8	56.5	63.0	0.05	4.5	2.5	10.3

RC drill samples collected as 2 metre riffle split composites. Intersections quoted using lower cut-offs of 50% and 55% Fe. Up to 6 metres included material below cut-off. All coordinates in MGA Zone 50 GDA 94, by hand held GPS ($\pm 5m$). XRF analyses by Spectrolab Laboratory Geraldton. EOH = open at end of hole. 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.

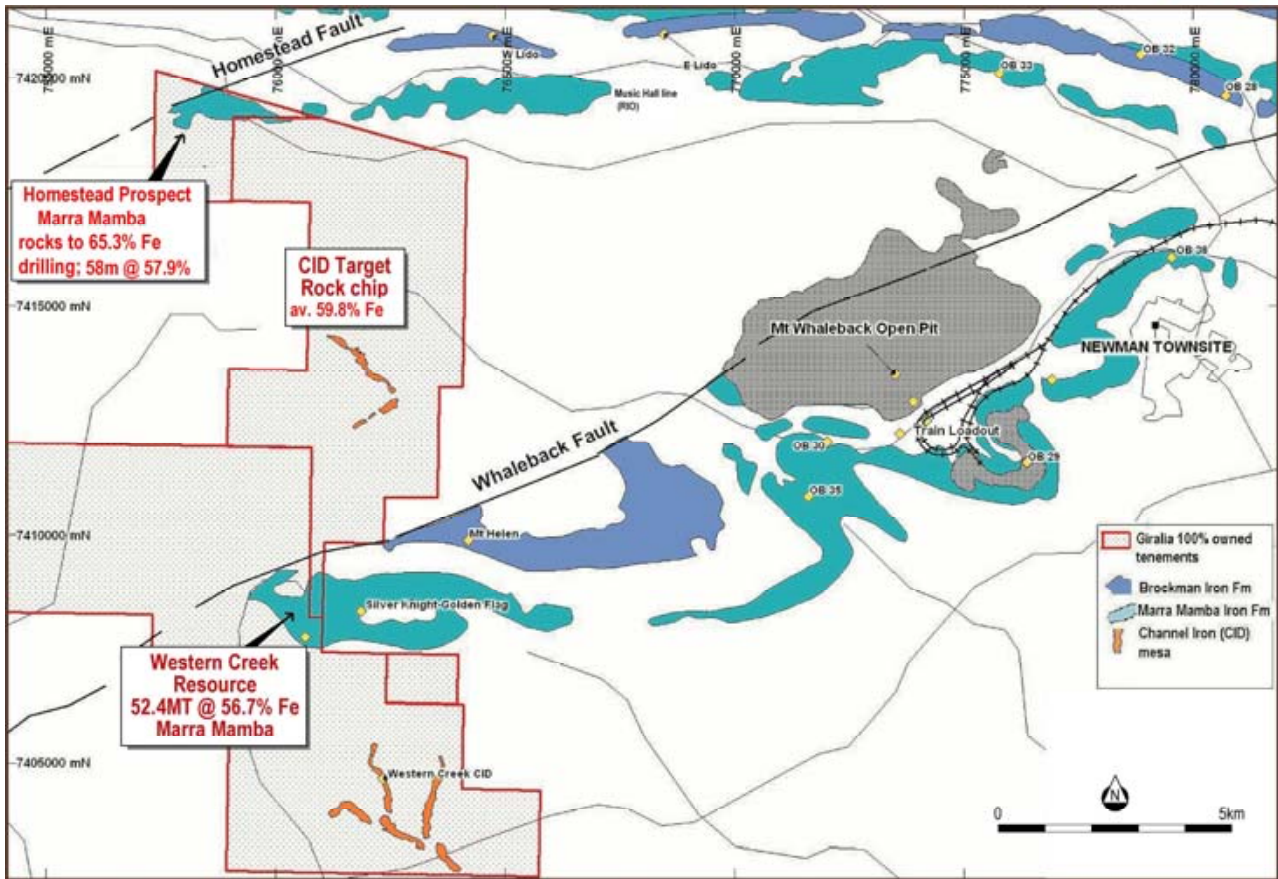


Fig 1; Location of Giralia's Western Creek Project (red) near BHPBilliton's Newman operations.

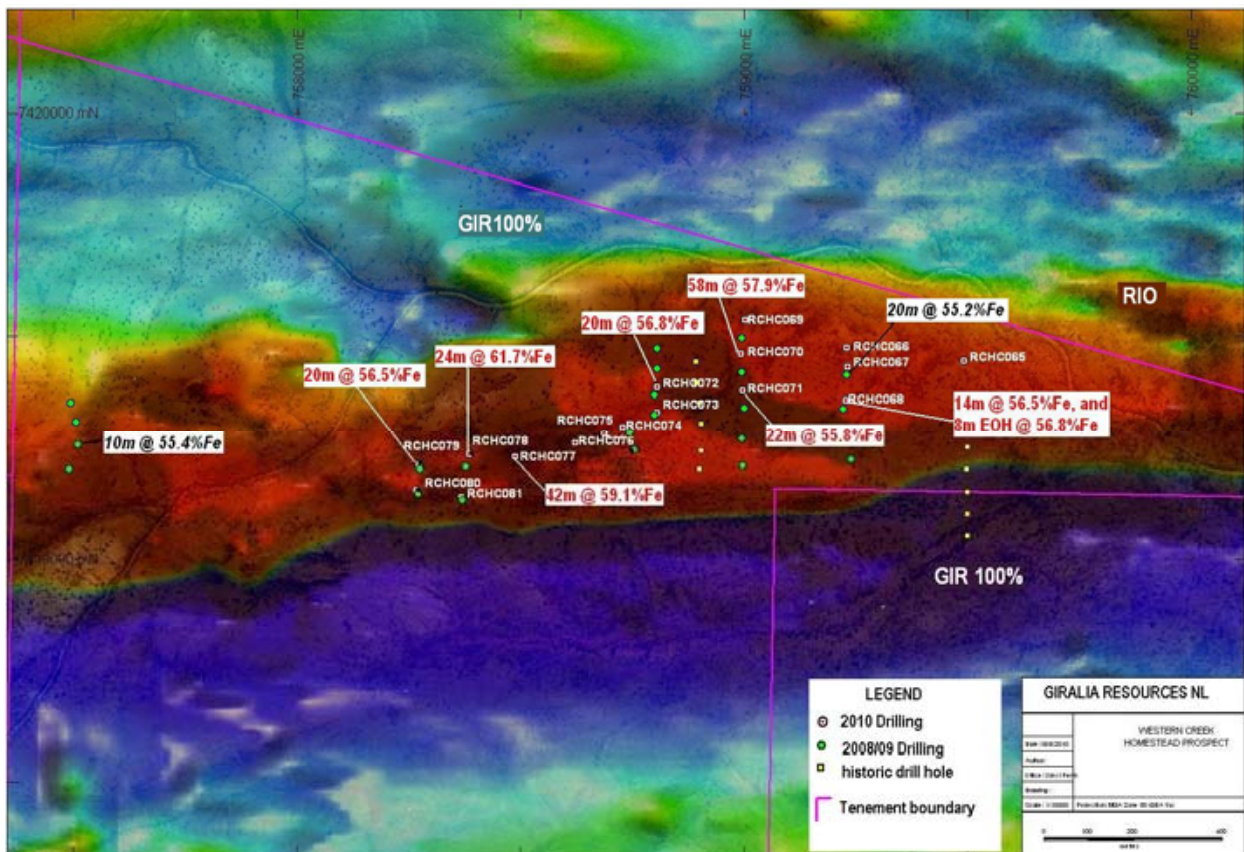


Fig 2; Homestead Marra Mamba prospect at Western Creek. Aeromagnetic image showing significant drill results. New 2010 intersection in red captions.

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. 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.

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 resource inventory of **304 million tonnes** are the Company's exploration and development focus:

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. Interim Inferred Mineral Resource **161.4 million tonnes @ 56.2% Fe (62.1%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%**.

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.

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 Inferred Mineral Resource **186.8 million tonnes @ 30.9% Fe (DTR 70.1% Fe, 2.1% SiO₂, Wt Rec 32.8%)**. Coarse magnetite; excellent DTR testwork. Scoping Study on 2.5Mtpa mining and existing rail haulage to Kwinana, found a best scenario **NPV(10%) of A\$321 million, IRR of 33.8%**.

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%