Level 2, 33 Ord St, West Perth, WA 6005
PO Box 1665, West Perth, Western Australia 6872
Tel: (+61 8) 9481 4440 Fax: (+61 8) 9321 0070
info@giralia.com.au www.giralia.com.au

Giralia Resources NL ABN 64 009 218 204

6 October 2010

ASX ANNOUNCEMENT

NEW DRILLING RESULTS FROM MCPHEE CREEK MAIN RANGE DEPOSIT

- **Drilling of resource growth targets continues at Giralia's 100% owned McPhee Creek main range deposit.**
- **Significant new results include;**
  - **154 metres @ 57.8% Fe, including 106 metres @ 60.0% Fe**
  - **72 metres @ 58.2% Fe**
  - **100 metres (open at end of hole) @ 57.3% Fe**
- **Further resource update anticipated in late October.**

The Directors of Giralia Resources NL ("Giralia") report significant new results from ongoing resource drilling at the Company's 100% owned McPhee Creek main range iron ore discovery, located within potential road haulage distance 220 km south-east of Port Hedland in the Pilbara region of Western Australia.

The current Inferred Mineral Resource (reported on 8 September 2010) at McPhee Creek main range is **210 million tonnes @ 56.2 % Fe (62.1% CaFe)** which incorporates drilling results reported to ASX up to 9 August 2010 (up to and including drillhole RCMC300) at the main range deposit.

A substantial ongoing program of drilling is in progress at McPhee Creek to add to the resource. New assay results received to date are listed in Table 1 and highlighted on Figure 1. Important new results include hole RCMC337 which returned **154 metres @ 57.8% Fe, including 106 metres @ 60.0% Fe**. This hole (shown in cross section on Figure 2) was drilled to 258 metres depth on a section where nearby previous holes had failed to penetrate the full thickness of mineralisation. The zone of mineralisation intersected is substantially thicker than modelled in the current resource estimate. Assays for the base of the hole are still awaited.

Backgound Information- McPhee Creek discovery

Giralia discovered hematite-goethite mineralisation along the 8 kilometre main range at McPhee Creek in September 2009. The deposit is located within potential trucking distance ~220 km south-east of Port Hedland, and ~50 km north of BC Iron Limited/ FMG's Nullagine Iron Ore JV deposits.

The McPhee Creek main range deposit has grown rapidly from the first resource estimate in December 2009 to the current Inferred Mineral Resource estimate of **210 million tonnes @ 56.2% Fe**, **6.54% SiO_2, 2.4% Al_2O_3, 0.12% P, 9.5% LOI, (62.1% CaFe)** announced to ASX on 8 September 2010. The Company's Exploration Target# has been revised upward to 250 to 350 million tonnes @ 56-60% Fe.

The Company continues to study development options at McPhee Creek, focused initially on a base case of public road haulage to Port Hedland, but has expanded the Scoping Study framework to investigate off-highway road, and rail haulage, and contemplate higher mining rates of up to 10mtpa which are regarded as more appropriate for the expanding resource.

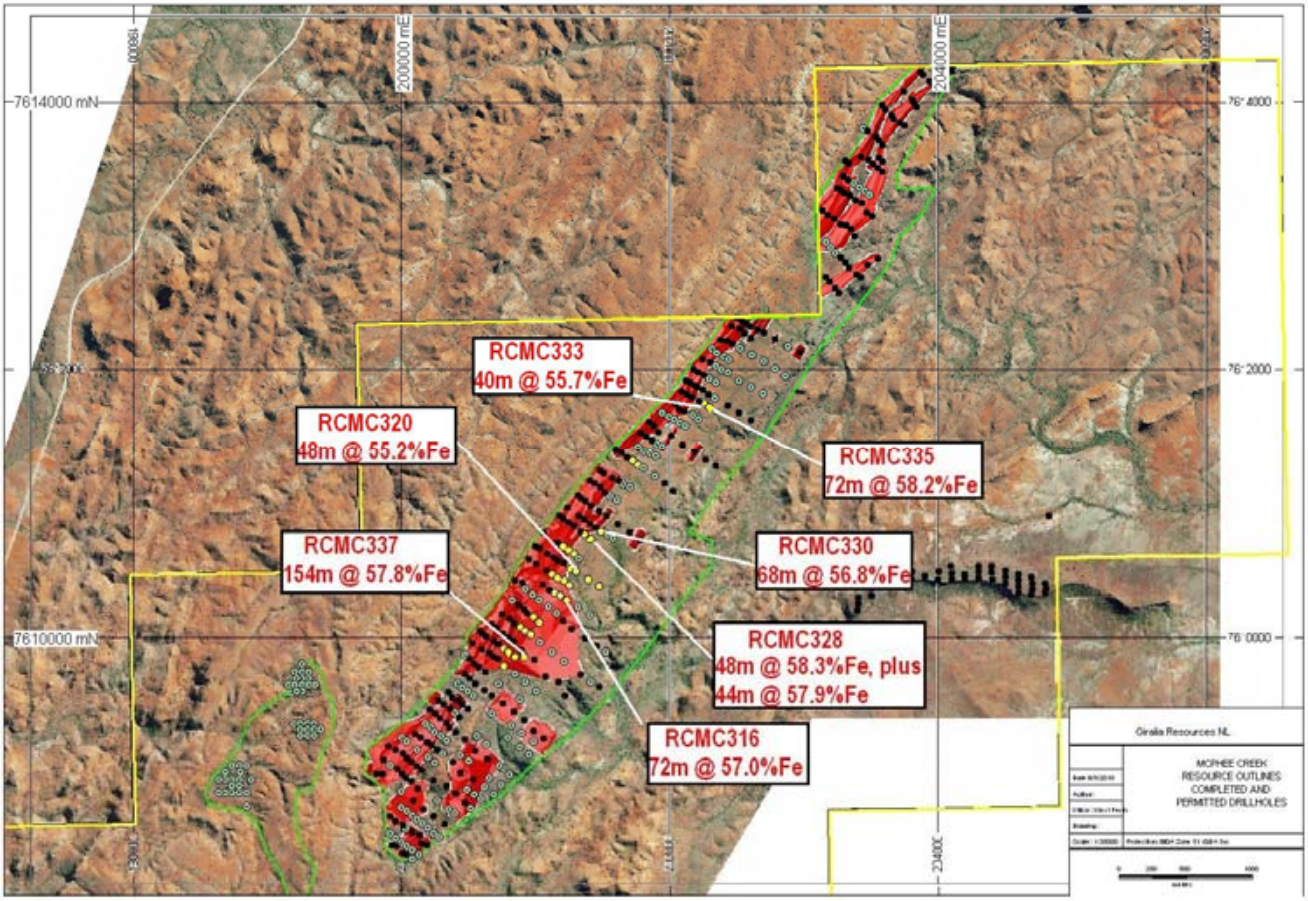

Figure 1; McPhee Creek main range deposit. Current resource outline (red polygons). Holes completed to June 2010 (black dots), permitted holes (green dots) and new drillholes for which assays have been received to date (yellow dots).

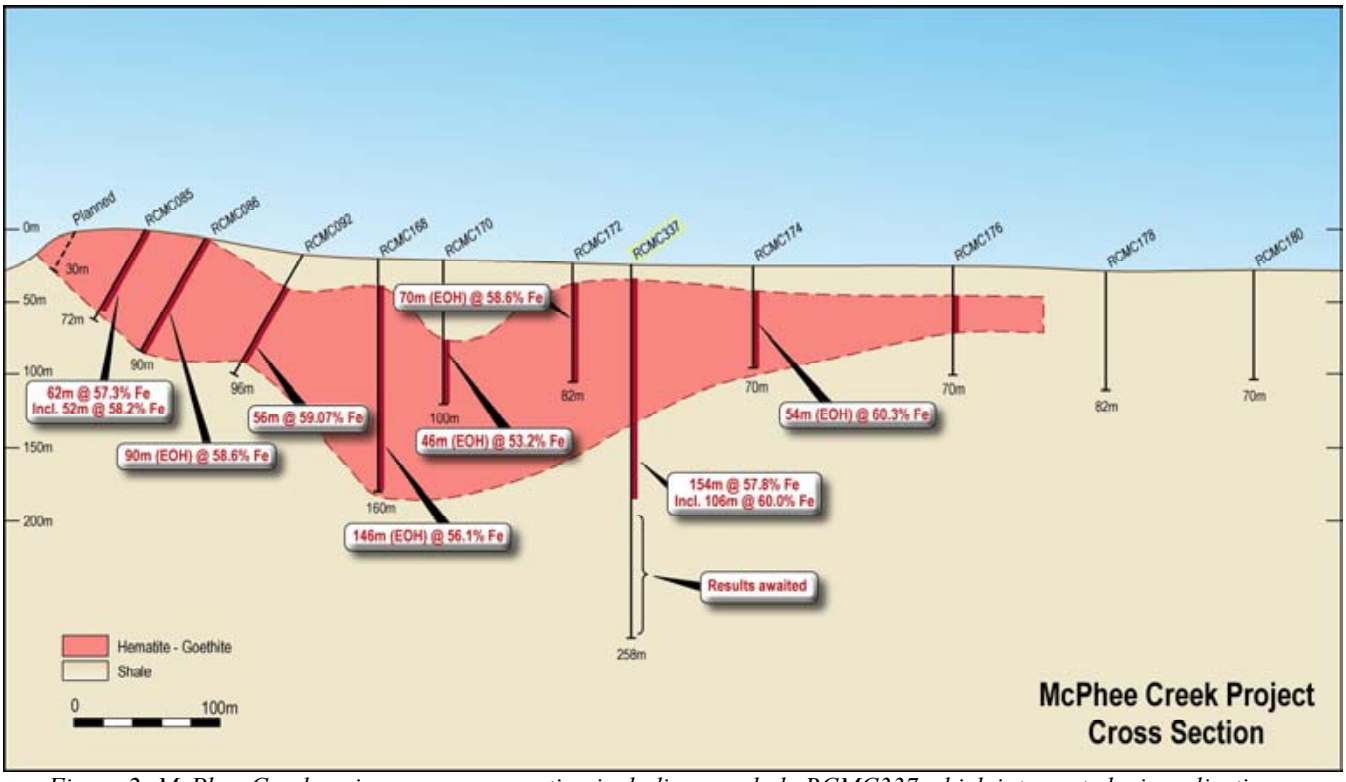

Figure 2; McPhee Creek main range cross section including new hole RCMC337 which intersected mineralisation well beyond previous holes that had failed to penetrate the full thickness of hematite.

Table 1; Resource Drilling McPhee Creek main range, results >10m @ >50%Fe

Hole No	Coordinates East	Coordinates North	Dip /Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	CaFe %	P %	SiO2 %	Al2O3 %	LOI %
RCMC301	200757	7609790	90/-	144	14	52	**38**	**58.1**	**65.4**	**0.13**	**3.0**	**1.9**	**11.2**
				and	74	86	12	55.7	62.2	0.16	6.9	2.1	10.3
				and	112	136	24	52.3	58.6	0.12	8.3	4.6	10.7
RCMC302	200746	7609912	60/305	162	18	34	16	53.4	59.9	0.14	8.6	3.5	10.9
				and	42	58	16	54.3	60.8	0.15	7.0	3.0	10.7
				and	112	154	**42**	**59.4**	**64.8**	**0.11**	**4.9**	**1.1**	**8.3**
RCMC303	200876	7610077	60/305	126	26	126	**100 (EOH)**	**57.3**	**63.9**	**0.14**	**4.4**	**2.2**	**10.3**
RCMC304	200792	7609886	60/307	120	8	24	16	55.2	61.9	0.16	5.4	2.7	10.8
				and	52	120	**68 (EOH)**	**55.0**	**61.2**	**0.14**	**7.5**	**2.5**	**10.1**
RCMC305	200921	7610061	90/-	156	14	30	16	51.5	58.3	0.15	8.1	5.4	11.7
				and	68	78	10	56.0	63.0	0.18	5.8	2.0	11.1
				and	92	104	12	52.2	58.0	0.13	14.0	0.7	9.9
RCMC306	200844	7609853	90/-	162	10	82	**72**	**57.6**	**64.0**	**0.16**	**3.7**	**2.2**	**9.9**
				and	104	126	22	56.7	63.6	0.15	4.7	1.9	11.0
RCMC307	200950	7610028	90/-	174	12	52	40	53.5	60.3	0.14	6.4	4.2	11.3
				incl.	36	52	16	56.1	63.3	0.14	3.9	2.3	11.4
				and	86	104	18	53.4	59.7	0.18	9.2	2.6	10.6
				and	126	140	14	54.8	60.9	0.24	9.8	0.8	10.1
RCMC308	200974	7610138	60/307	180	58	68	10	55.8	62.5	0.17	5.9	1.8	10.7
				and	144	180	36 (EOH)	54.1	58.1	0.09	13.8	1.1	6.9
RCMC309	201108	7610477	60/300	150	34	54	20	54.5	60.7	0.11	7.5	2.9	10.3
				incl.	36	50	14	55.8	62.3	0.11	5.6	2.7	10.4
RCMC310	201013	7610089	90/-	174	18	48	**30**	**55.9**	**62.8**	**0.15**	**5.1**	**2.0**	**11.0**
RCMC312	201136	7610332	60/304	174	38	64	26	55.7	62.5	0.21	4.8	2.5	11.0
RCMC313	201199	7610420	90/-	156	24	54	**30**	**57.4**	**64.5**	**0.14**	**4.0**	**1.6**	**11.1**
RCMC314	201175	7610312	60/307	138	18	64	**46**	**55.4**	**62.3**	**0.22**	**4.9**	**2.8**	**11.2**
RCMC315	201255	7610390	90/-	138	6	26	20	53.5	58.7	0.12	11.4	2.2	8.9
RCMC316	201209	7610281	60/305	198	12	84	**72**	**57.0**	**63.1**	**0.16**	**5.3**	**2.2**	**9.6**
RCMC317	201197	7610677	90/-	228	34	48	14	50.0	56.2	0.09	9.3	5.9	11.0
				and	206	216	10	54.9	60.8	0.14	10.1	0.7	9.7
RCMC318	201257	7610519	60/300	150	14	42	28	55.1	61.8	0.17	5.1	2.7	10.9
				and	126	142	16	55.5	61.5	0.07	8.2	2.0	9.8
RCMC320	201297	7610485	90/-	138	10	34	24	56.6	61.3	0.08	8.7	1.7	7.6
				and	52	100	48	55.2	61.4	0.26	9.2	0.8	10.0
RCMC326	201363	7610764	90/-	156	16	44	28	54.5	60.8	0.20	7.7	3.0	10.3
				and	50	78	28	55.1	60.8	0.41	9.9	0.9	9.4
RCMC327	201595	7611013	90/-	132			awaited						
RCMC328	201405	7610730	90/-	198	10	58	**48**	**58.3**	**63.2**	**0.11**	**6.9**	**1.3**	**7.7**
				and	66	110	**44**	**57.9**	**64.4**	**0.36**	**4.9**	**0.9**	**10.0**
RCMC329	201901	7611445	60/300	105			awaited						
RCMC330	201481	7610785	90/-	162	6	24	18	55.0	60.0	0.12	9.6	2.1	8.2
				and	68	136	**68**	**56.8**	**62.9**	**0.34**	**6.7**	**0.8**	**9.7**
RCMC331	201942	7611431	90/-	102			awaited						
RCMC333	202241	7611751	60/300	150	16	56	**40**	**55.7**	**62.5**	**0.11**	**6.2**	**1.8**	**10.8**
RCMC335	202290	7611720	60/300	186	18	90	**72**	**58.2**	**64.4**	**0.11**	**4.7**	**1.2**	**9.7**
				and	134	158	24	50.5	55.7	010	17.0	0.9	9.3
RCMC336	201877	7611198	90/-	108			awaited						
RCMC337	200925	7609884	90/-	258	14	168	**154**	**57.8**	**63.1**	**0.20**	**4.8**	**1.3**	**9.5**
				incl.	16	122	**106**	**60.0**	**65.9**	**0.16**	**2.5**	**1.1**	**9.2**

Intersections quoted using lower cut-off of 50Fe. All coordinates in MGA Zone 51 GDA 94, by hand held GPS (± 6m). XRF analyses by Spectrolab Laboratory Geraldton. RC drill samples collected as 2 metre riffle split composites. QA/QC included field duplicate samples and pulverised standards (Certified Reference Material). EOH means iron intersection open at end-of-hole. CaFe is a measure of iron content upon removal of volatiles (i.e. LOI).

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 Mineral Resource. 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.

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 term "Exploration Target" should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore 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 Ore Reserve.

R M Joyce
DIRECTOR

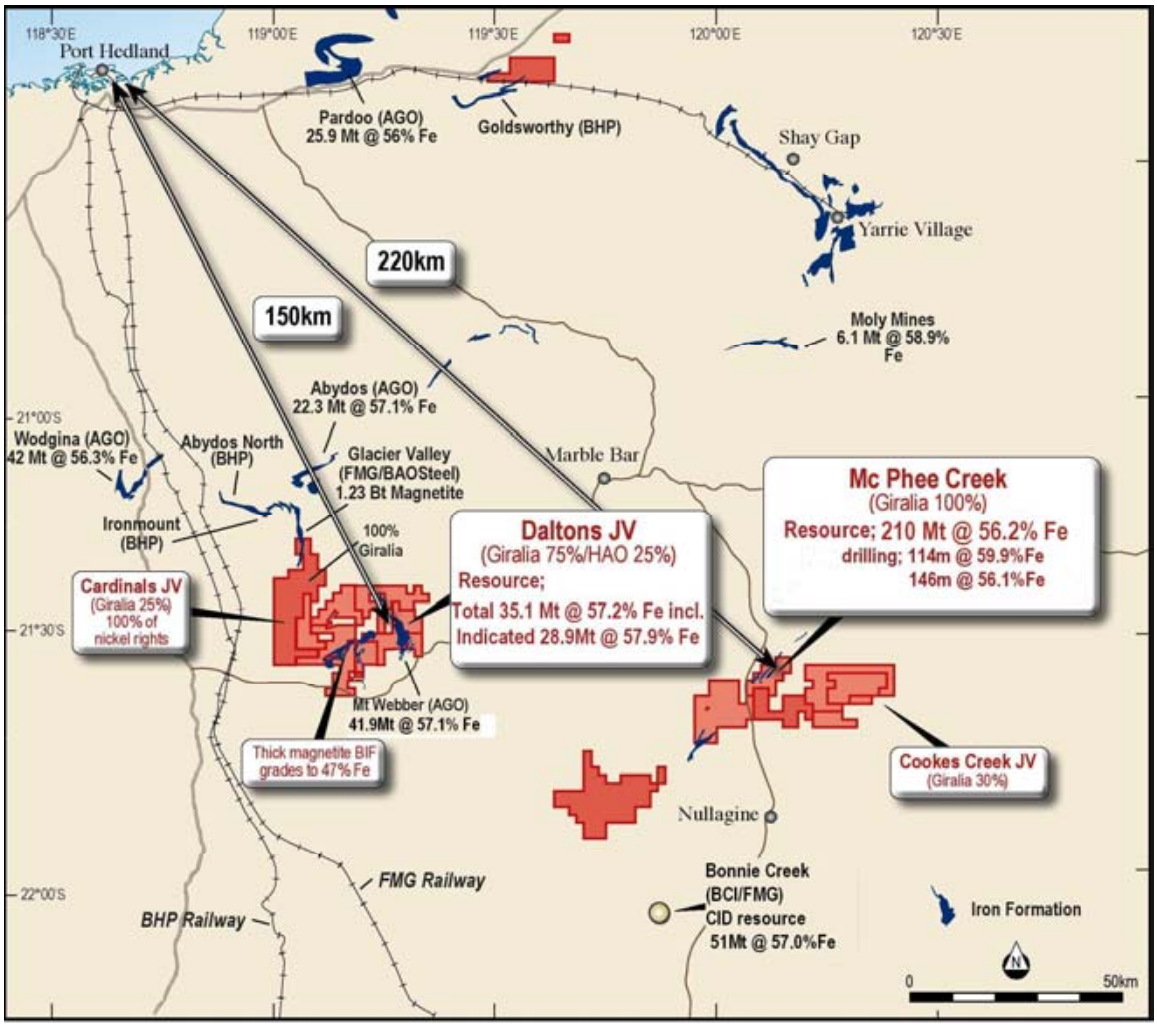

Fig.3: Location plan showing Giralia's McPhee Creek and Daltons-Mt Webber iron ore deposits

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 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. Inferred Mineral Resource **210 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%Al_2O_3. Initial Inferred Mineral Resource **35.1 million tonnes @ 57.2% Fe (62.2%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 .

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% SiO_2, 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, iron, manganese	~12%
Carpentaria Exploration Limited	CAP	iron, coal, gold	~10%
Gascoyne Resources Limited	GCY	gold	~5.9%
Hazelwood Resources Ltd	HAZ	nickel, tungsten	~3.3%
Entrée Gold	ETG-(TSX)	copper	~1%