

18 June 2010

## ASX ANNOUNCEMENT

### ASSAYS CONTINUE TO CONFIRM MAJOR EXTENSIONS TO MCPHEE CREEK DISCOVERY

- More thick DSO hematite intersections from resource growth drilling at the 100% owned McPhee Creek main range discovery, located 220 kilometres south east of Port Hedland.
- Holes to east and down dip continue to show major extensions to current JORC resource, with many holes finishing in mineralisation;
  - **96 metres (to end of hole) @ 58.6% Fe (65.1%CaFe), 1.6% Al<sub>2</sub>O<sub>3</sub>**
  - **104 metres @ 57.3% Fe, (63.5%CaFe), 1.9% Al<sub>2</sub>O<sub>3</sub>**
  - **72 metres (to end of hole) @ 60.5% Fe (65.8%CaFe), 1.5% Al<sub>2</sub>O<sub>3</sub>**
  - **68 metres (to end of hole) @ 58.5% Fe (63.4%CaFe), 2.9% Al<sub>2</sub>O<sub>3</sub>**

The Directors of Giralia Resources NL (Giralia) report further significant assay results from resource drilling at the Company's 100% owned McPhee Creek iron ore discovery, 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.

The main range deposit at McPhee Creek was discovered by Giralia in September 2009. In December 2009 Giralia announced a maiden JORC Inferred Mineral Resource for the 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)**. The deposit remains open in most directions, and 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 only along the western side of the ~8 kilometres long and up to 1 kilometre wide range.

Significant results were announced on 20 May, 1 June and 10 June 2010 from early holes extending south from the current JORC resource; **114 metres @ 59.9% Fe**, including **106 metres @ 60.5% Fe**, **126 metres @ 55.8% Fe (61.9%CaFe)**, **92 metres to end of hole (EOH) @ 56.7% Fe**, (62.7%CaFe), **82 metres @ 56.3% Fe**, (62.6%CaFe), and **72 metres EOH @ 57.8% Fe**, (63.9%CaFe). Additionally new results from longer traverses across the range are providing significant encouragement, including bedded hematite mineralisation (RCMC203: **74 metres @ 56.5% Fe**) on the eastern side of the range.

New assay results from holes to the east and down dip of the existing JORC resource confirm significant extensions well beyond the current resource outline, with thick zones of hematite mineralisation returned in holes RCMC209 to 221 over around 900 metres of strike, including **96 metres (EOH) @ 58.6% Fe (65.1%CaFe), 1.6% Al<sub>2</sub>O<sub>3</sub>**, **104 metres @ 57.3% Fe, (63.5%CaFe) 1.9% Al<sub>2</sub>O<sub>3</sub>** **72 metres (EOH) @ 60.5% Fe (65.8%CaFe), 1.5% Al<sub>2</sub>O<sub>3</sub>** , **68 metres (EOH) @ 58.5% Fe (63.4%CaFe), 2.9% Al<sub>2</sub>O<sub>3</sub>**. The new results are shown on figure 3 and in Table 1 below.

**R M Joyce**  
**DIRECTOR**

**Table 1: Mc Phee Creek main range, RC drilling May- June 2010. Highlights from previously released results (hole numbers in Italics) and new intersections >10 metres @ >50%Fe**

Hole No	Coordinates		Dip/Az	Depth	From	To	Interval	Fe	CaFe	P	SiO2	Al2O3	LOI
*RCMC114	200535	7609805	90/000	125	8	122	114	59.9	65.3	0.16	3.5	1.9	8.01
				incl.	14	120	106	60.5	65.8	0.16	3.1	1.7	7.89
*RCMC116	200574	7609778	90/000	116	20	76	56	56.4	63.2	0.13	4.9	2.8	10.7
				incl.	38	74	36	58.5	65.3	0.14	3.1	1.7	10.5
*RCMC131	200282	7609405	90/000	126	16	86	70	57.1	63.8	0.10	4.4	1.7	10.7
*RCMC133	200327	7609368	90/000	108	16	108	92 EOH	56.7	62.7	0.13	6.1	1.5	9.5
				incl.	84	108	24 EOH	60.0	65.8	0.09	3.8	0.9	8.8
*RCMC135	200095	7609287	60/310	84	16	62	46	56.3	62.1	0.09	5.1	3.2	9.4
*RCMC137	200135	7609259	60/310	108	22	104	82	56.3	62.6	0.09	5.6	2.2	10.1
				incl.	62	102	40	58.4	64.5	0.09	4.2	1.3	9.4
*RCMC139	200182	7609223	60/310	144	16	142	126	55.8	61.9	0.09	7.1	1.9	9.8
*RCMC141	200218	7609199	90/000	114	42	114	72 EOH	57.8	63.9	0.09	4.5	1.9	9.5
*RCMC143	199896	7609195	60/310	60	0	32	32	55.2	60.6	0.07	6.5	4.3	8.9
*RCMC146	200632	7609101	90/000	106	76	94	18	58.0	65.2	0.45	2.5	1.6	11.1
*RCMC147	200001	7609139	60/300	78	12	42	30	55.3	61.9	0.07	5.2	3.2	10.7
*RCMC149	200030	7609105	90/000	78	12	66	54	55.0	61.9	0.11	5.0	2.9	11.2
*RCMC151	200066	7609079	90/000	102	30	96	66	56.3	62.1	0.06	5.5	2.3	9.3
*RCMC153	200108	7609043	90/000	132	18	120	102	58.2	63.5	0.07	4.7	2.3	8.4
*RCMC157	199858	7609093	60/310	66	30	54	24	56.6	63.0	0.09	5.4	2.2	10.1
*RCMC161	199850	7608985	90/000	72	24	50	26	53.4	59.1	0.07	9.1	3.6	9.7
*RCMC163	199960	7609021	90/000	90	0	54	54	54.9	61.0	0.07	6.5	3.8	10.1
*RCMC165	200000	7608990	83/290	66	0	46	46	54.3	59.1	0.06	8.8	4.3	8.3
				incl.	16	42	26	57.2	62.0	0.06	6.3	3.5	7.8
*RCMC167	200027	7608958	90/000	66	8	32	24	55.1	60.2	0.05	7.6	3.6	8.5
*RCMC171	200117	7608881	90/000	82	8	28	20	55.9	61.5	0.09	6.9	2.4	9.2
*RCMC175	200158	7608729	90/000	84	8	50	42	55.0	60.8	0.09	6.9	2.6	9.6
*RCMC203	200468	7608775	90/000	96	0	74	74	56.5	63.6	0.44	3.0	2.8	11.2
RCMC209	200644	7609885	60/310	90	22	90	68 EOH	58.5	63.4	0.08	5.4	2.9	7.8
				incl.	38	90	52 EOH	60.6	65.1	0.08	3.9	2.4	6.8
RCMC211	200685	7609858	60/310	120	48	120	72 EOH	60.5	65.8	0.12	3.3	1.5	8.2
RCMC213	200837	7610105	60/310	120	24	120	96 EOH	58.6	65.1	0.14	3.1	1.6	10.1
RCMC214	200864	7610242	60/310	132	22	126	104	57.3	63.5	0.13	5.4	1.9	9.7
RCMC215	200907	7610207	60/310	138	70	124	54	57.1	63.8	0.09	5.4	1.4	10.5
				and	130	138	8 EOH	57.7	62.1	0.06	8.9	0.8	6.9
RCMC216	200932	7610178	60/310	138	40	58	18	52.1	58.2	0.08	11.4	2.5	10.4
				incl.	48	58	10	55.7	62.4	0.08	6.6	1.9	10.8
				and	102	138	36 EOH	58.2	64.7	0.14	4.1	1.5	10.1
RCMC217	201047	7610394	60/310	144	36	94	58	56.1	62.5	0.11	6.5	2.0	10.2
RCMC218	201098	7610357	60/310	102	16	34	18	55.8	62.8	0.19	5.0	2.6	11.1
				and	52	92	40	56.4	62.8	0.19	5.3	2.1	10.2
RCMC219	201208	7610552	60/310	132	88	110	22	56.6	62.9	0.08	6.6	1.7	10.1
RCMC221	201163	7610578	60/310	120	36	74	38	53.4	59.7	0.10	8.4	2.8	10.5
				incl.	46	70	24	56.4	63.2	0.09	4.3	2.3	10.8

RC drill samples collected as 2m riffle and cone split composites. Intersections quoted using lower cut-offs of 50% and 55% Fe. Coordinates in MGA Zone 51 GDA 94 ( $\pm 5m$ ). XRF analyses by Spectrolab Laboratory Geraldton. QA/QC included field duplicate samples and Certified Reference Materials. CaFe is a measure of iron content upon removal of volatiles (i.e. LOI). EOH = open at end of hole. \*Result reported 20 May 2010, 1 June 2010 and 10 June 2010.

\* 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.

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



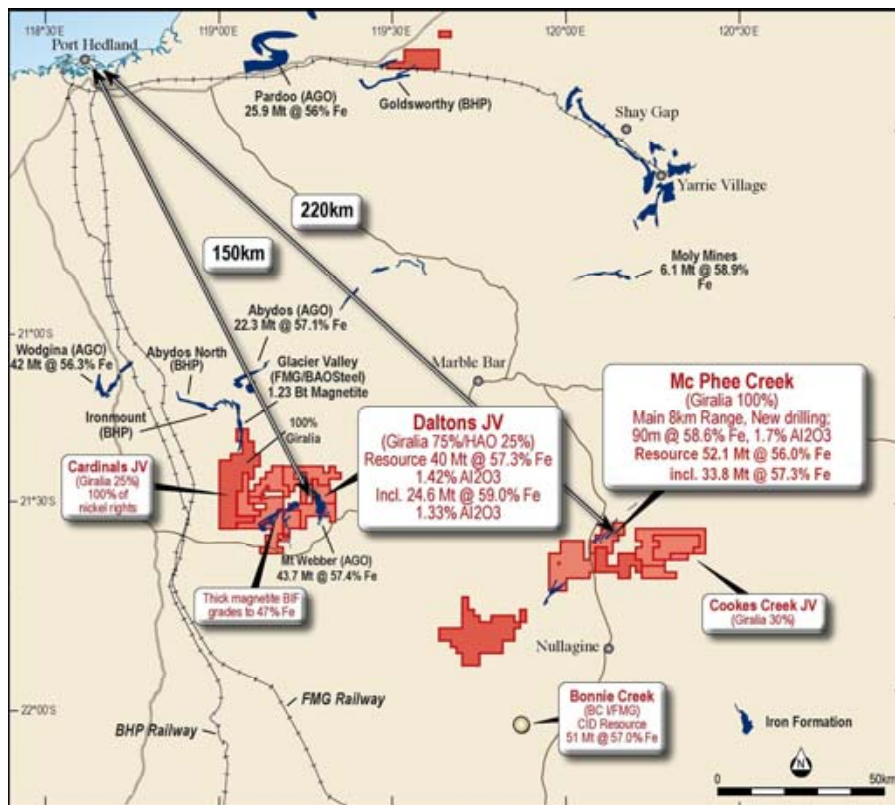


Fig.1; Location plan showing Giralia's McPhee Creek and Daltons-MtWebber iron ore deposits

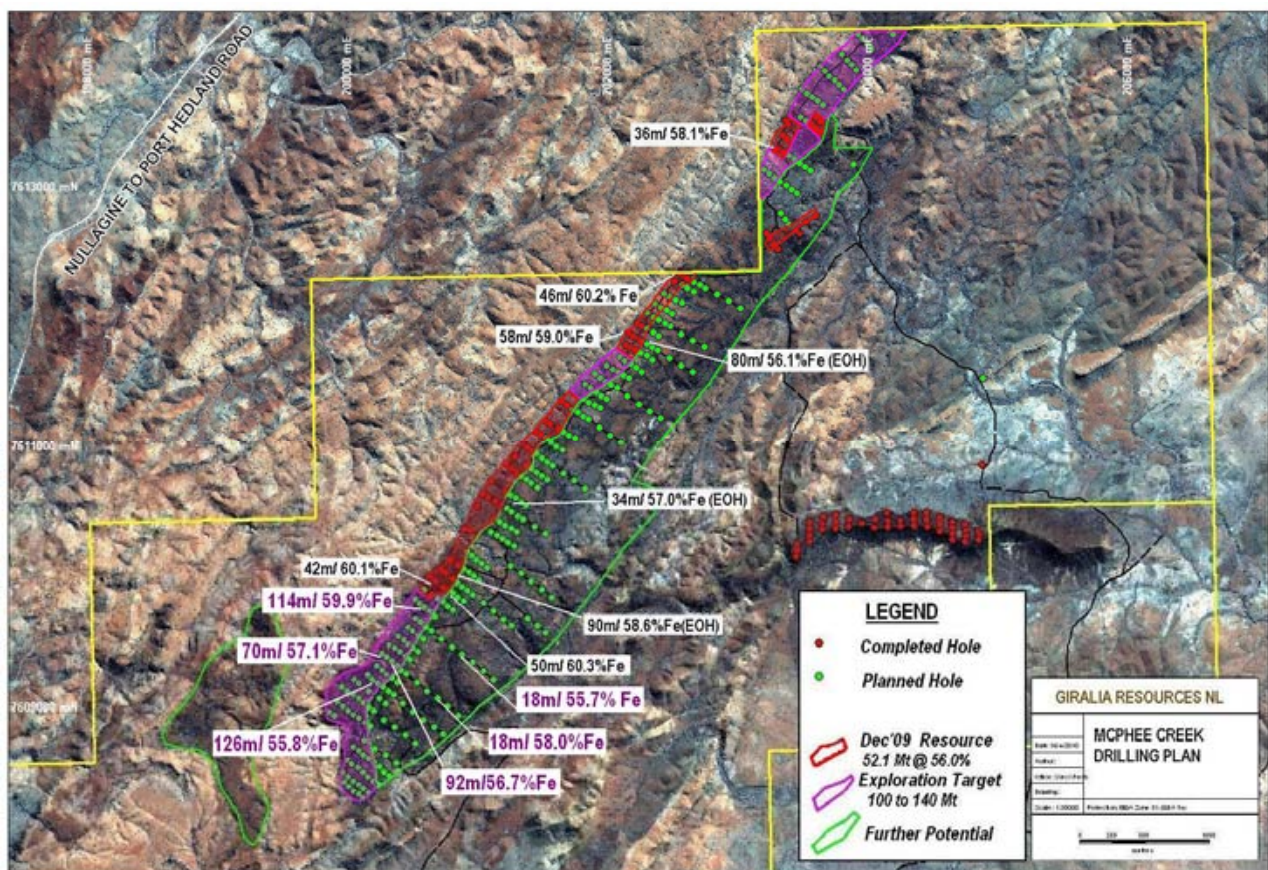


Fig.2; McPhee Creek iron ore deposit, drill hole plan with planned May –June 2010 resource drilling (green dots)



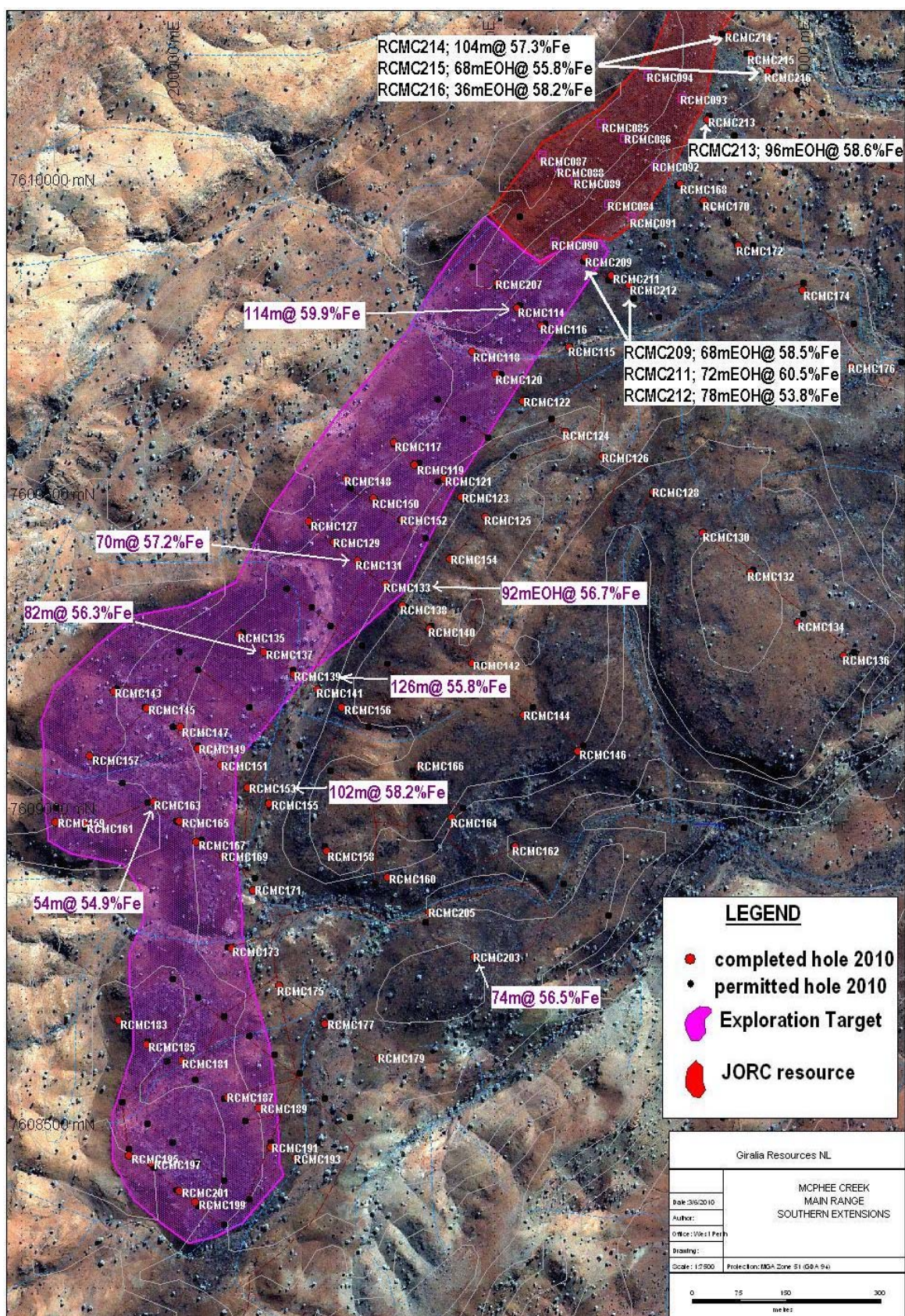


Fig 3; Detailed hole location plan of the southern end of the McPhee Creek main range, showing new assay results received for holes RCMC209 to 216 east of the current JORC resource (black captions), and significant results for earlier holes south and east of the resource (purple captions). Assays have been received for odd numbered holes from RCMC115 to 221, whilst for even numbered holes assays are still awaited for holes from RCMC146 to 210.



## 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 **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). Scoping Study commenced.

**Daltons (75%) - Hematite** (Pilbara) – New hematite discovery, only 150 km south of Port Hedland, and 40km from FMG, BHP rail lines. Drilling 70m @ 58.4% Fe from surface, including 54m @ 60.9% Fe, 1.5%Al<sub>2</sub>O<sub>3</sub>. Initial Inferred Mineral Resource **40.0 million tonnes @ 57.3% Fe (62.3%CaFe)**. Scoping Study (Base Case of 2Mtpa mining and road haulage to Port Hedland, targeting production by 2<sup>nd</sup> 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)**, located 220km from port at Onslow. \* 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. Scoping study on 2.5mtpa magnetite concentrate via existing rail/ Kwinana port; **NPV A\$321M, IRR 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
PacMag Metals Limited	PMH	copper	~10.4%
U3O8 Limited	UTO	uranium	~15%
Zinc Co Australia Limited	ZNC	zinc	~12%
Carpentaria Exploration Limited	CAP	NSW, Qld copper-gold	~10.4%
Gascoyne Resources Limited	GCY	gold	~ 5.9%
Hazelwood Resources Ltd	HAZ	nickel, tungsten	~3.3%