

## ASX ANNOUNCEMENT

### IRON ORE EXPLORATION AND DEVELOPMENT UPDATE

- **Resource drilling campaign continues with 3 rigs in operation.**
- **More than 600 drillholes now permitted across 5 projects.**
- **Strong early results from Yerecoin magnetite resource drill-out;**
  - **96 metres @ 34.8%Fe (DTR 71.3%Fe, 1.0%SiO<sub>2</sub>, 45.7% weight recovery)**
- **Daltons–Mt Webber deposit Pre Feasibility infill and metallurgical drilling in progress.**
- **Metallurgical core drilling completed at Anthiby Well, with testwork in progress.**
- **Major drill-out at new McPhee Creek main range discovery scheduled for late March.**
- **Pre-Feasibility activities commenced after positive results reported from Scoping Studies at Daltons–Mt Webber and Yerecoin, and 2 further development studies underway.**

The Directors of Giralia Resources NL ("Giralia") provide a progress update on resource drilling and development activities at the Company's iron ore projects. Over 600 drill holes are now permitted at the Company's Yerecoin (143 holes), McPhee Creek (365 holes), Daltons-Mt Webber (58 holes) and Western Creek (59 holes) iron projects.

Drilling continues with 3 rigs in operation, while 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 Scoping study has commenced on the exciting new McPhee Creek hematite discovery, and a 4<sup>th</sup> development study will be initiated at Anthiby Well project subject to positive results from current metallurgical testwork.

#### **Yerecoin Magnetite Iron Ore Project (Giralia 100%)**

Resource drilling is well advanced targeting the establishment of a maiden JORC compliant resource 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.

Two rigs are operating at Yerecoin, following 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 yielding 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 have been received for the first 8 holes of the resource drill-out, with significant early results including; **96 metres @ 34.8%Fe (DTR 71.3%Fe, 1.0%SiO<sub>2</sub> 45.7% weight recovery)**, and **68 metres @ 35.7%Fe (DTR 71.4%Fe, 0.9% SiO<sub>2</sub>, 39.6% weight recovery)**.

**Table 1; 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 <sub>2</sub> %	DTR Al <sub>2</sub> O <sub>3</sub> %	DTR P %	DTR S %	Weight Recovery %
	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.

Completion of the resource drilling program at Yerecoin is anticipated by the end of March, and 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.

### **Daltons-Mt Webber Iron Ore Project (Giralia 75%)**

PQ diamond core drilling is in progress for resource category upgrade and further product specification testwork at the Mt Webber iron ore deposit. The Mt Webber deposit is part of the Daltons Joint Venture (Giralia 75% interest, Haoma Mining NL (“Haoma”) 25% interest), located 150 kilometres south of Port Hedland in the Pilbara region of Western Australia.

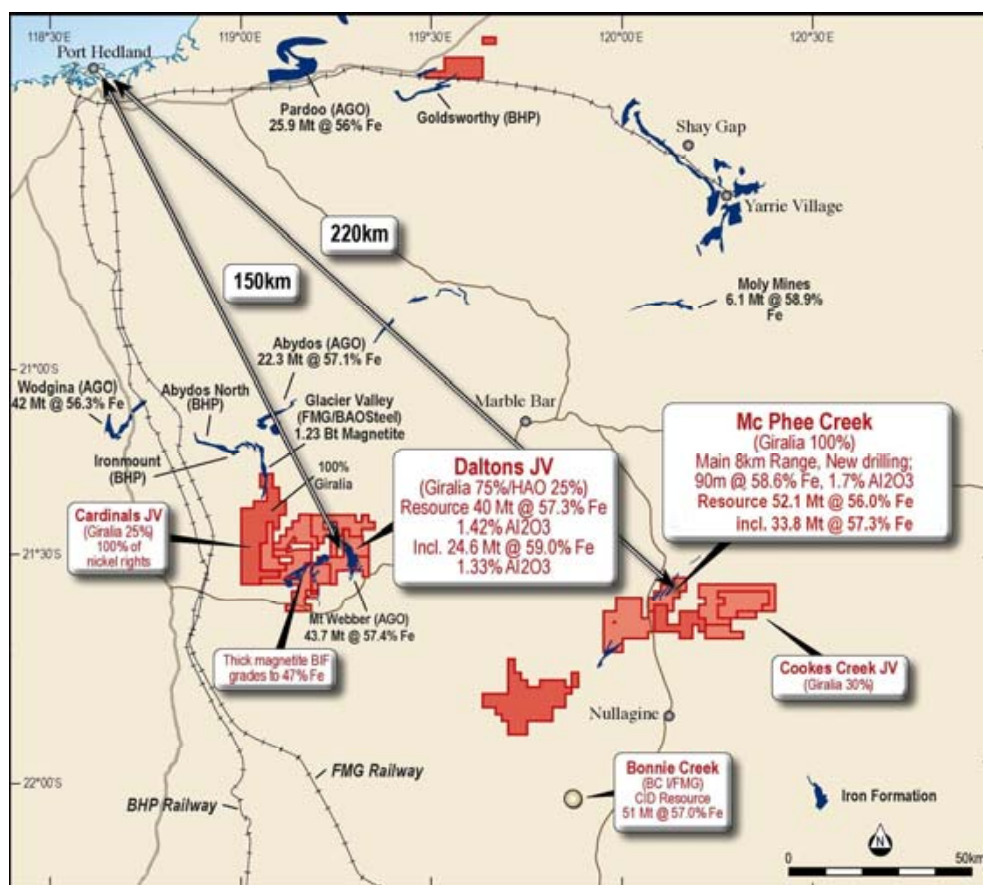
The Daltons JV’s Mt Webber deposit has an Inferred Mineral Resource reported on 14 September 2009 of **40 million tonnes @ 57.3% Fe**, including **33.8 million tonnes @ 57.9% Fe, 1.44% Al<sub>2</sub>O<sub>3</sub> (63.06% CaFe)** in the Main Southern Zone. The Daltons JV tenements at Mt Webber directly 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. The Base Case of road haulage to Port Hedland yields a NPV (10%) of A\$170 million and an IRR of 53.9% with 30% equity and 70% debt funding.

Almost half (47%) of the total operating costs (OPEX) are related to road haulage, and operating costs would be significantly lower if access can be negotiated to 3<sup>rd</sup> party rail infrastructure.

Pre Feasibility Study elements have been initiated, including detailed environmental studies, 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.



*Location plan Daltons JV and McPhee Creek tenements*

### McPhee Creek Iron Ore Project - (Giralia 100%)

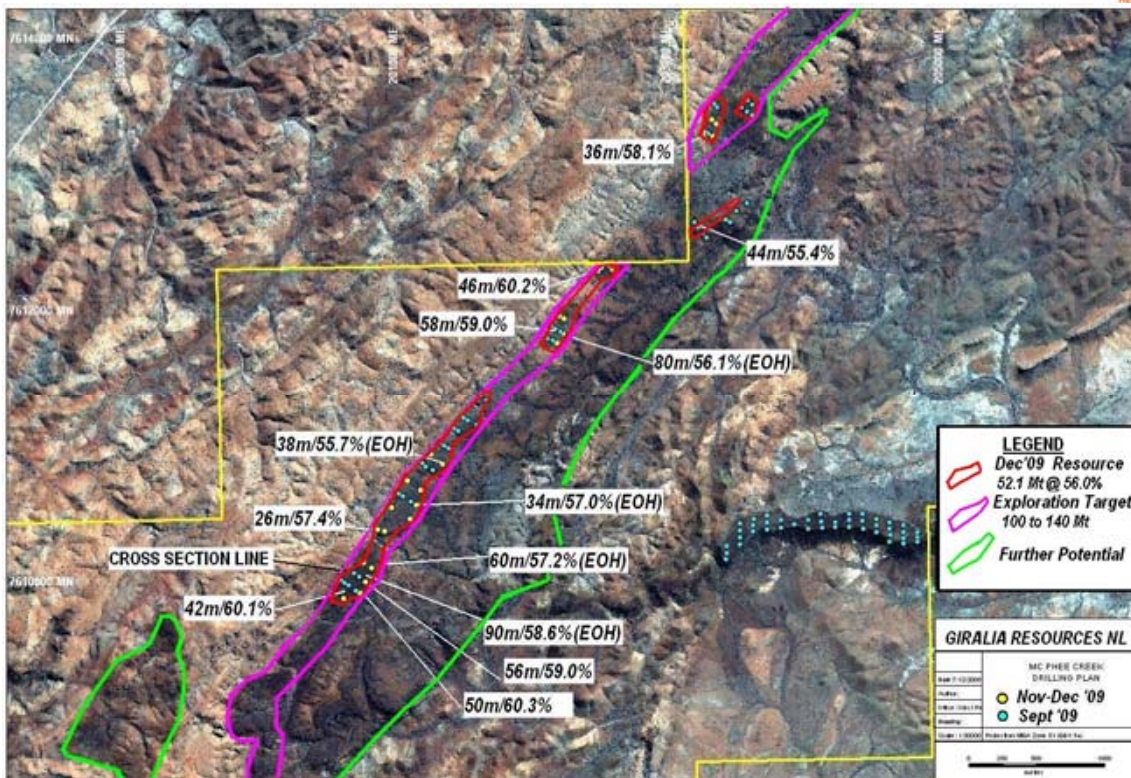
On 15 December 2009 the Company announced the maiden JORC resource for the new main range discovery at the Company's 100% owned McPhee Creek iron ore prospect, located 220 kilometres south-east of Port Hedland, and around 50 kilometres north of BC Iron Limited/ FMG's Nullagine-Bonnie Creek channel iron deposits ("CID") in the Pilbara region of Western Australia.

The maiden Inferred Mineral Resource 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)**, at 55% Fe cut-off is based on 71 RC holes completed to date, since discovery in September 2009.

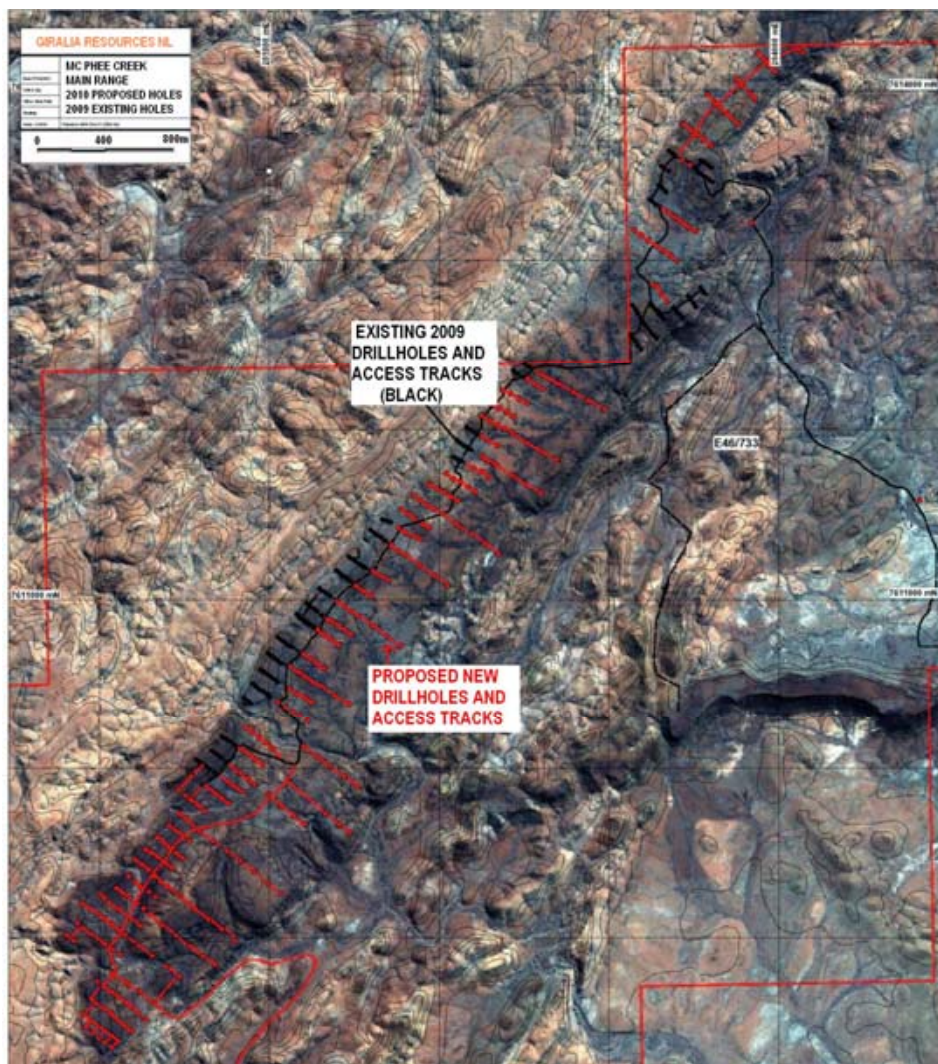
The deposit comprises a shallow dipping, near-surface hematite rich zone up to 90 metres thick within an Archaean aged banded iron formation sequence, and is potentially within road haulage distance of Port Hedland. The deposit remains open in most directions and the shallow dips indicate large tonnage potential along the range which is ~8 kilometres long and up to 1 kilometre wide.

Surface mapping indicates that mineralisation extends further east than the area currently drilled, and also extends south into a synclinal keel where recent rock sampling has returned high iron grades. As the eastern most hole on most sections drilled is mineralised, this suggests that relatively flat lying mineralisation could extend considerably further than currently modelled in the Company's conservative initial **Exploration Target#** of **100 to 140 million tonnes** of hematite iron ore (57-60%Fe) for the main range deposit, for the western side of the range only.

The Company has initiated a Scoping Study into development options at McPhee Creek, with a Base Case of road haulage to Port Hedland. Permitting is now in place for a total of 365 holes to extend the current resource, with drilling scheduled to commence in late March 2010.



*McPhee Creek iron ore deposits, drill hole plan*



*McPhee Creek proposed March-April 2010 resource drilling (red dots)*

## Western Creek Iron Ore Project (Giralia 100%)

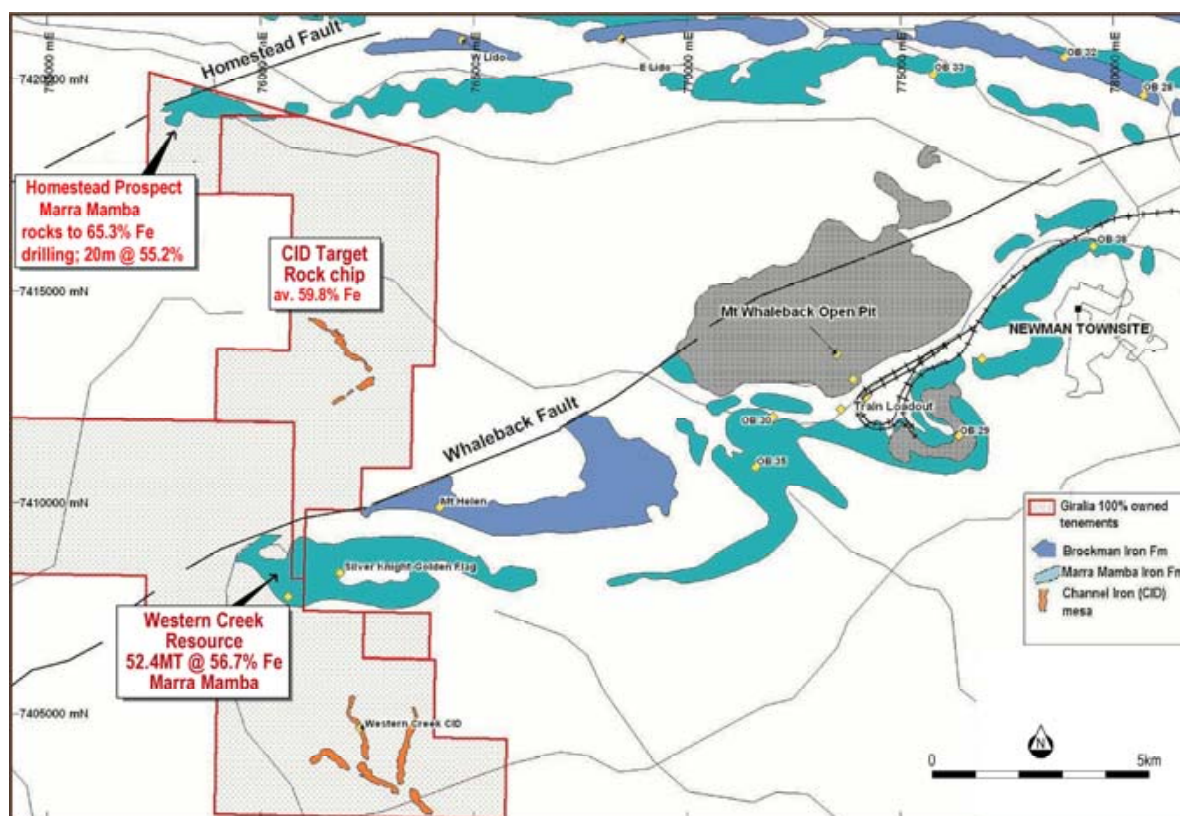
Giralia's 100% owned Western Creek tenements adjoin the BHP Billiton Mt Newman iron-ore mining leases in the Western Ridge area, around 15 kilometres west of Newman in the Pilbara region of Western Australia.

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% Al<sub>2</sub>O<sub>3</sub>



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

## Anthiby Well Iron Ore Project (Giralia 100%)

Diamond drilling 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 PQ diameter drill core material for beneficiation testwork now in progress 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.**

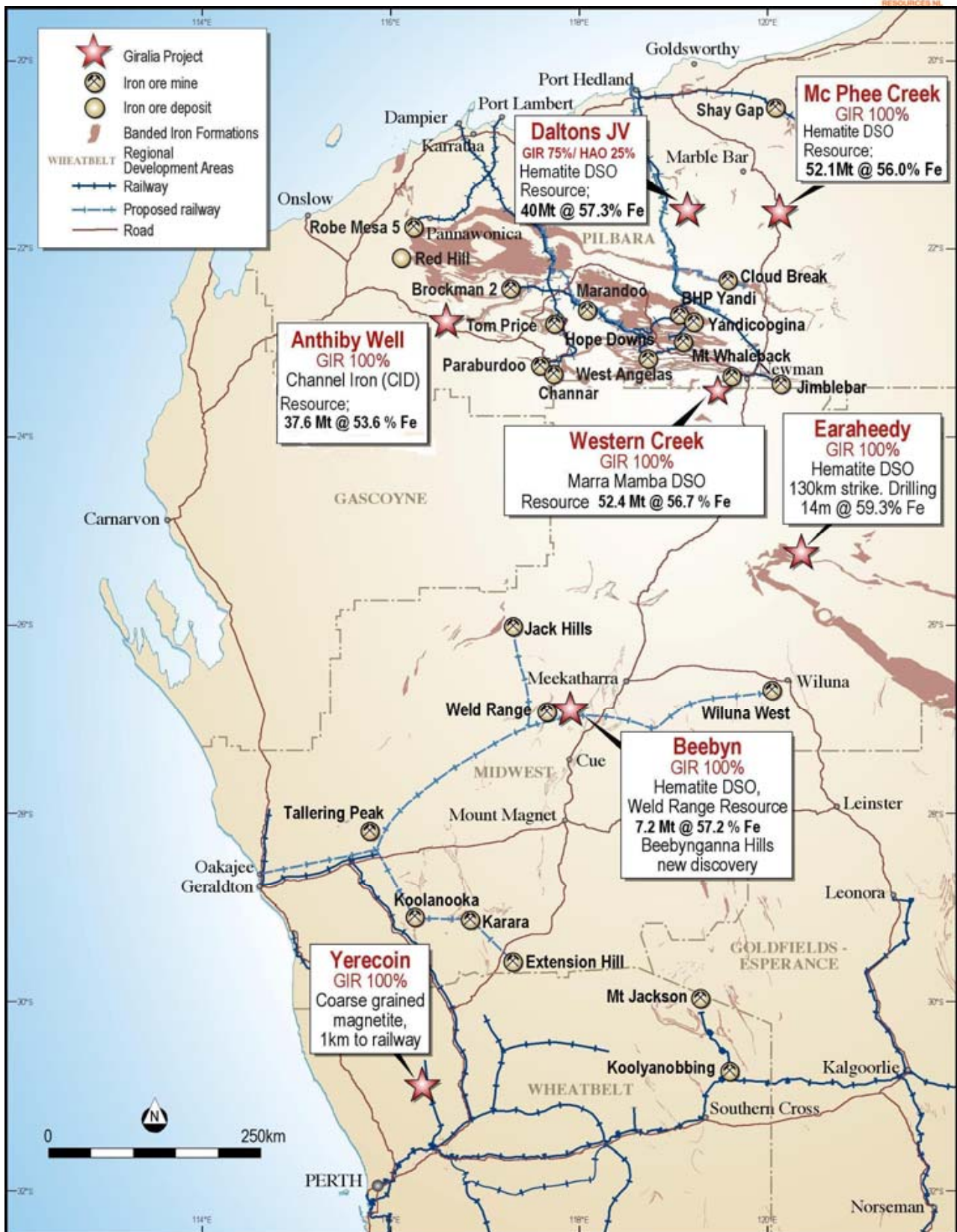
The Anthiby Well CID resource is well located with respect to infrastructure, around 220 kilometres by road from Onslow port, and directly adjacent to the sealed Paraburdoo to Nanutarra Highway. Subject to positive beneficiation results the Company intends to investigate development options for the project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

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

**11 March 2010**

*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.*

*# 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.*



*Location plan showing Giralia's iron ore projects in Western Australia.*

## 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.

<u>Company</u>	<u>ASX Code</u>	<u>Key Commodity</u>	<u>Giralia Stake</u>
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%