

4 November 2010

ASX ANNOUNCEMENT

STRONG EARLY DRILLING RESULTS FROM MCPHEE WEST

- **First holes into new hematite zones at McPhee West prospect return strong low phosphorous hematite intersections.**
- **Located less than 1 km west of the Company's McPhee Creek main range JORC resource.**
- **Significant new results include;**
 - **100 metres @ 56.7% Fe, 0.03% P**
 - **54 metres @ 56.3% Fe, 0.06% P**
 - **42 metres @ 55.2% Fe, 0.05% P**

The Directors of Giralia Resources NL ("Giralia") are pleased to report encouraging initial results from the first drillholes testing the McPhee West prospect, located less than 1 kilometre southwest of the Company's 100% owned McPhee Creek main range iron ore discovery, in the North Pilbara region of Western Australia.

The McPhee West prospect is an irregular shaped area of hematite outcrop approximately 1.5 kilometres long and 500 metres wide separated from the main range deposit at McPhee Creek by a 500 metre band of quartzite and chert outcrop. The area is interpreted as an isolated synform (basin-like structure) with mostly shallow dips observed at surface.

The first drillholes from the maiden drilling program testing the McPhee West target have returned some strong, low phosphorous intersections, including hole RCMC412 which returned **100 metres @ 56.7% Fe, 0.03% P**. New assay results received are listed in Table 1 and highlighted on Figure 1.

Background 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 JORC Inferred Mineral Resource estimate of **210 million tonnes @ 56.2% Fe, 6.54% SiO₂, 2.4% Al₂O₃, 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.

Ongoing resource drilling has continued to generate positive results, with intersections including 154 metres @ 57.8%Fe, 126 metres (EOH) @ 59.0%Fe, and 112 metres (EOH) @ 59.3% Fe reported to ASX in separate releases on 6 October and 3 November 2010. Data for a further 103 holes has been delivered to resource consultants and an updated resource estimate is anticipated in the next few weeks.

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.

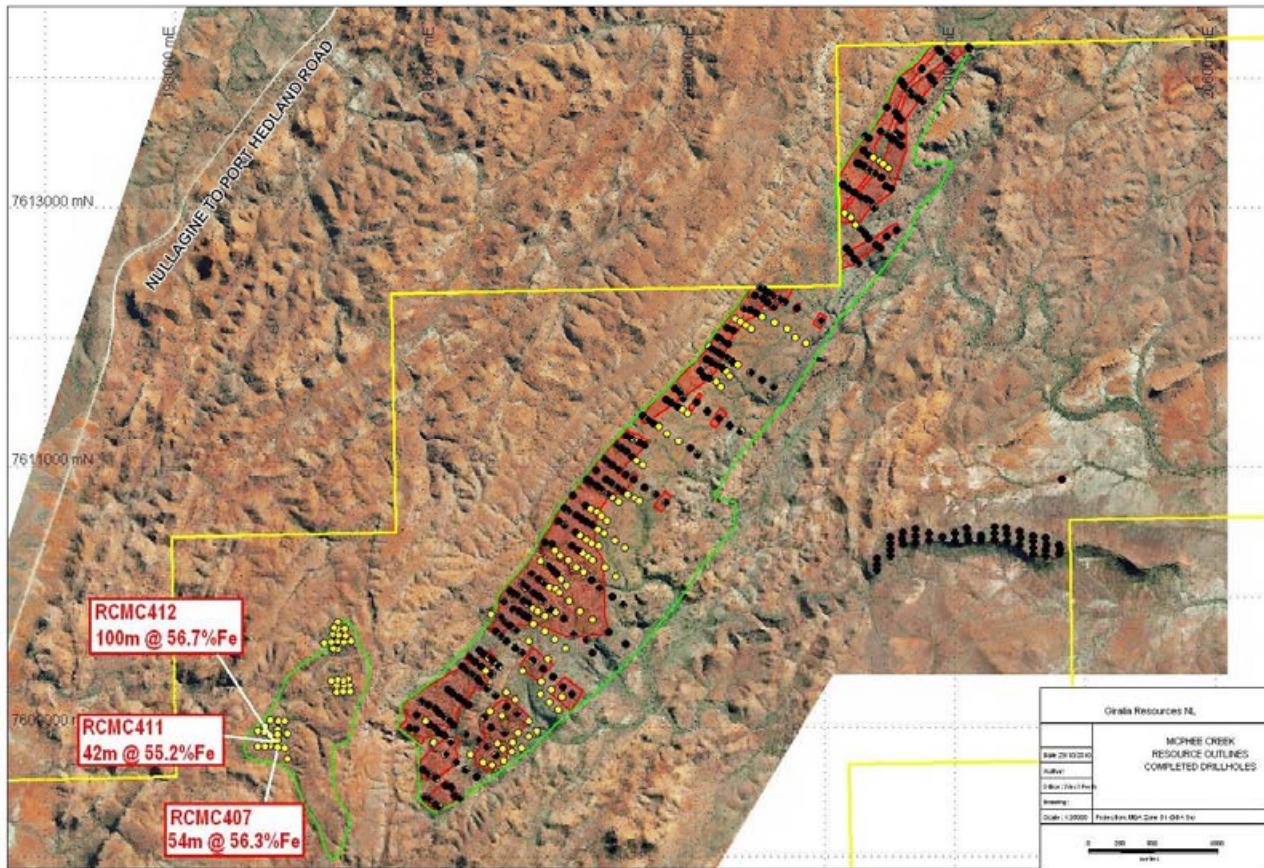


Figure 1; McPhee Creek main range deposit. Current 210Mt resource outline (red polygons). Holes completed prior to June 2010 and incorporated in the JORC resource (black dots), and new drillholes completed (yellow dots). New intersections from the McPhee West prospect are highlighted.

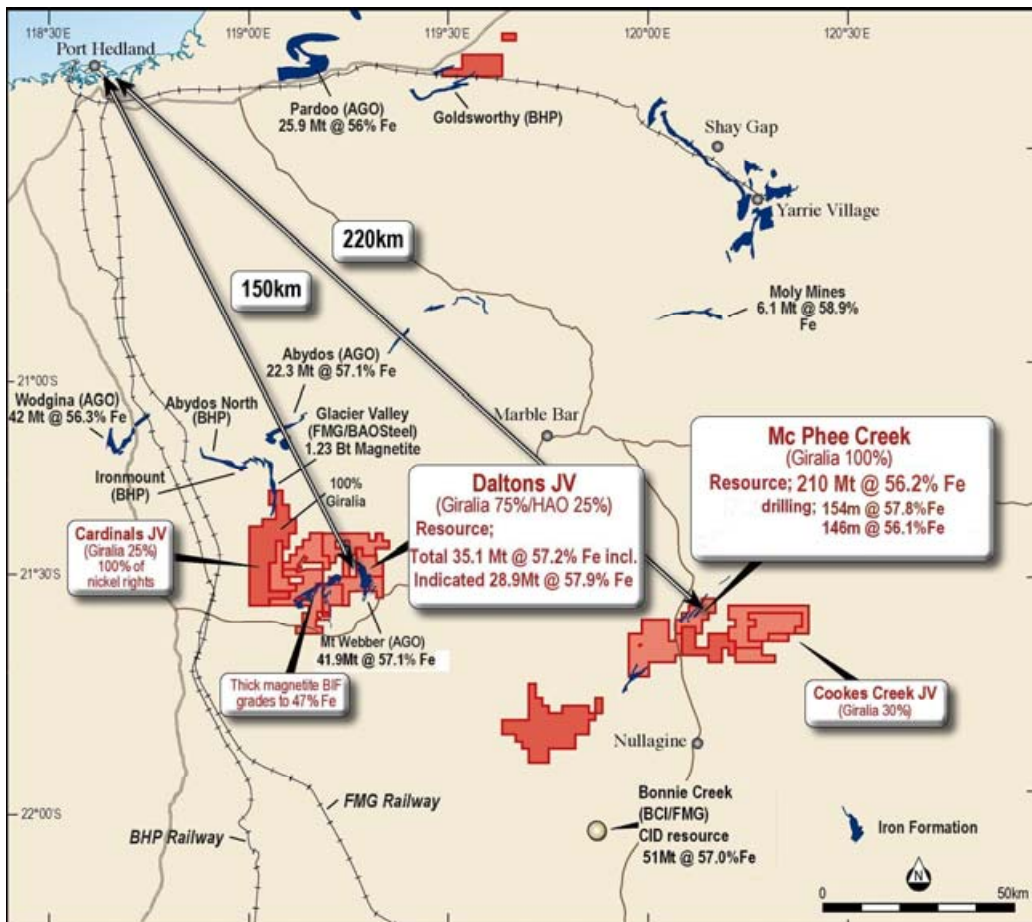


Fig.2: Location plan showing Giralia's McPhee Creek and Daltons-Mt Webber iron ore deposits

Table 1; McPhee West RC drilling, results >10m @ >50%Fe

Hole No	Coordinates		Dip /Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	CaFe %	P %	SiO2 %	Al2O3 %	LOI %
	East	North											
RCMC404	198865	7608946	-90/-	84	6	24	18	57.0	63.8	0.08	5.4	2.0	10.7
				incl.	8	22	14	58.2	65.1	0.09	4.5	1.6	10.6
RCMC406	198847	7608843	-90/-	60	16	34	18	53.9	59.9	0.04	7.8	3.3	10.0
RCMC407	198788	7608846	-90/-	72	2	56	54	56.3	62.1	0.06	7.3	1.9	9.3
				incl.	10	50	40	58.2	64.3	0.06	5.2	1.2	9.5
RCMC408	198730	7608853	-90/-	66	16	50	34	54.2	59.8	0.05	8.3	2.7	9.4
RCMC409	198687	7608842	-90/-	66	16	26	10	52.9	59.4	0.12	7.8	4.4	10.8
RCMC411	198734	7608895	-90/-	96	20	62	42	55.2	61.8	0.05	6.7	3.2	10.7
				incl.	30	58	28	56.4	63.2	0.06	5.6	2.6	10.8
RCMC412	198790	7608895	-90/-	120	10	110	100	56.7	63.1	0.03	5.6	2.1	10.1
				incl.	14	102	88	57.1	63.5	0.03	5.2	2.1	10.1
RCMC413	198782	7608943	-90/-	114	20	54	34	54.7	60.8	0.04	7.7	2.9	10.1
				incl.	20	38	18	56.3	62.7	0.04	6.0	2.8	10.1
RCMC414	198788	7608982	-90/-	108	44	60	16	53.6	59.5	0.02	11.7	1.4	9.9
RCMC418	198684	7608963	-90/-	84	18	44	26	54.2	60.6	0.05	8.5	2.9	10.5
				incl.	22	38	16	55.4	62.2	0.05	6.4	2.9	10.9
RCMC422	199249	7609264	-90/-	138	6	38	32	51.3	57.3	0.05	12.9	3.1	10.4
				incl.	8	30	22	55.0	61.8	0.06	6.9	3.1	11.1
				and	68	84	16	54.2	60.9	0.04	9.2	2.3	10.9

Intersections quoted using lower cut-off of 50%Fe. All coordinates in MGA Zone 51 GDA 94, by hand held GPS (\pm 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).

R M Joyce DIRECTOR

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.

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%Al₂O₃. 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% 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 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	~10.8%
Carpentaria Exploration Limited	CAP	iron, coal, gold	~9.1%
Gascoyne Resources Limited	GCY	gold	~5.9%
Hazelwood Resources Ltd	HAZ	nickel, tungsten	~1.7%
Entrée Gold	ETG-(TSX)	copper	~1%