

ASX ANNOUNCEMENT

THICK +50% FE HEMATITE ZONES IN EARLY EARAHEEDY IRON ORE DRILLING RESULTS

- **Thick zones of hematite in early results from late 2009 RC drilling at the greenfields Earraheedy iron ore project, including;**
 - **12 metres @ 55.5% Fe within 30 metres @ 51.5% Fe**
 - **40 metres @ 50.4% Fe (open at end of hole)**
 - **4 metres @ 58.1% Fe**
- **This program involved further widely spaced drillholes testing beneath numerous hills with outcropping hematite mineralisation in the Miss Fairbairn Hills particularly in the south and east of the prospective area.**

The Directors of Giralia Resources NL ("Giralia") provide a progress update on recently received assay results from late 2009 exploration drilling at the Company's 100% owned Earraheedy iron ore project, one of seven iron ore projects being explored and developed in Western Australia by Giralia.

Giralia's Earraheedy tenements cover 570 square kilometres, in the Miss Fairbairn Hills area, considered the most iron-ore prospective area of the northern Earraheedy Basin, 100 km north of Wiluna, and 200 km south of Newman in Western Australia. A small program of shallow drilling in the late 1970s by Amax Exploration (Australia) Inc. returned intersections of 22 metres @ 56.5% Fe including 14 metres @ 59.3% Fe, and 4 metres (to end of hole) @ 60.4% Fe wholly within Giralia's current tenements. Giralia's mapping and rock sampling has confirmed high-grade outcropping hematite mineralization, and better intersections from previous Giralia drilling include **20 metres @ 55.7% Fe**, within an overall zone of **40 metres @ 51.6% Fe**, **24 metres @ 53.8% Fe** from surface including **8 metres @ 58.7% Fe**, **12 metres @ 57.3% Fe** from surface and **38 metres** to end of hole @ **53.6% Fe**, including **8 metres @ 56.8% Fe**.

A follow up RC drilling program of 126 holes/ 6678 metres (holes RCE166 to RCE289) was completed in November 2009 to test beneath the widespread hematite outcrops at the Company's wholly owned Earraheedy project. The 2009 program involved around 40 kilometres of new track construction to access a number of new hills. Holes were drilled predominantly as single traverses of 200 metre spaced vertical holes along the new tracks constructed to access the crests of the low hills.

Assay results now received for early holes continue to confirm deep penetrative hematite enrichment of the iron formations in the Miss Fairbairn Hills, with many intersections commencing from surface. Results from the first traverses drilled in the southern hills and north eastern traverses returned several thick zones of continuous hematite mineralization often open below the depth of drill testing, particularly in the southern hills (see fig 2). Better intersections include **40 metres @ 50.4% Fe** (open at end of hole), **12 metres @ 55.5% Fe** within **30 metres @ 51.5% Fe**, and **4 metres @ 58.1% Fe**. Mineralisation appears to be occurring as thick, shallowly dipping, open ended sheets of bedded hematitic iron formation and shale as anticipated from surface outcrop mapping and sampling (Fig.2).

Additionally, pisolitic and pelletal hematitic gravels were again noted flanking the hills of hematite outcrop; previous drilling of these detrital gravels in the south west hills reported by Giralia in early 2008 showed large tonnage potential and encouraging results from field screening testwork for beneficiation to DSO grades. Further beneficiation testwork is planned on the gravels, and on the thick low grade bedded hematite zones.

Earaheedy Project November 2009 RC Drilling Results from holes RCE166-RCE242 >4 metres @ 50% Fe

Hole No	Coordinates		Dip/Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	P %	Al ₂ O ₃ %	LOI
	East	North									
RCE 166	238705	7200835	-90	72	32	72	40 (EOH)	50.4	0.16	10.3	4.4
RCE 167	238804	7200892	-90	72	40	68	28	51.8	0.22	9.2	5.0
RCE 169	238962	7200726	-90	60	48	54	6	55.1	0.40	7.4	5.4
				incl.	48	52	4	57.3	0.37	6.2	5.0
RCE 174	239105	7201014	-90	60	6	36	30	51.5	0.28	7.9	6.7
				incl.	20	32	12	55.5	0.48	5.8	8.7
RCE 179	239314	7201293	-90	21	10	18	8	52.8	0.14	6.0	6.6
RCE 179A	239310	7201309	-90	60	10	14	4	51.4	0.15	5.4	6.8
RCE 188	241496	7202293	-90	60	4	20	16	52.8	0.02	6.2	4.0
RCE 200	245339	7215352	-90	38	16	20	4	58.1	0.03	5.1	5.3
RCE 203	245970	7215357	-90	48	24	32	8	54.6	0.07	5.7	7.6
				incl.	24	28	4	56.1	0.07	5.3	6.7

RC drill samples collected as 2 or 4 composites. Intersections quoted using lower cut-offs of 50% and 55% Fe. Up to 8 metres included material below cut-off. All coordinates in MGA Zone 51 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 standard (Certified Reference Material), comprising one coarse standard and one pulverised standard for each drill hole.

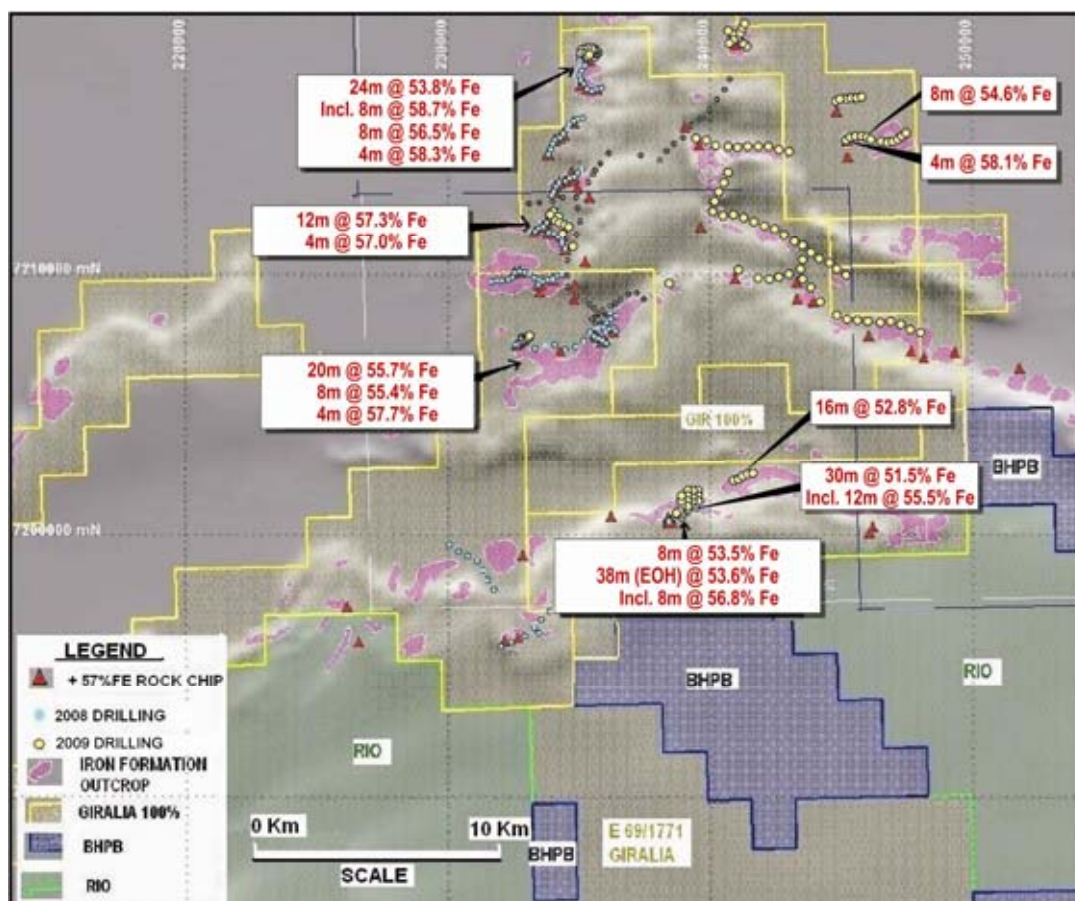


Fig 1; Earaheedy Project, grey scale aeromagnetics with Giralia tenure (yellow) showing iron formation outcrops (pink) and October-November 2009 drilling (yellow dots).

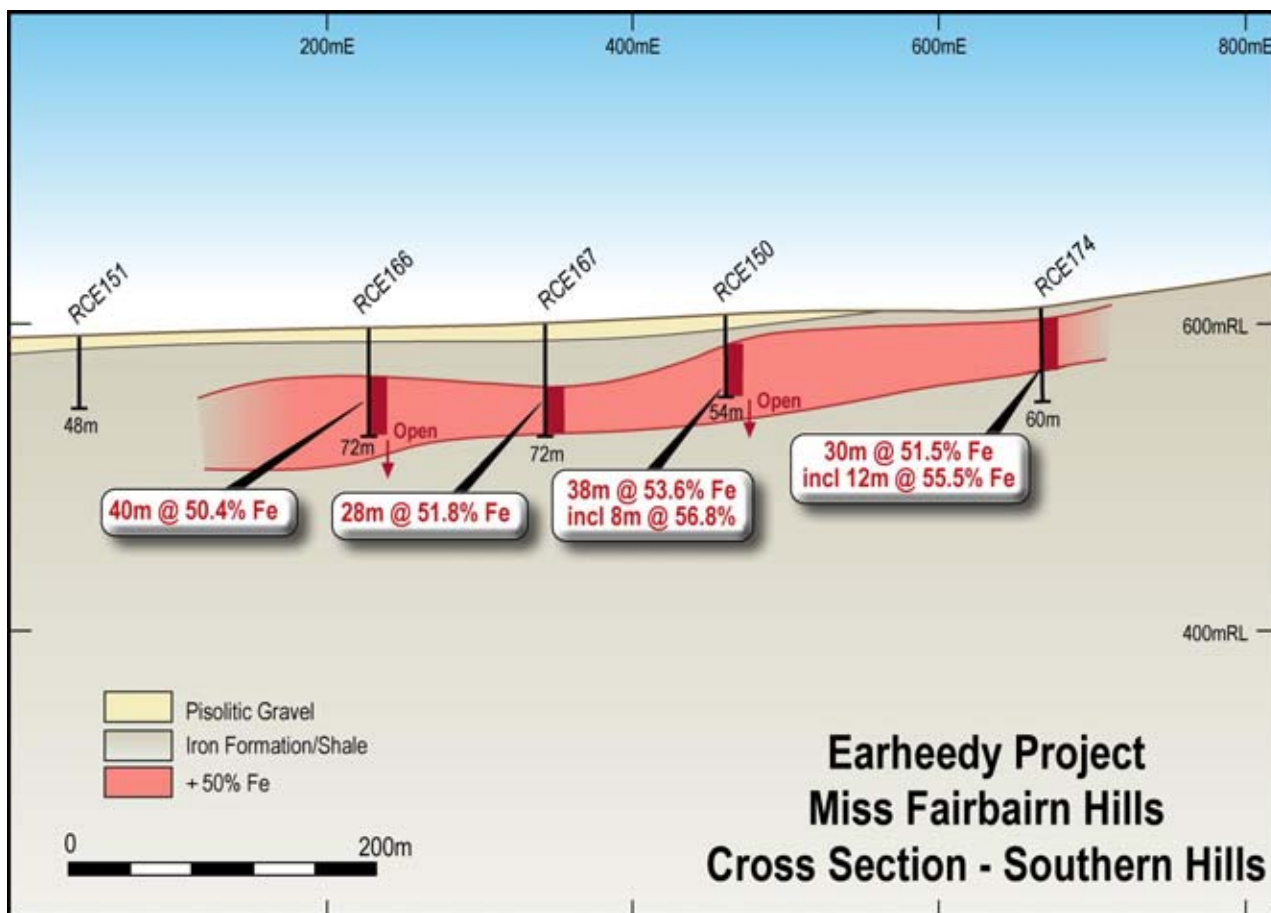


Fig 2; Cross Section of Earheedy drilling in the southern hills

R M Joyce
DIRECTOR

12 January 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.

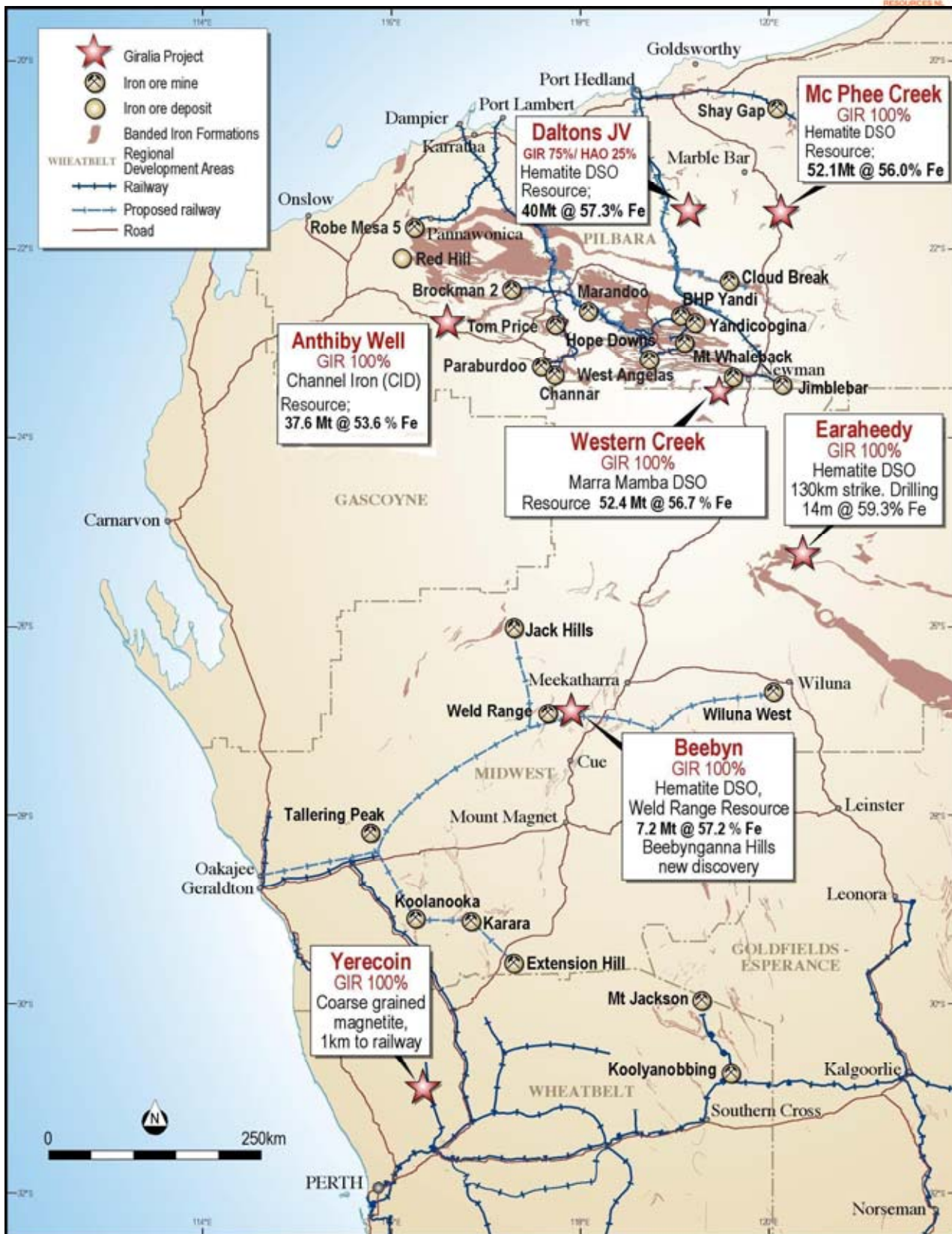


Fig 3; Location plan showing Giralia's iron ore projects in Western Australia.

About Giralia Resources NL

Giralia Resources NL ("ASX: GIR") is a well funded (~\$65 million cash) mineral exploration company based in Perth, Western Australia. Giralia's iron ore projects in Western Australia are the Company's major 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).

Daltons (75%) - Hematite (Pilbara) – Newly discovered zone of massive hematite outcrop, 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)**.

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 7 new zones of hematite 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 March 2009; 72 metres @ 32.4%Fe, 52.4 metres @ 31.6 %Fe. Coarse magnetite; excellent DTR testwork. Scoping Study in progress. Exploration Target 200-250million tonnes @ 30 to 35%Fe.

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%
Hazelwood Resources Ltd	HAZ	nickel, tungsten	~3.3%