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Giralia Resources NL ABN 64 009 218 204

ASX ANNOUNCEMENT

MORE THICK HEMATITE AT MCPHEE CREEK

- Further thick hematite intersections at the new 100% owned McPhee Creek main range discovery, located 220 kilometres south east of Port Hedland.
- Strong results continue to extend current JORC resource to the south;
  - **102 metres @ 58.2% Fe (63.5%CaFe)**
- Significant intersection on eastern side of range;
  - **74 metres @ 56.5% Fe, (63.6%CaFe)**
- Interim resource upgrade will be calculated when all results from drilling south of the current JORC resource are received.

The Directors of Giralia Resources NL (Giralia) report further significant assay results from the ongoing resource definition drilling program 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 first drilled in September 2009. In December 2009 Giralia announced the maiden JORC Inferred Mineral Resource for the new 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, with large tonnage potential indicated along the ~8 kilometres long and up to 1 kilometre wide range.

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 along the western side of the range only.

Significant results were announced on 20 May and 1 June 2010 from early holes south and south east of the current resource; **114 metres @ 59.9% Fe, 1.9% Al_2O_3, from 8 metres depth, including 106 metres @ 60.5% Fe, 1.7% Al_2O_3, 126 metres @ 55.8% Fe (61.9%CaFe), 1.9% Al_2O_3 from 16 metres depth, 92 metres from 16 metres depth to EOH @ 56.7% Fe, (62.7%CaFe) incl. 24 metres @ 60.0% Fe, 0.9% Al_2O_3 , 82 metres from 22 metres depth @ 56.3% Fe, (62.6%CaFe) incl. 40 metres @ 58.4% Fe, 1.3% Al_2O_3, 70 metres @ 57.1% Fe (63.8%CaFe), 1.7 % Al_2O_3, and 72 metres EOH @ 57.8% Fe, (63.9%CaFe), 1.9 % Al_2O_3.**

New results just received continue to confirm thick zones of hematite mineralisation over around 1.5 kilometres of strike to the south of the current JORC resource. Additionally new results from longer traverses across the range are providing significant encouragement, including bedded hematite mineralisation (RCMC203: 74 metres @ 56.5% Fe).

Table 1: Mc Phee Creek main range, RC drilling May- June 2010. Intersections>10 metres @ >50%Fe

Hole No	Coordinates East	Coordinates North	Dip/Az	Depth (m)	From (m)	To (m)	Interval (m)	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
*RCMC118	200465	7609736	60/300	70	14	28	14	57.0	61.1	0.09	7.3	3.2	6.7
*RCMC128	200752	7609514	90/000	100	0	16	16	55.7	63.2	0.11	4.7	2.9	11.8
*RCMC130	200830	7609449	90/000	88	0	18	18	55.7	61.4	0.09	8.1	2.6	9.2
*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
*RCMC134	200981	7609307	90/000	88	0	12	12	51.8	56.4	0.08	13.7	3.2	8.32
*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
*RCMC138	200353	7609333	90/000	94	0	12	12	52.1	58.2	0.05	10.2	2.4	10.5
*RCMC139	200182	7609223	60/310	144	16	142	126	55.8	61.9	0.09	7.1	1.9	9.8
				incl.	66	94	28	57.8	64.9	0.10	3.5	1.5	11.0
				and	122	140	18	58.1	64.4	0.13	4.6	1.3	9.8
*RCMC141	200218	7609199	90/000	114	18	36	18	56.8	63.0	0.06	4.7	2.4	9.9
				and	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
				incl.	66	96	30	58.6	63.8	0.07	3.4	1.6	8.2
RCMC153	200108	7609043	-90/-	132	18	120	**102**	**58.2**	**63.5**	**0.07**	**4.7**	**2.3**	**8.4**
				incl.	82	118	**36**	**60.2**	**65.3**	**0.08**	**3.6**	**1.4**	**7.9**
RCMC155	200142	7609018	-90/-	84	2	18	16	51.7	57.5	0.08	10.8	3.7	10.0
RCMC157	199858	7609093	-	66	30	54	**24**	**56.6**	**63.0**	**0.09**	**5.4**	**2.2**	**10.1**
RCMC159	199803	7608989	-	72	2	15	13	55.3	61.0	0.04	6.2	4.3	9.4
RCMC161	199850	7608985	-90/-	72	24	50	26	53.4	59.1	0.07	9.1	3.6	9.7
RCMC163	199960	7609021	-90/-	90	0	54	**54**	**54.9**	**61.0**	**0.07**	**6.5**	**3.8**	**10.1**
RCMC165	200000	7608990	-	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/-	66	8	32	**24**	**55.1**	**60.2**	**0.05**	**7.6**	**3.6**	**8.5**
				incl.	**18**	**32**	**14**	**56.6**	**61.8**	**0.06**	**6.0**	**3.2**	**8.4**
RCMC171	200117	7608881	-90/-	82	8	28	**20**	**55.9**	**61.5**	**0.09**	**6.9**	**2.4**	**9.2**
				incl.	16	28	**12**	**58.4**	**64.1**	**0.09**	**4.5**	**1.6**	**9.0**
RCMC173	200083	7608789	-90/-	96	18	24	6	51.4	57.7	0.05	9.2	4.1	10.9
				and	36	74	**38**	**53.0**	**57.9**	**0.06**	**10.2**	**2.9**	**8.6**
RCMC175	200158	7608729	-90/-	84	8	50	**42**	**55.0**	**60.8**	**0.09**	**6.9**	**2.6**	**9.6**
RCMC183	199904	7608674	-90/-	84	0	10	10	54.6	61.2	0.04	4.8	4.8	10.7
RCMC185	199948	7608636	-90/-	66	0	14	14	54.1	60.7	0.06	5.6	4.7	10.9
RCMC197	199955	7608448	-90/-	72	0	12	12	55.4	60.0	0.05	6.8	4.0	7.7
RCMC199	200025	7608386	-90/-	78	0	12	12	54.9	61.4	0.05	5.4	3.8	10.7
RCMC201	199999	7608403	-90/-	72	0	18	**18**	**55.9**	**62.1**	**0.04**	**4.9**	**3.2**	**10.1**
RCMC203	200468	7608775	-90/-	96	0	74	**74**	**56.5**	**63.6**	**0.44**	**3.0**	**2.8**	**11.2**
RCMC205	200396	7608846	-90/-	90	8	22	14	52.6	58.7	0.45	6.5	5.5	10.4
				incl.	8	16	8	57.6	64.8	0.68	2.1	2.0	11.1
				and	48	76	**28**	**54.4**	**60.0**	**0.09**	**9.5**	**1.5**	**9.3**
				incl.	58	70	**12**	**56.7**	**63.0**	**0.10**	**5.9**	**1.2**	**9.9**
RCMC207	200505	7609845	-	84	0	18	18	53.0	56.9	0.06	10.2	5.5	6.9

RC drill samples collected as 2m riffle split composites. Intersections quoted using lower cut-offs of 50% and 55% Fe.Ccoordinates in MGA Zone 51 GDA 94 (± 5m). XRF analyses by Spectolab 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).*Result reported 20 May 2010, 1 June 2010.

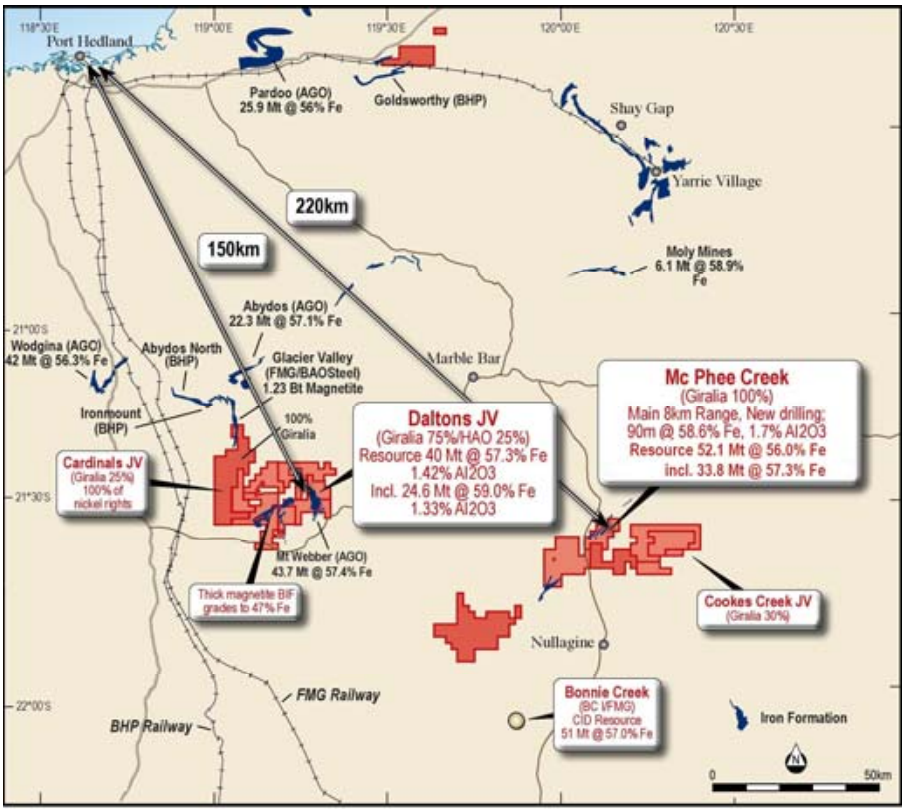

Fig.1;Location plan showing Giralia's McPhee Creek and Daltons-MtWebber iron ore deposits

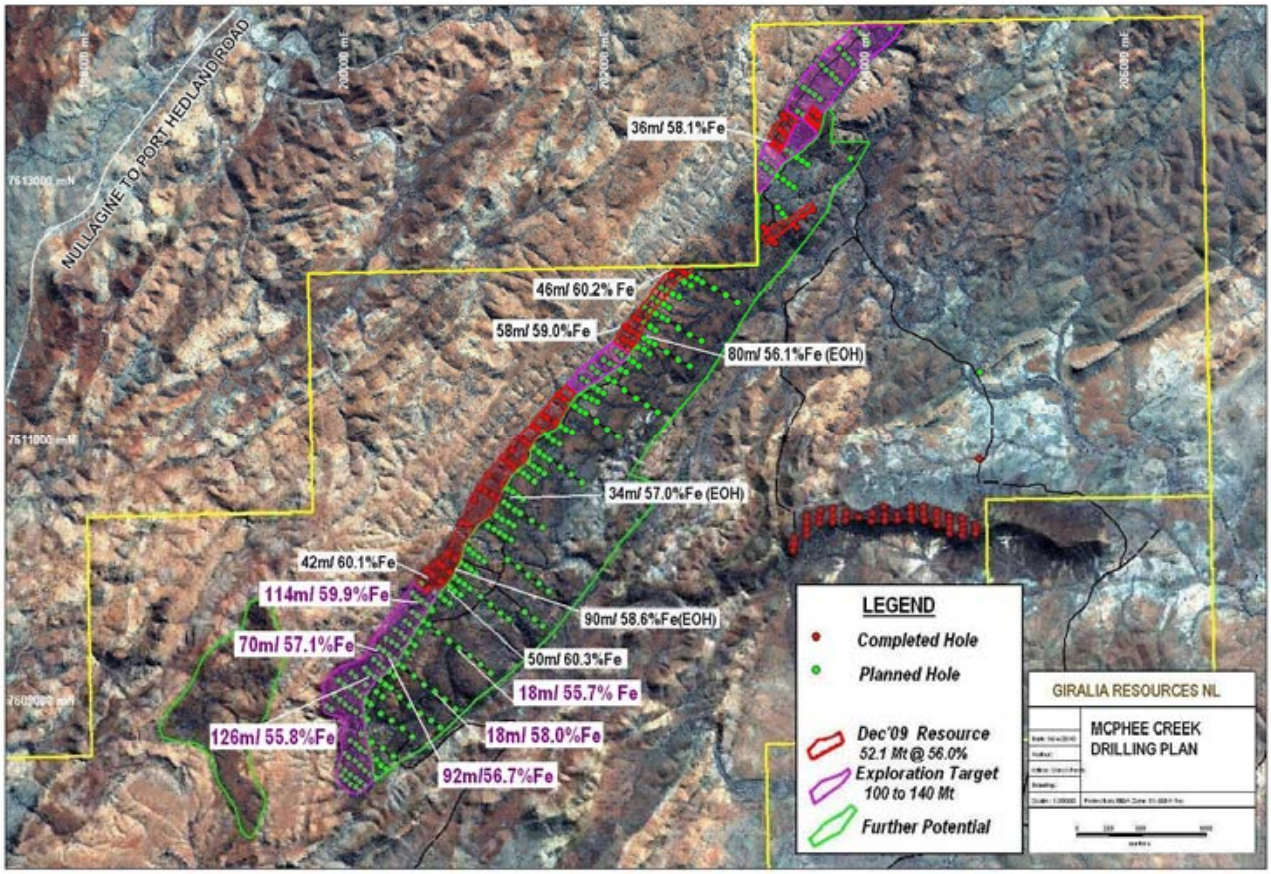

Fig.2; McPhee Creek iron ore deposit, drill hole plan with planned May –June 2010 resource drilling (green dots)

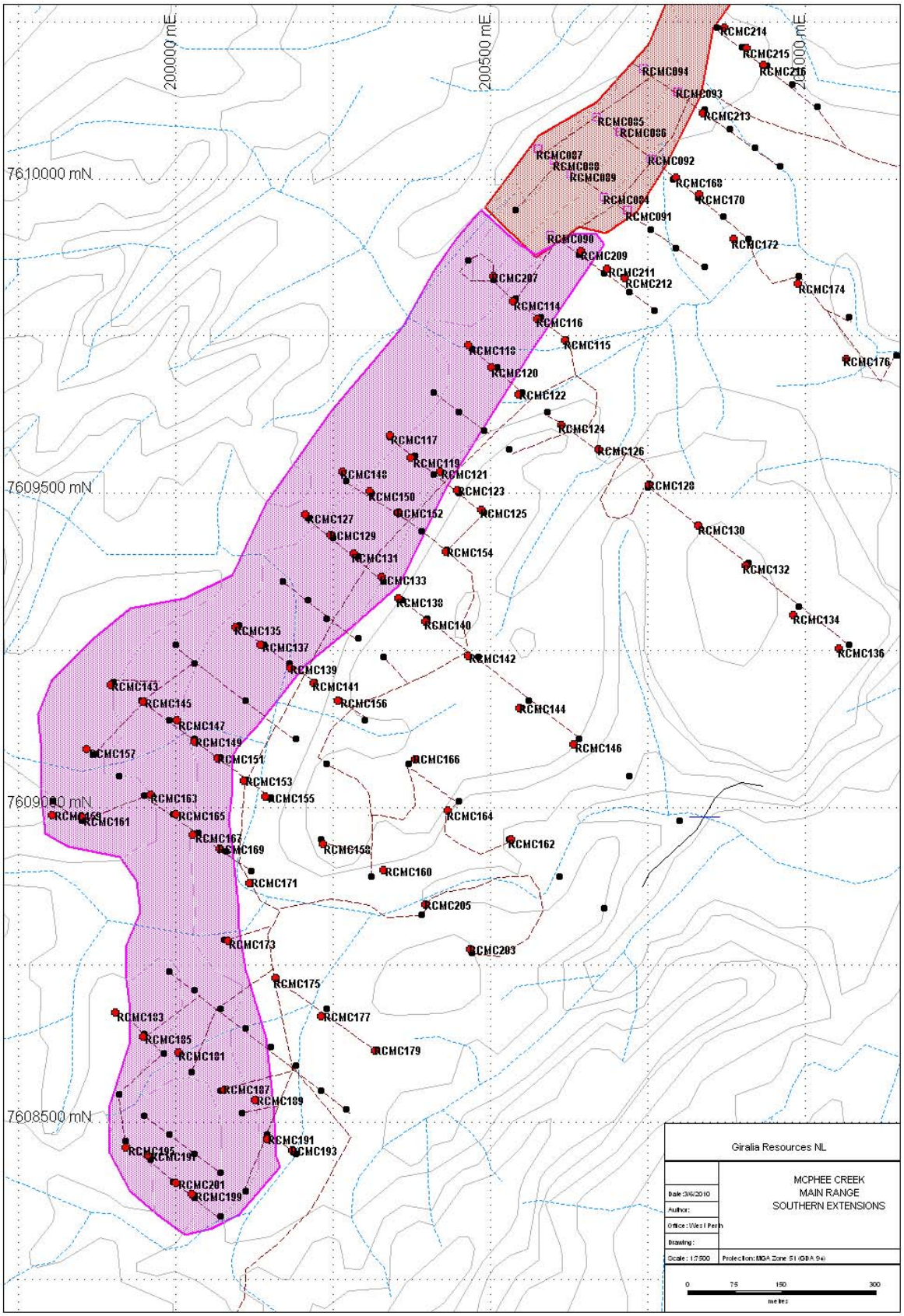

Fig 3; Detailed hole location plan of the southern end of the McPhee Creek main range. Assays have been received for odd numbered holes from RCMC115 to 207, whilst for even numbered holes assays are still awaited for holes from RCMC146 onwards.

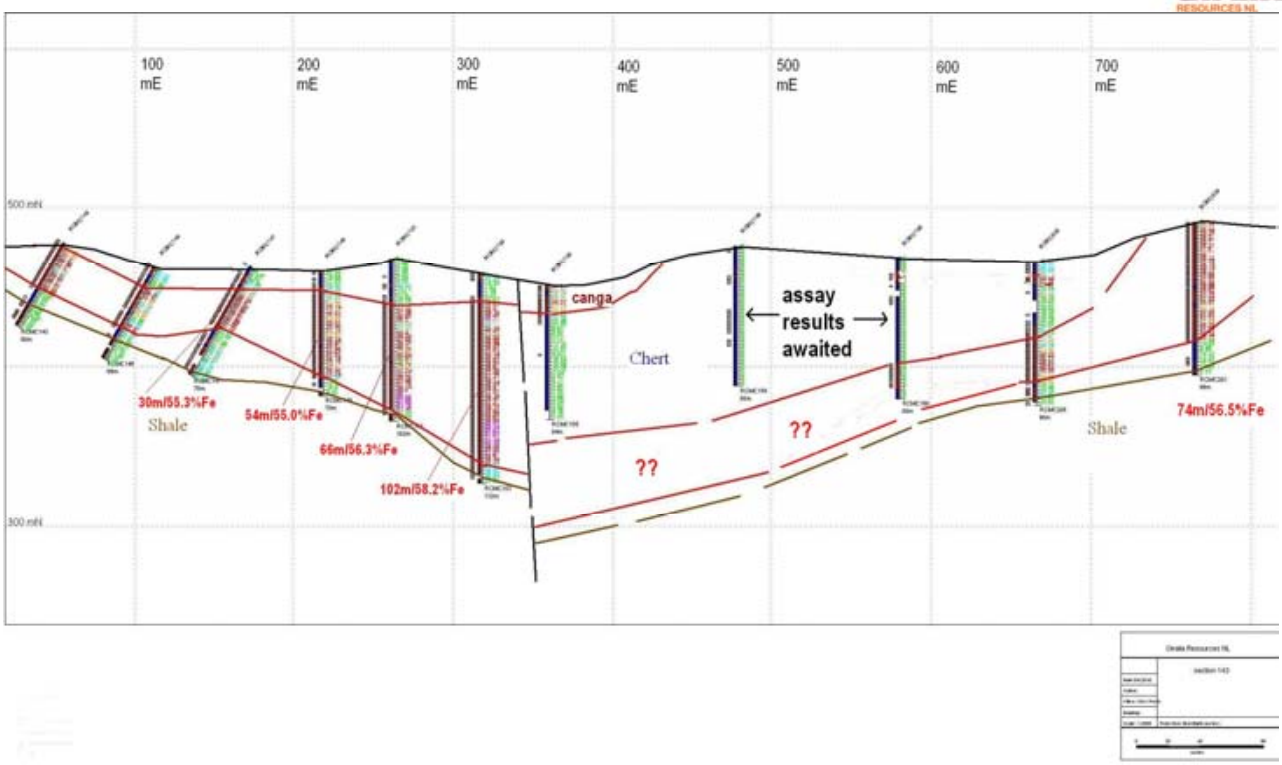

Fig 4; Schematic interpreted cross section across the south end of the main range

R M Joyce
DIRECTOR **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.

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_2O_3. 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 2nd 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%