

8 September 2010

ASX ANNOUNCEMENT

DALTONS-MT WEBBER DEPOSIT; UPGRADE TO INDICATED RESOURCE CATEGORY FOR MAIN SOUTHERN ZONE

- Upgrade in JORC resource category from Inferred to Indicated for the Main Southern Zone at Mt Webber deposit at the Daltons JV;
 - Main Southern Zone Indicated Mineral Resource; 28.9 million tonnes @ 57.9%Fe, 6.69% SiO₂, 1.49% Al₂O₃, 0.097% P, 8.17% LOI, (63.05% CaFe).
- This upgraded resource estimate is based on infill drilling completed in July 2010 which confirmed deposit quality and continuity, and led to a slight increase in volume.
- Additional Inferred Resources in Northern Zone and Lower Zone essentially unchanged.
- The new Indicated Resource for the Main Southern Zone at Mt Webber will form the basis of Ore Reserve estimates allowing for detailed mine engineering work.
- Pre-Feasibility Study in progress on development based on road haulage to Port Hedland.

The Directors of Giralia Resources NL (“Giralia”) are pleased to report an upgrade to the JORC Mineral Resource category from Inferred to Indicated for the major portion of the Mt Webber iron ore deposit, part of the Company’s Daltons Joint Venture (Giralia 75% interest with Haoma Mining NL (“Haoma”) 25% interest), located 150 kilometres south of Port Hedland in the Pilbara region of Western Australia. Haoma retains rights to gold/silver and tin/tantalum mineralisation.

The Main Southern Zone, which comprises over 80% of the DSO resource at Daltons-Mt Webber, is a flat lying, tabular hematite-goethite enrichment cap up to 70 metres thick, with mineralisation starting from surface in most holes. The Daltons JV’s Mt Webber tenements directly adjoin Atlas Iron Limited/ Altura Mining Limited’s Mt Webber project, for which a revised Mineral Resource estimate of 41.9 million tonnes @ 57.1% Fe (Indicated 21.9 million tonnes @ 57.2% Fe, and Inferred 20.0 million tonnes @ 57.0% Fe) was reported on 1 September 2010.

The new Indicated Mineral Resource for the Main Southern Zone of the Daltons JV’s Mt Webber deposit is; **28.9 million tonnes @ 57.9% Fe, 6.69% SiO₂, 1.49% Al₂O₃, 0.097% P and 8.17% LOI (63.05% CaFe)**. Additional Inferred Resources in the Lower Zone and Northern Zone are effectively unchanged at 6.2 million tonnes.

This upgraded Main Southern Zone resource will form the basis for Ore Reserve estimation and detailed mine engineering studies as part of the ongoing Daltons-Mt Webber Pre-Feasibility Study. A high rate of conversion from resource to reserves is anticipated as the deposit will require little waste removal, and is entirely “above ground”. The Daltons JV is aiming to complete mine permitting by early 2011, and is continuing to assess various transport options with a base case of public road haulage to Port Hedland.

Delineation of the new Daltons-Mt Webber Mineral Resource is based on recent infill drilling (19 RC holes and 6 PQ diamond core holes), plus 40 RC drill holes completed late 2009. The recent drilling confirmed the continuity of the near surface DSO mineralisation, and returned better results (reported to ASX on 11 August) including; **78 metres (to end of hole) @ 59.8% Fe, 0.11% P, 0.8% Al₂O₃, 68 metres @ 60.1% Fe, 0.09% P, 1.4% Al₂O₃, and 58 metres @ 59.1% Fe, 0.10% P, 1.8% Al₂O₃**.

Table 1; Mineral Resource Estimate – Mount Webber Deposit as at 23 August 2010.

Area	Category	Volume (m ³)	Tonnes	Fe%	P%	SiO ₂ %	Al ₂ O ₃ %	LOI%	CaFe%
Main Southern Zone	Indicated	10,300,000	28,900,000	57.9	0.097	6.69	1.49	8.17	63.05
Lower Zone	Inferred	1,500,000	4,300,000	53.7	0.046	15.29	0.81	6.50	57.43
Northern Zone	Inferred	700,000	1,900,000	55.0	0.070	8.10	3.24	8.52	60.12
TOTAL		12,500,000	35,100,000	57.2	0.089	7.81	1.50	7.99	62.16

Note: The CSA Mineral Resource was estimated within wireframe solids based on a nominal lower cut-off grade of 50% Fe. The resource is quoted from blocks above the specified Fe % cut-off grade. Differences may occur due to rounding.

Internationally recognised geological consultants CSA Global Pty Ltd (CSA) were commissioned by Giralia to complete the initial resource estimate for the Mt Webber deposit. Methodology, procedure and parameters used for the Mineral Resource estimate are detailed below in the CSA summary report (Annexure 1). Detailed metallurgical testwork on drill core including specific gravity determinations, has resulted in an SG of 2.8 being used for the upgraded resource estimate, versus 3.3 for the previous Inferred Resource estimate reported in September 2009, resulting in a small reduction in tonnage, despite a slightly increased volume.

Background on Daltons-Mt Webber deposit

The Daltons JV's Mt Webber iron ore deposit is located around 150 km south of Port Hedland. The Daltons JV's Mt Webber tenements directly adjoin Atlas Iron Limited's Mt Webber prospect, which has a reported resource of 41.9 million tonnes @ 57.1% Fe (comprising an Indicated Resource of 21.9 million tonnes @ 57.2% Fe, and Inferred Resources of 20.0 million tonnes @ 57.0% Fe).

Pre-Feasibility Study elements were commissioned at Daltons–Mt Webber following the release on 17 December 2009 of the findings of an independent Scoping Study on development options, targeting the production of direct shipping iron ore (“DSO”), initially at 2 million tonnes per year by open pit mining and road haulage to Port Hedland.

Detailed environmental studies are well advanced, with consultants ecologia Environment undertaking all environmental investigations and environmental impact assessment documentation required through to mining approvals. Groundwater consultants Aquaterra are undertaking borefield search and licensing. Metallurgical testing at Ammtec for product specification has now been completed on 6 PQ core holes.

A Mining Lease application was lodged in late April covering the Mt Webber deposit and environs, and a new northern access ramp road has been constructed. The Scoping Study implementation schedule for the project indicates that it may be possible to achieve first production by October 2011.

An overall DSO Exploration Target# of **60 to 80 million tonnes @ 56-60% Fe** has been established for the Daltons JV tenements, inclusive of the current Mt Webber resource, and including several newly defined smaller hematite zones near Mt Webber and in the Soanesville area.

R M Joyce
DIRECTOR

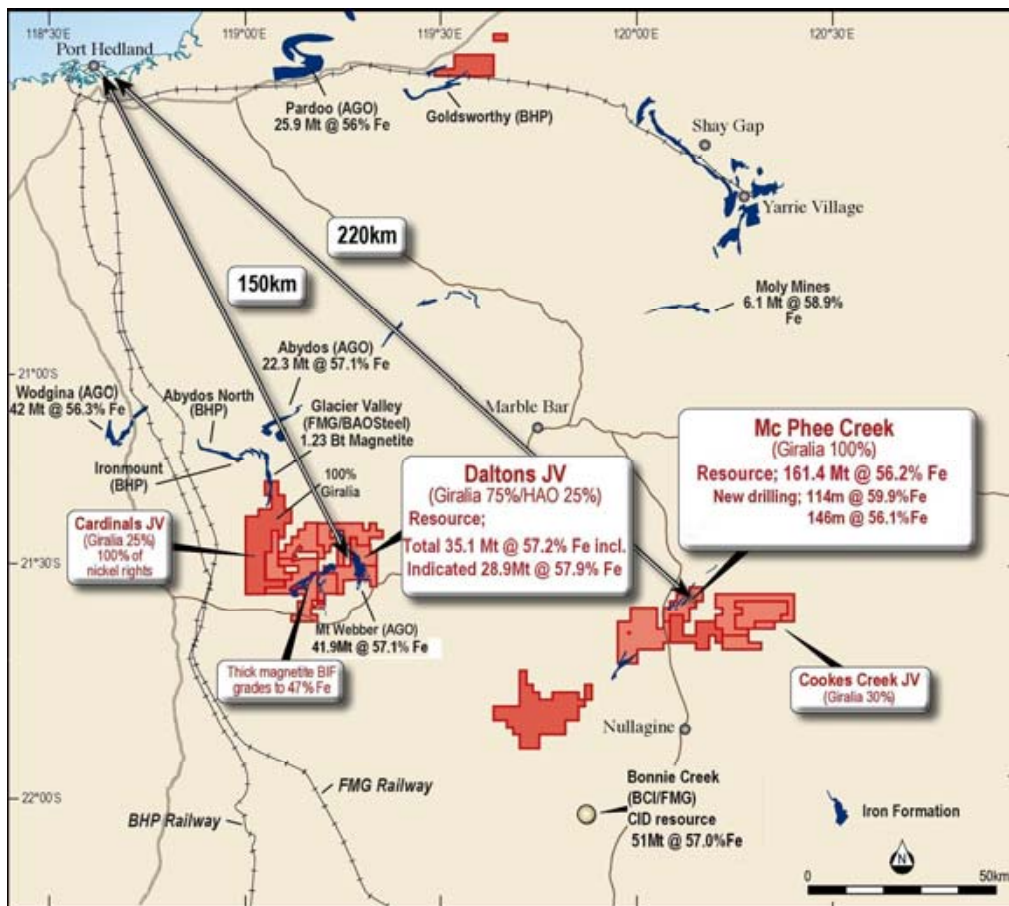


Fig 1; Location plan Daltons JV and McPhee Creek tenements



Fig 2; Main southern hill at Daltons- Mt Webber deposit showing approximate position of tenement boundary between Giralia/Haoma JV foreground, and Atlas/ Altura JV (photo looks south).

The information in the report that relates to in-situ Mineral Resources is based on information compiled by Mr Chris Allen of CSA Global. Mr Chris Allen takes overall responsibility for the Report. 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 Chris Allen 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 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.

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. Interim Inferred Mineral Resource **161.4 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. Indicated plus 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 from 8 hills tested to date.

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 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
U3O8 Limited	UTO	uranium	~15%
Zinc Co Australia Limited	ZNC	zinc	~12%
Carpentaria Exploration Limited	CAP	NSW, Qld	~10%
Gascoyne Resources Limited	GCY	gold	~5.9%
Hazelwood Resources Ltd	HAZ	nickel, tungsten	~3.3%
Entrée Gold	ETG-(TSX)	copper	~1%

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MEMORANDUM

To: Julian Goldsworthy
Date: 27 August 2010
From: Chris Allen
Re: Mount Webber Mineral Resource estimate, Technical Summary.

Giralia Resources NL, Mount Webber Project Mineral Resource Estimate.

The updated Mineral Resource estimate is based on 59 Reverse Circulation (RC) holes totaling 5000m and six PQ diamond holes totaling 288.2m. Nineteen of the RC holes and all six diamond holes have been drilled since the previous estimate was announced, infilling the Main Southern Zone to approximately 100m by 50m, and occasionally penetrating the Lower Lenses. No additional drilling has been completed in the Northern Zone. Additionally since the last estimate, Giralia has acquired a high resolution topographic model.

The Mineral Resource estimate is classified as Indicated for the Main Southern Zone and as Inferred for the smaller lenses below the main zone (Lower Lenses) and for the Northern Zone. This is based on confidence in the geological interpretation and continuity of the mineralisation, from the recent drilling confirming the previous interpretation, the appropriate section and drill hole spacing, and getting local density data.

Table 1 Mineral Resource Estimate – Mount Webber Deposit as at 23 August 2010.

Area	Category	Volume	Tonnes	Fe	P	SiO ₂	Al ₂ O ₃	LOI
Main Southern Zone	Indicated	10,300,000	28,900,000	57.9	0.097	6.69	1.49	8.17
Lower Lenses	Inferred	1,500,000	4,300,000	53.7	0.046	15.29	0.81	6.50
Northern Zone	Inferred	700,000	1,900,000	55.0	0.070	8.10	3.24	8.52
TOTAL		12,500,000	35,100,000	57.2	0.089	7.81	1.50	7.99

Note: The CSA Mineral Resource was estimated within constraining wireframe solids based on a nominal lower cut-off grade of 50% Fe. The resource is quoted from blocks above the specified Fe % cut-off grade. Differences may occur due to rounding.

Although the new drilling has resulted in a minor increase in volume, the tonnage has been revised downward as a result of determining in-situ density from the six PQ diamond drill holes. Thirty-six density measurements were taken and reviewed against geological logging and statistically, and as a result the estimated density of the mineralised body has been reduced from the previously assumed 3.3, to 2.8 tonnes/cubic metre.

The Mineral Resource estimate completed by CSA for the Mount Webber deposit is based on the following:

- Giralia supplied geological and sampling data and provided technical and geological support to CSA during the resource modeling process.
- CSA imported the supplied drill hole data to Datamine Studio 3 software with no truncation of coordinates and carried out modeling in the Datamine extended precision environment.
- Wireframe solids were generated based on the sectional interpretations by CSA and Giralia to delineate the zones of Fe mineralisation. A nominal lower Fe cut-off of 50 % was used to define the mineralised envelopes.

- The interpreted mineralised zones consist of the Main Southern Zone, modeled between the new detailed topographic surface and a 'base of mineralisation' surface; a number of mineralised lenses (Lower Lenses) interpreted as flat-lying beneath the Main Southern Zone; and the Northern Zone.
- Drill hole samples were flagged by mineralised zone using the constructed wireframes.
- The majority of samples are 1m RC samples. Diamond samples from 6 holes were taken over a range of wider intervals, and were composited down to 1m to give equal weighting.
- Top cuts were applied to deleterious elements, for each zone separately, to avoid potential estimation bias associated with outlier values, based on a detailed statistical analysis of the zones.
- Variograms were modeled for Fe, SiO₂, Al₂O₃ and P for the Main Southern Zone, which had sufficient samples to model variograms successfully. The other two zones did not give sufficient data to model variograms.
- A Datamine block model was constructed with blocks based on the modeled wireframed ore zones. The model used a parent cell size of 50m x 50m x 10m (X x Y x Z) with subcells down to 5m x 5m x 1.0m.
- Ordinary Kriging (OK) was used to estimate the grades into the parent blocks for Fe, P, SiO₂, Al₂O₃ S and LOI.
- Search ellipses were orientated based on the overall geometry of mineralisation for the zones, with the search ellipse increased by 2/3 and then tripled for the second and third search passes.
- A minimum of 12 samples and a maximum of 30 samples were used to estimate the sample grades into each block for the first search pass. The minimum number of samples was reduced to 8 for the second and third search pass.
- A maximum of 6 samples from any one drill hole were used per block estimate, with cell discretisation of 3 x 3 x 1 (X x Y x Z). Octant based searching was not used.
- The results of the grade estimation were validated by means of visual comparison along sections, statistical analysis and trend plots comparing the estimated block grades and the drill hole sampling grades.
- The Mineral Resource was classified as an Indicated Mineral Resource for the Main Southern Zone, based on current drill coverage and confidence in geological and grade continuity which was confirmed by the drilling since the last estimate. The Lower Lenses and the Northern Zone remain as Inferred.

Fe grade-tonnage curve data of the combined mineralised zones are presented in Table 2 and Figure 1, and for the Main Southern Zone only in Table 3 and Figure 2.

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Chris Allen
Senior Resource Consultant
CSA Global Pty Ltd

Table 2 Grade Tonnage Mt Webber All mineralised zones

Fe Cutoff	Volume	Tonnes	Fe	P	SiO2	Al2O3	LOI
-	13,472,500	37,723,000	55.8	0.088	9.49	1.54	7.98
48.0	12,760,325	35,728,910	57.1	0.089	7.97	1.52	7.99
49.0	12,664,725	35,461,230	57.1	0.089	7.91	1.51	7.98
50.0	12,533,875	35,094,850	57.2	0.089	7.81	1.50	7.99
51.0	12,293,125	34,420,750	57.3	0.090	7.62	1.50	8.01
52.0	11,935,800	33,420,240	57.5	0.091	7.38	1.50	8.03
53.0	11,492,650	32,179,420	57.7	0.092	7.17	1.49	8.03
54.0	10,915,200	30,562,560	57.9	0.093	6.85	1.49	8.04
55.0	10,059,450	28,166,460	58.2	0.094	6.51	1.45	8.05
56.0	8,680,050	24,304,140	58.7	0.096	5.94	1.42	8.04
57.0	7,194,850	20,145,580	59.1	0.097	5.46	1.38	8.01
58.0	5,312,050	14,873,740	59.6	0.101	4.93	1.33	7.99

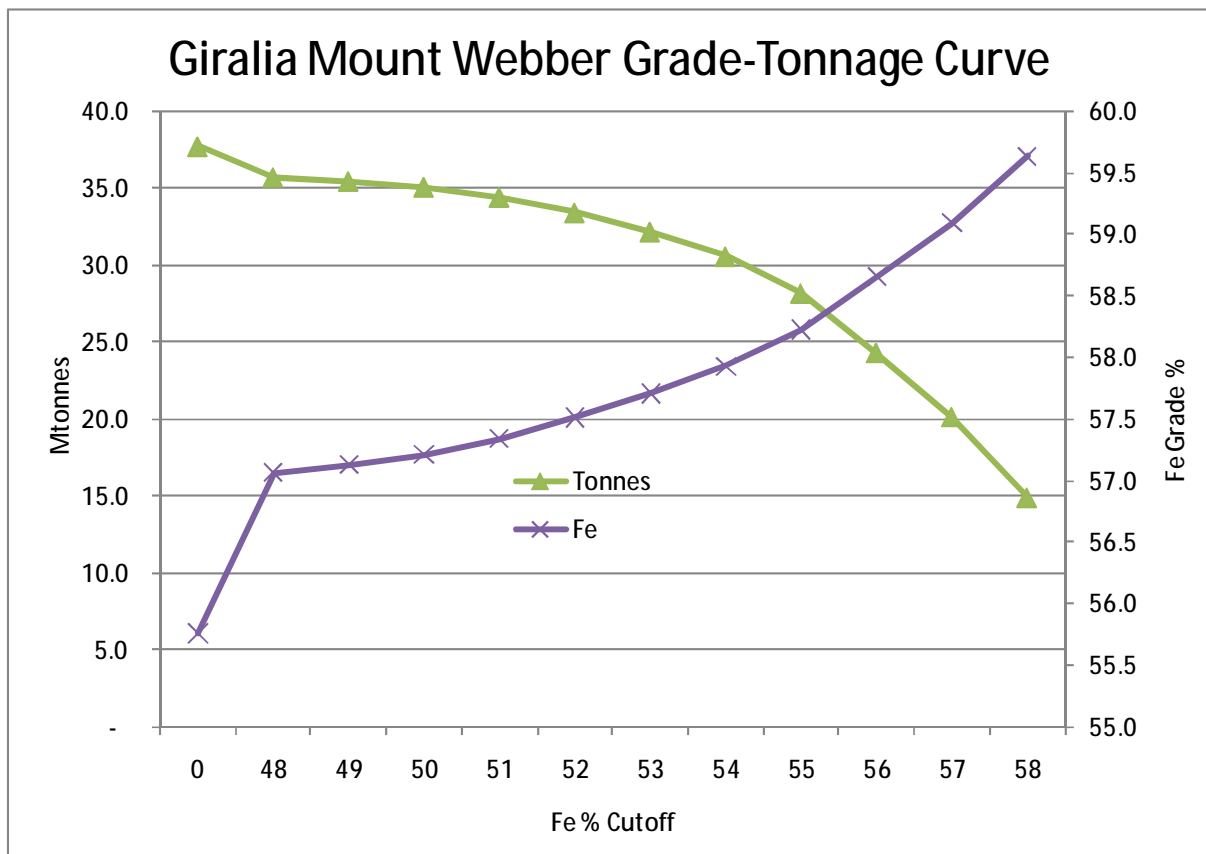


Figure 1 Fe Grade Tonnage curve for all mineralised zones.

Table 3 Grade Tonnage table for Mt Webber main southern zone.

Fe Cutoff	Volume	Tonnes	Fe	P	SiO2	Al2O3	LOI
0	11,090,675	31,053,890	56.2	0.095	8.66	1.52	8.16
48	10,393,300	29,101,240	57.8	0.097	6.76	1.49	8.18
49	10,361,850	29,013,180	57.8	0.097	6.72	1.49	8.18
50	10,325,050	28,910,140	57.9	0.097	6.69	1.49	8.17
51	10,294,375	28,824,250	57.9	0.097	6.67	1.49	8.17
52	10,209,550	28,586,740	58.0	0.097	6.62	1.48	8.17
53	10,010,175	28,028,490	58.1	0.097	6.53	1.47	8.16
54	9,748,650	27,296,220	58.2	0.097	6.38	1.46	8.15
55	9,309,375	26,066,250	58.4	0.097	6.23	1.45	8.13
56	8,207,525	22,981,070	58.7	0.099	5.74	1.42	8.11
57	6,897,275	19,312,370	59.1	0.099	5.32	1.37	8.06
58	5,227,550	14,637,140	59.6	0.102	4.89	1.33	8.01

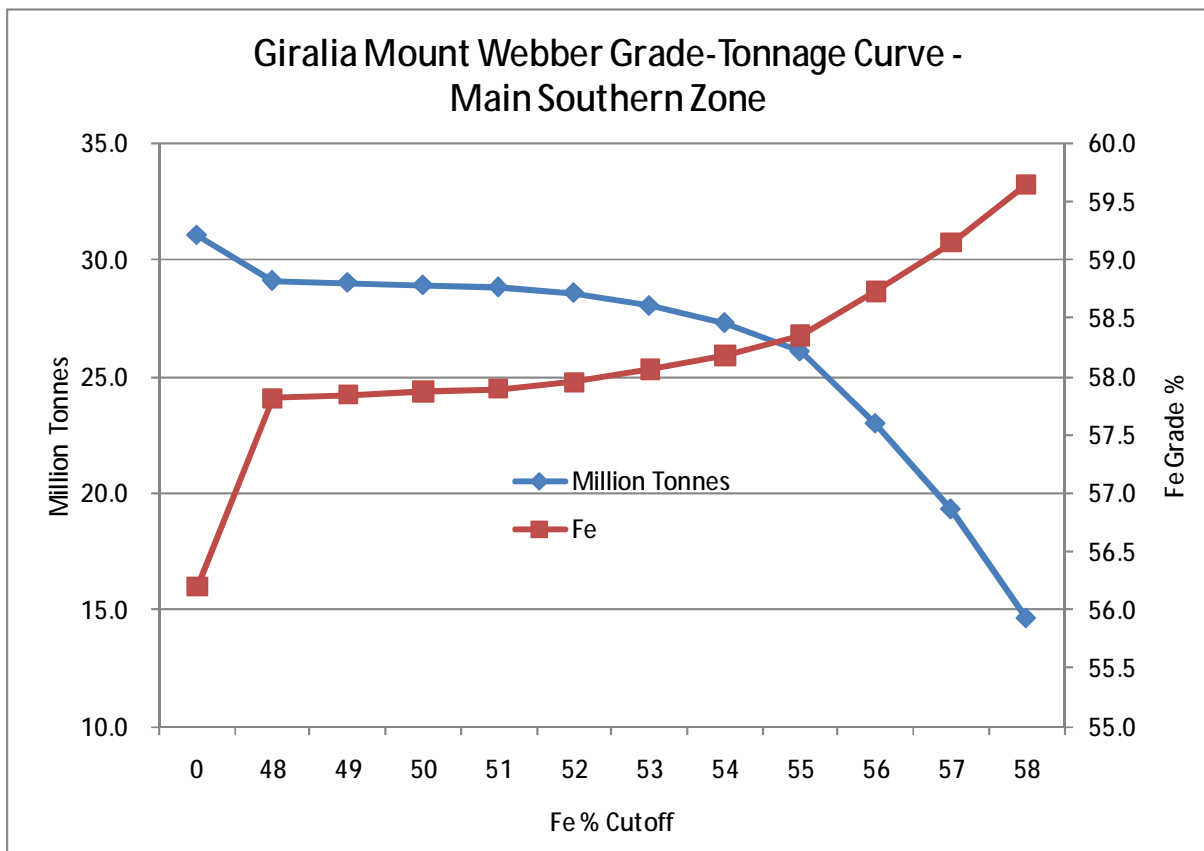


Figure 2 Fe Grade Tonnage curve for the Main Southern Zone.