

## ASX ANNOUNCEMENT

### DALTONS-MT WEBBER PROJECT, PRE FEASIBILITY UPDATE

- **Daltons–Mt Webber deposit Pre Feasibility elements progressing well.**
- **Mining lease applications lodged.**
- **Environmental assessment through to mining approval well advanced.**
- **Large diameter core drilling/ additional metallurgical testwork in progress.**
- **Infill RC drilling for resource category upgrade in progress.**
- **Groundwater/borefield search program initiated.**
- **New access ramp constructed.**

The Directors of Giralia Resources NL ("Giralia") provide a progress update on development activities at the Daltons-Mt Webber iron ore project. The Daltons Joint Venture (Giralia 75% interest, Haoma Mining NL 25% interest), covers four tenements located around 150 kilometres south of Port Hedland in the Pilbara region of Western Australia.

The Daltons JV's Mt Webber iron ore 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's Mt Webber tenements directly adjoin Atlas Iron Limited's Mt Webber prospect, which has a reported resource of 43.7 million tonnes @ 57.4% 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. The implementation schedule for the project indicates that it may be possible to achieve first production by October 2011.

Detailed environmental studies are well advanced, with consultants ecologia Environment contracted to undertake all environmental investigations and environmental impact assessment documentation required for a proposed 2mtpa mine through to mining approvals. Groundwater consultants Aquaterra have been contracted to undertake borefield search and licensing. Additional PQ diameter drill core is currently undergoing metallurgical testing at Ammtec for product specification with a further 5 holes now completed.

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.

Drilling of 5 further PQ diamond core holes (RDMW002 to 006) has just been completed at Daltons-MtWebber, and partial results have been received from Ammtec for ongoing metallurgical work drill core. Lump to fines ratio for RDMW004 and 006 varied with depth, ranging from a high of **68.45%: 31.55%** to a low of **51.76%:48.24%**, supporting the previously reported high lump ratio for hole RDMW001 which ranged from a high **56.8%:43.2%** to a low of **32.4%:67.6%**.

Holes RDMW004 and 006 which were both terminated before intersecting the full thickness of mineralisation, returned intersections of **30.3 metres @ 55.58% Fe, 7.94% SiO<sub>2</sub>, 1.64% Al<sub>2</sub>O<sub>3</sub>, 0.09% P, and 10.04% LOI** from surface in RDMW004, and **27 metres @ 58.17% Fe, 5.51% SiO<sub>2</sub>, 0.57% Al<sub>2</sub>O<sub>3</sub>, 0.09% P, and 9.81% LOI** from 4.5 metres depth in RDMW006.

Infill RC drilling is in progress to upgrade resource category from Inferred to Indicated, and allow estimation of Ore Reserves and detailed mine engineering studies. Further drilling is also planned to test several new hematite zones to the west of Mt Webber for resource growth targets following additional mapping and access track planning.

R M Joyce  
DIRECTOR

17 June 2010

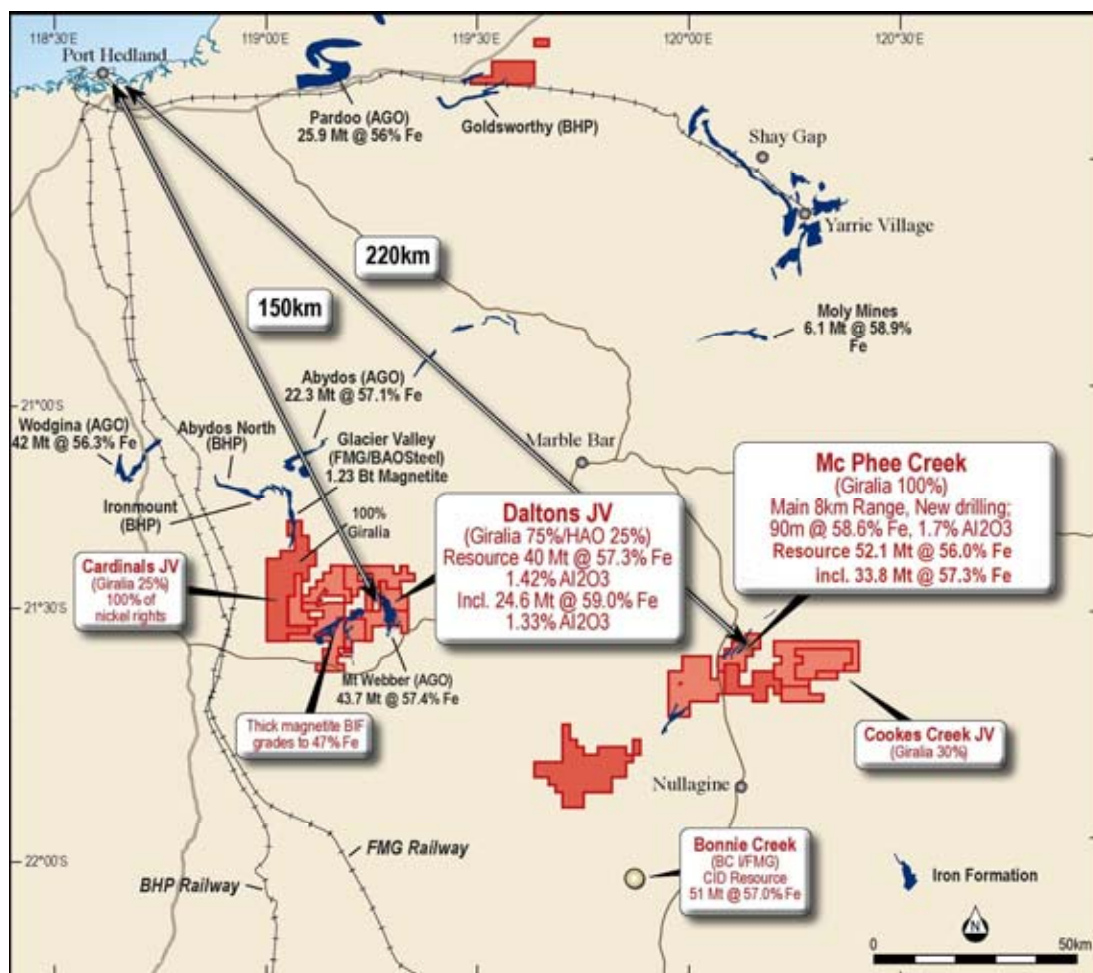


Fig.1; Location plan Daltons JV and McPhee Creek tenements



Fig.2; Mt Webber northern access ramp construction.



Fig.3; Mt Webber southern access

*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<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%**.