

8 July 2010

ASX ANNOUNCEMENT

STRONG NEW DSO RESULTS FROM NORTHERN MCPHEE CREEK MAIN RANGE

- First results from resource drilling of the northern end of the McPhee Creek main range confirm more extensive hematite mineralisation;
 - **112 metres (to end of hole) @ 57.7% Fe (63.3%CaFe), 0.06% P, including 74 metres (to end of hole) @ 60.3% Fe**
 - **100 metres @ 57.8% Fe (63.4%CaFe), 0.08% P**
 - **68 metres (to end of hole) @ 57.1% Fe (63.3%CaFe), 0.07% P**
 - **42 metres (to end of hole) @ 57.7% Fe (64.9%CaFe), 0.06% P**
- Mineralisation significantly thicker than modelled in current JORC resource, and outside both current resource and Exploration Target.
- Interim resource upgrade anticipated within ~2 weeks, with all drilling data for southern 25% of range delivered to resource consultants.

The Directors of Giralia Resources NL (Giralia) report further strong intersections from the resource drillout of the Company's 100% owned McPhee Creek iron ore discovery, in the Pilbara region.

New assay results from holes at the northern end of the main range have returned significant hematite intersections, which are outside the current JORC resource and the Company's Exploration Target. New intersections include; **112 metres (to end of hole) @ 57.7% Fe (63.3%CaFe) 0.06% P**, including **74 metres (to end of hole) @ 60.3% Fe**, and **100 metres @ 57.8% Fe (63.4%CaFe) 0.08% P**.

Assays have now been received for all resource drill holes in the southern 1.8 km (~25%) of the main range. Drilling data for this area has been collated, interpreted and delivered to the Company's resource consultants. An interim resource upgrade incorporating this information is anticipated by mid-late July. At that time the Company also hopes to have received sufficient assay results to allow an upward revision of the 100 to 140 million tonne Exploration Target.

Background on McPhee Creek discovery

Giralia discovered the main range deposit at McPhee Creek in September 2009, 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. In December 2009 the Company announced a maiden JORC Resource 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, and the Company has an initial **Exploration Target#** of **100 to 140 million tonnes** of hematite iron ore (57-60%Fe), for a ~250 metre wide zone only along the western side of the ~8 kilometres long and up to 1 kilometre wide main range.

A major resource drillout commenced in late April 2010. Significant drilling results were announced to ASX on 20 May, 1 June, 10 June, 18 June and 29 June 2010 from early holes extending south and east from the current JORC resource; **114 metres @ 59.9% Fe (65.3% CaFe)**, **126 metres @ 55.8% Fe (61.9%CaFe)**, **96 metres (EOH) @ 58.6% Fe (65.1%CaFe)**, **104 metres @ 57.3% Fe (63.5%CaFe)**, **72 metres (EOH) @ 60.5% Fe (65.8%CaFe)**, and **146 metres (to end of hole) @ 56.1% Fe (62.0%CaFe)**.

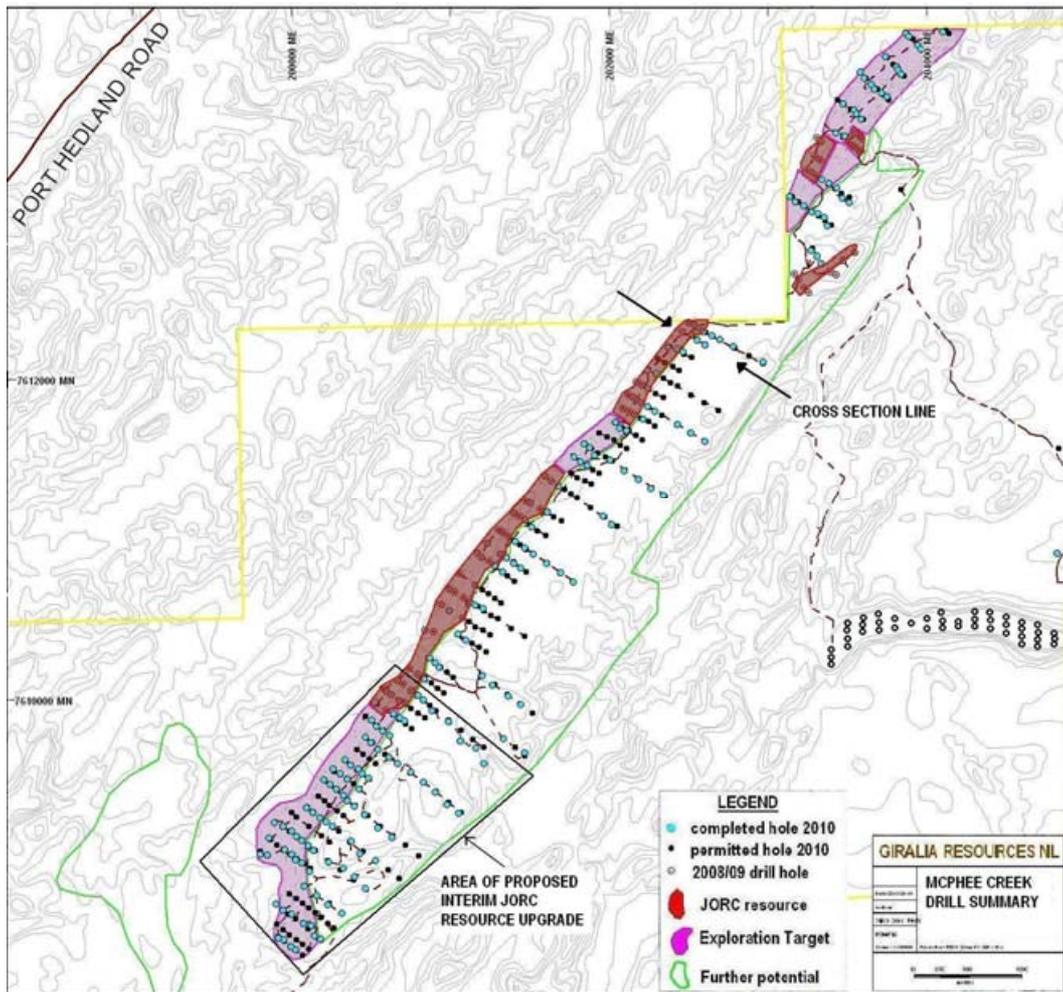


Fig.1: McPhee Creek iron ore deposit, drill hole plan with 2010 resource drilling (blue dots)

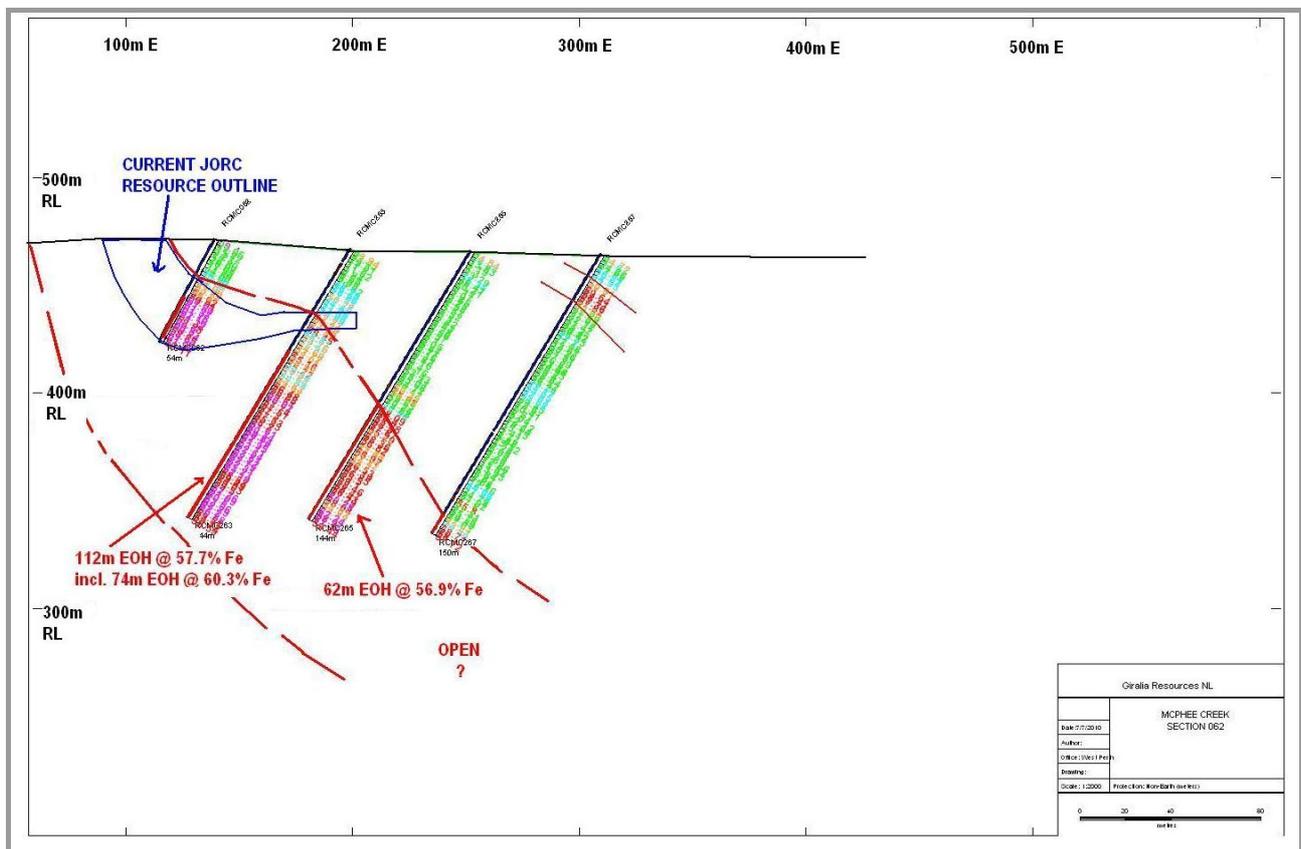


Fig.2: Cross Section McPhee Creek main range deposit (location of section shown on fig.1).

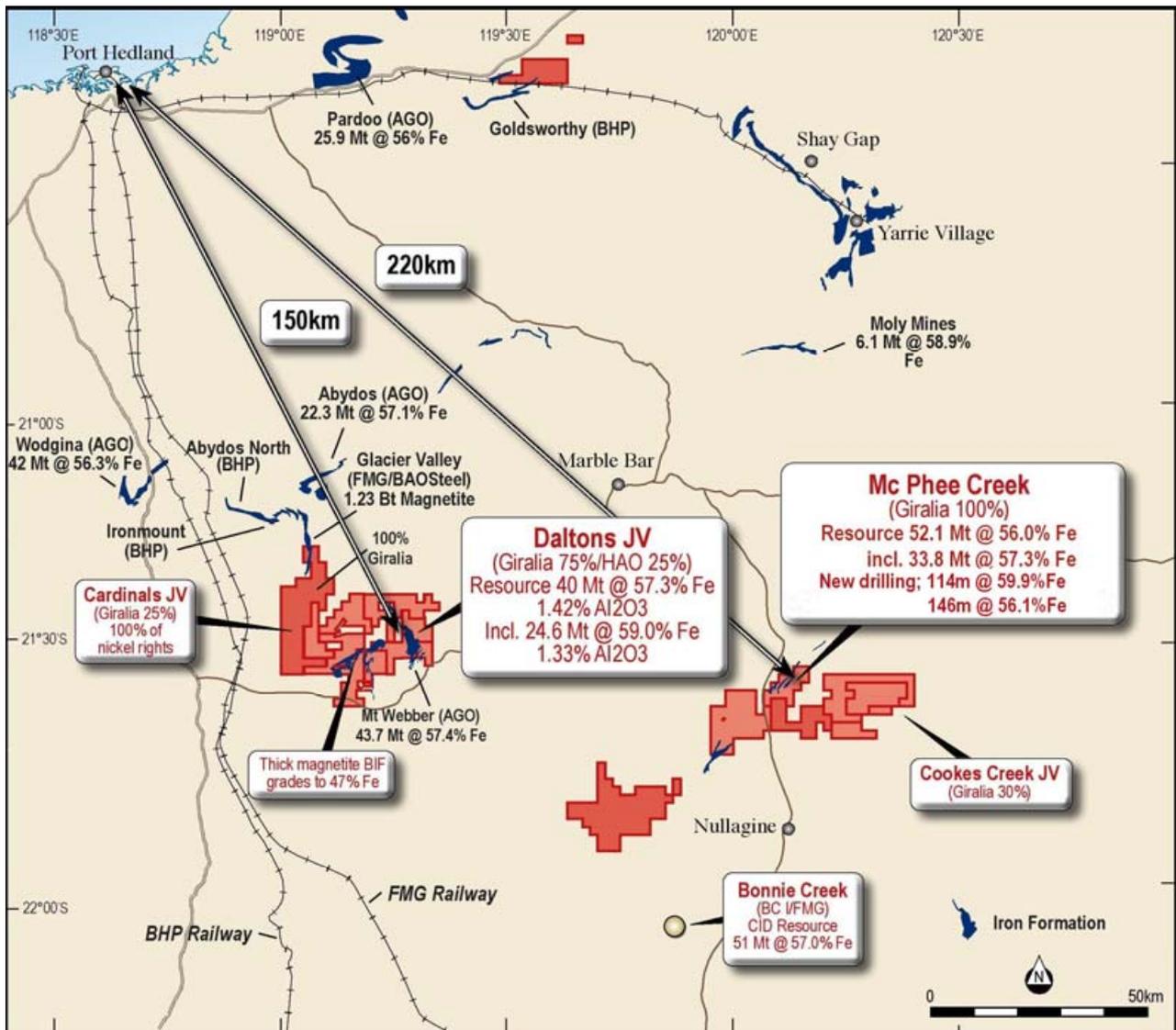


Fig.3: Location plan showing Giralia's McPhee Creek and Daltons-Mt Webber iron ore deposits

* 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.

R M Joyce
DIRECTOR

Table 1: Mc Phee Creek main range, RC drilling May- June 2010. New intersections >10 metres @ >50%Fe and highlights from previously released results (*hole numbers in Italics) .

Hole No	Coordinates		Dip/Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	CaFe %	P %	SiO2 %	Al2O3 %	LOI %
	East	North											
*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
*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
*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
*RCMC139	200182	7609223	60/310	144	16	142	126	55.8	61.9	0.09	7.1	1.9	9.8
*RCMC141	200218	7609199	90/000	114	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
*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
*RCMC153	200108	7609043	90/000	132	18	120	102	58.2	63.5	0.07	4.7	2.3	8.4
*RCMC157	199858	7609093	60/310	66	30	54	24	56.6	63.0	0.09	5.4	2.2	10.1
*RCMC162	200532	7608954	90/-	88	8	88	80 EOH	57.0	63.9	0.18	4.6	1.6	10.8
				incl.	24	88	64	58.1	65.0	0.19	3.7	1.3	10.7
*RCMC163	199960	7609021	90/000	90	0	54	54	54.9	61.0	0.07	6.5	3.8	10.1
*RCMC164	200432	7608997	90/-	76	0	46	46	56.8	63.3	0.36	4.0	3.2	10.3
*RCMC165	200000	7608990	83/290	66	16	42	26	57.2	62.0	0.06	6.3	3.5	7.8
*RCMC167	200027	7608958	90/000	66	8	32	24	55.1	60.2	0.05	7.6	3.6	8.5
*RCMC168	200793	7610003	90/-	160	14	160	146 EOH	56.1	62.0	0.12	7.2	2.1	9.5
				incl.	38	106	68	56.5	63.2	0.14	6.0	1.7	10.7
				and	124	160	36 EOH	60.2	64.9	0.12	3.7	1.7	7.3
*RCMC172	200880	7609909	90/-	82	12	82	70 EOH	58.6	65.3	0.20	3.0	1.7	10.2
*RCMC174	200990	7609835	90/-	70	16	70	54 EOH	60.3	65.2	0.11	4.4	1.5	7.4
*RCMC175	200158	7608729	90/000	84	8	50	42	55.0	60.8	0.09	6.9	2.6	9.6
*RCMC203	200468	7608775	90/000	96	0	74	74	56.5	63.6	0.44	3.0	2.8	11.2
*RCMC209	200644	7609885	60/310	90	22	90	68 EOH	58.5	63.4	0.08	5.4	2.9	7.8
*RCMC211	200685	7609858	60/310	120	48	120	72 EOH	60.5	65.8	0.12	3.3	1.5	8.2
*RCMC213	200837	7610105	60/310	120	24	120	96 EOH	58.6	65.1	0.14	3.1	1.6	10.1
*RCMC214	200864	7610242	60/310	132	22	126	104	57.3	63.5	0.13	5.4	1.9	9.7
*RCMC215	200907	7610207	60/310	138	70	124	54	57.1	63.8	0.09	5.4	1.4	10.5
*RCMC216	200932	7610178	60/310	138	102	138	36 EOH	58.2	64.7	0.14	4.1	1.5	10.1
*RCMC217	201047	7610394	60/310	144	36	94	58	56.1	62.5	0.11	6.5	2.0	10.2
*RCMC218	201098	7610357	60/310	102	52	92	40	56.4	62.8	0.19	5.3	2.1	10.2
RCMC251	202108	7611690	60/310	126	32	42	10	55.4	62.0	0.06	7.1	2.5	10.6
RCMC253	202211	7611766	60/310	132	74	110	46	56.9	63.5	0.11	5.3	1.9	10.4
RCMC255	202251	7611956	60/300	131	18	32	14	54.1	61.1	0.03	6.1	4.3	11.4
RCMC257	202374	7612224	90/-	132	8	108	100	57.8	63.4	0.08	4.5	2.2	8.9
				incl.	8	104	96	58.0	63.6	0.08	4.2	2.2	8.9
RCMC259	202424	7612216	90/-	108	40	108	68 EOH	57.1	63.3	0.07	4.9	3.0	9.9
RCMC261	202468	7612195	90/-	150	42	52	10	56.0	61.8	0.08	4.6	3.2	9.3
				and	72	150	78 EOH	54.9	61.6	0.08	6.1	3.1	10.8
				incl.	94	150	56 EOH	56.9	63.9	0.07	4.7	1.8	11.0
RCMC263	202518	7612304	60/310	144	32	144	112 EOH	57.7	63.3	0.06	4.7	2.9	8.8
				incl.	70	144	74 EOH	60.3	65.5	0.07	3.4	1.6	7.9
RCMC265	202557	7612267	60/310	144	82	144	62 EOH	56.9	63.3	0.06	5.2	2.2	10.1
RCMC267	202606	7612237	-60/310	150	12	26	14	55.5	60.8	0.13	9.8	1.8	8.6
				and	144	150	6 EOH	58.1	64.7	0.03	4.6	1.0	10.1
RCMC275	203340	7613293	60/299	90	26	46	20	56.4	63.2	0.02	4.5	2.6	10.7
RCMC277	203382	7613264	60/295	108	70	88	18	55.4	61.5	0.09	8.1	1.3	9.9
RCMC279	203432	7613239	60/307	120	18	40	22	55.8	61.9	0.33	8.6	0.9	9.9
RCMC281	203470	7613171	-90/-	114	16	64	48	55.9	61.7	0.09	8.2	1.6	9.5
RCMC283	203429	7613587	60/307	108	22	44	22	53.9	60.6	0.12	6.3	3.8	10.9
				and	104	108	4 EOH	55.0	61.0	0.14	9.4	1.0	9.9
RCMC287	203557	7613709	60/304	138	72	98	26	56.1	62.8	0.09	5.2	2.4	10.7

*Notes to Table 1; RC drill samples collected as 2m riffle and cone split composites. Intersections quoted using lower cut-offs of 50% and 55% Fe. Coordinates in MGA Zone 51 GDA 94 ($\pm 5m$). XRF analyses by Spectrolab 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). EOH = open at end of hole. *Result reported 20 May 2010, 1 June 2010, 10 June, 18 June, and 29 June 2010. Assays now awaited for even numbered holes from RCMC178 to 210, RCMC 218 to 300 inclusive, and odd numbered holes RCMC 223 to 249 inclusive and RCMC 289 to 299 inclusive*

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%Al₂O₃. 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 JORC Inferred Mineral Resource **186.8 million tonnes @ 30.9% Fe (DTR conc. 70.1%Fe, 2.1%SiO₂, wt rec 32.8%)**. Coarse magnetite; excellent DTR testwork. 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
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%