

## ASX ANNOUNCEMENT

### GIRALIA EXPANDS YERECOIN MAGNETITE PROJECT

- Giralia takes exclusive option over key tenement adjoining Yerecoin magnetite project.
- New acquisition triples interpreted strike length of prospective magnetite rich banded iron formation at Yerecoin (from 10 kilometres to 30 kilometres).
- Giralia's March 2009 drilling at Yerecoin highlighted excellent magnetic separation results from sighter Davis Tube Testwork with exceptionally coarse grind size for magnetite liberation (> 100 microns).

The Directors of Giralia Resources NL ("Giralia" ASX-GIR) are pleased to report that the Company has entered an option agreement to acquire a key tenement adjoining the Company's 100% owned Yerecoin magnetite iron ore project from Polaris Metals NL ("Polaris" ASX:POL). The new tenement contains in excess of 20 kilometres of strike of outcropping and magnetically interpreted banded iron formation (BIF), significantly extending the current 10 kilometres of strike at Yerecoin.

Commenting on the acquisition, Giralia's Chairman Graham Riley said;

*"The acquisition of this tenement significantly expands the prospective area at the Company's Yerecoin iron ore project. Exceptional results from beneficiation tests following the recent maiden drilling program at Yerecoin highlight the potential for a premium magnetite product, with high Fe and very low silica produced at grind sizes much coarser than most WA magnetite projects. Importantly the Yerecoin project is located only 1 kilometre from existing rail infrastructure."*

The Yerecoin project is located 10 kilometres east of New Norcia and 150 kilometres north of Perth, within 1 kilometre of existing rail access. An initial drilling program completed in March 2009 intersected moderately dipping (45 to 65 degrees) magnetite mineralisation, with better intersections of; **72 metres @ 32.4% Fe** including **56 metres @ 35.7% Fe** and **50 metres @ 30.3% Fe** within **116.3 metres @ 21.7% Fe**.

Sighter Davis Tube recovery and grind optimisation tests to establish magnetic separation characteristics indicate that the mineralisation has very favourable liberation characteristics;

Sample grind size	weight recovery %	DTR Fe%	DTR SiO <sub>2</sub> %
P80 38 microns	45.5	71.4	0.56
P80 45 microns	44.5	71.8	0.58
<b>P80 75 microns</b>	<b>44.3</b>	<b>71.6</b>	<b>0.71</b>
<b>P80 106 microns</b>	<b>46.4</b>	<b>71.1</b>	<b>1.89</b>
<b>P80 150 microns</b>	<b>46.2</b>	<b>69.3</b>	<b>3.37</b>
P80 250 microns	52.2	62.9	11.4

*Note; samples from hole RDY002, 201- 215 m, head assay 36.9% Fe, 44.2%SiO<sub>2</sub>. P80 38 microns = 80% passing size*

Giralia can purchase the new tenement (E70/2784-I) outright for \$250,000 cash (inclusive of a \$50,000 up front payment for a 6 month exclusive option). Additional payments capped at a further \$750,000 are contemplated based on milestones related to the definition of JORC Mineral Resources.

Geological mapping and sampling of the outcropping iron formations on the new tenement is planned prior to initial drill testing.

**R M Joyce**  
**DIRECTOR**

**12 May 2009**

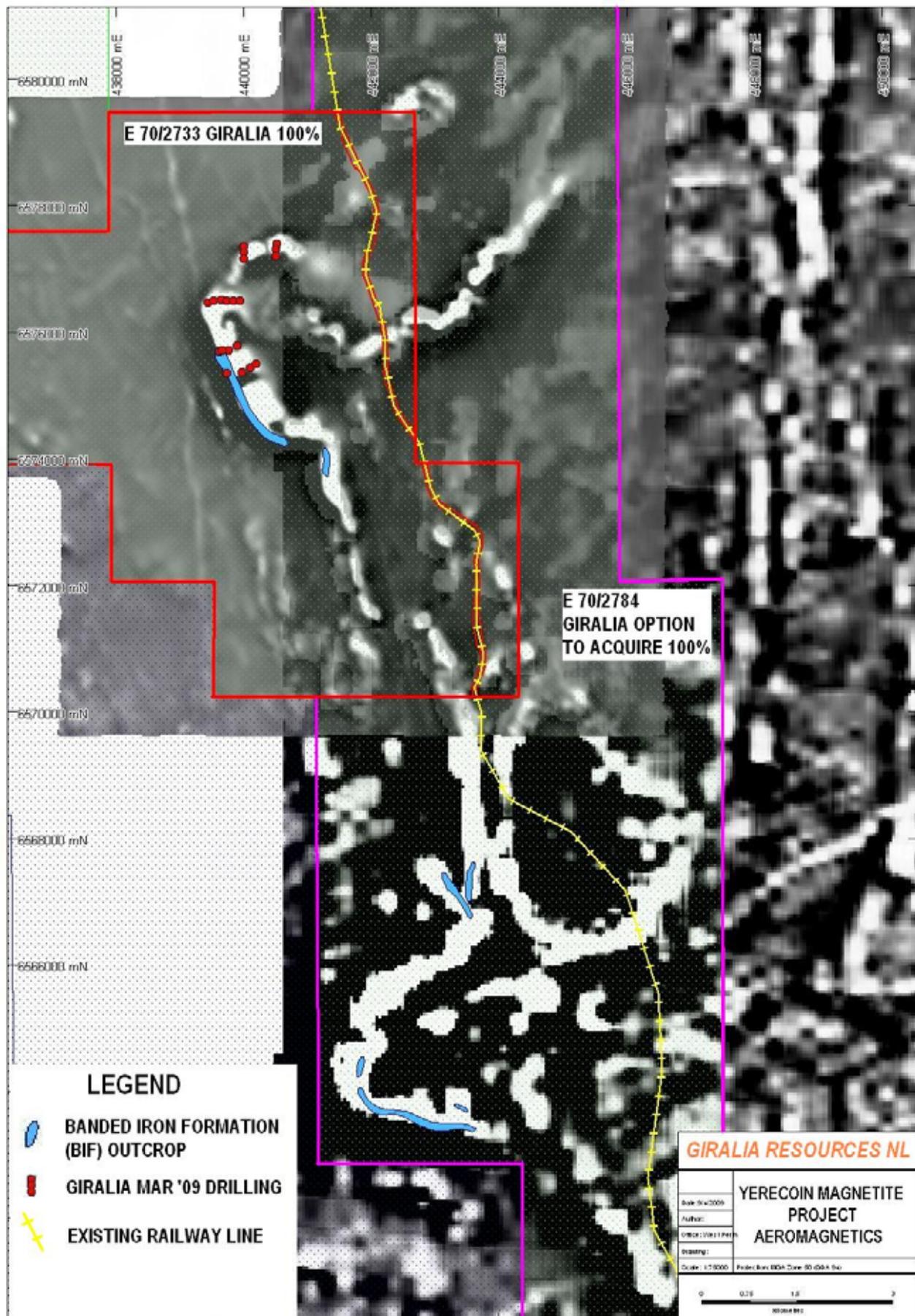
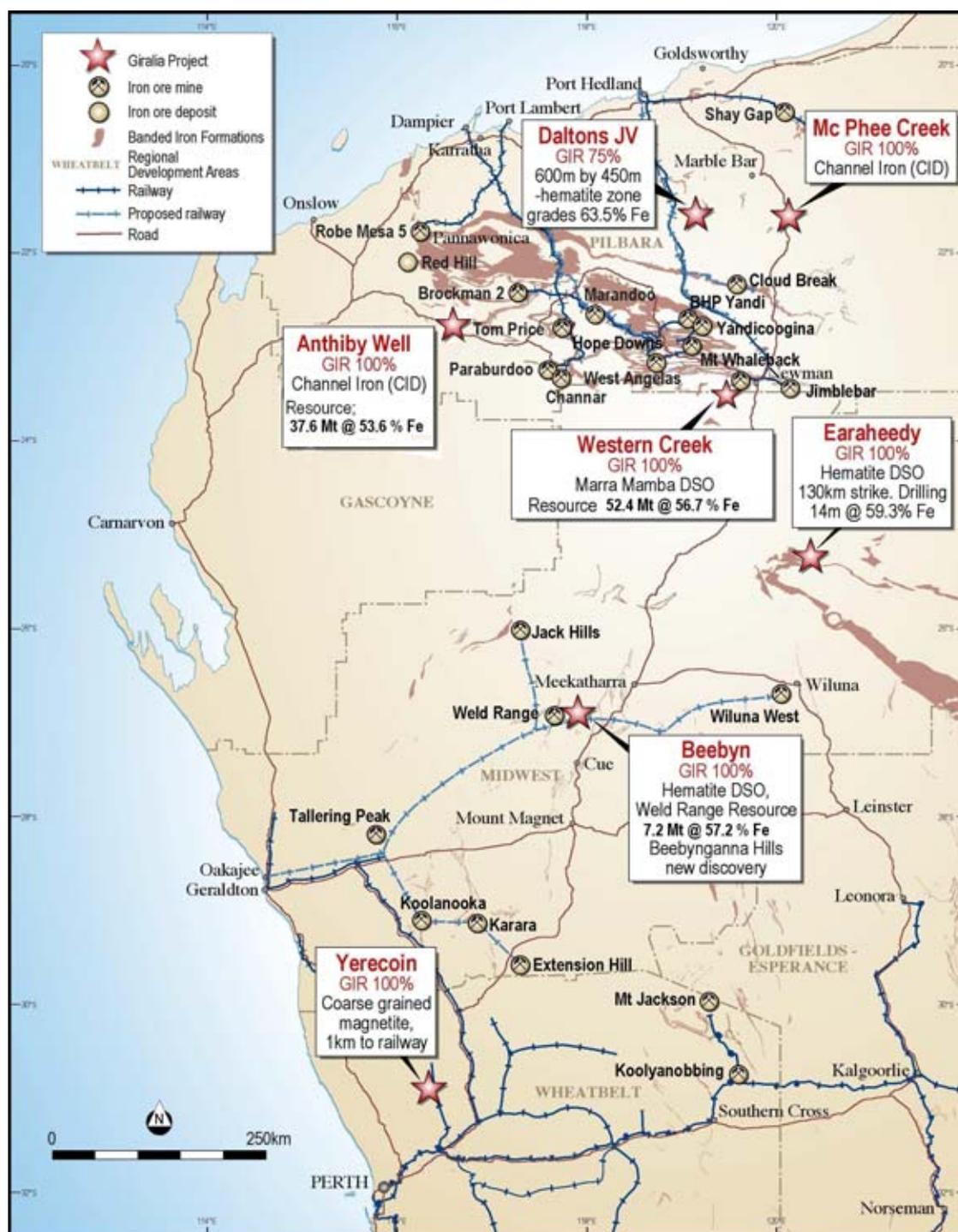


fig 1; Yerecoin 2009 drill hole locations on aeromagnetic image



**fig 2; Location Plan showing Giralia's Western Australia iron ore projects**

*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 (~\$70 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:

**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.

**Western Creek (100%) – Hematite** (15 km W of Newman) – Marra Mamba iron ore as direct extensions to BHP Silver Knight deposit. Inferred Mineral Resource **52.4 million tonnes @ 56.7% Fe**. Deposit is near surface, with several zones open ended.

**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.

**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

**McPhee Creek (100%) – CID** (Pilbara) – Channel iron deposit (CID) mesa, new drill intersections include 12 metres @ 56.1 % Fe, 10 metres @ 57.2% Fe. Initial Inferred Mineral Resource **5.17 million tonnes @ 53.6% Fe (60.4%CaFe)**.

**Daltons (75%) - Hematite** (Pilbara) – newly discovered 600 metre by 450 metre zone of massive hematite outcrop, grades average 63.3% Fe only 40km from FMG, BHP rail lines.

**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.

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	~14.2%
Zinc Co Australia Limited	ZNC	zinc	~12%
Carpentaria Exploration Limited	CAP	NSW, Qld copper-gold	~10.4%
Hazelwood Resources Ltd	HAZ	nickel, tungsten	~5.1%
Peninsula Minerals Limited	PEN	uranium	~ 2%