ASX ANNOUNCEMENT

Resource drilling has recommenced to infill and extend high-grade hematite iron ore mineralisation at Giralia's 100% owned Beebyn segment of the Weld Range.

Initial resource estimate for Giralia's Weld Range segment will be undertaken following this phase of drilling.

Grant of key Beebynganna Hills tenement anticipated following execution of Native Title Agreement with Traditional Owners; at least seven unexplored zones of high-grade hematite mapped in this new area (15 km south of the Weld Range) with grades to 65.5% Fe over 11 km strike. Early drilling planned.

The Directors of Giralia Resources NL ("Giralia") report the recommencement of resource drilling at the Company's 100% owned Beebyn-Weld Range iron ore project in Western Australia's emerging Mid West iron ore province.

Giralia is exploring a 6 kilometre long segment of the north-eastern Weld Range, immediately along strike from the Midwest Corporation Ltd and Sinosteel Corporation Joint Venture. Midwest/Sinosteel recently announced a resource of 50.1 million tonnes @ 59.2 % Fe for its Beebyn segment of the Weld Range (within 2 kilometres of Giralia's tenements), and is proceeding with a Pre-Feasibility Study on mining at a minimum rate of 15 million tonnes per annum from Weld Range. Importantly, rail infrastructure is proposed right to Giralia's "doorstep".

Giralia has completed a total of 26 RC drill holes to date in its wholly owned segment of the Weld Range, and reported significant intersections of direct shipping hematite iron ore including 24 metres @ 62.4% Fe, 0.10% P, 1.69% Al₂O₃ from 38 metres in hole RCB006, 38 metres @ 60.6% Fe, 0.09% P, 1.15% Al₂O₃ from 62 metres in hole RCB007, and 30 metres @ 60.3% Fe, 0.04% P, 1.78% Al₂O₃ from 56 metres to end of hole in hole RCB016.

Drilling is in progress to extend and infill currently known hematite zones and will also test a newly discovered hematite zone outcropping to the north of the area drilled to date with average grade from 5 surface samples of 61.6% Fe. Following this drill phase, it is intended to complete initial resource estimates for the Company's wholly owned Beebyn segment of the Weld Range. Giralia's "Exploration Target*" (see footnote) on its segment of the Weld Range is 10 to 20 million tonnes of direct shipping hematite mineralisation.

Attention will then, subject to anticipated imminent tenement grant, turn to the 11 kilometre long iron formation range at Beebynganna Hills, located only 15 kilometres south of the Weld Range, where mapping and sampling has confirmed positive indications from first pass reconnaissance prospecting. At least seven zones of unexplored high grade (>60% Fe) hematite mineralisation have been identified at Beebynganna Hill, including two zones with grades in excess of 65% Fe. Additionally, several zones of detrital iron ore grading up to 63.7% Fe have been mapped. Based on surface mapping and sampling, the Company has an initial "Exploration Target**" (see footnote) of 50 million tonnes of direct shipping hematite mineralisation at Beebynganna Hills.

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The Company has executed a significant Native Title Agreement covering its Weld Ranges area tenements with the Wajarri Yamatji Native Title Claim Group through the agency of the Yamatji Land and Sea Council. The agreement requires considerable sensitivity and understanding on behalf of the Company because the Weld Ranges is an area of exceptional cultural significance to the traditional owners. The agreement emphasises the cultural and historical importance of the area, and the Company has agreed to special conditions to ensure that exploration will be undertaken in close consultation with traditional owners and with a genuine commitment to the cultural concerns and obligations of the Wajarri Yamatji people. The agreement contains mutual benefits, and importantly for the Company, should lead to the accelerated grant of the Company’s tenement applications in the Beebynganna Hills area.

R M Joyce
DIRECTOR

17 October 2007

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by R M Joyce, who is a Member of the Australasian Institute of Mining and Metallurgy. R M 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’. R M Joyce consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

* The terms "Exploration Target" and "direct shipping ore" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.
MidWest-SinoSteel Weld Range Iron Ore Project

Area of Giralia RC Drilling
24m @ 62.4% Fe
38m @ 60.6% Fe
30m @ 60.3% Fe

Beebyn W7 to W11 Deposits
MidWest-SinoSteel Resource:
50.1 Million Tonnes @ 59.2% Fe

Beebynganna Hill
11km long BIF Range
7 zones of untested hematite in outcrop, grades from surface sampling to 65% Fe