DECEMBER 2007
QUARTERLY ACTIVITIES REPORT

ASX Release

Thursday 31 January 2008

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54 million shares

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HIGHLIGHTS

- **First phase drilling programme at the Andrew Zinc Deposit successfully completed**
- **Pre-feasibility studies commenced to evaluate development options for the Andrew Zinc Deposit**
- **A wide intersection of exceptionally high grade, near surface mineralisation was returned in recent drilling, namely:**

  35.5m at 17.63% Zn, 0.99% Pb, 8.76g/t Ag and 26.85g/t Ge from 60 metres

- **High grade economic widths of mineralisation were extended to below 250m vertical depth, and remain open down dip, with results returned in recent drilling including:**

  13.0m at 10.92% Zn and 20.19g/t Ge from 290m

- **The Andrew Zinc Deposit remains open at depth and along strike**
- **Considerable upside to expand the resource base with further exploration**
- **Initial metallurgical test work conducted, with outstanding recovery rates returned**
- **Significant potential to rapidly advance the Andrew Zinc Deposit to production**
- **Key personnel appointed**
- **Well advance preparation for an aggressive second phase drilling programme to fast track the development of the Andrew Zinc Deposit**
- **Field activities to commence imminently**

ANDREW BASE METAL PROJECT

During the December Quarter Overland Resources Limited (ASX:OVR and "Overland Resources" or "The Company") completed its inaugural diamond drilling programme at the Andrew Zinc Deposit. The Company received assay results for all outstanding drill holes and commenced metallurgical and pre-feasibility work on the Andrew Zinc Deposit.

Phase One Drilling Programme

The Company's first phase diamond drilling programme was completed during the December quarter. This ten hole programme confirmed the high grade, shallow and continuous nature of the mineralisation at the Andrew Zinc Deposit and extended the known mineralised zone substantially. The results from the drilling programme have considerably enhanced the Company's confidence in developing an economically viable mining operation at the Andrew Zinc Project.

Analytical results for the final five diamond drill holes were returned during the December quarter. These results confirmed that significant mineralisation had been intersected in all five holes.

Exceptional intersections of high grade zinc mineralisation were returned in drill holes AN07-033 and AN07-030, comprising:

High grade shallow mineralization of considerable thickness 35.5m at 17.63% Zn

- **35.5m at 17.63% Zn, 0.99% Pb, 8.76g/t Ag & 26.85g/t Ge from 60m, including,**

  7.1m at 13.31% Zn & 13.39 g/t Ge from 60.9m and

  14.5m at 34.38% Zn, 2.33% Pb, 20.85g/t Ag & 60.39g/t Ge from 79.9m

and

High grade mineralization continuing at depth 13m at 10.92% Zn

- **13m at 10.92% Zn and 20.19g/t Ge from 290m including**

  3.4m at 28.76% Zn and 46.12g/t Ge from 290.6m

respectively.

Significant other results from the final five holes drilled during the phase one drilling programme included:

- **5.0m at 3.52% Zn and 6.66g/t Ge from 307m**
- **8.4m at 5.92% Zn from 123m**
- **8.4m at 4.55% Zn from 205.7m**
- **2.7m at 10.89% Zn, 6.59% Pb, 19.47g/t Ag and 17.77g/t Ge from 43.5m**
- **3.6m at 5.10% Zn, 1.58% Pb and 4.71g/t Ag from 98m**
- **5.5m at 2.36% Zn from 114.3m**

High grade zinc mineralisation in drilling includes:

8.5m at 21.55% Zn within 30.5m at 8.5% Zn

The results received during the December quarter complement those previously reported during the September quarter which included:

- **30.5m at 8.15% Zn & 11.61g/t Ge from 181m, including**

  8.5m at 21.55% Zn & 31.74g/t Ge from 203m

- **7.3m at 1.54% Zn, 10.14% Pb & 14.24g/t Ag from 168.7m**

- **4.1m at 5.44% Zn & 20.50g/t Ge from 179.4m**
- **4.0m at 5.55% Pb & 10.00g/t Ag from 187.5m**
- **6.0m at 6.06% Zn & 4.58g/t Ge from 223.5m**

AN07-027 - 8.5m at 21.55% zinc

The final five diamond holes of the programme were drilled either substantially down-dip of previously delineated mineralisation or to confirm the continuity of mineralisation, to assist in mine design and pre-feasibility work.

Near term open cut mining opportunity

The results of the phase one drilling programme support the Company's view that the Andrew Zinc Deposit has the potential to be mined utilising open cut mining technology, and that the project provides an exceptional near term development opportunity.

Prior to commencement of the phase one drilling programme the JORC Code compliant indicated and inferred resource for the Andrew Zinc Deposit comprised:

5.92Mt at 5.84% Zn, 2.03% Pb, 9.49g/t Ag and 14.86g/t Ge or

5.92Mt at 9.15% Zn equivalent*

Potential to significantly expand resource base

Considerable potential exists to expand the resource base, with mineralisation remaining open at depth and along strike at the Andrew Zinc Deposit. The Company has numerous additional high priority targets within close proximity to the Andrew Zinc Deposit to be evaluated with drilling, providing further exploration upside to the project.

Field activities to commence during the March quarter

Preparation for an extensive second phase drilling programme is now well underway. The Company anticipates commencing field activities in the coming months.

Metallurgical Test Work

Exceptional metal recoveries achieved in laboratory test work

During the December quarter a large representative sample of mineralised diamond drill core from the Andrew Zinc Deposit was submitted for initial metallurgical test work. Exceptional metal recovery rates of up to 96.3% for zinc and 98.4% for lead were achieved in the first round of test work. The results reinforce the Company's view that very high metal recovery rates, probably in excess of 90% will be achievable during commercial scale production.

Conventional technology applicable

The initial metallurgical test work also indicated that a conventional processing circuit would facilitate the production of metal concentrates of saleable grade. This is extremely significant as it reduces the overall project risk through the application of proven processing technology.

Metallurgical and mining studies well advanced

Further metallurgical test work is being conducted to refine the processing parameters required for the optimal treatment of material from the Andrew Zinc Deposit. Final results are expected during the March quarter.

Pre-feasibility Study

Pre-feasibility work commenced

During the December quarter the Company commissioned an Australian based company with global lead and zinc project development experience to undertake a pre-feasibility study on the Andrew Zinc Deposit. This work includes initial open pit optimisation work, mine and process design, capital cost and operating cost estimates. The results are expected during the March quarter 2008.

Canadian Office and Appointment of Exploration Manager

Canadian regional office opened in Vancouver

In November the Company established a regional office in Vancouver, Canada. This will greatly facilitate the development of the Andrew Base Metal Project.

North American Exploration Manager appointed

The Company also appointed Mr Adrian Bray to the position of Exploration Manager, North America. Mr. Bray has more than 21 years experience working in the mining industry. His experience coordinating mining feasibility studies and mine development work will be of great benefit to the Company as it advances the high grade Andrew Zinc Deposit towards production.

Corporate

Additional Non Executive Director appointed to the Board of Directors

Mr Anthony Polglase was appointed to the Board of Directors of the Company as a non-executive Director. Mr Polglase is a qualified engineer and metallurgist with more than 30 years experience in the resource industry. He is currently Managing Director of Avanco Resources Limited and has previously held senior management positions with Iberian Resources Limited, Ivernia Corp., Rio Tinto, TVX and Ashanti Goldfields.

Cash at bank to fund ongoing exploration and development of $8.7 m

Overland Resources is in a strong financial position with cash at bank at the end of the quarter of $8.687 million, which will be used to fund further exploration and development programmes.

The Company continues to evaluate new opportunities globally as it endeavours to grow and add value for shareholders.

Hugh A Bresser
Managing Director

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Ball who is a Member of the Australian Institute of Mining and Metallurgy. Mr Peter Ball is the Manager of Data Geo. Mr Peter Ball 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Peter Ball consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Result is based on information compiled by Mr Hugh Alan Bresser who is a Member of the Australian Institute of Mining and Metallurgy. Mr Hugh Alan Bresser is a Director of Overland Resources Limited, he 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Hugh Alan Bresser consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Commodity prices applied to derive the zinc equivalent resource were current at 18 January 2008, LME Zinc-US$2268/t Lead-US$2523/t, COMEX Silver-US$15.93/oz, Rotterdam Germanium-US$1275/kg*