



ASX Release

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Issued Capital:
74 million shares

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EXCEPTIONAL METALLURGICAL TEST RESULTS YUKON BASE METAL PROJECT

HIGHLIGHTS

- **Exceptional results from metallurgical test work to treat low grade material from the Yukon Base Metal Project**
- **Representative low grade material upgraded over eight times**
- **Confirms potential to apply Dense Media Separation (DMS) technology**
- **Potential further positive impact on project economics**
- **New mine model and economic evaluation now being developed**

Overland Resources Limited (ASX: OVR and "Overland Resources" or "Company") is pleased to advise it has received results of heavy liquid separation (HLS) test work conducted by independent laboratory SGS Lakefield in Canada. Tests were performed on a representative 22kg composite sample of low grade material collected from the Andrew Zinc Deposit. HLS is used in the laboratory to simulate the process of Dense Media Separation (DMS) which would be undertaken on a commercial scale. Results of the test work are summarised in Table 1.

Table 1. Summary of HLS test results

Test crush size	Mass rejected (%)	Grade (%)		Metal recovery (%)	
		Zn	Pb	Zn	Pb
1/4"	91.0	19.2	1.99	83.0	88.0
1/2"	91.4	26.1	0.37	85.8	71.4
3/4"	90.3	22.5	0.25	85.0	24.8

The results of the HLS test work are exceptionally encouraging. In all three cases (utilising various crush sizes) over 90% of the sample was rejected as waste while over 80% of the zinc metal was recovered. **In all cases this resulted in an upgrade of the zinc grade of at least eight times that of the initial sample head grade of 2.4% zinc.**

The DMS beneficiated material could readily be processed further through the plant currently proposed for the Yukon Base Metal Project. This could have a significant positive impact on the economics of the Yukon Base Metal Project.

Economic Mining Study Update

In June 2009 the Company released the results a mining study that proposed processing 4.1 Mt @ 7.27% Zn and 2.09% Pb (after dilution) over an approximate 6.0 year time frame from a combination of two open pits and an underground mining operation.

Since the completion of this mining study the Company has been reviewing mechanisms to improve upon the proposed project economics. This review has highlighted several areas where the project economics could be positively impacted, including a significant reduction in transport costs (from \$0.14/T/km to \$0.06/T/km) and the application of DMS technology.

The Company now intends revising the open pit mine model, incorporating the use of a DMS beneficiation plant to process low grade material. When completed this information will be combined with current economic parameters, including the revised transport costs, to establish a new economic model for the Yukon Base Metal Project.

It is anticipated that this updated mining study will be completed later this month.

Resource Estimate

The total JORC compliant resource for the Yukon Base Metal Project, applying a 2% zinc cut, off is:

8.95 million tonnes at 6.3% Zn and 1.2% Pb

or

8.95 million tonnes at 7.7% Zn equivalent¹

Table 2. Andrew Zinc Deposit JORC compliant mineral resource

Classification	Tonnes	Zn (%)	Pb (%)
Measured	1,610,000	5.5	1.7
Indicated	4,690,000	6.2	1.6
Inferred	2,650,000	6.8	0.3
TOTAL	8,950,000	6.3	1.2

Application of DMS technology could facilitate treatment of a large proportion of the material currently designated “waste”, as low grade ore. This could substantially increase the amount of material which may be considered “mineable” in the open pits, potentially reducing mining cost per tonne of ore and increasing life of mine.

The global mineralised system, including low grade material (applying a 0.5% zinc cut off) is:

15.1 million tonnes at 4.2% Zn and 0.9% Pb

The Yukon Base Metal Project

The Yukon Base Metal Project comprises 502 Mineral Claims, covering approximately 100km² over and around the high grade Andrew and Darcy Zinc Deposits in the highly prospective and under explored Selwyn Basin of the Yukon Territory, Canada. Overland Resources Limited holds a 90% interest in the Project.

The Yukon Base Metal Project provides the Company with an exceptional opportunity to develop a viable mining operation in a jurisdiction that is particularly supportive of new mine developments.

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.

¹ Assumes Zn metal price = Pb metal price