



ASX Release

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OVERLAND RESOURCES LIMITED

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Directors / Officers:

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Issued Capital:

194.1 million shares
10.8 million unlisted options

ASX Symbol: OVR

JUNE 2012

QUARTERLY ACTIVITIES REPORT

YUKON BASE METAL PROJECT

During the June 2012 quarter Overland Resources Limited (ASX: OVR and "Company") released an update on its economic study into the development of a mining operation at its Yukon Base Metal Project in Canada.

Work completed during the quarter indicated the best investment returns could be provided by developing separate open pits at the Andrew and Darcy Zinc Deposits (Figure 2). In such an event it was envisaged that a total of 8.0Mt of ore at an average grade of 5.0% zinc and 1.5% lead would be mined over a seven year mine life. The average waste to ore strip ratio for these open pits would be 12.5:1 (Andrew Zinc Deposit – 14.9:1; Darcy Zinc Deposit – 5:1).

The mine site development proposed would include a 1,000,000 tonne per annum processing facility involving a SAG and ball mill crushing, grinding and flotation circuit to produce separate zinc and lead concentrates. This would be a fly-in-fly-out operation supported by a 200 person mine camp and 82 km mine access road; along which concentrates would be transported by truck to the port of Skagway, Alaska where they would be loaded onto bulk carriers and shipped to the customer's selected discharge port.

The estimated capital cost to develop such an operation is \$227 million with a further 20% contingency allowance of \$45 million and an estimated pre-strip cost of \$20 million (Table 1).

Operating costs to deliver the concentrate to the ore loading terminal at Skagway are estimated to equate to US\$0.70 per pound of payable metal (zinc or lead). These operating costs include all mining and processing costs and transport charges to the port. Costs are exclusive of stevedoring, shipping, treatment and refining costs, taxes, permitting costs, government or community fees and charges.

The results of this economic evaluation indicate that a sustained long term improvement in both zinc and lead metal prices will be required to provide a suitable return to the Company and its shareholders from a mine development at the Yukon Base Metal Project.

As such the Company announced it was suspending mine permitting activities associated with the Project. The Company will monitor the global economic conditions and commodity prices for signs of improvement and will be positioned to re-initiate mine permitting activities should circumstances warrant.

Importantly there are no expenditure obligations for the Company to maintain the mineral licences in the Yukon Territory. Furthermore the mineral claims that host the Andrew and Darcy Zinc Deposits are in good standing until at least 2026, so there is no risk that the Company will be forced to forfeit these holdings.

CORPORATE

The Company has \$2,900,000 cash available as at June 30 and is well positioned to continue to explore and develop opportunities within the Selwyn Basin and elsewhere.

A concerted search for new opportunities is currently underway. Numerous opportunities have been assessed and the Company continues to advance several of these.

Table 1. Capital Cost estimate breakdown for the Selous Project.

Item	US\$'000
Mining	8,550
Crushing and Processing	71,607
Infrastructure	26,589
Site Services	22,016
Indirect	35,250
ECPM (15%)	14,730
Tailings and Water Management	14,357
Road Construction	33,748
Contingency (20%)	45,370
Pre-strip	20,450
Total Project Costs (including pre-strip)	292,668

Table 2. JORC Code compliant resource estimate for the Yukon Base Metal Project (2% zinc cut off)

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes	Zinc (%)	Lead (%)	Tonnes	Zinc (%)	Lead (%)	Tonnes	Zinc (%)	Lead (%)	Tonnes	Zinc (%)	Lead (%)
Andrew	1,769,000	5.3	1.6	5,437,000	6.1	1.4	556,000	4.2	0.6	7,762,000	5.8	1.4
Darcy				1,670,000	4.8	0.0	3,880,000	4.7	0.0	5,550,000	4.7	0.0
Darin							360,000	4.0	0.2	360,000	4.0	0.2
Total	1,769,000	5.3	1.6	7,107,000	5.8	1.1	4,796,000	4.6	0.1	13,672,000	5.3	0.8

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 Australasian 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 'Australasian 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 Australasian 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 'Australasian 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.