



ASX Release

2 March 2011

OVERLAND RESOURCES LIMITED

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Issued Capital:

146.6 million shares
(before placement)

ASX Symbol: OVR

\$11.9 MILLION PLACEMENT

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- **Commitments received to place AU\$11.875 million to primarily North American institutional investors.**
- **Funds to be used to advance mine permitting and further exploration at the Yukon Base Metal Project.**
- **New high priority exploration targets to be drill-tested.**

Overland Resources Limited (ASX:OVR, "Company") is pleased to announce that it has received binding commitments to place 47.5 million new ordinary shares at a price of AU\$0.25 per share to raise AU\$11.875 million (the "Placement"). These shares will be placed primarily to institutional and sophisticated investors in North America that are clients of Paradigm Capital Inc., the lead manager to the Placement.

Funds raised will be used to further advance the development of the Company's Yukon Base Metal Project and for general working capital purposes, including:

- Completion of pre-production activities and preparation of mine permitting submission documents;
- Acceleration of exploration programmes to extend resources at known deposits/prospects and to evaluate numerous high priority regional targets;
- Pursuit of additional growth opportunities.

The Placement will be completed in two tranches:

- The first tranche will comprise the issue of 21 million shares (approximately 44% of the Placement) under the Company's 15% capacity. This tranche will be settled on or around 10 March 2011.
- The Company will seek shareholder approval at an extraordinary general meeting to be held on or around March 30, 2011 to approve the second tranche, which shall comprise the issue of a further 26.5 million shares. Subject to shareholder approval, this tranche will settle on or around 2 April 2011.

Upon completion of the Placement the Company will be very well positioned to continue to advance the Yukon Base Metal Project through mine permitting and to continue to aggressively explore the Yukon Base Metal Project and surrounds.

The Company recently announced an upgraded measured, indicated and inferred JORC Code compliant resource estimate for the Yukon Base Metal Project that comprises:

**11.0 Mt at 5.8% zinc and 1.0% lead¹, or
11.0 Mt at 6.8% zinc equivalent² (see Table 5).**

As a result of this resource upgrade the Company is assessing the economics of developing a larger open pit mining operation at the Yukon Base Metal Project, which may improve total capital utilisation.

The proposed use of funds is set out in Table 1 below.

¹ 2 % zinc lower cut off applied

²February 14th spot LME metal prices applied: US\$1.0954/lb zinc, US\$1.1453/lb lead

Table 1: Proposed use of Placement Funds

	Use of Placement Funds
Feasibility Studies	\$2,500,000
Diamond Drilling	\$5,000,000
New Target Development	\$500,000
Environmental Studies	\$1,500,000
Permit Application	\$1,500,000
Costs of the Placement	\$875,000
Total	\$11,875,000

Yukon Base Metal Project – Exploration Potential

Following a very successful exploration program in 2010 the Company recently announced the doubling of the JORC Code compliant resource estimate for the Darcy Zinc Deposit. The recent discovery of the extensions to the Darcy Zinc Deposit highlights the considerable potential of the Yukon Base Metal Project to host additional mineral resources. Mineralisation remains open at all three deposits discovered to date (Andrew, Darcy and Darin Zinc Deposits), and the Company anticipates expanding these deposits further during 2011 with additional drilling along strike and at depth.

Soil geochemistry has proven to be an extremely effective targeting tool at the Yukon Base Metal Project. It has successfully led to the discovery of the Darcy and Darin Zinc Deposits. Exploration conducted during 2010 has highlighted a previously untested zinc in soil mineralised trend extending to the north east of the Andrew Zinc Deposit (see Figure 1). The Company intends drill testing targets along this trend during its forthcoming field programme.

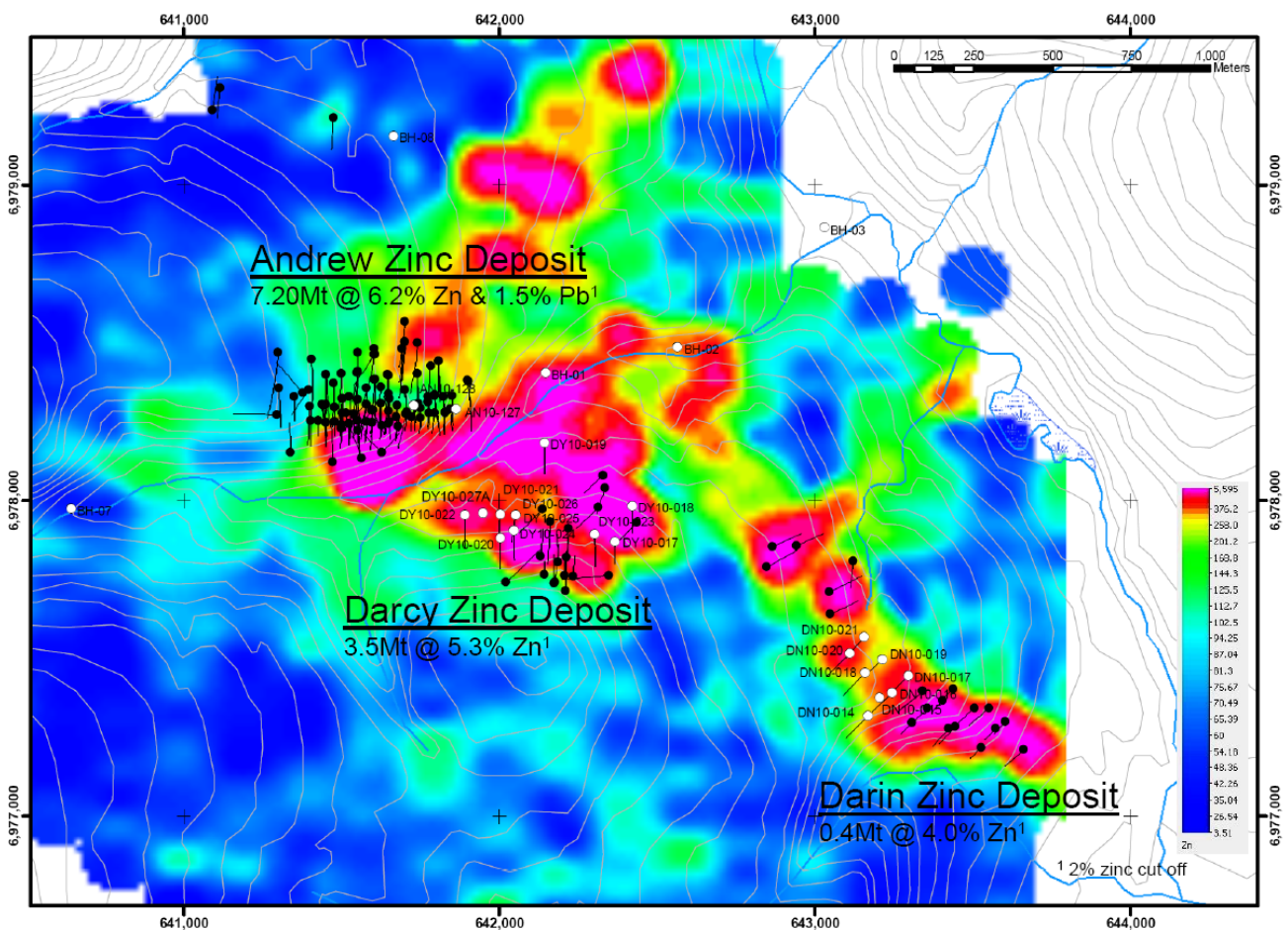


Figure 1. Andrew, Darcy and Darin Zinc Deposits hosted in a 2,500 metre long anomalous zinc in soil geochemistry corridor and newly identified anomalous zinc in soil trend to the north east of the Andrew Zinc Deposit.

¹ 2 % zinc lower cut off applied

The Company also continues to assess and secure areas prospective for mineralisation within the Selwyn Basin. The Company recently staked 80 claim blocks (12 km²) over an area of known mineralisation referred to as the Riddell Prospect, 20km south east of the Andrew Zinc Deposit. Further exploration at this prospect will be completed during 2011.

Yukon Base Metal Project – Overview

The Yukon Base Metal Project covers approximately 100km² over and around the shallow, 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 and continues to evaluate and secure new opportunities that are aligned with the Company's goal of developing a viable mining operation at the Project.

Work is well advanced on the technical, economic and environmental components of a feasibility study into the development of the Yukon Base Metal Project. The Company is aiming to submit a mine permitting proposal to the executive committee of Yukon Environment and Socio-economic Assessment Board (YESAB) at the end of 2011. The Yukon Territory is a jurisdiction that is particularly supportive of new mine developments. The permitting process is expected to take between 12 and 18 months with construction commencing shortly after mine permits are issued.

Hugh A Bresser
Managing Director

JORC Code Compliant Resource Estimate

Table 2. JORC Code compliant mineral resource for the Andrew Zinc Deposit¹

Classification	Tonnes	Zn (%)	Pb (%)
Measured	1,610,000	5.4	1.7
Indicated	4,690,000	6.2	1.6
Inferred	900,000	7.0	0.7
TOTAL	7,200,000	6.2	1.5

Table 3. JORC Code compliant mineral resource for the Darcy Zinc Deposit¹

Classification	Tonnes	Zn (%)	Pb (%)
Indicated	884,000	5.3	0.1
Inferred	2,601,000	5.3	0.0
TOTAL	3,485,000	5.3	0.0

Table 4. JORC Code compliant mineral resource for the Darin Zinc Deposit¹

Classification	Tonnes	Zn (%)	Pb (%)
Inferred	360,000	4.0	0.2
TOTAL	360,000	4.0	0.2

Table 5. JORC Code compliant mineral resource for the Yukon Base Metal Project¹

Classification	Tonnes	Zn (%)	Pb (%)
Measured	1,610,000	5.5	1.7
Indicated	5,570,000	6.1	1.3
Inferred	3,865,000	5.6	0.2
TOTAL	11,045,000	5.8	1.0

¹ 2 % zinc lower cut off applied

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.

Under the Canadian Securities Administrators' National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), issuers are prohibited from aggregating inferred mineral resources with other categories of mineral resources. Under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), issuers are permitted to aggregate all categories of mineral resources. Under NI 43-101, for the Andrew Zinc Deposit, Measured and Indicated mineral resources of 6,300,000 tonnes, having an average grade of 6.0% of zinc and an average grade of 1.6% of lead. Under NI 43-101, Overland would not be permitted to aggregate the Indicated and Inferred mineral resources for the Darcy Zinc Deposit