

Overland Resources Limited

(ABN 114 187 978)

Half-year Report

31 December 2006

CORPORATE DIRECTORY

Directors

Mr Michael Haynes (Chairman)
Mr Matthew Wood (Non Executive Director)
Mr Hugh Bresser (Managing Director)

Secretary

Mr Tim Flavel

Registered and Principal Office

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West Perth WA 6005
Australia
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Share Register

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000 Australia
Telephone: 1300 557 010
International: (61 8) 9323 2000
Facsimile: (61 8) 9323 2033

Auditors

Mack & Co.
Chartered Accountants
Level 2, 35 Havelock Street
West Perth WA 6005

Stock Exchange Listing

Overland Resources Limited shares
are listed on the Australian Stock
Exchange, the home branch being Perth
ASX Code: OVR

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DIRECTORS' REPORT

Your directors submit the financial report of the entity for the half-year ended 31 December 2006.

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Michael Haynes	Non Executive Chairman
Mr Hugh Bresser	Managing Director
Mr Matthew Wood	Non Executive Director

Review of Operations

Overland Resources Limited listed on the Australian Stock Exchange on 14 November 2006, following its fully subscribed Initial Public Offer. The Company is committed to rapid growth through the exploration and development of its existing assets, and through the acquisition of additional advanced stage projects.

Andrew Base Metal Project, Yukon Territory, Canada

At the end of January 2007 Overland Resources Limited secured an option to acquire a 90% interest in mineral claims covering more than 60km² in the Yukon Territory, Canada, that encompasses the high-grade Andrew Zinc Deposit.

Mineralisation at the Andrew Zinc Deposit was first discovered in 1996. Follow-up soil sampling programmes delineated five large zinc anomalies extending over more than 2000 metres of strike. Noranda Inc. completed the only drilling on the Andrew Zinc Deposit between 2001 and 2003. 26 diamond holes were drilled for approximately 4500 metres. Substantial intersections of near-surface, high-grade zinc mineralisation were recorded in these holes, with results including:

- 18.5m at 14.89% Zn
- 27.5m at 12.84% Zn
- 10.2m at 10.98% Zn
- 10.2m at 10.17% Zn
- 6.0m at 12.82% Zn
- 6.8m at 10.78% Zn
- 8.4m at 9.52% Zn
- 5.5m at 7.54% Zn
- 10.5m at 6.49% Zn
- 10.8m at 5.65% Zn
- 30.0m at 5.02% Zn

Mineralisation at the Andrew Zinc Deposit remains open both along strike and at depth. Several zinc in soil anomalies within the immediate vicinity of the Andrew Zinc Deposit are yet to be drill-tested. Numerous additional mineralised showings within the surrounding mineral claims also remain untested.

While there is considerable upside to substantially increase the resource base through further exploration, the high grades and shallow nature of the mineralisation provide the Company with a near-term production opportunity.

The acquisition of the advanced-stage, high-grade Andrew Base Metal Project adds considerable value to Overland Resources. The Company has commenced work on calculating a JORC compliant resource and intends to commence further drilling in May/June 2007.

Peel Nickel-Copper Project, NSW

During the later part of 2006 the Company undertook a data review and search of the historical reports available on the area contained in the two exploration licences, EL6008 and EL6577. A result of this search was the discovery of information pertaining to significant drill results previously unknown to the Company.

Shallow (less than 34m) reconnaissance drilling beneath the Harrisons Cu-Ni Mine indicated the presence of significant subsurface copper mineralisation. Results detailed in these reports include:

- 20m @ 1.89% Cu from surface
- 7.5m @ 1.62% Cu from 12 metres
- 3m @ 0.98% Cu from 3 metres
- 14m at 0.88% Cu from surface

To enable follow up work to be conducted based on this information Overland Resources entered into land access agreements with landowners and occupiers of the areas surrounding the Harrisons Cu-Ni Mine. The Company subsequently completed a soil and rock-chip sampling programme over the area.

The information from this survey combined with the historical information will be used to assist in the sighting of drill holes for a drilling program scheduled to commence during the first quarter of 2007.

Riwaka Nickel Copper PGE Project, New Zealand

The Riwaka Nickel-Copper-PGE Project encompasses the majority of the Riwaka Intrusive Complex in the northern part of the South Island of New Zealand. The prospecting permit application includes an area of Ni-Cu mineralisation where better results from previous drilling include:

- 3.7m @ 1.42% Ni and 0.42% Cu from 24m
- 2.6m @ 1.56% Ni and 0.56% Cu from 12m
- 3.1m @ 0.72% Ni and 0.36% Cu from 22m

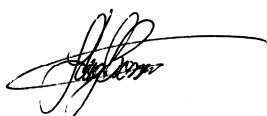
Previous holes were shallow and poorly sited but confirm the substantial potential of the Riwaka Intrusive Complex to host economic Ni-Cu-PGE deposits. No modern exploration has been undertaken over the entire Complex.

Overland Resources anticipates that Prospecting Permit Application 39 327 will be granted in the very near future after which time the Company intends systematically applying modern geochemical and geophysical techniques with the aim of defining a sizeable high-grade Ni-Cu-PGE deposit.

Auditor's Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Mack & Co., to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 3 and forms part of this directors' report for the half-year ended 31 December 2006.

This report is signed in accordance with a resolution of the Board of Directors.



Hugh Bresser
Managing Director

Dated this 20th day of February 2007

**AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF OVERLAND RESOURCES LIMITED**

I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2006 there has been:

- a. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

Mack & Co

Mack & Co
Chartered Accountants
2nd Floor, 35 Havelock Street
West Perth WA 6005

N.A. Calder

N.A. Calder
Partner
Dated this 20th day of February 2007.

**INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Notes	31 December 2006 \$	31 December 2005 \$
Revenue	2	31,109	-
Depreciation and amortisation		(383)	-
Consultants		(110,029)	-
Accounting and audit fees		(5,463)	-
Insurance		(24,110)	-
Legal expenses		(12,554)	-
Share registry expenses		(4,059)	-
Administrative expenditure	2	(157,893)	(183)
Other expenses		(13,108)	-
Loss before income tax expense		(296,490)	(183)
Income tax expense		-	-
Loss for the half-year after income tax		(296,490)	(183)
Loss attributable to members of Overland Resources Limited		(296,490)	(183)
Basic loss per share (cents per share)		(1.30)	(6,100.00)
Diluted loss per share (cents per share)		(1.30)	(6,100.00)

The accompanying notes form part of these financial statements

BALANCE SHEET
AS AT 31 DECEMBER 2006

	Notes	31 December 2006 \$	30 June 2006 \$
Assets			
Current Assets			
Cash and cash equivalents	9	2,686,314	341,117
Trade and other receivables		45,627	3,393
Total Current Assets		<u>2,731,941</u>	<u>344,510</u>
Non-Current Assets			
Property, plant and equipment		2,683	3,066
Mining properties – exploration and evaluation phase		117,480	41,582
Total Non-Current Assets		<u>120,163</u>	<u>44,648</u>
Total Assets		<u>2,852,104</u>	<u>389,158</u>
Liabilities			
Current Liabilities			
Trade and other payables		61,246	10,392
Total Current Liabilities		<u>61,246</u>	<u>10,392</u>
Total Liabilities		<u>61,246</u>	<u>10,392</u>
Net Assets		<u>2,790,858</u>	<u>378,766</u>
Equity			
Contributed Equity	4	2,426,085	389,503
Reserves		672,000	-
Retained losses		(307,227)	(10,737)
Total Equity		<u>2,790,858</u>	<u>378,766</u>

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Contributed Equity	Other Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2005	3	-	(1,810)	(1,807)
Loss for the half-year	-	-	(183)	(183)
Balance at 31 December 2005	3	-	(1,993)	(1,990)
Balance at 1 July 2006	389,503	-	(10,737)	378,766
Loss for the half-year	-	-	(296,490)	(296,490)
Transactions with equity holders in their capacity as equity holders				
- Contributions of equity	3,000,000	-	-	3,000,000
- Options granted in public offer	-	672,000	-	672,000
- Transaction costs on share issue	(963,418)	-	-	(963,418)
Balance at 31 December 2006	2,426,085	672,000	(307,227)	2,790,858

The accompanying notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Note	31 December 2006 \$	31 December 2005 \$
Cash flows from operating activities			
Payments to suppliers and employees		(298,770)	(560)
Other receipts		-	125
Interest received		31,109	-
Net cash used in operating activities		<u>(267,661)</u>	<u>(435)</u>
Cash flows from investing activities			
Advance into refundable security deposit		(20,000)	-
Expenditure on exploration		(75,724)	-
Net cash used in investing activities		<u>(95,724)</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from issue of shares		3,000,000	-
Proceeds from Borrowings		-	500
Cost associated with issue of securities		(291,418)	-
Net cash provided by financing activities		<u>2,708,582</u>	<u>500</u>
Net increase in cash and cash equivalents		2,345,197	65
Cash and cash equivalents at beginning of period		<u>341,117</u>	<u>435</u>
Cash and cash equivalents at end of period	9	<u><u>2,686,314</u></u>	<u><u>500</u></u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

1. CORPORATE INFORMATION

The financial report of Overland Resources Limited (the Company) for the half-year ended 31 December 2006 was authorised for issue in accordance with a resolution of the directors on 20th February 2007.

Overland Resources Limited is a company limited by shares incorporated in Australia.

The nature of the operations and principal activities of the Company are described in the Directors report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Overland Resources Limited as at 30 June 2006.

It is also recommended that the half-year financial report be considered together with any public announcements made by Overland Resources Limited and its controlled entities during the half-year ended 31 December 2006 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

(a) Basis of Preparation

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The half-year report has been prepared on a historical cost basis.

The presentation and functional currency is Australian dollars.

For the purposes of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Significant accounting policies

The half-year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2006, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 January 2006, as described in Note 2(d).

(c) Changes in accounting policies

Australian Accounting Standards that have been recently issued or amended but are not yet effective have not been adopted for the annual reporting period ended 31 December 2006:

AASB Amendment	Affected Standard (s)	Nature of change to accounting policy	Application date of standard	Application date for Company
2005-1	AASB 139 <i>Financial Instruments: Recognition and Measurement</i>	No change to accounting policy required. Therefore no impact.	1 January 2006	1 July 2006

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

2005-5	AASB 1 <i>First-time adoption of AIFRS</i> and AASB 139 <i>Financial Instruments: Recognition and Measurement</i>	No change to accounting policy required. Therefore no impact.	1 January 2006	1 July 2006
2005-6	AASB 3 <i>Business Combinations</i>	No change to accounting policy required. Therefore no impact.	1 January 2006	1 July 2006
	UIG 4 <i>Determining whether an Arrangement contains a Lease</i>	No change to accounting policy required. Therefore no impact.	1 January 2006	1 January 2006

The following amendments and new Standards are not applicable to the Company and therefore have no impact:

2005-4	AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , AASB 132 <i>Financial Instruments: Disclosure and Presentation</i> , AASB 1 <i>First-time adoption of AIFRS</i> , AASB 1023 <i>General insurance Contracts</i> and AASB 1038 <i>Life Insurance Contracts</i>
2005-9	AASB 4 <i>Insurance Contracts</i> , AASB 1023 <i>General insurance Contracts</i> , AASB 139 <i>Financial Instruments: Recognition and Measurement</i> and AASB 132 <i>Financial Instruments: Disclosure and Presentation</i>
2006-1	AASB 121 <i>The Effects of Change in Foreign Currency Rates</i>
	UIG 6 <i>Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment</i>
	UIG 7 <i>Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies</i>
	UIG 9 <i>Reassessment of Embedded Derivatives</i>

(d) Income Tax

Deferred income tax is provided for all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

(e) Cash and cash equivalents

Cash and short term deposits in the balance sheet include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown as current liabilities in the balance sheet. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as described above.

(f) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to the income statement during the financial period in which it is incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and equipment	25 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Derecognition

Additions of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the income statement.

Impairment

Carrying values of plant and equipment are reviewed at each balance date to determine whether there are any objective indicators of impairment that may indicate the carrying values may be impaired.

Where an asset does not generate cash flows that are largely independent it is assigned to a cash generating unit and the recoverable amount test is applied to the cash generating unit as a whole.

Recoverable amount is determined as the greater of fair value less costs to sell and value in use. The assessment of value in use considers the present value of future cash flows discounted using an appropriate pre-tax discount rate reflecting the current market assessments of the time value of money and risks specific to the asset. If the carrying value of the asset is determined to be in excess of its recoverable amount, the asset or cash generating unit is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

(h) Exploration Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the company's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(i) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(j) Trade and other payables

Liabilities for trade creditors and other amounts are measured at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the company.

(k) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(l) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

(m) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the balance sheet.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which is receivable from or payable to the ATO, are disclosed as operating cash flows.

3. LOSS FROM ORDINARY ACTIVITIES

The following revenue and expense items are relevant in explaining the financial performance for the half-year:	31 December 2006 \$	31 December 2005 \$
Revenue		
Interest received	31,109	-
Other	-	-
Total revenue	<u>31,109</u>	<u>-</u>
Administrative Expenses		
ASIC Search and filing fees	860	-
Serviced office	48,000	-
Travel and accommodation	36,124	-
Directors fees	60,000	-
Advertising and promotions	1,475	-
Bank fees	1,282	-
Couriers	920	-
General office	4,686	-
Printing and stationery	3,318	-
Telephone	556	-
Other	672	183
Total administrative expenses	<u>157,893</u>	<u>183</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

4. EQUITY SECURITIES ISSUED

	Number		31 December 2005	31 December 2005
	31 December 2006	31 December 2006		
	Number	\$		
Issues of ordinary shares during the half-year:				
Initial public offering	15,000,000	3,000,000	-	-
	15,000,000	3,000,000	-	-
Issues of unlisted options during the half-year:				
Initial public offering	7,000,000	672,000	-	-
	7,000,000	672,000	-	-

5. DIVIDENDS

No dividends have been paid or provided for during the half-year.

6. SEGMENT REPORTING

The entity operates in two geographical segments – Australia and New Zealand, and within one industry classification - exploration and mining of minerals.

No revenue was generated and there was no contribution to the half year results by the company from New Zealand (2005: \$nil).

7. CONTINGENT ASSETS AND LIABILITIES

There have been no change in contingent liabilities or contingent assets since the last annual reporting date.

8. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the half-year end Overland Resources Limited announced it had secured a twelve month exclusive option to acquire a 90% interest in Andrew Base Metal Project for \$50,000 USD.

9. ADDITIONAL INFORMATION

Reconciliation of cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following as at 31 December 2006:

	31 December 2006	31 December 2005
	\$	\$
Cash at bank and in hand	2,686,314	500

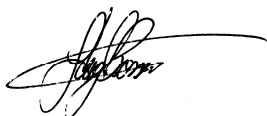
Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the entity's financial position as at 31 December 2006 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Overland Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Board



Hugh Bresser

Director

Dated this 20th day of February 2007.

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF OVERLAND RESOURCES LIMITED**

SCOPE

We have reviewed the financial report of Overland Resources Limited for the half-year ended December 31 2006 comprising the balance sheet, income statement, cash flow statement, statement of changes in equity, accompanying notes to the financial statements and directors' declaration of the entity. The company's directors are responsible for the financial report.

Director's Responsibility for the Half-Year Financial Report

The directors of Overland Resources Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. Our review has been conducted in accordance with Auditing Standards on *Review Engagements ASRE 2410 Review on an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Overland Resources Limited's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporation Regulations 2001*. As the auditor of Overland Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

INDEPENDENCE

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

STATEMENT

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Overland Resources Limited is not in accordance with:

- (a) The *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the entity's financial position as at December 31 2006 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Mack & Co

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Mack & Co
Chartered Accountants
2nd Floor, 35 Havelock Street
West Perth WA 6005

N.A. Calder, Partner
Dated this 20th day of February 2007.