



ASX Release

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Issued Capital:
146.6 million shares

ASX Symbol: OVR

SEPTEMBER 2010 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

Yukon Base Metal Project – Exploration

- **Shallow, high grade mineralisation intersected in diamond drilling at the Darcy Zinc Deposit including:**
 - 19.0 metres at 8.4% zinc
 - 8.0 metres at 19.4% zinc
 - 14.0 metres at 6.7% zinc
 - 7.0 metres at 6.5% zinc
- **Drilling confirmed that mineralisation at the Darcy Zinc Deposit extends over >350 metres of strike – almost doubling the previously known extents.**
- **Mineralisation at the Darcy Zinc Deposit remains open along strike and at depth.**
- **Significant potential remains to continue to increase the resource base at the Yukon Base Metal Project.**
- **These results further improve the potential to develop a long term mining operation at the Yukon Base Metal Project.**
- **Analytical results for a further 8 drill holes pending.**

Yukon Base Metal Project – Definitive Feasibility Study

- **A larger open pit at the shallow, high-grade Darcy Zinc Deposit is now expected.**
- **Mining studies and mine scheduling to incorporate 2010 drilling results and upgraded resource base, as these are expected to have a significant positive impact on project economics.**
- **Metallurgical test work on the Darcy Zinc Deposit underway.**

During the September 2010 quarter Overland Resources Limited (ASX: OVR and “Company”) successfully completed its 2010 field program that included 36 diamond drill holes for a total of 3,668 metres. It also continued to make substantial advancements in its definitive feasibility study (DFS) into the development of the Yukon Base Metal Project.

2010 EXPLORATION PROGRAMME

Activities for the 2010 field season comprised a total of 36 diamond drill holes for 3,668 metres, including installation of eleven (11) water monitoring wells and completion of twenty five (25) resource expansion holes. The field teams also advanced several high priority regional targets with geological mapping, rock and soil geochemistry. The majority of the exploration drilling targeted extensions of mineralisation at the Darcy Zinc Deposit and the Darin Prospect.

Darcy Zinc Deposit

The Darcy Zinc Deposit is located approximately 600 metres southeast of the Andrew Zinc Deposit within an extensive corridor of anomalous surface geochemistry (see Figure 1). 15 diamond drill holes were completed at the Darcy

Zinc Deposit during 2010. Analytical results were reported for nine of these holes during the quarter. Better analytical results include:

- 19.0 metres at 8.4% zinc from 33.0 metres, within
- 46.8 metres at 4.6% zinc from 5.2 metres
- 8.0 metres at 3.8% zinc from 87.0 metres
- 8.0 metres at 19.4% zinc from 80.0 metres
- 7.0 metres at 6.5% zinc from 27 metres and
- 14.0 metres at 6.7% zinc from 62 metres
- 23.3 metres at 2.0% zinc from 10.7 metres

Recent drilling has increased the strike extent of known shallow, high-grade mineralisation considerably. Prior to this drilling the JORC resource at the Darcy Zinc Deposit comprised 1.75Mt at 6.7% zinc. The deposit had been assumed to be 200 metres long. New drilling has confirmed that high grade shallow mineralisation extends over at least 350 metres of strike, at least 150 metres further than previously assumed. And mineralisation remains open in all directions. As a result the Company anticipates increasing the shallow open pittable JORC Code compliant resource at this deposit substantially.

The dimensions of the Darcy Zinc Deposit now compare favourably with the dimensions of the 500 metre long Andrew Zinc Deposit (7.2Mt at 6.2% zinc and 1.5% lead).

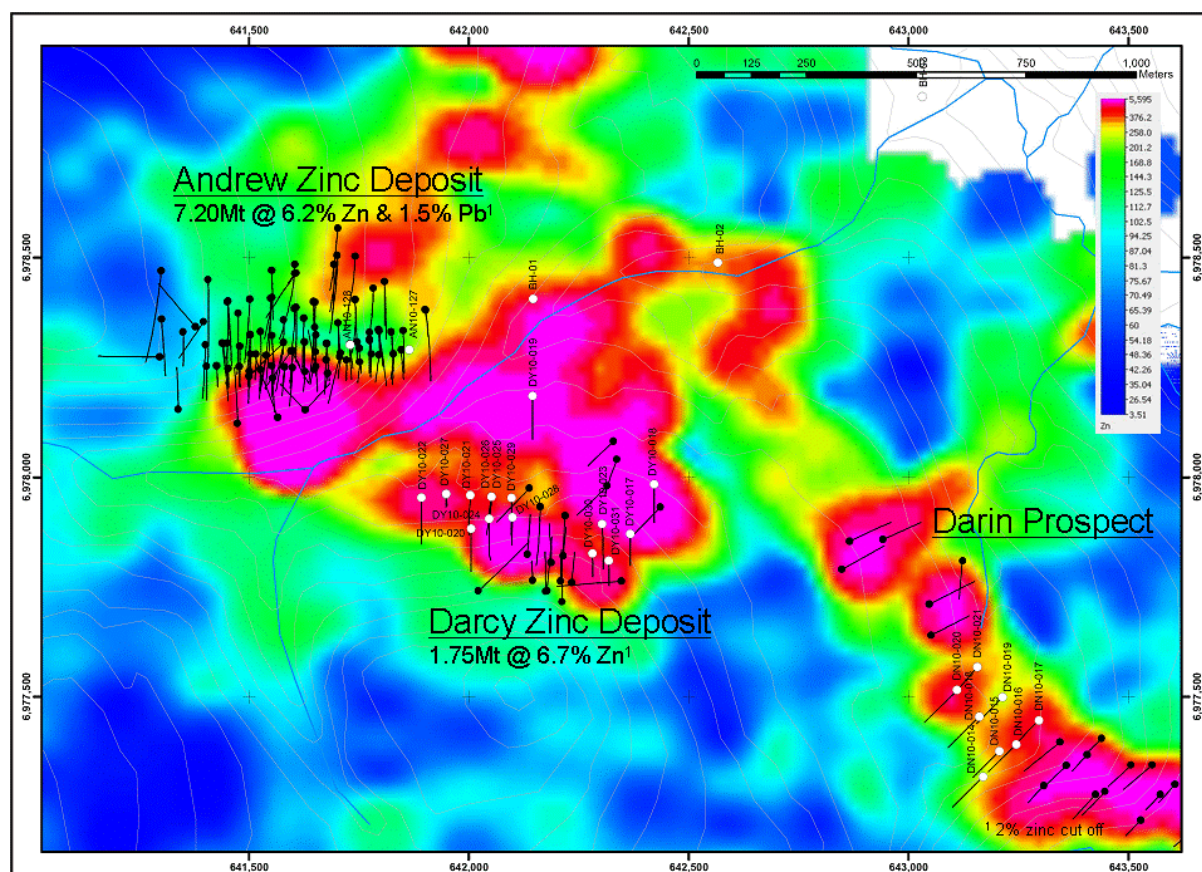


Figure 1. Zinc in soil geochemistry anomaly extending over 2,500m showing location of the Andrew Zinc Deposit, Darcy Zinc Deposit and Darin Prospect. Location of 2010 diamond drilling shown as white dots.

Analytical results from a further six holes drilled at the Darcy Zinc Deposit in 2010 are pending. Upon receipt of these results the Company will upgrade the JORC Code compliant resource for the Darcy Zinc Deposit. It is anticipated that the total resource base for the Yukon Base Metal Project will be increased substantially.

Darin Prospect

The Darin Prospect lies at the south-eastern end of a 2,500 metre long zinc in soil geochemistry anomaly (see Figure 1.). Results from the Company's previous diamond drilling at the Darin Prospect included:

- **10.5 metres at 3.6% zinc, and**
- **21.2 metres at 4.8% zinc.**

During the 2010 September quarter the Company completed eight diamond drill holes at the Darin Prospect. Analytical results have been received for six of these holes. Wide zones of zinc mineralisation continue to be intersected including:

- **7.0 metres at 4.2% zinc from 66 metres**

Thick sequences of brecciated material with sphalerite (zinc sulphide) infill have been reported in hole DN10-019, with smaller zones reported in other holes (analytical results are pending). These results confirm the presence of an extensive mineralised system at the Darin Prospect. Considerable exploration upside remains here. Work continues to determine the probable geological and structural controls on the location of thicker, higher grade mineralisation, so that further exploration can be undertaken.

On receipt of final assays the Company will examine the potential to incorporate mineralisation at the Darin Prospect into the life of mine plan for the Yukon Base Metal Project.

DEFINITIVE FEASIBILITY STUDY

During the September 2010 quarter work on the Yukon Base Metal Project Definitive Feasibility Study (DFS) continued.

Advanced metallurgical test work on material from the Andrew Zinc Deposit was completed. Detailed topographic imagery for the main area of operation was acquired. And all water monitoring wells were installed.

Diamond drill core samples from the Darcy Zinc Deposit have been dispatched to SGS Lakefield for metallurgical and environmental test work. A single process flow sheet, incorporating ore from both the Andrew and Darcy Deposits, will be developed.

The Company will upgrade the JORC resource for the Darcy Deposit before progressing mine designs and mine scheduling further. A larger and possibly higher grade open pit mine at the Darcy Deposit is now anticipated; hence the optimal schedule for mining both the Andrew and Darcy Zinc Deposits will have changed. This is expected to have a positive impact on project cash flows.

With the increasing importance of the Darcy Deposit to the mining operation, a better understanding of the process flow sheet and size of the optimal processing facility is required before the location of the processing facilities, waste dumps and tailings dam can be finalised.

All of this work is expected to have a significant positive impact on the economics of developing a long term mining operation at the Yukon Base Metal Project.

The longest lead-time item on the path to submittal of mine permit applications remains the completion of the environmental impact assessment. This work, as well as all other aspects of the DFS, is still expected to be completed late in 2011. Further exploration and resource expansion will continue in the interim.

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. This opportunity has only been strengthened by the success of the Company's activities during the September 2010 quarter.

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.