



ASX Release

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Issued Capital:

146.6 million shares

ASX Symbol: OVR

DIAMOND DRILLING PROGRAMME COMMENCED

YUKON BASE METAL PROJECT, CANADA

- **Diamond drilling programme commenced**
- **Definitive Feasibility Study advancing**
- **Drilling to target potential resource expansion**
- **High-grade zinc-lead mineralisation intercepted in previous drilling to be followed up**
- **Near-term production opportunity**

Overland Resources Limited (ASX: OVR, "the Company" and "Overland Resources") is pleased to announce that its third phase diamond drilling programme at the Yukon Base Metal Project has commenced.

The Company will utilise the diamond drill rig to:

- (i) Facilitate the rapid advancement of the Definitive Feasibility Study (DFS) on the Yukon Base Metal Project;
- (ii) Target extensions to mineralisation at the Darcy Zinc Deposit; and
- (iii) Explore for additional resources elsewhere on the Project.

Feasibility Studies

Diamond drilling is being conducted to obtain additional hydrological data. This work will help refine design and location of tailings dams, waste rock disposal stockpiles and designated plant and infrastructure areas. The acquisition of this information is essential for mine permitting.

Darcy Zinc Deposit

The recently discovered Darcy Zinc Deposit hosts a JORC compliant inferred mineral resource of 1.75 Mt @ 6.7% Zn, which remains open in all directions.

The Company will conduct extensional drilling with a view to expanding the resource beyond the 200 metres of strike currently delineated by drilling. The mineralisation is high grade and amenable to open pit mining techniques. The Company believes additional drilling at the Darcy Zinc Deposit has a high probability of intersecting further mineralisation.

Three satellite mineralised zones were intersected in close proximity to the Darcy Zinc Deposit during previous drilling. These zones, all of which were tested previously with single drill holes, provide high priority exploration targets and will be targeted during the 2010 drilling programme to determine the extent of the mineralisation intersected.

Darin Zone

The Darin Zone lies at the south eastern end of a 2,500 metre long soil geochemistry anomaly. Diamond drilling at the Darin Zone during 2008 intersected 10.5m at 3.6% Zn and 21.2m at 4.8% Zn. The style of mineralisation is similar to that observed at the Andrew and Darcy Zinc Deposits.

The Darin Zone provides the Company with an immediate high priority drill target where additional resources may be delineated. Further exploratory drilling will be undertaken during the forthcoming programme.

The commencement of drilling follows the successful mobilisation of the exploration field team to the Project and completion of initial exploration activities in preparation for the drilling programme. The Company anticipates reporting results over the coming months.

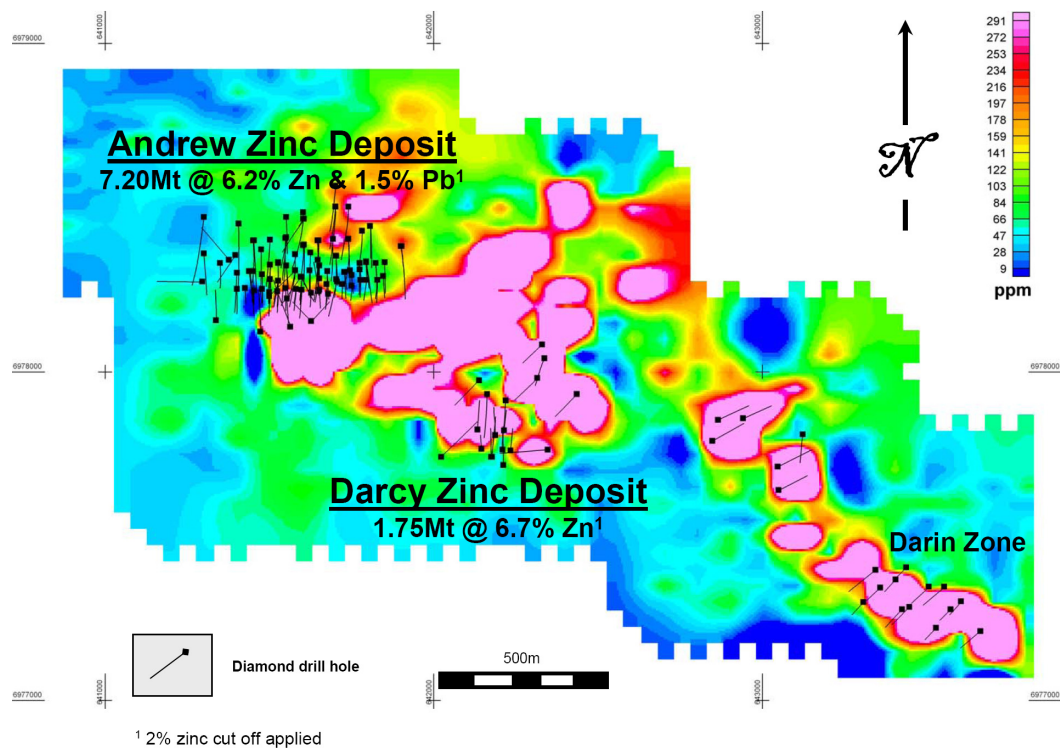


Figure 1. 2,500m anomalous zinc in soil geochemistry corridor hosting the Andrew and Darcy Zinc Deposits

Yukon Base Metal Project Overview

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

8.95 million tonnes at 6.3% Zn and 1.2% Pb

Table 1. Yukon Base Metal Project 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

An economic mining study completed in May 2009 indicated that the establishment of an open pit and underground mining operation at the Yukon Base Metal Project would be economically feasible. The study highlighted the potential to establish a low capital cost (US\$94 million) and low production cost (\$0.43/lb zinc equivalent) mining operation at the Project.

The mining study indicated an undiscounted cash flow of US\$210 million (before capital, depreciation, tax and royalties) could be generated. There is considerable potential to improve the economics through optimization and further exploration success. A definitive feasibility study is now in progress.

The Andrew and Darcy Deposits, the Darin Zone, together with a number of other highly prospective but underexplored regional targets provide potential for expansion of the resource base and an increased scale of operation at the Yukon Base Metal Project.

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 '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 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.