



ABN 92 114 187 978

Financial Statements
for the Half-year ended 31 December 2008

CORPORATE DIRECTORY

Directors

Mr Michael Haynes (Chairman)
Mr Hugh Bresser (Managing Director)
Mr Anthony Polglase (Non Executive Director)
Mr Gibson Pierce (Non Executive Director)

Company Secretary

Mr Scott Funston

Registered Office

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675 Murray Street
West Perth WA 6005
Australia
Telephone: (61 8) 9226 5566
Facsimile: (61 8) 9226 2027

Share Registry

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

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia

Stock Exchange Listing

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

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DIRECTORS' REPORT

The Directors of Overland Resources Limited submit the condensed financial report for the half-year ended 31 December 2008.

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 Anthony Polglase	Non Executive Director
Mr Gibson Pierce	Non Executive Director (appointed 3 October 2008)

Review of Operations

Yukon Base Metal Project

Overland Resources Limited (ASX:OVR, Overland Resources, Company) owns a 90% interest in the Yukon Base Metal Project located in the highly prospective and under explored Selwyn Basin of the Yukon Territory, Canada. The Company has mineral rights covering approximately 108km², including the shallow, high grade Andrew Zinc Deposit and the recently discovered Darcy Zinc Deposit.

During the six months from July to December 2008 the Company completed its second phase diamond drilling programme at the Yukon Base Metal Project. This drilling programme comprised 134 diamond drill holes for 23,525 metres. All analytical results have been received and reported. These results confirmed:

1. The discovery of new extensions to the Andrew Zinc Deposit
2. The discovery of the new shallow, high grade Darcy Zinc Deposit, and
3. The discovery of significant zinc mineralisation at the Darin Zone.

The potential to continue to grow and develop the project into an economically viable mining operation has been significantly enhanced.

Andrew Zinc Deposit

The second phase diamond drilling programme consistently intersected exceptionally thick high grade mineralisation at the Andrew Zinc Deposit. Analytical results include:

- 37.1m at 10.5% zinc
- 32.6m at 8.6% zinc and 1.8% lead
 - Including 17.2m at 11.9% zinc
- 24.9m at 4.2% zinc and 15.5% lead
 - Including 17.2m at 6.7% zinc and 18.8% lead
- 45.0m at 8.7% zinc
- 55.3m at 6.6% zinc

- 38.3m at 4.5% zinc and 6.1% lead
- 15.1m at 6.6% zinc and 12.6% lead
- 12.2m at 21.5% zinc
- 12.1m at 8.6% zinc and 4.2% lead
- 12.6m at 7.6% zinc and 8.0% lead
- 17.1m at 2.8% zinc and 11.6% lead
- 16.0m at 9.4% lead

These results confirm the continuity and thickness of high grade mineralisation at the Andrew Zinc Deposit.

Results from drill hole AN08-110, drilled at the western end of the Andrew Zinc Deposit, indicated the presence of a new mineralised block outside the limits of the previously modelled mineralised envelope. This result highlights the potential to extend the resource at the Andrew Zinc Deposit beyond the bounds of current drilling.

Expansion of the resource at depth and the application of underground mining techniques have the potential to add considerable value to the project.

Darcy Zinc Deposit

During October 2008, the Company reported spectacular analytical results from drilling conducted 600 metres south east of the Andrew Zinc Deposit, within a 2,500 metre long zinc in soil geochemistry anomaly. Analytical results included:

- 43.9m at 11.9% zinc
- 28.3m at 13.6% zinc
- 14.6m at 2.8% zinc
- 6.0m at 6.3% zinc

These results indicated a new zone of high grade zinc mineralisation had been discovered. Additional analytical results from follow up drilling were released in January 2009 including:

- 77.0m at 11.0% zinc
- 34.0m at 12.8% zinc
- 24.6m at 4.8% zinc
- 21.0m at 4.4% zinc

In January 2009 the Company formally announced the discovery of the Darcy Zinc Deposit. Mineralisation remains open along strike in both directions. Further drilling is required to fully define the size of this deposit.

The nature of the mineralisation at the Darcy Zinc Deposit is similar to that observed at the Andrew Zinc Deposit. The Company believes that ore from the Darcy and Andrew Zinc Deposits could be processed in the same processing facilities. This, combined with the high grade, thick, shallow nature of mineralisation at the Darcy Zinc Deposit provides significant confidence that a satellite mining operation could be established which would optimise the utilisation of infrastructure and services developed in the area.

Exploration Potential

The newly discovered Darcy Zinc Deposit is located within a 2,500 metre long zinc in soil geochemistry anomaly. In January 2009 the Company also announced the discovery of significant zinc mineralisation at the Darin Zone, which is also located within this 2,500 metre long zinc in soil geochemistry anomaly, approximately 2,000 metres southeast of the Andrew Zinc Deposit.

Limited drilling completed at the Darin Zone to date returned extremely encouraging results including:

- 21.2m at 4.8% zinc
- 10.5m at 3.6% zinc

These results provide the Company considerable confidence that additional deposits can be delineated with further drilling within the extensive zinc in soil anomaly. Significant potential also exists to discover additional mineralisation elsewhere at the Yukon Base Metal Project.

Community

During September 2008 the Company coordinated a successful First Nations Elders tour of the Yukon Base Metal Project. The purpose of this tour was to continue to build upon the existing relationship between the Company and First Nations. The tour involved Elders from three separate First Nations. This provided the Elders with the opportunity to see the project first hand and understand the benefits a future mine development would have to their people.

Mine Permitting

During the six month period covered by this report Overland Resources commenced meetings with Yukon and Canadian regulators, assessors and community groups to facilitate a smooth transition into the mining approvals and permitting process. The Yukon is a jurisdiction that is particularly supportive of new mine developments.

Mining Study

In September 2008 the Company commissioned a new resource estimate and mining study which is being undertaken by an independent engineering consultancy that has considerable expertise in northern Canada.

Corporate

In October 2008 Mr. Gibson Pierce was appointed to the Board of Overland Resources Limited. Mr. Pierce has more than 35 years experience in the resource industry globally. He has in depth knowledge of mine development, commissioning and operation.

Mr. Pierce brings additional strength, experience and local knowledge to the Board as the Company advances the Yukon Base Metal Project towards production.

Auditor's Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, 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 5 and forms part of this directors' report for the half-year ended 31 December 2008.

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



Hugh Bresser
Managing Director

Perth, Western Australia
12th March 2009

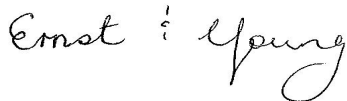
Competent Person Statement

Overland Resources Limited has not yet reported any ore reserves from the Andrew Zinc Deposit. While the Company remains optimistic it will report reserves in the future, any discussion in relation to production targets is only conceptual in nature and there has been insufficient work to define a Mineral Reserve and it is uncertain if further work will result in the determination of a Mineral Reserve.

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.

Auditor's Independence Declaration to the Directors of Overland Resources Limited

In relation to our review of the financial report of Overland Resources Limited for the half-year ended 31 December 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that appears to be 'F Drummond'.

F Drummond
Partner
Perth
12 March 2009

Condensed Income Statement *for the half-year ended 31 December 2008*

	Notes	Consolidated	
		31/12/2008 \$	31/12/2007 \$
Continuing Operations			
Revenue			
Interest revenue		128,515	340,512
		<u>128,515</u>	<u>340,512</u>
Expenses			
Listing and share registry expenses		(29,902)	(28,164)
Accounting and audit fees		(45,766)	(34,413)
Legal fees		(3,609)	(6,776)
Consultants and Directors fees		(285,682)	(151,418)
Depreciation		(10,268)	(383)
Administrative expenditure	3	(206,011)	(146,283)
Exploration expenditure write-off		-	(24,638)
Other expenses		(19,957)	(7,951)
Loss before income tax from continuing operations		<u>(472,680)</u>	<u>(59,514)</u>
Income tax expense		-	-
Net loss attributable to members of parent entity		<u>(472,680)</u>	<u>(59,514)</u>
Basic loss per share (cents per share)		(0.64)	(0.11)
Diluted loss per share (cents per share)		(0.64)	(0.11)

Condensed Balance Sheet as at 31 December 2008

	Consolidated	
	31/12/2008	30/06/2008
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	2,539,726	6,949,540
Trade and other receivables	55,731	2,068,310
Other current assets	439,598	568,378
	<u>3,035,055</u>	<u>9,586,228</u>
NON-CURRENT ASSETS		
Plant and equipment	437,518	364,102
Receivables	48,963	48,963
Exploration and evaluation expenditure	9 23,197,256	15,419,224
	<u>23,683,737</u>	<u>15,832,289</u>
TOTAL NON-CURRENT ASSETS	23,683,737	15,832,289
TOTAL ASSETS	26,718,792	25,418,517
CURRENT LIABILITIES		
Trade and other payables	344,670	1,408,081
Provisions	-	1,203
	<u>344,670</u>	<u>1,409,284</u>
TOTAL CURRENT LIABILITIES	344,670	1,409,284
TOTAL LIABILITIES	344,670	1,409,284
NET ASSETS	26,374,122	24,009,233
EQUITY		
Contributed equity	23,015,388	23,015,388
Reserves	5,091,814	2,254,245
Accumulated losses	(1,733,080)	(1,260,400)
	<u>26,374,122</u>	<u>24,009,233</u>
TOTAL EQUITY	26,374,122	24,009,233

Condensed Statement of Changes in Equity *for the half-year ended 31 December 2008*

31 DECEMBER 2008

CONSOLIDATED	Issued Capital	Accumulated Losses	Other Reserves	Total
	\$	\$	\$	\$
At 1 July 2008	23,015,388	(1,260,400)	2,254,245	24,009,233
Exchange differences on translation of foreign operations	-	-	2,827,355	2,827,355
Total income and expense recognised directly in equity	-	-	2,827,355	2,827,355
Loss for the period	-	(472,680)	-	(472,680)
Total income and expense for the period	-	(472,680)	2,827,355	2,354,675
Equity Transactions: Share-based payment	-	-	10,214	10,214
At 31 December 2008	23,015,388	(1,733,080)	5,091,814	26,374,122

31 DECEMBER 2007

CONSOLIDATED	Issued Capital	Accumulated Losses	Other Reserves	Total
	\$	\$	\$	\$
At 1 July 2007	13,591,799	(502,578)	663,820	13,753,041
Exchange differences on translation of foreign operations	-	-	270,017	270,017
Total income and expense recognised directly in equity	-	-	270,017	270,017
Loss for the period	-	(59,514)	-	(59,514)
Total income and expense for the period	-	(59,514)	270,017	210,503
Equity Transactions: Share-based payment	-	-	2,455,991	2,455,991
Refund due for share issue costs	57,196	-	-	57,196
At 31 December 2007	13,648,995	(562,092)	3,389,828	16,476,731

Condensed Cash Flow Statement *for the half-year ended 31 December 2008*

	Consolidated	
	31/12/2008	31/12/2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(643,025)	(360,857)
Payment of rental bond	-	(28,963)
Interest received	128,515	301,212
	<hr/>	<hr/>
NET CASH USED IN OPERATING ACTIVITIES	(514,510)	(88,608)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(58,510)	(55,301)
Payments for expenditure on exploration	(3,836,794)	(3,809,932)
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	(3,895,304)	(3,865,233)
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NET CASH USED IN FINANCING ACTIVITIES	-	-
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(4,409,814)	(3,953,841)
Cash and cash equivalents at beginning of period	6,949,540	12,639,418
	<hr/>	<hr/>
CASH AT THE END OF THE HALF-YEAR	2,539,726	8,685,577

**Notes to the Financial Statements
for the half-year ended 31 December 2008**

1. CORPORATE INFORMATION

The condensed financial report of Overland Resources Limited (the Company) for the half-year ended 31 December 2008 was authorised for issue in accordance with a resolution of the directors on 12th March 2009.

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

The nature of the operations and principal activities of the Company and its controlled entity ('the Group') are described in the Directors report.

2. BASIS OF PREPERATION AND ACCOUNTING POLICIES

Basis of Preparation

This general purpose condensed financial report for the half-year ended 31 December 2008 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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 consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2008 and considered together with any public announcements made by Overland Resources Limited during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations of the ASX listing rules.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Changes in accounting policy

From 1 July 2008 The Group has adopted the Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2008. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

The Group has not elected to early adopt any new standards, amended standards or interpretations.

	Consolidated	
	31/12/2008	31/12/2007
	\$	\$
3. ADMINISTRATIVE EXPENDITURE		
Advertising and promotions	7,435	3,600
Bank fees	3,181	1,647
Conferences and seminars	6,154	1,305
General office expenses	11,607	16,190
Insurance	25,181	32,361
Printing and Stationery	13,000	11,070
Rent and outgoings	86,460	54,255
Telephone	8,014	2,444
Travel and accommodation	37,204	11,228
Other	7,775	12,183
	<hr/>	<hr/>
Total administration expenditure	206,011	146,283

4. DIVIDENDS

No dividends have been paid or provided for during the half-year (2007: \$Nil).

5. SEGMENT REPORTING

The Group operates in one business segment being mineral exploration. The Group explores in Australia and Canada. As the majority of revenue from these geographical operations is earned from bank deposits, not sales to external customers, they do not constitute reportable segments.

6. CONTINGENT ASSETS AND LIABILITIES

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

7. SUBSEQUENT EVENTS

There have been no significant events subsequent to reporting date.

8. SHARE OPTIONS

At 31 December 2008, there were 12,375,000 unissued ordinary shares under options (30 June 2008: 12,350,000 options). 250,000 options were forfeited during the period without being exercised and a further 275,000 options were issued under the employee share option plan.

9. EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditure at the period end relates to the Yukon Base Metal Project in Canada. The recoverability of the carrying amount of the deferred exploration and evaluation expenditure is dependant on successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest. An independent consulting group is currently updating the resource estimate for the project by incorporating results from the group's second phase drilling programme with all previous data. It will then utilise the latest technical and economic data to revise the mine plan for the project.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including;
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company 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 Board of Directors.

On behalf of the Board



Hugh Bresser
Director

Perth, Western Australia
12th March 2009

To the members of Overland Resources Limited

Report on the condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Overland Resources Limited, which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2008 or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls 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. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports 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 the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Overland Resources Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

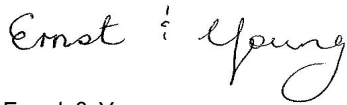
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the condensed half-year financial report of Overland Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 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*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script, appearing to be 'F Drummond'.

F Drummond
Partner
Perth
12 March 2009