



Overland Resources Limited

ABN 92 114 187 978

Financial Report
30 June 2010

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CORPORATE DIRECTORY

Directors

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

Company Secretary

Mr. Nicholas Day

Registered Office and Principal Place of Business

Level 2
675 Murray Street
West Perth WA 6005
Australia
Telephone: (+61 8) 9226 5566
Facsimile: (+61 8) 9226 2027

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

Stock Exchange Listing

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

Auditors

Ernst and Young
11 Mounts Bay Road
Perth WA 6000

Directors' Report

The Directors present their report for Overland Resources Limited ("Overland" or "the Company") and its subsidiary for the year ended 30 June 2010.

DIRECTORS

The names, qualifications and experience of the Directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr. Michael Haynes

Chairman

Mr. Haynes has more than 18 years experience in the mining industry. Mr. Haynes graduated from the University of Western Australia with an honours degree in geology and geophysics. He has been intimately involved in the exploration and development of resource projects, targeting a wide variety of commodities, throughout Australia and extensively in Southeast and Central Asia, Africa, North and South America, and Europe.

Mr. Haynes has held technical positions with both BHP Minerals Limited and Billiton plc. He ran his own successful consulting business for a number of years providing professional geophysical and exploration services to both junior and major resource companies. He has worked extensively on project generation and acquisition throughout his career. Over the past five years he has been intimately involved in the incorporation and initial public offerings of several resources companies, and in the ongoing financing and management of these companies.

Mr. Haynes is a Director of Genesis Minerals Limited (appointed 4 July 2007), Black Range Minerals Limited (appointed 27 June 2005) and is Chairman of Coventry Resources Limited (appointed 27 October 2009). Mr. Haynes was a Director of Iberian Resources Limited (appointed 21 October 2003, resigned 31 July 2007) and Bellamel Mining Limited (appointed 16 May 2007, resigned 31 December 2008).

Mr. Hugh Bresser

Managing Director

Mr. Bresser has more than 18 years experience working in the resources industry. He holds an honours degree in Economic and Metalliferous Geology from James Cook University and an MBA from the Mt Eliza Business School, Melbourne.

Mr. Bresser spent more than ten years working with BHP Billiton, generating and evaluating exploration projects in a variety of commodities within Australia, Asia, Southern Africa and South America. He has held senior positions within BHP Billiton's Global Exploration Division, including three years in Exploration Global Strategy, Business Planning and Risk Management.

Mr. Bresser was also employed by BHP Billiton Iron Ore Group in a senior role, working on supply chain optimisation and new capital implementation. Mr. Bresser has previously held technical positions with Pancontinental Mining Ltd, Renison Goldfields Consolidated and Goldfields Ltd.

Mr. Bresser has not held any other Directorships of listed companies over the past three years.

Mr Anthony Polglase

Non Executive Director

With in excess of 30 years multi-disciplined mining experience across ten different countries, Mr Polglase is qualified in mechanical and electrical engineering with an honours degree in Metallurgy from the Camborne School of Mines, UK.

Directors' Report

Mr. Polglase has acquired detailed knowledge relating to the development and operation of gold, copper, lead, zinc and tin projects and has either been responsible for or closely involved with the commissioning of more than seven mining projects. Previous employers include Iberian Resources, Ivernia Corp, Rio Tinto, TVX and Ashanti Goldfields.

Project management including critical evaluation, implementation and commissioning are Mr Polglase's strengths. Mr Polglase has a demonstrated ability of successfully bringing projects on line in the most challenging of environments including former Soviet Union countries.

Mr. Polglase is a Director of Avanco Resources Limited (appointed 4 July 2007).

Mr. Gibson Pierce

Non Executive Director

Mr. Pierce has more than 35 years experience in the resource industry. He has in depth knowledge of the development, commissioning and operation of base metal and coal mines globally.

Mr. Pierce holds a BSc in Geology from the University of Alberta, Canada and his experience includes a career with BHP Billiton during which he held senior operational management positions at the Ok Tedi Mine in Papua New Guinea, BHP Coal Mines in Indonesia and the Island Copper Mine in Canada. Mr. Pierce spent the last 10 years in the role of Business Development Manager, directing project evaluation, construction, and mine closure in Australia, Asia, Africa, and North and South America.

Mr. Pierce has not had any other Directorships of listed companies over the past three years.

Mr. Sias Els

Non Executive Director (appointed 9 August 2010)

Mr. Els has 20 years business experience primarily within manufacturing and operations in an industrial environment, with more than 5 years experience in the resources industry. He holds an honours degree in Accounting from the University of South Africa and is a South African Chartered Accountant. He is also a Fellow of the Chartered Institute of Management Accountants (UK).

Mr. Els joined the Philippine Associated Smelting and Refining Corporation (PASAR) in June 2005 and was appointed President & Chief Executive Officer in June 2006. Prior to joining PASAR, he spent 5 years in steel manufacturing and he also held Executive Financial positions for 8 years in the food industry in South Africa.

Mr. Els has not had any other Directorships of listed companies over the past three years.

COMPANY SECRETARIES

Mr Nicholas Day (appointed 22 June 2010)

Mr. Day has more than 15 years experience in corporate finance and the resources industry. Previously he was CFO and Company Secretary of Antaria and AIM & ASX listed mining company Albidon Ltd. Prior to this, Mr. Day was a Senior Accountant with Ernst & Young. In addition to his company secretarial skills he has experience in strategic planning, business development, acquisitions and mergers, bankable feasibility studies, and project development general management.

Directors' Report

Mr. Scott Funston (resigned 22 of June 2010)

Mr. Scott Funston is a Chartered Accountant and Company Secretary with experience in the mining industry and accounting profession. His expertise is in financial management and corporate advice. Mr. Funston possesses a strong knowledge of the Australian Securities Exchange requirements and currently assists a number of resources companies operating throughout Australia, South America, USA, Asia and Canada with financial accounting, stock exchange compliance and regulatory activities.

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of the Company were:

Director	Ordinary Shares	Options over Ordinary Shares
M. Haynes	4,476,471	-
H. Bresser	4,297,650	-
A. Polglase	-	100,000
G. Pierce	-	100,000
S. Els	-	-

RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members of Overland Resources Limited for the year was \$818,062 (2009: net loss after tax of \$1,006,711).

DIVIDENDS

No dividend was paid or declared by the Company in the year since the end of the period and up to the date of this report.

CORPORATE STRUCTURE

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

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

During the financial year, the principal activity was mineral exploration. The Group currently holds a base metals project in Canada. There have been no changes in the principle activities from prior years.

EMPLOYEES

The Group had 8 employees at 30 June 2010 (30 June 2009: nil).

REVIEW OF OPERATIONS

Over the past 12 months Overland Resources Limited (Overland, Company) has made considerable progress towards achieving its corporate goal of becoming a mid-tier resource company, as it commenced a definitive feasibility study on the Yukon Base Metal Project (Project).

The 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 project covers approximately 106km² of mineralised terrain and includes the shallow, high grade Andrew Zinc Deposit and the recently discovered Darcy Zinc Deposit.

Directors' Report

In November 2009 Overland received results of heavy liquid separation (HLS) test work conducted on material from the Andrew Zinc Deposit by independent laboratory SGS Lakefield in Canada. The results were very encouraging, achieving over 90% waste rejection while retaining over 80% of the zinc metal.

In December 2009 the results of financial modelling of the re-optimisation of the open pit mine design for the Andrew Zinc Deposit, taking into account positive DMS test results together with anticipated lower transport costs encouraged the Company to commence a definitive feasibility study (DFS) into the development of the Yukon Base Metal Project.

The Company undertook a capital raising in December 2009 through a share placement combined with an SPP to raise over \$6 million.

Concurrently the Company and Macquarie Bank Limited (Macquarie Bank) entered into an agreement whereby Macquarie Bank has the right to provide up to 50% of any future debt finance required to develop the Yukon Base Metal Project (at commercially competitive terms).

During February 2010 SGS Lakefield commenced advanced metallurgical test work on a 400kg ore sample collected across the Andrew Zinc Deposit. This test work will provide information that will be used to refine the materials process flow sheet, reagent selection/consumption and energy requirements.

In April 2010 Overland Resources contracted Aero Metric Inc. to acquire new detailed aerial photography over the Yukon Base Metal Project and to produce a 1 metre topographic contour map. This detailed map will support engineering design, planning and construction scheduling for the Project.

In May 2010 the Company engaged several professional consultancy groups to examine specific aspects of the DFS:

- Golders Associates (Golders) - tailings storage facility (TFS) design, construction and operating costs associated with this facility.
- McElhanney Consulting Services Ltd. – access road survey and design.
- Merit Consultants International Inc. - capital cost, execution and integrated construction schedule
- Sacre Davey Group (Sacre Davey) - lead engineering consultant for the Yukon Base Metal Project Definitive Feasibility Study (DFS).

Overland Resources experienced team of geologists, geotechnicians and field crew commenced field work on the Yukon Base Metal Project during this period. The goals of the field team were to advance several highly prospective exploration targets and enable the data collection for the DFS team.

In July 2010 diamond drilling commenced on the Yukon Base Metal Project. Water monitoring wells have been installed and exploration drilling has been undertaken at the Darcy Zinc Deposit and at the Darin Prospect.

In August 2010 Overland reported that drilling had intersected thick zones of visible coarse grained sphalerite (zinc sulphide) in extensional step out drilling at the Darcy Zinc Deposit, located approximately 600 metres southeast of the Andrew Zinc Deposit. This extended the strike of known mineralisation at the Darcy Zinc Deposit by over 100 metres.

At the completion of the current drilling program the Company will incorporate the drilling results and latest metallurgical and mining information collected during 2010 and revise the total JORC compliant resource for the Yukon Base Metal Project. The current JORC compliant resource applying a 2% zinc cut, off is:

8.95 million tonnes at 6.3% Zn and 1.2% Pb

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

Table 1. Yukon Base Metal Project JORC compliant mineral resource

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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On the 17 December 2009 the Group announced a Definitive Feasibility Study into the Development of the Yukon Base Metal Project and a \$6 million placement and Share Purchase Plan.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no significant events after balance date.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future periods, as the Directors believe that it would be speculative and prejudicial to the interests of the Company.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group carries out operations that are subject to environmental regulations under both Federal Territorial and Provincial legislation in Canada. The Group has formal procedures in place to ensure regulations are adhered to. The Group is not aware of any breaches in relation to environmental matters.

SHARES OPTIONS

As at the date of this report, there were 12,375,000 options over ordinary shares (12,375,000 options at the reporting date). The details of the options at the date of this report are as follows:

Number	Exercise Price \$	Expiry Date
7,000,000	0.20	31 December 2011
5,000,000	0.20	25 July 2012
100,000	0.64	19 November 2012
275,000	0.40	21 August 2013
12,375,000		

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

During the financial year and since the end of the financial year, no options have been issued or exercised to acquire fully paid ordinary shares.

Directors' Report

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has made an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporation Act 2001. The indemnification specifically excludes wilful acts of negligence. The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company, including officers of the Company's controlled entities. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

Name	Number of Meetings Eligible to Attend	Number of Meetings Attended
Mr. Michael Haynes	4	4
Mr. Hugh Bresser	4	4
Mr. Anthony Polglase	4	4
Mr. Gibson Pierce	4	4

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that the Company is in compliance with those guidelines to the extent possible, which are of importance to the commercial operation of a junior listed resources Company. The Company's Corporate Governance Statement and disclosures are contained elsewhere in the annual report.

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Directors of Overland with an Independence Declaration in relation to the audit of the full-year financial report. A copy of that declaration is included at page 48 of this report. There were no non-audit services provided by the company's auditor.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for key management personnel of Overland Resources Limited in accordance with the requirements of the *Corporation Act 2001* and its Regulations. For the purpose of this report, Key Management Personnel (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group, and includes three executives in the Group receiving the highest remuneration.

Directors' Report

Details of Key Management Personnel

Mr. Michael Haynes	Chairman
Mr. Hugh Bresser	Managing Director
Mr. Anthony Polglase	Non Executive Director
Mr. Gibson Pierce	Non Executive Director
Mr. Sias Els	Non Executive Director - appointed 9 August 2010
Ms. Beverley Nichols	Chief Financial Officer - appointed 1 May 2010
Mr. Nicholas Day	Company Secretary - appointed 22 June 2010
Mr. Scott Funston	Company Secretary - resigned 22 June 2010

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors and management. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not link the nature and amount of the emoluments of such officers to the Group's financial or operational performance. The lack of a performance link at this time is not considered to have a negative impact on retaining and motivating Directors.

As part of its Corporate Governance Policies and Procedures, the board has adopted a formal Remuneration Committee Charter. Due to the current size of the Company and number of Directors, the board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter. The Company has no policy on executives and directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted.

The table below shows the performance of the Group as measured by earnings / (loss) per share since it first listed in November 2006:

As at 30 June	2010	2009	2008	2007
Loss per share (cents)	(0.80)	(1.36)	(1.38)	(1.60)

Directors' Report

Details of the nature and amount of each element of the emolument of each Director and Executive of the Company for the financial year are as follows:

2010	Short term			Share Based Payments - Options	Post Employment Superannuation	Total	Option related %
	Base Salary	Directors Fees	Consulting Fees				
Director	\$	\$	\$	\$	\$	\$	%
Mr. Michael Haynes	-	60,000	-	-	-	60,000	-
Mr. Hugh Bresser	-	-	240,000	-	-	240,000	-
Mr. Anthony Polglase	-	-	50,000	-	-	50,000	-
Mr. Gibson Pierce	-	42,926	-	7,428	-	50,354	14.8
Executive							
Ms. Beverley Nichols***	-	-	4,500	-	-	4,500	-
Mr. Nicholas Day**	-	-	1,650	-	-	1,650	-
Mr. Scott Funston*	-	-	60,000	-	-	60,000	-
	-	102,926	356,150	7,428	-	466,504	

* Mr. Funston resigned on 22 June 2010

** Mr. Day was appointed on 22 June 2010

*** Ms. Nichols was appointed on 1 May 2010

2009	Short term			Share Based Payments - Options	Post Employment Superannuation	Total	Option related %
	Base Salary	Directors Fees	Consulting Fees				
Director	\$	\$	\$	\$	\$	\$	%
Mr. Michael Haynes	-	60,000	-	-	-	60,000	-
Mr. Hugh Bresser	-	-	240,000	-	-	240,000	-
Mr. Anthony Polglase	-	-	50,000	18,953	-	68,953	27.5
Mr. Gibson Pierce	-	35,543	-	11,142	-	46,685	23.9
Executive							
Mr. Tim Flavel*	-	-	6,000	-	-	6,000	-
Mr. Scott Funston	-	-	52,000	-	-	52,000	-
	-	95,543	348,000	30,095	-	473,638	

* Mr. Flavel resigned on 31 July 2008

There were no other executive officers of the Company during the financial years ended 30 June 2010 and 30 June 2009. The share options issued as part of the remuneration to Directors are not subject to a performance hurdle as these options are issued as a form of retention bonus and incentive to contribute to the creation of shareholder wealth.

Directors' Report

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

	Grant Date	Grant Number	Expiry Date/Last exercise date	Fair Value per option at grant date	Exercise price per option	Total value granted \$	Vested	% vested
30 June 2010								
G. Pierce	30/09/08	50,000	20/08/13	\$0.20	\$0.40	19,808	50,000	100
G. Pierce	30/09/08	50,000	20/08/13	\$0.20	\$0.40	19,808	-	-
A. Polglase	20/11/07	100,000	19/11/12	\$0.39	\$0.64	39,424	100,000	100

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period. No options were exercised for the year ended 30 June 2010 (2009: Nil)

Options were granted as part of a remuneration package. On resignation, any unvested options will be forfeited.

Executive Directors and Key Management Personnel

Directors' and Executive's remuneration is stipulated in consulting services agreements between the Company and the Directors' and Executive's related entities. A summary of the key terms of the agreements are outlined below:

The Managing Director, Mr. Hugh Bresser, is employed under a consulting services agreement, which commenced on 1 July 2010 for a period of twelve months unless extended by both parties. The agreement may be terminated by Mr. Bresser at any time by giving three months notice in writing, or such shorter period of notice as may be agreed. The Company may terminate the agreement by giving three months written notice or by paying an amount equivalent to three months fees (based on the agreed consulting fee) or without notice in case of serious misconduct, at which time Mr. Bresser would be entitled to that portion of consulting fees services arising up to the date of termination. No additional Director's fees will be paid to Mr. Bresser in addition to the fees paid under the consulting agreement. The contract had the same terms in 2009.

The Company Secretary, Mr. Nicholas Day consults to the Company and is remunerated on a monthly basis. Mr. Day's services may be terminated by giving three months written notice.

The former Company Secretary, Mr. Scott Funston was remunerated on a monthly basis. Mr. Funston's services could have been terminated by either party at any time.

The Chief Financial Officer, Ms. Beverley Nichols consults to the Company and is remunerated on a monthly basis. Ms. Nichols' services may be terminated by giving one month written notice.

Non-Executive Directors

Mr. Michael Haynes and Mr. Gibson Pierce are paid an annual Director's fee on a monthly basis. Their services may be terminated by either party at any time.

Mr. Polglase is paid an annual consulting fee, on a monthly basis. His services may be terminated by either party at any time.

Directors' Report

The aggregate remuneration for non-executive Directors has been set at an amount not to exceed \$250,000 per annum. This amount may only be increased with the approval of Shareholders at a general meeting.

Service Agreements

The Company entered a service agreement for certain administrative services and office space for a term of one year with MQB Ventures Pty Ltd, a company of which Mr. Haynes is a Director. The Company is required to give three months written notice to terminate the agreement.

Signed on behalf of the board in accordance with a resolution of the Directors.



Michael Haynes

Chairman

30 September 2010

Competent Person Statement

The information in this report that relates to Mineral Resources 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 results 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.

Corporate Governance Statement

The Board of Directors of Overland Resources Limited is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company has established a set of corporate governance policies and procedures. These are based on the Australian Securities Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations). In accordance with the Council's Recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. For further information on corporate governance policies adopted by the Company, refer to our website: www.overlandresources.com.

Structure of the Board

The skills, experience and expertise of each Director in office at the date of the annual report are included in the Directors' Report. Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The Board has accepted the following definition of an Independent Director:

- "An Independent Director is a Director who is not a member of management, is a non-executive Director and who:
- is not a substantial shareholder (under the meaning of Corporations Act 2001) of the Company or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another Group member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Company or another Group member;
- is not a significant consultant, supplier or customer of the Company or another Group member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Company or another Group member other than as a Director of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company."

In accordance with the definition of independence above, Mr. Anthony Polglase and Mr. Gibson Pierce are considered the only Independent Directors. Accordingly, a majority of the Board is not considered independent.

There are procedures in place, as agreed by the Board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Company's expense. Such advice is to be shared amongst other Directors.

Corporate Governance Statement

The term in office held by each Director at the date of this report is as follows:

Name	Term in office
Mr. Michael Haynes	5 years 4 months
Mr. Hugh Bresser	4 years 3 months
Mr. Anthony Polglase	2 years 9 months
Mr. Gibson Pierce	2 years
Mr. Sias Els	2 months

Nomination Committee

The Board has formally adopted a Nomination Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Nomination Committee Charter. At such time when the Company is of sufficient size a separate Nomination Committee will be formed.

Audit and Risk Management Committee

The Board has formally adopted an Audit and Risk Management Committee Charter but given the present size of the Company, has not formed a separate Committee. Instead the function of the Committee will be undertaken by the full Board in accordance with the policies and procedures outlined in the Audit and Risk Management Committee Charter. At such time when the Company is of sufficient size a separate Audit and Risk Management Committee will be formed.

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non financial-information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control.

Performance

The Board conducts its performance review of itself on an ongoing basis throughout the year. The small size of the Company and hands on management style requires an increased level of interaction between Directors and Executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Company.

Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board by remunerating Directors fairly and appropriately with reference to relevant employment market conditions. The Board does not link the nature and amount of executive and Directors' emoluments to the Company's financial and operational performance.

For details of remuneration of Directors and Executives please refer to the Directors' Report.

The Board is responsible for determining and reviewing compensation arrangements for Directors and management. The Board has formally adopted a Remuneration Committee Charter however given the present size of the Company, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and

Corporate Governance Statement

procedures outlined in the Remuneration Committee Charter. At such time when the Company is of sufficient size a separate Remuneration Committee will be formed.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors.

Assurance

The CEO and CFO periodically provide formal statements to the Board that in all material aspects:

- the Company's financial statements present a true and fair view of the company's financial condition and operational results; and
- the risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

This assurance forms part of the process by which the Board determines the effectiveness of its risk management and internal control systems in relation to financial reporting risks.

Corporate Governance Compliance

During the financial year the Company has complied with each of the 8 Corporate Governance Principles and the corresponding Best Practice Recommendations, other than in relation to the matters specified below:

Best Practice Recommendation	Notification of Departure	Explanation of Departure
2.1	The Company does not have a majority of independent Directors.	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.2	The chairperson is not an independent director	The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Company.
2.4	The Company does not have a Nomination Committee	The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.
4.1 and 4.2	The Company does not have an Audit and Risk Management Committee	The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board.
8.1	The Company does not have a Remuneration Committee	The role of the Remuneration Committee has been assumed by the full Board operating under the Remuneration Committee Charter adopted by the Board.
8.2	Non-executive directors receive options as a part of remuneration.	To attract and retain the independent Non-executive director with sufficient skills and experience to the Company, incentive options are required to form part of the remuneration package.

Statement of Comprehensive Income for the year ended 30 June 2010

	Notes	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
Revenues from continuing operations					
Interest revenue		97,052	169,381	97,052	163,166
Revenue		97,052	169,381	97,052	163,166
Other income	3(a)	729	-	906,543	578,678
Consultants and directors fees		(472,974)	(566,220)	(472,974)	(511,524)
Audit and tax fees		(33,548)	(24,273)	(33,548)	(30,138)
Insurance		(10,454)	(25,951)	(10,454)	(24,977)
Accounting fees		(51,866)	(60,970)	(38,500)	(20,640)
Computer and website expenses		(5,237)	(12,596)	(5,237)	(7,040)
Rent and outgoings		(104,443)	(240,596)	(98,000)	(132,000)
Travel and accommodation		(107,578)	(98,367)	(57,127)	(66,294)
Listing and registry fees		(44,882)	(34,602)	(44,882)	(35,602)
Legal expenses		(4,762)	(4,028)	(4,111)	(3,157)
Write down on loan recovery		-	-	(105,886)	(278,800)
Other expenses	3(b)	(80,099)	(108,489)	(62,032)	(52,238)
(Loss)/Profit from continuing operations before income tax		(818,062)	(1,006,711)	70,844	(420,566)
Income tax expense	4	-	-	-	-
(Loss)/Profit from continuing operations after tax		(818,062)	(1,006,711)	70,844	(420,566)
Other comprehensive income net of tax					
Foreign currency translation		888,906	586,145	-	-
Other comprehensive income for the year		888,906	586,145	-	-
Total comprehensive income/(loss) for the year		70,844	(420,566)	70,844	(420,566)
Loss per share:					
Basic loss per share (cents per share)	18	(0.80)	(1.36)		
Diluted loss per share (cents per share)	18	(0.80)	(1.36)		

Overland Resources Limited

Statement of Financial Position as at 30 June 2010

	Notes	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	15(a)	5,980,788	1,686,661	4,406,625	1,656,233
Trade and other receivables	5	613,253	334,077	38,653	27,875
TOTAL CURRENT ASSETS		6,594,041	2,020,738	4,445,278	1,684,108
NON CURRENT ASSETS					
Property, plant and equipment	6	379,050	359,517	2,758	4,528
Investments in subsidiaries	7	-	-	11	11
Other receivables	8	38,963	38,963	25,320,733	22,044,989
Deferred exploration and evaluation expenditure	9	23,077,029	21,363,100	-	-
TOTAL NON CURRENT ASSETS		23,495,042	21,761,580	25,323,502	22,049,528
TOTAL ASSETS		30,089,083	23,782,318	29,768,780	23,733,636
CURRENT LIABILITIES					
Trade and other payables	10	392,187	111,845	81,795	95,375
Provisions	11	9,911	22,643	-	-
TOTAL CURRENT LIABILITIES		402,098	134,488	81,795	95,375
NON CURRENT LIABILITIES					
Provisions	11	-	9,569	-	-
TOTAL NON CURRENT LIABILITIES		-	9,569	-	-
TOTAL LIABILITIES		402,098	144,057	81,795	95,375
NET ASSETS		29,686,985	23,638,261	29,686,985	23,638,261
EQUITY					
Contributed equity	12	28,972,840	23,015,388	28,972,840	23,015,388
Reserves	14	3,799,318	2,889,984	3,207,493	3,187,065
Accumulated losses	13	(3,085,173)	(2,267,111)	(2,493,348)	(2,564,192)
TOTAL EQUITY		29,686,985	23,638,261	29,686,985	23,638,261

Overland Resources Limited

Statement of Cash Flows for the year ended 30 June 2010

	Notes	Consolidated		Parent	
		2010	2009	2010	2009
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		(876,969)	(1,076,230)	(828,446)	(949,281)
Interest received		84,855	169,381	86,776	151,199
Other receipts		729	-	-	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	15(b)	(791,385)	(906,849)	(741,670)	(798,082)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(47,813)	(58,511)	-	(4,012)
Tenement expenditure guarantees refunded		-	10,000	-	10,000
Loans advanced to controlled entities		-	-	(2,465,390)	(4,202,892)
Expenditure on exploration		(824,127)	(4,307,519)	-	(49,819)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(871,940)	(4,356,030)	(2,465,390)	(4,246,723)
CASH FLOWS FROM FINANCING ACTIVITIES					
Transaction costs of issue of shares		(210,549)	-	(210,549)	-
Proceeds from issue of shares		6,168,001	-	6,168,001	-
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		5,957,452	-	5,957,452	-
Net increase / (decrease) in cash and cash equivalents		4,294,127	(5,262,879)	2,750,392	(5,044,805)
Cash and cash equivalents at beginning of year		1,686,661	6,949,540	1,656,233	6,701,038
CASH AND CASH EQUIVALENTS AT END OF YEAR	15(a)	5,980,788	1,686,661	4,406,625	1,656,233

Statement of Changes in Equity for the year ended 30 June 2010

Consolidated	Issued Capital \$	Accumulated Losses \$	Share based payment Reserves \$	Foreign Currency Translation Reserves \$	Total \$
At 1 July 2009	23,015,388	(2,267,111)	3,187,065	(297,081)	23,638,261
Loss for the year	-	(818,062)	-	-	(818,062)
Other comprehensive (loss)/profit	-	-	-	888,906	888,906
Total comprehensive (loss)/profit for the year	-	(818,062)	-	888,906	70,844
Transactions with owners in their capacity as owners					
Transaction costs on share issue	(210,549)	-	-	-	(210,549)
Shareholder equity contribution	6,168,001	-	-	-	6,168,001
Share based payments	-	-	20,428	-	20,428
At 30 June 2010	28,972,840	(3,085,173)	3,207,493	591,825	29,686,985
At 1 July 2008	23,015,388	(1,260,400)	3,137,471	(883,226)	24,009,233
Loss for the year	-	(1,006,711)	-	-	(1,006,711)
Other comprehensive (loss)/profit	-	-	-	586,145	586,145
Total comprehensive (loss)/profit for the year	-	(1,006,711)	-	586,145	(420,566)
Transactions with owners in their capacity as owners					
Share based payments	-	-	49,594	-	49,594
At 30 June 2009	23,015,388	(2,267,111)	3,187,065	(297,081)	23,638,261
Parent					
At 1 July 2009	23,015,388	(2,564,192)	3,187,065	-	23,638,261
Profit for the year	-	70,844	-	-	70,844
Total comprehensive profit for the year	-	70,844	-	-	70,844
Transactions with owners in their capacity as owners					
Transaction costs on share issue	(210,549)	-	-	-	(210,549)
Shareholder equity contribution	6,168,001	-	-	-	6,168,001
Share based payments	-	-	20,428	-	20,428
At 30 June 2009	28,972,840	(2,493,348)	3,207,493	-	29,686,985
At 1 July 2008	23,015,388	(2,143,626)	3,137,471	-	24,009,233
Loss for the year	-	(420,566)	-	-	(420,566)
Total comprehensive loss for the year	-	(420,566)	-	-	(420,566)
Transactions with owners in their capacity as owners					
Share based payments	-	-	49,594	-	49,594
At 30 June 2009	23,015,388	(2,564,192)	3,187,065	-	23,638,261

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

1. Corporate Information

The financial report of Overland Resources Limited ("Overland" or "the Company") and its controlled entities ("the Group") for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the Directors on 30 September 2010.

Overland Resources Limited is a public Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

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

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The Company has chosen to continue to present financial statements for the consolidated and parent entities in accordance with the class order 10/654 as issued by Australian Securities & Investments Commission.

The financial report is presented in Australian dollars.

(a) Compliance Statement

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) New accounting standards and interpretations

New accounting standards and interpretations issued but not yet effective

The following applicable accounting standards and interpretations have been issued or amended but are not yet effective. These standards have not been adopted by the Group for the year ended 30 June 2010, and no change to the Group's accounting policy is required.

Reference	Title	Summary	Application date for Group
AASB 9 and 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes: <ul style="list-style-type: none">▪ two categories for financial assets being amortised cost or fair value▪ removal of the requirement to separate embedded derivatives in financial assets▪ strict requirements to determine which financial assets can be classified as amortised cost or fair value, Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows▪ an option for investments in equity instruments	1 July 2013

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

Reference	Title	Summary	Application date for Group
		<p>which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition</p> <ul style="list-style-type: none"> ▪ reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes ▪ changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income 	
AASB 2009-5	<p>Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]</p>	<p>This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.</p> <p>The amendment to AASB 124 clarifies and simplifies the definition of a related party as well as providing some relief for government-related entities (as defined in the amended standard) to disclose details of all transactions with other government-related entities (as well as with the government itself)</p>	1 July 2010
AASB 2010-3	<p>Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139]</p>	<p>Limits the scope of the measurement choices of non-controlling interest at proportionate share of net assets in the event of liquidation. Other components of NCI are measured at fair value.</p> <p>Requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses.</p> <p>Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated.</p> <p>Eliminates the requirement to restate financial statements for a reporting period when significant influence or joint control is lost and the reporting entity accounts for the remaining investment under AASB 139. This includes the effect on accumulated foreign exchange differences on such investments.</p>	1 July 2010
AASB 2009-12	<p>Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]</p>	<p>This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.</p> <p>In particular, it amends AASB 8 Operating Segments to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB.</p>	1 July 2011

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

Reference	Title	Summary	Application date for Group
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions Clarify that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.	1 July 2011

The group has not elected to early adopt any new Standards or Interpretations and is in the process of assessing of the impact of these new standards and interpretations on the Group's future financial statements

Changes in accounting policies and disclosures

The Group has adopted all of the new and amended Australian Accounting Standards and AASB Interpretations that became effective during the year. When the adoption of the Standard or Interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

AASB 8 Operating Segments

AASB 8 replaced AASB 114 Segment Reporting upon its effective date on 1 July 2009. The Group concluded that it operates in one operating segment.

AASB 101 Presentation of Financial Statements (revised 2007)

The group has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 July 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

AASB 127 Consolidated and Separate Financial Statements (revised)

AASB 127 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. This is different to the Group's previous accounting policy where transactions with minority interests were treated as transactions with parties external to the group.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

AASB 2009-2 Amendments to Australian Accounting Standards – Improving disclosures about financial instruments

Adoption of the new Accounting Standards and Interpretations had no impact on the financial position or performance of the Group.

AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendments delete the reference to the “cost method” making the distinction between pre and post acquisition profits no longer relevant. All dividends received are now recognised in profit or loss rather than having to be split between a reduction in the investment and profit and loss. However the receipt of such dividends requires an entity to consider whether there is an indicator of impairment of the investment in that subsidiary.

The amendments further clarify cases or reorganisations where a new parent is inserted above an existing parent of the group. It states that the cost of the subsidiary is the previous carrying amount of its share of equity items in the subsidiary rather than its fair value. The adoption of these amendments did not have any impact on the financial position or the performance of the Group.

The changes were implemented prospectively from 1 July 2009.

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Overland Resources Limited and its subsidiary as at 30 June each year (‘the Group’).

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

(d) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided for on 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 Statement of Comprehensive Income 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 date and the anticipation that the Group 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 statement of comprehensive income.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Comprehensive Income.

(e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position 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. Bank overdrafts are shown as current liabilities in the Statement of Financial Position. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

(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.

Intercompany loans are impaired to the extent that the impairment reflects the net deficiency of the subsidiaries.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

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 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 group and the cost of the item can be measured reliably. Repairs and maintenance expenditure is charged to the Statement of Comprehensive Income 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 Group 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	10 % to 25 %
Computer Equipment	45 %
Furniture and Fittings	20 %
Camp Buildings	10 %

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 Statement of Comprehensive Income.

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 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.

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Notes to the financial statements for the financial year ended 30 June 2010

(h) Exploration expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is carried forward as an asset provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and evaluation of mineral resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

(i) Impairment of non financial assets other than goodwill

The Group 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 Group 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 categories 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.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

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 Group 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.

(m) Earnings per share

Basic earnings per share

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

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

Diluted earnings per share

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

- costs of servicing equity (other than 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) Share based payment transactions

The group provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Group in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

There is currently an Employee Share Option Plan (ESOP) in place, which provides benefits to Directors and individuals providing services similar to those provided by an employee.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 23.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Overland Resources Limited ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share (see note 18).

(o) 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 Statement of Financial Position 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 Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows 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.

(p) Investments in controlled entities

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. Subsequent to the initial measurement, investments in controlled entities are carried at cost less accumulated impairment losses.

(q) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of Overland Resources Limited is Australian dollars. The functional currency of the overseas subsidiary is Canadian dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

transaction dates, in which case income and expenses are translated at the dates of the transactions);
and

- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Statement of Comprehensive Income, as part of the gain or loss on sale where applicable.

(r) Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Determination of mineral resources and ore reserves

Overland Resources Limited estimates its mineral resources and ore reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the 'JORC code'). The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values, deferred stripping costs and provisions for decommissioning and restoration.

Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Share based payment transactions

The group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 23.

(s) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Leases are classified as operating leases where substantially all the risks and benefits remain with the lessor.

Payments in relation to operating leases are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Overland Resources Limited.

(u) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
3. Other income and expenses				
(a) Other income				
Foreign exchange gain	-	-	906,543	578,678
Miscellaneous income	729	-	-	-
(b) Other expenses				
Advertising and marketing expenses	1,500	5,435	1,500	5,435
Conferences and seminars	17,077	6,154	17,077	6,154
General office expenses	10,991	14,949	6,127	8,915
Printing and stationary	15,045	16,876	14,936	15,204
Telecommunications	3,489	16,761	2,187	9,497
Employee benefits	5,584	2,223	5,584	2,223
Depreciation	7,698	18,020	1,770	1,017
Loss on disposal of assets	-	8,615	-	-
Others	18,715	19,456	12,851	3,793
	80,099	108,489	62,032	52,238

4. Income Tax

(a) Income tax expense

Current tax	-	-	-	-
Deferred tax	-	-	-	-
	-	-	-	-

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable tax rate is as follows:

(Loss)/Profit from operations before income tax expense	(818,062)	(1,006,711)	70,844	(420,566)
Tax at the company rate of 30%	(245,419)	(302,013)	21,253	(126,169)
Expense of remuneration options	6,128	14,878	6,128	14,878
Other non deductible expenses	(2,328)	110	(2,328)	110
Income tax benefit not brought to account	241,619	287,025	(25,053)	111,181
Income tax expense	-	-	-	-

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
(c) Deferred tax				
Statement of financial position				
The following deferred tax balances have not been brought to account:				
<i>Liabilities</i>				
Capitalised exploration and evaluation expenditure	6,923,109	6,408,930	-	-
Accrued income	6,673	-	6,673	-
Foreign exchange gain	-	-	271,963	173,603
Offset by deferred tax assets	(6,929,782)	(6,408,930)	(278,636)	(173,603)
Deferred tax liability recognised	-	-	-	-
<i>Assets</i>				
Losses available to offset against future taxable income	7,902,800	7,144,220	1,079,133	866,450
Share issue costs deductible over five years	-	320,198	-	320,198
Write down on loan recovery	-	-	31,766	83,559
Accrued expenses	6,900	6,600	6,900	6,600
	7,909,700	7,471,018	1,117,799	1,276,807
Deferred tax assets offset against deferred tax liabilities	(6,929,782)	(6,408,930)	(278,636)	(173,603)
Deferred tax assets not brought to account as realisation is not regarded as probable	(979,918)	(1,062,088)	(839,163)	(1,103,204)
Deferred tax asset recognised	-	-	-	-
(d) Tax losses				
Unused tax losses	3,266,393	3,540,293	2,797,210	2,888,167
Potential tax benefit not recognised at 30%	979,918	1,062,088	839,163	866,450

The benefit for tax losses will only be obtained if:

- (i) the Company derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and
- (ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia and
- (iii) no changes in tax legislation in Australia, adversely affect the Company in realising the benefit from the deductions for the losses.

(e) Tax consolidation

Overland Resources has not formed a tax consolidation group and there is no tax sharing agreement.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
5. Trade and Other Receivables - Current				
GST / VAT receivable	31,829	21,417	16,028	15,909
Advance to supplier	503,515	246,947	382	-
Other	77,909	65,713	22,243	11,966
	613,253	334,077	38,653	27,875

Trade debtors, other debtors and goods and services tax are non-interest bearing and generally receivable on 30 day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

6. Property, Plant and Equipment

Plant and Equipment

Cost	94,410	91,397	7,078	7,078
Accumulated depreciation	(23,345)	(13,592)	(4,320)	(2,550)
Net carrying amount	71,065	77,805	2,758	4,528

Camp Buildings

Cost	354,329	299,106	-	-
Accumulated depreciation	(68,183)	(39,512)	-	-
Net carrying amount	286,146	259,594	-	-

Office Furniture & Fixtures

Cost	25,225	24,354	-	-
Accumulated depreciation	(11,171)	(7,344)	-	-
Net carrying amount	14,054	17,010	-	-

Computer Equipment

Cost	17,477	11,985	-	-
Accumulated depreciation	(9,692)	(6,877)	-	-
Net carrying amount	7,785	5,108	-	-

Total property, plant and equipment

Cost	491,441	426,842	7,078	7,078
Accumulated depreciation	(112,391)	(67,325)	(4,320)	(2,550)
Net carrying amount	379,050	359,517	2,758	4,528

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year:				
Plant and Equipment				
Carrying amount at beginning of year	77,805	43,345	4,528	1,533
Additions	-	50,822	-	4,012
Depreciation expense	(9,753)	(10,579)	(1,770)	(1,017)
Net exchange differences on translation	3,013	(5,783)	-	-
Carrying amount at end of year	<u>71,065</u>	<u>77,805</u>	<u>2,758</u>	<u>4,528</u>
Camp Buildings				
Carrying amount at beginning of year	259,594	276,006	-	-
Additions	55,223	-	-	-
Depreciation expense	(28,671)	(31,154)	-	-
Net exchange differences on translation	-	14,742	-	-
Carrying amount at end of year	<u>286,146</u>	<u>259,594</u>	<u>-</u>	<u>-</u>
Office Furniture and Fixtures				
Carrying amount at beginning of year	17,010	24,621	-	-
Additions	-	2,865	-	-
Disposals	-	(6,258)	-	-
Depreciation expense	(3,827)	(6,056)	-	-
Net exchange differences on translation	871	1,838	-	-
Carrying amount at end of year	<u>14,054</u>	<u>17,010</u>	<u>-</u>	<u>-</u>
Computer Equipment				
Carrying amount at beginning of year	5,108	20,130	-	-
Additions	5,492	4,824	-	-
Disposals	-	(9,419)	-	-
Depreciation expense	(2,815)	(12,662)	-	-
Net exchange differences on translation	-	2,235	-	-
Carrying amount at end of year	<u>7,785</u>	<u>5,108</u>	<u>-</u>	<u>-</u>
Total Property, plant and equipment	<u>379,050</u>	<u>359,517</u>	<u>2,758</u>	<u>4,528</u>

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$

7. Investments in subsidiaries

Investment in controlled entity	-	-	11	11
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The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2 (c). Details of subsidiary companies are as follows:

Name	Country of incorporation	% Equity Interest	
		2010	2009
Overland Resources Yukon Limited	Canada	100%	100%

8. Other Receivables – Non Current

Amounts owing by controlled entities:

Overland Resources Yukon Limited	-	-	25,871,807	22,490,177
Less: impairment losses	-	-	(590,037)	(484,151)
	-	-	25,281,770	22,006,026
Security deposits	38,963	38,963	38,963	38,963
	38,963	38,963	25,320,733	22,044,989

Recovery of amounts due from controlled entities is dependent on successful development and commercial exploitation or sale of exploration interests held by the controlled entities. The Company has recognised an impairment of \$590,037 on the loan receivable from Overland Resources Yukon Limited, of which \$105,886 relates to current year (2009: \$278,800). The amounts owing by controlled entities are interest free and repayable on demand.

9. Deferred Exploration and Evaluation Expenditure

Exploration and evaluation expenditure

At cost	23,472,994	21,692,047	328,947	328,947
Accumulated impairment	(395,965)	(328,947)	(328,947)	(328,947)
Total exploration and evaluation	23,077,029	21,363,100	-	-
Carrying amount at beginning of the year	21,363,100	15,419,224	-	-
Exploration expenditure during the year	950,452	5,669,845	-	-
Net exchange differences on translation	763,477	274,031	-	-
Carrying amount at end of year	23,077,029	21,363,100	-	-

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.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
10. Trade and Other Payables				
Trade payables	348,178	89,845	54,295	73,375
Accruals	27,500	22,000	27,500	22,000
Other payables	16,509	-	-	-
	392,187	111,845	81,795	95,375

Trade creditors and other payables are non-interest bearing and generally payable on 30 day terms. Due to the short term nature of these payable, their carrying value is assumed to approximate their fair value.

11. Provisions

Operating lease provision	9,911	32,212	-	-
	9,911	32,212	-	-
Current	9,911	22,643	-	-
Non-current	-	9,569	-	-

Overland Resources Yukon Limited (the Canadian subsidiary of Overland Resources Limited) holds an operating lease agreement for the office in Vancouver, Canada. In an effort to conserve existing cash reserves the board resolved to sub lease the premises to a third party. A sub lease agreement was signed in July 2009, however the Company was unable to recover fully the amount payable on the existing lease. This unfavourable agreement has been assigned a fair value and recognised as a liability. The lease has 5 months to run and will not be renewed.

12. Contributed Equity

(a) Issued and paid up capital

Ordinary shares fully paid	28,972,840	23,015,388	28,972,840	23,015,388
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	2010		2009	
	Number of shares	\$	Number of shares	\$
(b) Movements in ordinary shares on issue				
Balance at beginning of year	74,000,003	23,015,388	74,000,003	23,015,388
Share Placement at \$0.085	70,600,000	6,001,000	-	-
Share Purchase Plan at \$0.085	1,964,722	167,001	-	-
Transaction costs on share issue	-	(210,549)	-	-
	146,564,725	28,972,840	74,000,003	23,015,388

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

(c) Ordinary shares

The Company does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

(d) Capital Risk Management

The Group's capital comprises share capital, reserves less accumulated losses amounting to \$29,686,985 at 30 June 2010 (2009: \$23,638,261). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was ungeared at year end and not subject to any externally imposed capital requirements. Refer to note 22 for further information on the Group's financial risk management policies.

(e) Share options

At 30 June 2010, there were 12,375,000 unissued ordinary shares under options (2009: 12,375,000 options). During the financial year no options were cancelled or issued.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Information relating to the Overland Resources Limited Employee Share Option Plan, including details of options issued under the plan, is set out in note 23.

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
13. Accumulated losses				
Movements in accumulated losses were as follows:				
At 1 July	2,267,111	1,260,400	2,564,192	2,143,626
Loss/(Profit)	818,062	1,006,711	(70,844)	420,566
At 30 June	3,085,173	2,267,111	2,493,348	2,564,192
14. Reserves				
Share based payments reserve	3,207,493	3,187,065	3,207,493	3,187,065
Foreign currency translation reserve	591,825	(297,081)	-	-
	3,799,318	2,889,984	3,207,493	3,187,065

Movement in reserves:

Share based payments reserve

Balance at beginning of year	3,187,065	3,137,471	3,187,065	3,137,471
Equity benefits expense	20,428	49,594	20,428	49,594
Balance at end of year	3,207,493	3,187,065	3,207,493	3,187,065

The Share based payments reserve is used to record the value of equity benefits provided to individuals acting as employees and directors as part of their remuneration, Initial Public Offer underwriting agreement and for the exercising of the option to purchase the Yukon Base Metal Project. Refer to note 23(b) for details of share based payments during the financial year.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
<i>Foreign currency translation reserve</i>				
At 1 July	(297,081)	(883,226)	-	-
Foreign currency translation	888,906	586,145	-	-
Balance at end of year	591,825	(297,081)	-	-

The foreign currency translation reserve is used to record currency differences arising from the translation of the financial statements of foreign operations.

15. Cash and Cash Equivalents

(a) Reconciliation of cash

Cash balance comprises:

Cash and cash equivalents	5,980,788	1,686,661	4,406,625	1,656,233
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(b) Reconciliation of the net loss after tax to the net cash flows from operations

Net loss after tax	(818,062)	(1,006,711)	70,844	(420,566)
Adjustments for:				
Depreciation	7,698	18,020	1,770	1,017
Impairment on loans receivable	-	-	105,886	278,530
Foreign exchange (gains) / losses	-	-	(906,543)	(578,678)
Loss on sale of assets	-	8,615	-	-
Share based payment	20,428	49,594	20,428	49,594
Changes in assets and liabilities:				
Increase/(decrease) in provision	(22,301)	31,009	-	-
Decrease / (Increase) in receivables	3,712	45,244	5,250	42,893
(Decrease) / Increase in trade and other creditors	17,140	(52,620)	(39,305)	(170,872)
Net cash flow used in operating activities	(791,385)	(906,849)	(741,670)	(798,082)

The only non-cash financing activities are share-based payments as discussed in note 23.

16. Expenditure commitments

(a) Expenditure commitments

Under the terms and conditions of being granted exploration licenses, the Company may have minimum annual commitments for the term of the license. The Company has relinquished all tenements in Australia and there are minimum expenditure commitments within Canada (2009: Nil).

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$

(b) Remuneration commitments

Under the terms and conditions of the consulting services agreements entered into by the Company with the Managing Director, the Company has a minimum commitment for the term of the consulting service agreement. The term of the agreement is 12 months. Commitments contracted for at reporting date but not recognised as liabilities are as follows:

Within one year	240,000	240,000	240,000	240,000
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(c) Services agreement

The Company entered a service agreement for certain administrative services and office space for a term of two years. The Company is required to give three months written notice to terminate the agreement. Commitments contracted for at reporting date but not recognised as liabilities are as follows:

Within one year	57,911	84,000	57,911	84,000
After one year but not longer than 5 years	-	-	-	-
	57,911	84,000	57,911	84,000

17. Subsequent events

There are no material subsequent events from balance date to the date of this report.

18. Loss per share

	Consolidated	
	2010	2009
	\$	\$
Loss used in calculating basic and dilutive EPS	(818,062)	(1,006,711)
	Number of Shares	
	2010	2009
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share:	101,793,546	74,000,003
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	101,793,546	74,000,003

There is no impact from 12,375,000 options outstanding at 30 June 2010 (2009: 12,375,000 options) on the loss per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

Consolidated		Company	
2010	2009	2010	2009
\$	\$	\$	\$

19. Auditors' remuneration

The auditor of Overland Resources Limited is Ernst & Young (Australia)

Amounts received or due and receivable by Ernst & Young (Australia) for:

Audit or review of the financial report of the Company	32,548	30,138	32,548	30,138
Other services in relation to the Group	-	-	-	-
	<u>32,548</u>	<u>30,138</u>	<u>32,548</u>	<u>30,138</u>

Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:

Audit or review of the financial report of the Company	-	-	-	-
Last year over accrued	-	(5,865)	-	-
	<u>-</u>	<u>(5,865)</u>	<u>-</u>	<u>-</u>

20. Key Management Personnel Disclosures

(a) Details of Key Management Personnel

Mr. Michael Haynes	Chairman
Mr. Hugh Bresser	Managing Director
Mr. Anthony Polglase	Non Executive Director
Mr. Gibson Pierce	Non Executive Director
Mr. Sias Els	Non Executive Director - appointed 9 August 2010
Mr. Nicholas Day	Company Secretary – appointed 22 nd June 2010
Mr. Scott Funston	Company Secretary - resigned 22 nd June 2010
Ms. Beverley Nichols	Chief Financial Officer – appointed 1 May 2010

(b) Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emolument of each Director and Executive of the Group for the financial year are as follows:

Short term employee benefits	459,076	443,543	459,076	443,543
Share based payments	7,428	30,095	7,428	30,095
Post employment benefits	-	-	-	-
Total remuneration	<u>466,504</u>	<u>473,638</u>	<u>466,504</u>	<u>473,638</u>

(c) Shareholdings of Key Management Personnel

The number of shares in the Company held during the financial year held by Key Management Personnel of Overland Resources Limited, including their personally related parties, is set out below.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

30 June 2010	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year
Mr. Michael Haynes	4,300,001	-	-	176,470	4,476,471
Mr. Hugh Bresser	4,190,000	-	-	107,650	4,297,650
Mr. Anthony Polglase	-	-	-	-	-
Mr. Gibson Pierce	-	-	-	-	-
Ms. Beverley Nichols (<i>appointed 1 May 2010</i>)	-	-	-	-	-
Mr. Nicholas Day (<i>appointed 22 June 2010</i>)	-	-	-	-	-
Mr. Scott Funston (<i>resigned 22 June 2010</i>)	200,000	-	-	(200,000)	-
30 June 2009					
Mr. Michael Haynes	4,300,001	-	-	-	4,300,001
Mr. Hugh Bresser	4,190,000	-	-	-	4,190,000
Mr. Anthony Polglase	-	-	-	-	-
Mr. Gibson Pierce	-	-	-	-	-
Mr. Tim Flavel (<i>resigned 31 July 2008</i>)	1,850,001	-	-	(1,850,001)	-
Mr. Scott Funston	200,000	-	-	-	200,000

(d) Option holdings of Key Management Personnel

The numbers of options over ordinary shares in the company held during the financial year by each director of Overland Resources Limited and specified executive of the group, including their personally related parties, are set out below:

30 June 2010	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year
Mr. Michael Haynes	-	-	-	-	-
Mr. Hugh Bresser	-	-	-	-	-
Mr. Anthony Polglase	100,000	-	-	-	100,000
Mr. Gibson Pierce	100,000	-	-	-	100,000
Ms. Beverley Nichols (<i>appointed 1 May 2010</i>)	-	-	-	-	-
Mr. Nicholas Day (<i>appointed 22 June 2010</i>)	-	-	-	-	-
Mr. Scott Funston (<i>resigned 22 June 2010</i>)	-	-	-	-	-
30 June 2009					
Mr. Michael Haynes	-	-	-	-	-
Mr. Hugh Bresser	-	-	-	-	-
Mr. Anthony Polglase	100,000	-	-	-	100,000
Mr. Gibson Pierce	-	100,000	-	-	100,000
Mr. Tim Flavel (<i>resigned 31 July 2008</i>)	-	-	-	-	-
Mr. Scott Funston	-	-	-	-	-

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

(e) Other transactions with key management personnel

MQB Ventures Pty Ltd, a Company of which Mr. Michael Haynes is a Director, provided the Company with a fully serviced office including administration support for a fee totalling \$98,000 during the year (2009: \$132,000). \$8,000 was outstanding at year end (2009: \$14,000). MQB Ventures Pty Ltd also employs geological and accounting staff that were on charged at cost to the Company and is reimbursed for couriers and other minor expenses at cost. These costs totalled \$14,978 (2009: \$36,455). \$Nil was outstanding at year end (2009: \$Nil).

Bullseye Geoservices Pty Ltd, a Company of which Mr. Michael Haynes is a Director, was paid Directors fees of \$60,000 during the year (2009: \$60,000). This amount is included in Note 20 (b) "Remuneration of Key Management Personnel". \$5,000 was outstanding at year end (2009: \$5,000).

Milagro Ventures Pty Ltd, a Company of which Mr. Hugh Bresser is a Director was paid consulting fees of \$240,000 during the year (2009: \$240,000). This amount is included in Note 20 (b) "Remuneration of Key Management Personnel". \$20,000 was outstanding at year end (2009: \$20,000). Milagro Ventures Pty Ltd also employs geological and accounting staff that were on charged at cost. These costs totalled \$22,118 (2009: \$7,062). \$1,843 was outstanding at year end (2009: \$4,028).

Kernow Mining Consultants Pty Ltd, a Company of which Mr. Anthony Polglase is a Director was paid consulting fees of \$45,826 during the year (2009: Nil). This amount is included in Note 20 (b) "Remuneration of Key Management Personnel". \$4,166 was outstanding at year end (2009: Nil).

Resouceful International Consulting Pty Ltd, a Company of which Mr. Scott Funston is a Director was paid consulting fees of \$60,000 during the year (2009: \$52,000). This amount is included in Note 20 (b) "Remuneration of Key Management Personnel". \$5,000 was outstanding at year end (2009: \$5,000).

Argento Trust, a Company of which Mr. Nicholas Day is a Director was paid consulting fees of \$1,650 during the year (2009: Nil). This amount is included in Note 20 (b) "Remuneration of Key Management Personnel". \$1,650 was outstanding at year end (2009: Nil).

21. Related Party Disclosures

The ultimate parent entity is Overland Resources Limited. Refer to Note 7 Investments in subsidiaries for a list of all subsidiaries.

For Director related party transactions please refer to Note 20 "Key Management Personnel Disclosures". There were no other related party disclosures for the year ended 30 June 2010 (2009: Nil).

22. Financial Instruments and Financial Risk Management

Exposure to interest rate, liquidity, commodity price risk, foreign currency risk and credit risk arises in the normal course of the Group's business. The Group does not hold or issue derivative financial instruments.

The Company uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

(a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing our future capital needs include our cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. We expect that, absent a material adverse change in a combination of our sources of liquidity, present levels of liquidity will be adequate to meet our expected capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise trade and other payables. As at 30 June 2010 and 30 June 2009, all financial liabilities are contractually matured within 60 days.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Group's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Group manages the risk by investing in short term deposits.

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Cash and cash equivalents	5,980,788	1,686,661	4,406,625	1,656,233

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's statement of comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

Consolidated

Change in Basis Points	Effect on Post Tax Loss		Effect on Equity	
	Increase/(Decrease)		including accumulated losses	
			Increase/(Decrease)	
Judgements of reasonably possible movements	2010	2009	2010	2009
	\$	\$	\$	\$
Increase 100 basis points	59,808	16,866	59,808	16,866
Decrease 100 basis points	(59,808)	(16,866)	(59,808)	(16,866)

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

Parent

Change in Basis Points	Effect on Post Tax Loss Increase/(Decrease)		Effect on Equity including accumulated losses Increase/(Decrease)	
	2010 \$	2009 \$	2010 \$	2009 \$
Judgements of reasonably possible movements				
Increase 100 basis points	44,066	16,562	44,066	16,562
Decrease 100 basis points	(44,066)	(16,562)	(44,066)	(16,562)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends. The analysis was performed on the same basis in 2009.

(c) Commodity Price Risk

The Group is exposed to commodity price risk from its activities directed at exploration for commodities. A fall in the price of mineral commodities may result in a decline of market sentiment thus affecting our ability to raise additional capital in the future.

(d) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties.

At 30 June 2010, the Group held cash and term deposits. Cash and short term deposits were held with financial institutions with a rating from Standard & Poors of A or above (long term). The Group has no past due or impaired debtors as at 30 June 2010 (2009: Nil).

(e) Foreign Currency Risk

Currency risk is the risk of fluctuation in the value of overseas investments which are denominated in foreign currencies

As a result of exploring for mineral commodities in Canada, cash advanced to the subsidiary is denominated in the Canadian Dollar. The parent entity is therefore exposed to the movement of the Canadian dollar to Australian dollar through its loan to the Canadian subsidiary of \$25,281,770 (2009: \$22,006,026). All financial assets and liabilities in the Canadian subsidiary is in Canadian dollar and therefore do not create any foreign currency exposure since its functional currency is in Canadian dollar. The Group does not enter into any financial arrangement to mitigate these exposures to the Canadian dollar.

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

The following sensitivity is based on the foreign currency risk exposure in existence at the balance date:

Judgements of reasonably possible movements	Effect on Post Tax Loss Higher/(Lower)		Effect on Equity including accumulated losses Higher/(Lower)	
	2010	2009	2010	2009
	\$	\$	\$	\$
Parent				
AUD/CAD +5%	1,264,089	1,100,301	1,264,089	1,100,301
AUD/CAD -5%	(1,264,089)	(1,100,301)	(1,264,089)	(1,100,301)
Consolidated				
AUD/CAD +5%	-	-	-	-
AUD/CAD -5%	-	-	-	-

The sensitivity is based on reasonably possible changes expected over the following financial year using general economic and financial forecasts. The analysis was performed on the same basis in 2009.

23. Share Based Payment Plans

(a) Recognised share based payment expenses

Total expenses arising from share based payment transactions recognised during the year as part of share based payment expense were as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	\$	\$	\$	\$
Operating expenditure				
Options issued under employee option plan	20,428	49,594	20,428	49,594

(b) Share based payment to employees

The Group has established an employee share option plan (ESOP). The objective of the ESOP is to assist in the recruitment, reward, retention and motivation of employees of the Company. Under the ESOP, the Directors may invite individuals acting in a manner similar to employees to participate in the ESOP and receive options. An individual may receive the options or nominate a relative or associate to receive the options. The plan is open to executive officers and employees of the Company. Details of options granted under ESOP are as follows:

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
30/09/08	21/08/13	\$0.40	275,000	-	-	-	275,000	275,000
24/12/07	19/11/12	\$0.64	100,000	-	-	-	100,000	100,000
Weighted remaining contractual life (years)			3.83				2.94	
Weighted average exercise price			\$0.46				\$0.46	

There was no option granted during the financial year. The fair value at grant date of options granted in the previous reporting period was determined using the Black Scholes option pricing model that takes into account the exercise price, the

Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2010

term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk free interest rate for the term of the option.

The model inputs, not included in the table above, for options granted during the year ended 30 June 2009 included:

- a) options are granted for no consideration and vest 50% 12 months from issue date and 50% 24 months from issue date based on service requirement;
- b) Expected life of options had a range of 2.92 to 3.42 years;
- c) share price at grant date was \$0.3;
- d) expected volatility, based on a one year history of the companies share price, of 111.06%;
- e) expected dividend yield of Nil; and
- f) a risk free interest rate range of 5.12%.

24. Contingent Liabilities

There are no known contingent liabilities as at 30 June 2010 (2009: Nil).

25. Operating Segment

For management purposes, the Group is organised into one main operating segment, which involves mining exploration for zinc. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. The Group operates in Australia and Canada. As at 30 June 2010, the total non-current assets in Canada and Australia are \$23,453,321 and \$41,721 respectively (30 June 2009: \$21,718,089 and \$43,491 respectively).

26. Dividends

No dividend was paid or declared by the Company in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2010 (2009: Nil). The balance of the franking account as at 30 June 2010 is Nil (2009: Nil).

Overland Resources Limited

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Overland Resources Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Company and the Group are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2010 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a) ; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2010.

On behalf of the Board



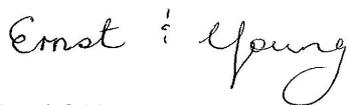
Michael Haynes

Chairman

30 September 2010

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

In relation to our audit of the financial report of Overland Resources Limited and its controlled entities for year ended 30 June 2010, 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 reads 'F Drummond'.

F Drummond
Partner
Perth
30 September 2010

Independent auditor's report to the members of Overland Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Overland Resources Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the 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 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. In Note 2(a), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's Opinion

In our opinion:

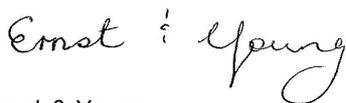
1. the financial report of Overland Resources Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the financial position of Overland Resources Limited and the consolidated entity at 30 June 2010 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 11 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Overland Resources Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 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
30 September 2010

Overland Resources Limited

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report. The additional information was applicable as at 15 September 2010.

DISTRIBUTION OF SECURITY HOLDERS

Analysis of numbers of listed equity security holders by size of holding:

Category		Number of Shareholders
1	- 1,000	27
1,001	- 5,000	67
5,001	- 10,000	197
10,001	- 100,000	258
100,001	and over	102
		<hr/> 651 <hr/>

There are 0 shareholders holding less than a marketable parcel of ordinary shares.

STATEMENT OF RESTRICTED SECURITIES

There are no restricted securities as at 30 June 2010.

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of the Company are as follows:

Name	Number of equity securities
MACQUARIE BANK LIMITED	23,600,000
Singpac Investment Holding Pte Ltd, Glencore Finance(Bermuda)Ltd and Glencore International AG	21,800,000
Bond Street Custodians Limited <Officium Emerging Res A/C>	24,142,459

VOTING RIGHTS

The voting rights attached to each class of equity security are as follows:

ORDINARY SHARES

Each ordinary share is entitled to one vote when a poll is called otherwise each member present at a meeting or by proxy has one vote on a show of hands.

OPTIONS

These securities have no voting rights.

Overland Resources Limited

TOP 20 SHAREHOLDERS

Name of Holder	Number of Shares Held	Percentage of Capital
BOND STREET CUSTODIANS LIMITED <OFFICIUM EMERGING RES A/C>	24,142,459	16.47
MACQUARIE BANK LIMITED	23,600,000	16.10
SINGPAC INVESTMENT HOLDINGS PTY LTD	11,800,000	8.05
SINGPAC INVESTMENT HOLDING PTE LTD	10,000,000	6.82
J P MORGAN NOMINEES AUSTRALIA LIMITED	7,000,000	4.78
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	6,821,000	4.65
MR PAUL NOBLE BENNETT	4,282,000	2.92
BULLSEYE GEOSERVICES PTY LTD <HAYNES FAMILY A/C>	4,276,470	2.92
MILAGRO VENTURES PTY LTD <BRESSER FAMILY A/C>	4,100,000	2.80
WEXFORD SPECTRUM TRADING LIMITED	2,644,300	1.80
BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C>	1,950,000	1.33
BANNABY INVESTMENTS PTY LTD <SUPER FUND A/C>	1,505,500	1.03
MR PAUL NOBLE BENNETT	1,206,001	0.82
YARANDI INVESTMENTS PTY LTD <GRIFFITH FAMILY NO 2 A/C>	1,200,000	0.82
RESOURCE INVESTMENT CAPITAL HOLDINGS PTY LTD	1,130,000	0.77
GECKO RESOURCES PTY LTD	1,100,000	0.75
MS CHRISSIE SOIK NEE SIEW	1,009,171	0.69
MR GAVIN BRIAN STRACK + MRS KATE ELIZABETH STRACK <GB & KE STRACK S/F A/C>	1,000,379	0.68
BANNABY INVESTMENTS PTY LTD	1,000,000	0.68
MR PRAKASH VISUNATHAN	925,000	0.63
	110,692,280	75.52

Unquoted Equity Securities

Class	Number of securities	Number of holders	Holders with more than 20%
Options over ordinary shares exercisable at \$0.20 on or before 31 December 2011	7,000,000	1	KTM Capital Pty Limited
Options over ordinary shares exercisable at \$0.20 on or before 25 July 2012	5,000,000	1	18526 Yukon Inc
Options over ordinary shares exercisable at \$0.64 on or before 19 November 2012	100,000	1	Mr Anthony Polglase
Options over ordinary shares exercisable at \$0.40 on or before 28 August 2013	275,000	4	Mr Ming Jang and Mr Gibson Pierce (100,000 options each)