



ASX Release

31 January 2011

OVERLAND RESOURCES LIMITED
Level 2 / 675 Murray Street
WEST PERTH
Australia
Tel: +61 8 9226 5566
Fax: +61 8 9226 2027

Contact:
Hugh Bresser
Managing Director

E-mail: info@overlandresources.com

Tel: +61 8 9226 5566

For the latest news:
www.overlandresources.com

Directors / Officers:

Michael Haynes
Hugh Bresser
Anthony Polglase
Gibson Pierce
Sias Els
Nick Day

Issued Capital:
146.6 million shares

ASX Symbol: OVR

DECEMBER 2010 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

Yukon Base Metal Project – Exploration

- Continuous shallow mineralisation confirmed to extend over at least 400 metres of strike at the Darcy Zinc Deposit.
- Diamond drilling results include:
 - 19.0 metres at 8.4% zinc
 - 8.0 metres at 19.4% zinc
 - 18.0 metres at 6.8% zinc
 - 6.0 metres at 7.4% zinc
 - 23.0 metres at 4.7% zinc
 - 16.0 metres at 4.1% zinc
- The mineralisation at the Darcy Zinc Deposit is yet to be fully defined and considerable potential exists to continue to extend its boundaries.
- Diamond drilling at the Darin Prospect has intersected thick sequences of shallow mineralisation including:
 - 20.5 metres at 3.6% zinc
- Significant potential exists to develop an additional satellite deposit at the Darin Prospect with further exploration.

Yukon Base Metal Project – Feasibility Study

- JORC Code compliant resource being recalculated to include the 2010 drilling results and the improved geological understanding.
- Mine design work underway to examine the development of multiple open pit and underground operations providing feed to a single centralised processing facility at the Yukon Base Metal Project.

Yukon Base Metal Project - Mine Permitting

- The Company's Managing Director relocated to Vancouver to streamline feasibility studies and mine permitting.
- Government and Community consultation programme expanded in preparation for submission of mine permitting.

During the December 2010 quarter Overland Resources Limited (ASX: OVR and "Company") received all final results from its 2010 field program. Analytical results and geological information from the 36 diamond drill holes completed during 2010 was compiled and added to the extensive existing Yukon Base Metal Project data base. The Company continued to make progress towards the development of the Yukon Base Metal Project.

To support the Company's operations in Canada and in preparation for the increased Government and Community consultation for mine permitting submission, Overland Resources Managing Director has relocated to Vancouver.

2010 EXPLORATION PROGRAMME

The Company's 2010 exploration programme, that comprised exploration diamond drilling and further development work, has been very successful. As a result the potential to develop a mining operation at the Yukon Base Metal Project has been significantly enhanced.

Several key outcomes of the 2010 exploration programme were:

- Continued discovery of new mineralisation;
- Doubling the strike length of the Darcy Zinc Deposit; and
- Enhancing the understanding of the mineralisation at the Darin Prospect.

The possible positive and value adding impact of these outcomes on the development of a mining operation at the Yukon Base Metal Project are:

- Potential to continue to grow the resource base;
- Development of a longer life mining operation; and
- Potential to reduce operating costs through the increased scale of operation.

The Company is now upgrading the JORC Code compliant resource for the Project. Data from this will be used to develop a new mine design and mining schedule.

Darcy Zinc Deposit

The shallow high grade Darcy Zinc Deposit is located approximately 600 metres southeast of the Andrew Zinc Deposit within an extensive (2,500 metre long) corridor of anomalous surface geochemistry (see Figure 1). 15 diamond drill holes were completed at the Darcy Zinc Deposit during 2010. Better results include:

- **19.0 metres at 8.4% zinc from 33.0 metres,**
- **8.0 metres at 19.4% zinc from 80.0 metres,**
- **18.0 metres at 6.8% zinc from 15.0 metres,**
- **6.0 metres at 7.4% zinc from 30.0 metres,**
- **23.0 metres at 4.7% zinc from 90.0 metres, and**
- **16.0 metres at 4.1% zinc from 42.0 metres**

Drilling at the Darcy Zinc Deposit during 2010 has doubled the previously known strike extent of the deposit to over 400 metres. The full extents of the ore body are still to be determined as mineralisation remains open along strike and at depth. Additional drilling is planned for 2011 to evaluate the exploration upside.

The JORC compliant resource for the Darcy Zinc Deposit is currently being recalculated. This information will be utilised to incorporate open pit mining at the Darcy Zinc Deposit into the life of mine plan for the development of the Company's Yukon Base Metal Project.

Darin Prospect

The Darin Prospect lies 1,500 metres southeast of the Darcy Zinc Deposit, within the same 2,500 metre long zinc in soil geochemistry anomaly (see Figure 1). Drilling during 2010 continued to intercept thick zones of mineralisation including:

- **20.5 metres at 3.6% zinc**
- **10.5 metres at 3.6% zinc**
- **21.2 metres at 4.8% zinc**

Geological and analytical results from relatively widely-spaced drilling at the Darin Prospect indicate a large mineralised system is present. Following recent drilling the geological controls on mineralisation at the Darin Prospect are now much better understood. Work is underway to evaluate the potential to incorporate this shallow mineralisation into the life of mine plan for the Yukon Base Metal Project. Further drilling in 2011 is planned to build upon the current understanding of the system.

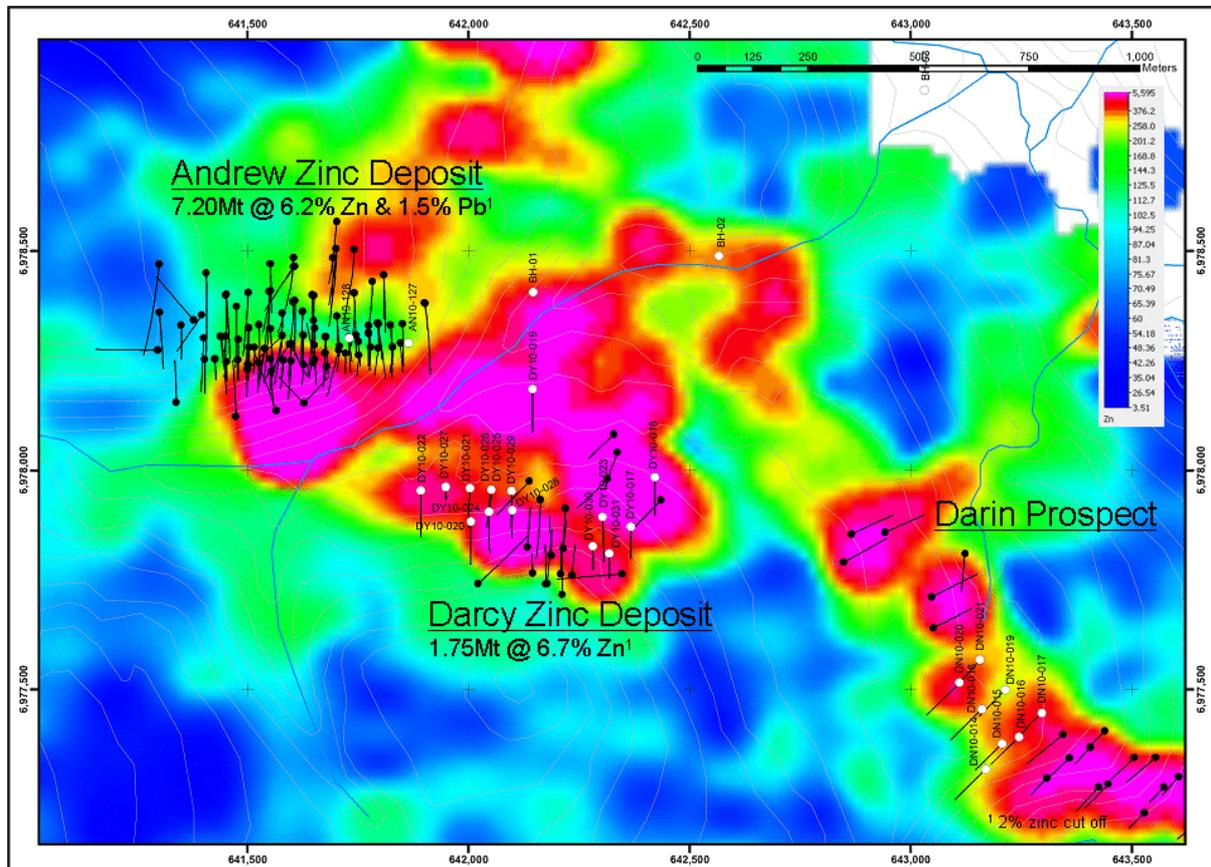


Figure 1. Zinc in soil geochemistry anomaly extending over 2,500m showing location of the Andrew Zinc Deposit, Darcy Zinc Deposit and Darin Prospect. Location of 2010 diamond drill holes indicated with white dots.

FEASIBILITY STUDY

JORC Code Compliant Resource Upgrade, Metallurgy and Revised Mining Schedule

The Company is currently upgrading the JORC Code compliant resource for the Yukon Base Metal Project, incorporating the results from the 2010 drilling undertaken at the Darcy Zinc Deposit and the Darin Prospect.

Advanced metallurgical test work on material from the Andrew Zinc Deposit has been completed. Metallurgical test work on material collected from the Darcy Zinc Deposit is well advanced. The next phase of test work will focus on examining how the two ore types respond to variance in the process flow sheet. The information derived will determine the design criteria for the processing facility required at the Yukon Base Metal Project.

Upon completion of the resource recalculation and development of preliminary process flow sheet the Company will develop a new mine design and schedule for the Yukon Base Metal Project.

In conjunction with the processing metallurgical test work, long lead-time environmental test work has commenced on the material characterised as being representative of the modelled tailings material. This work provides information on the discharge water quality, a critical item on the path to submittal of mine permit application.

MINE PERMITTING

The Yukon Base Metal Project provides the Company with an outstanding opportunity to develop a viable mining operation in a jurisdiction that is particularly supportive of new mine developments. This opportunity has only been strengthened by the success of the Company's activities during 2010.

The Company recognises the Project is entering a critical phase where ongoing dialogue and consultation between Overland Resources Limited, the Yukon Territory Government's regulatory bodies, First Nations, the Port of Skagway and communities involved in the Project, is required to ensure a smooth transition into and through mine permitting.

To this end and in recognition of the importance of this phase of work, the Company's Managing Director has relocated to the Company's Vancouver office. He will directly oversee the consultation process and closely monitor ongoing operations, working towards a successful outcome of mine permitting submission.

Hugh A Bresser
Managing Director

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Ball who is a Member of the Australian Institute of Mining and Metallurgy. Mr Peter Ball is the Manager of Data Geo. Mr Peter Ball has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Peter Ball consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Result is based on information compiled by Mr Hugh Alan Bresser who is a Member of the Australian Institute of Mining and Metallurgy. Mr Hugh Alan Bresser is a Director of Overland Resources Limited, he has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Hugh Alan Bresser consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.