



# Overland Resources Limited

ABN 92 114 187 978

Financial Report  
30 June 2011

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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**

Suite 9  
5 Centro Avenue  
Subiaco WA 6008  
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

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The Directors present their report for Overland Resources Limited ("Overland" or "the Company") and its subsidiary for the year ended 30 June 2011.

### 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 seven 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 the Chairman of Genesis Minerals Limited (appointed 4 July 2007) and Coventry Resources Limited (appointed 27 October 2009) and is a Director of Black Range Minerals Limited (appointed 27 June 2005) and Eagle Eye Metals Limited (appointed 25 May 2011). 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 is Chairman of Eagle Eye Metals Limited (appointed 25 May 2011).

#### **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

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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, is Mr Polglase's strength. 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) and Oakland Resources Limited (appointed 1 April 2010).

### **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 SECRETARY**

#### **Mr Nicholas Day**

Mr. Day has more than 15 years experience in corporate finance and the resources industry. In addition to his CFO and company secretarial skills he has experience in strategic planning, business development, acquisitions and mergers, bankable feasibility studies, and project development general management.

Mr. Day currently provides corporate consultancy advice and company secretarial services to Eagle Eye Metals Limited (appointed 25 May 2011), Coventry Resources Limited (appointed 22 June 2010) and Black Range Minerals Limited

## Directors' Report

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(appointed 22 June 2010). Previously he was CFO and Company Secretary of AIM & ASX listed mining company Albidon Ltd. Prior to this, Mr. Day was a Senior Accountant with Ernst & Young.

### 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 \$1,236,548 (2010: net loss after tax of \$818,062).

### 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 21 employees at 30 June 2011 (30 June 2010: 8 employees).

### REVIEW OF OPERATIONS

Over the past 12 months Overland Resources Limited (Overland, Company) has made considerable progress towards achieving its corporate goal of rapidly becoming a mid-tier resource company. The Company realised significant milestones during the year including an upgrade in mineral resources, an increase in land position and advancement of work towards mine permitting.

Overland considerably expanded its ground position in the Yukon Territory by staking new claim blocks surrounding the Andrew and Darcy Zinc Deposits and two new areas, the Junction Project to the west and the Riddell Project to the east. The Company now has interests in approximately 1,200 quartz mining claims which cover in excess of 260km<sup>2</sup> of highly prospective terrain in the under explored Selwyn Basin of the Yukon Territory, Canada.

The Company successfully completed 36 diamond drill holes for approximately 3,600 metres by the end of 2010. This drilling included the installation of eleven water monitoring wells and the completion of twenty five exploration holes focused on resource expansion at the Darcy Zinc Deposit and Darin Prospect.

Significant results reported from the Darcy Zinc Deposit from the 2010 diamond drilling programme included;

## Directors' Report

- 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, and
- 16.0 metres at 4.1% zinc

The strike extent of the Darcy Zinc Deposit was doubled to over 400 metres and the full extent of the deposit remains to be defined.

At the Darin Prospect, 1,500 metres southeast of the Darcy Zinc Deposit, drilling intersected thick zones of mineralisation including;

- 20.5 metres at 3.6% zinc
- 10.5 metres at 3.6% zinc, and
- 21.2 metres at 4.8% zinc

These results provide evidence of an extensive mineralised system at the Darin Prospect.

In February 2011 the Company finalised an upgraded JORC Code compliant resource estimate for the Yukon Base Metal Project incorporating the drilling results from 2010. The total measured, indicated and inferred resource base (see Table 1.) at the Yukon Base Metal Project comprised:

- 11.0 Mt at 5.8% zinc and 1.0% lead<sup>1</sup>, or
- 11.0 Mt at 6.9% zinc equivalent<sup>2</sup>.

The new resource estimate doubled the figure for the Darcy Zinc Deposit and provided an inaugural resource for the Darin Zinc Deposit.

**Table 1. JORC Code compliant mineral resource for the Yukon Base Metal Project**

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes	Zinc (%)	Lead (%)	Tonnes	Zinc (%)	Lead (%)	Tonnes	Zinc (%)	Lead (%)	Tonnes	Zinc (%)	Lead (%)
<b>Andrew</b>	1,610,000	5.5	1.7	4,690,000	6.2	1.6	900,000	7.0	0.7	7,200,000	6.2	1.5
<b>Darcy</b>	-	-	-	884,000	5.3	0.1	2,601,000	5.3	0.0	3,485,000	5.3	0.0
<b>Darin</b>	-	-	-	-	-	-	360,000	4.0	0.2	360,000	4.0	0.2
<b>TOTAL</b>	<b>1,610,000</b>	<b>5.5</b>	<b>1.7</b>	<b>5,570,000</b>	<b>6.1</b>	<b>1.3</b>	<b>3,865,000</b>	<b>5.6</b>	<b>0.2</b>	<b>11,045,000</b>	<b>5.8</b>	<b>1.0</b>

Mineralisation at all three deposits remains open along strike and at depth. The Company considers the resource base will continue to increase with additional drilling.

During April 2011 the Company mobilised field crews and upgraded the camp facilities to accommodate 50 persons in preparation for a 10,000 metre diamond drilling programme. Two drill rigs commenced work at the Project in May and at the time of writing 32 diamond drill holes for over 7,000 metres have been completed.

Analytical results have been returned from the first six diamond drill holes completed in 2011. Significant results include:

- 16.0 metres at 8.0% zinc
- 13.0 metres at 4.7% zinc, and
- 6.3 metres at 9.1% zinc

<sup>1</sup> 2% zinc lower cut off applied

<sup>2</sup> August 5<sup>th</sup> 2011 spot LME metal prices applied: US\$1.0251/lb zinc, US\$1.0972/lb lead

## Directors' Report

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The Company is encouraged by the results returned and is optimistic that, on completion of the 2011 drilling programme, it will be in a position to upgrade the resource estimates for the Andrew and Darcy Zinc Deposits.

To fund the accelerated exploration programme, environmental baseline data collection, completion of the pre-production and mine permitting submission documentation, Overland undertook a capital raising in February 2011. The Company successfully placed 47.5 million new shares to institutional and sophisticated investors predominately in North America to raise \$11.875 million.

Overland Resources Limited is very well positioned to continue to expand the resource base at the Yukon Base Metal Project and rapidly advance the Project through mine permitting and towards construction in a jurisdiction that is particularly supportive of new mine developments.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

On 9 July 2010 the Group announced that the third phase diamond drilling programme at the Yukon Base Metal Project had commenced.

On 21 February 2011 the Group announced an upgraded JORC code compliant resource for the Yukon Base Metal Project.

On 2 March 2011 the Group announced a placement of 47,500,000 new ordinary shares at a price of \$0.25 per share to raise \$11,875,000.

On 14 April 2011 the Group announced the completion of the placement.

On 17 May 2011 the Group announced the commencement of a 10,000 metre diamond drilling programme at the Yukon Base Metal Project.

### **SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

On 2 August 2011, the Company announced that it has secured an exclusive option to acquire a 100% interest in 22 Crown Granted claims, covering 782 hectares, that comprise the Anyox Copper Project in northern British Columbia, Canada.

### **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.

### **SHARE OPTIONS**

As at the date of this report, there were 13,075,000 options over ordinary shares (13,075,000 options at the reporting date). The details of the options at the date of this report are as follows:

## Directors' Report

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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
700,000	0.30	14 January 2014
13,075,000		

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 700,000 employee and consultant incentive options were issued. No options were exercised during the financial year. Since the end of the financial year, no options have been issued or exercised to acquire fully paid ordinary shares.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has made agreements 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	Number of Meetings
	to Attend	Attended
Mr. Michael Haynes	4	4
Mr. Hugh Bresser	4	4
Mr. Anthony Polglase	4	3
Mr. Gibson Pierce	4	4
Mr. Sias Els	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

## Directors' Report

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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 50 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) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent entity, and includes five executives in the Parent and the Group receiving the highest remuneration.

#### 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
Mr. Nicholas Day	Company Secretary

#### 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.

## Directors' Report

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	2011	2010	2009	2008	2007
Loss per share (cents)	(0.78)	(0.80)	(1.36)	(1.38)	(1.60)
Share price at reporting date (cents)	12	5	8	52	76

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:

2011	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	-	49,992	-	-	-	49,992	-
Mr. Gibson Pierce	-	40,100	117,618	1,240	-	158,958	0.8
Mr. Sias Els*	-	20,000	-	-	-	20,000	-
Executive							
Ms. Beverley Nichols	-	-	38,000	13,804	-	51,804	26.6
Mr. Nicholas Day	-	-	50,000	20,706	-	70,706	29.3
	-	170,092	445,618	35,750	-	651,460	

\* Mr. Els was appointed on 9 August 2010

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	71,393	7,428	-	121,747	6.1
Executive							
Ms. Beverley Nichols*	-	-	4,500	-	-	4,500	-
Mr. Nicholas Day**	-	-	1,650	-	-	1,650	-
Mr. Scott Funston***	-	-	60,000	-	-	60,000	-
	-	152,926	377,543	7,428	-	537,897	

\* Ms. Nichols was appointed on 1 May 2010

\*\* Mr. Day was appointed on 22 June 2010

\*\*\* Mr. Funston resigned on 22 June 2010

## Directors' Report

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There were no other executive officers of the Company during the financial years ended 30 June 2011 and 30 June 2010. 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.

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	First exercise date	Expiry Date/Last exercise date	Fair Value per option at grant date	Exercise price per option	Total value granted \$	Vested	% vested
<b>30 June 2011</b>									
G. Pierce*	30/09/08	100,000	30/09/09	21/08/13	\$0.39	\$0.40	39,616	100,000	100
N. Day**	13/01/11	300,000	13/01/11	14/01/14	\$0.16	\$0.30	49,487	300,000	100
B. Nichols**	13/01/11	200,000	13/01/11	14/01/14	\$0.16	\$0.30	32,991	200,000	100

\*Options were granted for no consideration with 50% vesting over 12 months and the remaining 50% vesting over 24 months.\*\*Options were granted for no consideration and vest immediately.

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 2011 (2010: 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 twenty four 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 2010.

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

## Directors' Report

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The aggregate remuneration for non-executive Directors Fees 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

15 September 2011

### 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

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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](http://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 none of the Directors are 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

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

<b>Name</b>	<b>Term in office</b>
Mr. Michael Haynes	6 years 4 months
Mr. Hugh Bresser	5 years 3 months
Mr. Anthony Polglase	3 years 9 months
Mr. Gibson Pierce	3 years
Mr. Sias Els	1 year and 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

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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.

Statement of Comprehensive Income for the year ended 30 June 2011

	Notes	Consolidated	
		2011	2010
		\$	\$
<b>Revenues from continuing operations</b>			
Interest revenue		94,805	97,052
<b>Revenue</b>		<b>94,805</b>	<b>97,052</b>
Other income	4(a)	-	729
Consultants and directors fees		(562,167)	(472,974)
Audit and tax fees		(46,162)	(33,548)
Insurance		(12,396)	(10,454)
Accounting fees		(113,087)	(51,866)
Computer and website expenses		(13,008)	(5,237)
Rent and outgoings		(182,104)	(104,443)
Travel and accommodation		(122,438)	(107,578)
Listing and registry fees		(65,021)	(44,882)
Legal expenses		(8,321)	(4,762)
Other expenses	4(b)	(206,649)	(80,099)
<b>(Loss)/Profit from continuing operations before income tax</b>		<b>(1,236,548)</b>	<b>(818,062)</b>
Income tax expense	5	-	-
<b>(Loss)/Profit from continuing operations after tax</b>		<b>(1,236,548)</b>	<b>(818,062)</b>
<b>Other comprehensive income net of tax</b>			
Foreign currency translation		(3,902,103)	888,906
<b>Other comprehensive income for the year</b>		<b>(3,902,103)</b>	<b>888,906</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(5,138,651)</b>	<b>70,844</b>
<b>Loss per share:</b>			
Basic loss per share (cents per share)	19	(0.78)	(0.80)
Diluted loss per share (cents per share)	19	(0.78)	(0.80)

**Statement of Financial Position as at 30 June 2011**

	Notes	Consolidated	
		2011	2010
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	16(a)	9,850,377	5,980,788
Trade and other receivables	6	486,414	613,253
<b>TOTAL CURRENT ASSETS</b>		<b>10,336,791</b>	<b>6,594,041</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	321,695	379,050
Other receivables	9	38,963	38,963
Deferred exploration and evaluation expenditure	10	25,774,590	23,077,029
<b>TOTAL NON CURRENT ASSETS</b>		<b>26,135,248</b>	<b>23,495,042</b>
<b>TOTAL ASSETS</b>		<b>36,472,039</b>	<b>30,089,083</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	956,369	392,187
Provisions	12	-	9,911
<b>TOTAL CURRENT LIABILITIES</b>		<b>956,369</b>	<b>402,098</b>
<b>TOTAL LIABILITIES</b>		<b>956,369</b>	<b>402,098</b>
<b>NET ASSETS</b>		<b>35,515,670</b>	<b>29,686,985</b>
<b>EQUITY</b>			
Contributed equity	13	39,888,450	28,972,840
Reserves	15	(51,059)	3,799,318
Accumulated losses	14	(4,321,721)	(3,085,173)
<b>TOTAL EQUITY</b>		<b>35,515,670</b>	<b>29,686,985</b>

**Statement of Cash Flows for the year ended 30 June 2011**

	Notes	Consolidated	
		2011	2010
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(1,246,895)	(876,969)
Interest received		117,048	84,855
Other receipts		-	729
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	16(b)	<u>(1,129,847)</u>	<u>(791,385)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(33,147)	(47,813)
Expenditure on exploration		<u>(5,883,027)</u>	<u>(824,127)</u>
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<u>(5,916,174)</u>	<u>(871,940)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Transaction costs of issue of shares		(959,390)	(210,549)
Proceeds from issue of shares		<u>11,875,000</u>	<u>6,168,001</u>
<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		<u>10,915,610</u>	<u>5,957,452</u>
Net increase / (decrease) in cash and cash equivalents		3,869,589	4,294,127
Cash and cash equivalents at beginning of year		<u>5,980,788</u>	<u>1,686,661</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	16(a)	<u><b>9,850,377</b></u>	<u><b>5,980,788</b></u>

**Statement of Changes in Equity for the year ended 30 June 2011**

Consolidated	Issued Capital \$	Accumulated Losses \$	Share based payment Reserves \$	Foreign Currency Translation Reserves \$	Total \$
At 1 July 2010	28,972,840	(3,085,173)	3,207,493	591,825	29,686,985
Loss for the year	-	(1,236,548)	-	-	(1,236,548)
Other comprehensive (loss)/profit	-	-	-	(3,902,103)	(3,902,103)
Total comprehensive (loss)/profit for the year	-	(1,236,548)	-	(3,902,103)	(5,138,651)
<b>Transactions with owners in their capacity as owners</b>					
Transaction costs on share issue	(959,390)	-	-	-	(959,390)
Shareholder equity contribution	11,875,000	-	-	-	11,875,000
Share based payments	-	-	51,726	-	51,726
<b>At 30 June 2011</b>	<b>39,888,450</b>	<b>(4,321,721)</b>	<b>3,259,219</b>	<b>(3,310,278)</b>	<b>35,515,670</b>
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
<b>Transactions with owners in their capacity as owners</b>					
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
<b>At 30 June 2010</b>	<b>28,972,840</b>	<b>(3,085,173)</b>	<b>3,207,493</b>	<b>591,825</b>	<b>29,686,985</b>

# Overland Resources Limited

## Notes to the financial statements for the financial year ended 30 June 2011

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### 1. Corporate Information

The financial report of Overland Resources Limited ("Overland" or "the Company") and its subsidiary ("the Group") for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Directors on 15 September 2011.

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 Director's 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 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

##### *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. The adoption of the Standards or Interpretation did not have material impact on the financial statements of the Group.

##### *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 2011, and no change to the Group's accounting policy is required.

Reference	Title	Summary	Application date for Group
AASB 9	Financial Instruments	<p>AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below.</p> <p>(a) Financial assets are classified based on (1) the objective of the entity's business model for</p>	1 July 2013

# Overland Resources Limited

## Notes to the financial statements for the financial year ended 30 June 2011

Reference	Title	Summary	Application date for Group
		<p>managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria.</p> <p>(b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p>	
AASB 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]	<ul style="list-style-type: none"> <li>▶ These amendments arise from the issuance of AASB 9 <i>Financial Instruments</i> that sets out requirements for the classification and measurement of financial assets. The requirements in AASB 9 form part of the first phase of the International Accounting Standards Board's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i>.</li> <li>▶ This Standard shall be applied when AASB 9 is applied.</li> </ul>	1 July 2013
AASB 124 (Revised)	Related Party Disclosures (December 2009)	<p>The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:</p> <p>(a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other</p> <p>(b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other</p> <p>(c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other</p> <p>A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.</p>	1 July 2011

## Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2011

Reference	Title	Summary	Application date for Group
AASB 2009-12	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>This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.</p> <p>In particular, it amends AASB 8 <i>Operating Segments</i> 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 IFRS by the IASB.</p>	1 July 2011
AASB 1053	Application of Tiers of Australian Accounting Standards	<p>This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:</p> <p>(a) Tier 1: Australian Accounting Standards</p> <p>(b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements</p> <p>Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.</p> <p>The following entities apply Tier 1 requirements in preparing general purpose financial statements:</p> <p>(a) For-profit entities in the private sector that have public accountability (as defined in this Standard)</p> <p>(b) The Australian Government and State, Territory and Local Governments</p> <p>The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:</p> <p>(a) For-profit private sector entities that do not have public accountability</p> <p>(b) All not-for-profit private sector entities</p> <p>Public sector entities other than the Australian Government and State, Territory and Local Governments</p>	1 July 2013

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

Reference	Title	Summary	Application date for Group
AASB 1054	Australian Additional Disclosures	<p>This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB.</p> <p>This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas:</p> <p>Compliance with Australian Accounting Standards</p> <p>The statutory basis or reporting framework for financial statements</p> <p>Whether the financial statements are general purpose or special purpose</p> <p>Audit fees</p> <p>Imputation credits</p>	1 July 2011
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]	<p>Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.</p> <p>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.</p> <p>Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions.</p> <p>Clarifies 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.</p>	1 July 2011
AASB 2010-5	Amendments to Australian Accounting Standards  [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	<p>This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.</p> <p>These amendments have no major impact on the requirements of the amended pronouncements.</p>	1 July 2011
AASB 2010-6	Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]	<p>The amendments increase the disclosure requirements for transactions involving transfers of financial assets. <i>Disclosures</i> require enhancements to the existing disclosures in IFRS 7 where an asset is transferred but is not derecognised and introduce new disclosures for assets that are derecognised but the entity continues to have a continuing exposure to the asset after the sale.</p>	1 July 2011

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

Reference	Title	Summary	Application date for Group
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)  [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127]	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows:  ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▶ The remaining change is presented in profit or loss  If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 July 2013
AASB 2011-1	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project  [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132, AASB 134, Interpretation 2, Interpretation 112, Interpretation 113]	This Standard amends many Australian Accounting Standards, removing the disclosures which have been relocated to AASB 1054.	1 July 2011
AASB 2011-2	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project – Reduced disclosure regime  [AASB 101, AASB 1054]	This Standard makes amendments to the application of the revised disclosures to Tier 2 entities, that are applying AASB 1053.	1 July 2013
*	Consolidated Financial Statements	IFRS 10 establishes a new control model that applies to all entities. It replaces parts of IAS 27 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities.  The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.	1 July 2013

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

Reference	Title	Summary	Application date for Group
*	Joint Arrangements	IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly- controlled Entities – Non-monetary Contributions by Ventures. IFRS 11 uses the principle of control in IFRS 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.	
*	Disclosure of Interests in Other Entities	IFRS 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	
*	Fair Value Measurement	IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS.  IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.	

\* The AASB has not issued this standard, which was finalised by the IASB in May 2011

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

#### (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.

## Overland Resources Limited

### *Notes to the financial statements for the financial year ended 30 June 2011*

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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.

#### **(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.

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

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#### (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.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

#### (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 reporting 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.

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

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#### *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.

#### **(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.

## **Overland Resources Limited**

### ***Notes to the financial statements for the financial year ended 30 June 2011***

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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**

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.

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 Group.

#### **(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 and measured by the fair value of the consideration received or receivable 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:

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

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#### *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 Group, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

##### *Diluted earnings per share*

Diluted earnings per share is calculated as net profit attributable to members of the Group, 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 24.

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

## Overland Resources Limited

### *Notes to the financial statements for the financial year ended 30 June 2011*

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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.

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 entity within the Group 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.

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

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#### *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 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) 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.

#### **(s) 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.

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

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#### (t) Provisions

Provisions are recognised when the Group 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 Group 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.

### 3. 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 was 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.

## **Overland Resources Limited**

### ***Notes to the financial statements for the financial year ended 30 June 2011***

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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.

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 24.

#### *Functional currency translation reserve*

Under the Accounting Standards, each entity within the Group is required to determine its functional currency, which is the currency of the primary economic environment in which the entity operates. Management considers the Canadian subsidiary to be a foreign operation with Canadian dollars as the functional currency. In arriving at this determination, management has given priority to the currency that influences the labour, materials and other costs of exploration activities as they consider this to be a primary indicator of the functional currency.

# Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2011

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	Consolidated	
	2011	2010
	\$	\$
<b>4. Other income and expenses</b>		
<b>(a) Other income</b>		
Miscellaneous income	-	729
<b>(b) Other expenses</b>		
Advertising and marketing expenses	64,117	1,500
Conferences and seminars	4,490	17,077
General office expenses	35,403	10,991
Printing and stationary	10,609	15,045
Telecommunications	29,586	3,489
Employee benefits	17,296	5,584
Depreciation	9,670	7,698
Others	35,478	18,715
	<u>206,649</u>	<u>80,099</u>

## 5. Income Tax

Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

### (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	(1,236,548)	(818,062)
Tax at the company rate of 30% (2010: 30%)	(370,964)	(245,419)
Expense of remuneration options	15,518	6,128
Other non deductible expenses	598	(2,328)
Income tax benefit not brought to account	354,848	241,619
Income tax expense	<u>-</u>	<u>-</u>

# Overland Resources Limited

Notes to the financial statements for the financial year ended 30 June 2011

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## Consolidated

2011	2010
\$	\$

### (c) Deferred tax

#### Statement of financial position

The following deferred tax balances have not been brought to account:

#### Liabilities

Capitalised exploration and evaluation expenditure	7,732,377	6,923,109
Accrued income	-	6,673
Offset by deferred tax assets	<u>(7,732,377)</u>	<u>(6,929,782)</u>
Deferred tax liability recognised	<u>-</u>	<u>-</u>

#### Assets

Losses available to offset against future taxable income	9,584,412	7,902,800
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Accrued expenses	<u>7,500</u>	<u>6,900</u>
	9,591,912	7,909,700

Deferred tax assets offset against deferred tax liabilities	(7,732,377)	(6,929,782)
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Deferred tax assets not brought to account as realisation is not regarded as probable	<u>(1,859,535)</u>	<u>(979,918)</u>
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Deferred tax asset recognised	<u>-</u>	<u>-</u>
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Unused tax losses	<u>6,198,450</u>	<u>3,266,393</u>
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Potential tax benefit not recognised at 30% (2010: 30%)	<u>1,859,535</u>	<u>979,918</u>
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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 2011

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	Consolidated	
	2011	2010
	\$	\$
<b>6. Trade and Other Receivables - Current</b>		
GST / VAT receivable	192,708	31,829
Advance to supplier	284,040	503,515
Other	9,666	77,909
	<b>486,414</b>	<b>613,253</b>

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.

## 7. Property, Plant and Equipment

### Plant and Equipment

Cost	100,294	94,410
Accumulated depreciation	(28,060)	(23,345)
Net carrying amount	<u>72,234</u>	<u>71,065</u>

### Camp Buildings

Cost	307,615	354,329
Accumulated depreciation	(84,068)	(68,183)
Net carrying amount	<u>223,547</u>	<u>286,146</u>

### Office Furniture & Fixtures

Cost	28,549	25,225
Accumulated depreciation	(13,015)	(11,171)
Net carrying amount	<u>15,534</u>	<u>14,054</u>

### Computer Equipment

Cost	23,637	17,477
Accumulated depreciation	(13,257)	(9,692)
Net carrying amount	<u>10,380</u>	<u>7,785</u>

### Total property, plant and equipment

Cost	460,095	491,441
Accumulated depreciation	(138,400)	(112,391)
Net carrying amount	<b><u>321,695</u></b>	<b><u>379,050</u></b>

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

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#### Consolidated

2011	2010
\$	\$

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	71,065	77,805
Additions	17,398	-
Depreciation expense	(4,715)	(9,753)
Net exchange differences on translation	(11,514)	3,013
Carrying amount at end of year	<u>72,234</u>	<u>71,065</u>

#### Camp Buildings

Carrying amount at beginning of year	286,146	259,594
Additions	-	55,223
Depreciation expense	(15,885)	(28,671)
Net exchange differences on translation	(46,714)	-
Carrying amount at end of year	<u>223,547</u>	<u>286,146</u>

#### Office Furniture and Fixtures

Carrying amount at beginning of year	14,054	17,010
Additions	6,650	-
Disposals	-	-
Depreciation expense	(1,844)	(3,827)
Net exchange differences on translation	(3,326)	871
Carrying amount at end of year	<u>15,534</u>	<u>14,054</u>

#### Computer Equipment

Carrying amount at beginning of year	7,785	5,108
Additions	8,464	5,492
Disposals	-	-
Depreciation expense	(3,565)	(2,815)
Net exchange differences on translation	(2,304)	-
Carrying amount at end of year	<u>10,380</u>	<u>7,785</u>

Total property, plant and equipment	<u>321,695</u>	<u>379,050</u>
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# Overland Resources Limited

## Notes to the financial statements for the financial year ended 30 June 2011

### Consolidated

2011                  2010  
\$                          \$

#### 8. Investments in subsidiaries

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

Name	Country of incorporation	% Equity Interest	
		2011	2010
Overland Resources Yukon Limited	Canada	100%	100%

#### 9. Other Receivables – Non Current

Security deposits	38,963	38,963
	<b>38,963</b>	<b>38,963</b>

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.

#### 10. Deferred Exploration and Evaluation Expenditure

##### Exploration and evaluation expenditure

At cost	26,158,541	23,472,994
Accumulated impairment	(383,951)	(395,965)
Total exploration and evaluation	<b>25,774,590</b>	<b>23,077,029</b>
Carrying amount at beginning of the year	23,077,029	21,363,100
Exploration expenditure during the year	5,739,999	950,452
Net exchange differences on translation	(3,042,438)	763,477
Carrying amount at end of year	<b>25,774,590</b>	<b>23,077,029</b>

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 2011

	Consolidated	
	2011	2010
	\$	\$
<b>11. Trade and Other Payables</b>		
Trade payables	882,042	348,178
Accruals	25,000	27,500
Other payables	49,327	16,509
	<b>956,369</b>	<b>392,187</b>
<b>12. Provisions</b>		
Operating lease provision	-	9,911
	<b>-</b>	<b>9,911</b>
Current	-	9,911
Non-current	-	-

In the prior year, Overland Resources Yukon Limited (the Canadian subsidiary of Overland Resources Limited) held an operating lease agreement for their office in Vancouver, Canada. In an effort to conserve 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. The lease has been renewed for two years.

## 13. Contributed Equity

### (a) Issued and paid up capital

Ordinary shares fully paid	<b>39,888,450</b>	<b>28,972,840</b>
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	2011		2010	
	Number of shares	\$	Number of shares	\$
<b>(b) Movements in ordinary shares on issue</b>				
Balance at beginning of year	146,564,725	28,972,840	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
Share Placement at \$0.25	47,500,000	11,875,000	-	-
Transaction costs on share issue	-	(959,390)	-	(210,549)
	<b>194,064,725</b>	<b>39,888,450</b>	<b>146,564,725</b>	<b>28,972,840</b>

### (c) Ordinary shares

The Group 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.

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

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#### (d) Capital Risk Management

The Group's capital comprises share capital, reserves less accumulated losses amounting to \$35,515,670 at 30 June 2011 (2010: \$29,686,985). 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 23 for further information on the Group's financial risk management policies.

#### (e) Share options

At 30 June 2011, there were 13,075,000 unissued ordinary shares under options (2010: 12,375,000 options). During the financial year, 700,000 employee and consultant incentive options were issued (refer to note 24). No options were cancelled or forfeited during the financial year.

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 24.

	Consolidated	
	2011	2010
	\$	\$
<b>14. Accumulated losses</b>		
Movements in accumulated losses were as follows:		
At 1 July	3,085,173	2,267,111
Loss/(Profit)	1,236,548	818,062
At 30 June	<b>4,321,721</b>	<b>3,085,173</b>
<b>15. Reserves</b>		
Share based payments reserve	3,259,219	3,207,493
Foreign currency translation reserve	(3,310,278)	591,825
	<b>(51,059)</b>	<b>3,799,318</b>

#### Movement in reserves:

##### *Share based payments reserve*

Balance at beginning of year	3,207,493	3,187,065
Equity benefits expense	51,726	20,428
Balance at end of year	<b>3,259,219</b>	<b>3,207,493</b>

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 24(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 2011

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### Consolidated

	2011	2010
	\$	\$
<i>Foreign currency translation reserve</i>		
At 1 July	591,825	(297,081)
Foreign currency translation	<u>(3,902,103)</u>	<u>888,906</u>
Balance at end of year	<u>(3,310,278)</u>	<u>591,825</u>

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

### 16. Cash and Cash Equivalents

#### (a) Reconciliation of cash

Cash balance comprises:

Cash and cash equivalents	<u>9,850,377</u>	<u>5,980,788</u>
Net loss after tax	(1,236,548)	(818,062)
<b>Adjustments for:</b>		
Depreciation	9,670	7,698
Share based payment	51,726	20,428
<b>Changes in assets and liabilities:</b>		
(Decrease) in provision	(9,911)	(22,301)
(Increase) / decrease in receivables	(2,630)	3,712
(Decrease) / Increase in trade and other creditors	<u>57,846</u>	<u>17,140</u>
Net cash flow used in operating activities	<u>(1,129,847)</u>	<u>(791,385)</u>

### 17. Expenditure commitments

#### (a) Expenditure commitments

Under the terms and conditions of being granted exploration licenses, the Group may have minimum annual commitments for the term of the license. The Group has relinquished all tenements in Australia (2010: Nil) and there are no material expenditure commitments within Canada (2010: Nil).

#### (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 24 months. Commitments contracted for at reporting date but not recognised as liabilities are as follows:

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

	Consolidated	
	2011	2010
	\$	\$
Within one year	240,000	240,000

#### (c) Services agreement

Within one year	96,000	57,911
After one year but not longer than 5 years	-	-
	96,000	57,911

#### 18. Subsequent events

On 2 August 2011, the Company announced that it had secured an exclusive option to acquire a 100% interest in 22 Crown Granted claims, covering 782 hectares, that comprise the Anyox Copper Project in northern British Columbia, Canada. The agreed terms to acquire 100% interest in the Anyox Copper Project are as follows (in Canadian dollars):

Date	Payments	Minimum Expenditure
Execution of Definitive Agreement	\$200,000	\$0
On or before July 31, 2012	\$0	\$1,000,000
On or before December 31, 2012	\$0	\$1,000,000
On or before December 31, 2013	\$2,000,000	\$2,000,000
On or before December 31, 2014	\$1,000,000	\$0
Completion of Pre-Feasibility Study on or before December 31, 2015	\$1,000,000	\$0
<b>Total</b>	<b>\$4,200,000</b>	<b>\$4,000,000</b>

#### 19. Loss per share

	Consolidated	
	2011	2010
	\$	\$
Loss used in calculating basic and dilutive EPS	(1,236,548)	(818,062)
	<b>Number of Shares</b>	
	2011	2010
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share:	158,598,972	101,793,546
<b>Effect of dilution:</b>		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	158,598,972	101,793,546

There is no impact from 13,075,000 options outstanding at 30 June 2011 (2010: 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.

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

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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.

#### Consolidated

2011	2010
\$	\$

#### 20. 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	39,080	32,548
Other services in relation to the Group	-	-
	<u>39,080</u>	<u>32,548</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	-	-
	<u>-</u>	<u>-</u>

#### 21. 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
Ms. Beverley Nichols	Chief Financial Officer

##### (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	615,710	530,469
Share based payments	35,750	7,428
Post employment benefits	-	-
Total remuneration	<u>651,460</u>	<u>537,897</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 2011

30 June 2011	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	4,476,471	-	-	-	4,476,471
Mr. Hugh Bresser	4,297,650	-	-	-	4,297,650
Mr. Anthony Polglase	-	-	-	-	-
Mr. Gibson Pierce	-	-	-	-	-
Mr. Sias Els ( <i>appointed 9 August 2010</i> )	-	-	-	-	-
Ms. Beverley Nichols ( <i>appointed 1 May 2010</i> )	-	-	-	-	-
Mr. Nicholas Day ( <i>appointed 22 June 2010</i> )	-	-	-	-	-
<b>30 June 2010</b>					
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)	-

#### (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 2011	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	% vested
Mr. Michael Haynes	-	-	-	-	-	-
Mr. Hugh Bresser	-	-	-	-	-	-
Mr. Anthony Polglase	100,000	-	-	-	100,000	100%
Mr. Gibson Pierce	100,000	-	-	-	100,000	100%
Mr. Sias Els ( <i>appointed 9 August 2010</i> )	-	-	-	-	-	-
Ms. Beverley Nichols ( <i>appointed 1 May 2010</i> )	-	200,000	-	-	200,000	100%
Mr. Nicholas Day ( <i>appointed 22 June 2010</i> )	-	300,000	-	-	300,000	100%
<b>30 June 2010</b>						
Mr. Michael Haynes	-	-	-	-	-	-
Mr. Hugh Bresser	-	-	-	-	-	-
Mr. Anthony Polglase	100,000	-	-	-	100,000	100%
Mr. Gibson Pierce	100,000	-	-	-	100,000	50%
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> )	-	-	-	-	-	-

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

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#### (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 \$96,000 during the year (2010: \$98,000). \$8,000 was outstanding at year end (2010: \$8,000). 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 \$81,644 (2010: \$14,978). \$5,844 was outstanding at year end (2010: \$Nil).

Bullseye Geoservices Pty Ltd, a Company of which Mr. Michael Haynes is a Director and is engaged by Overland to provide a Director, was paid fees of \$60,000 during the year (2010: \$60,000). This amount is included in Note 21 (b) "Remuneration of Key Management Personnel". \$5,000 was outstanding at year end (2010: \$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 (2010: \$240,000). This amount is included in Note 21 (b) "Remuneration of Key Management Personnel". \$20,000 was outstanding at year end (2010: \$20,000). Milagro Ventures Pty Ltd also employs geological and accounting staff that were on charged at cost. These costs totalled \$Nil (2010: \$22,118). \$Nil was outstanding at year end (2010: \$1,843).

Kernow Mining Consultants Pty Ltd, a Company of which Mr. Anthony Polglase is a Director was paid Directors fees of \$49,992 during the year (2010: \$45,826). This amount is included in Note 21 (b) "Remuneration of Key Management Personnel". \$4,166 was outstanding at year end (2010: \$4,166).

Pierce Mining Consultants, a company of which Mr. Gibson Pierce is a Director was paid consulting fees of \$117,618 during the year (2010: \$71,393). This amount is included in Note 21 (b) "Remuneration of Key Management Personnel". \$Nil was outstanding at the year end (2010: \$27,837).

Argento Trust, a Trust of which Mr. Nicholas Day is a beneficiary was paid consulting fees of \$50,000 during the year (2010: \$1,650). This amount is included in Note 21 (b) "Remuneration of Key Management Personnel". \$5,500 was outstanding at year end (2010: \$1,650).

Glencore International AG, a Company of which Mr. Sias Els is an employee, was paid Directors fees of \$20,000 during the year (2010: \$Nil). This amount is included in Note 21 (b) "Remuneration of Key Management Personnel". \$1,667 was outstanding at year end (2010: \$Nil).

#### 22. Related Party Disclosures

The ultimate parent entity is Overland Resources Limited. Refer to Note 8 Investments in subsidiaries for a list of all subsidiaries.

For Director related party transactions please refer to Note 21 "Key Management Personnel Disclosures". There were no other related party disclosures for the year ended 30 June 2011 (2010: Nil).

#### 23. Financial Instruments and Financial Risk Management

Exposure to interest rate, liquidity 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 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 2011

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#### (a) Liquidity Risk

Liquidity risk is the risk that the Group 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 2011 and 30 June 2010, 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.

	<b>Consolidated</b>	
	2011	2010
	\$	\$
Cash and cash equivalents	9,850,377	5,980,788

#### **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 Increase/(Decrease)		Effect on Equity including accumulated losses Increase/(Decrease)	
	2011	2010	2011	2010
Judgements of reasonably possible movements	\$	\$	\$	\$
Increase 100 basis points	98,504	59,808	98,504	59,808
Decrease 100 basis points	(98,504)	(59,808)	(98,504)	(59,808)

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 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 2010.

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

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#### (c) 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 2011, 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 2011 (2010: Nil).

#### 24. 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	
	2011	2010
	\$	\$
Options issued under employee option plan	51,726	20,428

##### Operating expenditure

##### (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 Group. 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
13/01/11	14/01/14	\$0.30	-	700,000	-	-	700,000	700,000
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)			2.94				2.34	
Weighted average exercise price			\$0.46				\$0.36	

During the financial year 700,000 employee and consultant incentive options were issued. 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 term of the option, 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.

## Overland Resources Limited

### Notes to the financial statements for the financial year ended 30 June 2011

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The model inputs, not included in the table above, for options granted during the year ended 30 June 2011 included:

- a) options are granted for no consideration and vest immediately;
- b) Expected life of options had a range of 2.34 to 2.94 years;
- c) share price at grant date was \$0.24;
- d) expected volatility of 87.19%, based on the history of the company's share price for the expected life of the options;
- e) expected dividend yield of Nil; and
- f) a risk free interest rate range of 5.10%.

#### 25. Contingent Liabilities

There are no known contingent liabilities as at 30 June 2011 (2010: Nil).

#### 26. 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 2011, the total non-current assets in Canada and Australia are \$26,094,530 and \$40,718 respectively (30 June 2010: \$23,453,321 and \$41,721 respectively).

#### 27. 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 2011 (2010: Nil). The balance of the franking account as at 30 June 2011 is Nil (2010: Nil).

#### 28. Information relating to Overland Resources Limited ("the parent entity")

	2011	2010
	\$	\$
Current assets	1,998,040	4,445,278
Total assets	35,622,493	29,768,780
Current liabilities	106,823	81,795
Total liabilities	106,823	81,795
Issued capital	39,888,450	28,972,840
Retained losses	(7,631,999)	(2,493,348)
Share based payment reserve	3,259,219	3,207,493
	<u>35,515,670</u>	<u>29,686,985</u>
(Loss)/profit of the parent entity	(5,138,651)	70,844
Total comprehensive (loss)/income of the parent entity	(5,138,651)	70,844

# 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 consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its 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 2011.

On behalf of the Board



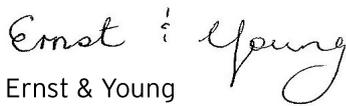
**Michael Haynes**

Chairman

15 September 2011

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

In relation to our audit of the financial report of Overland Resources Limited for the financial year ended 30 June 2011 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  
15 September 2011

## 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 consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### *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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 the auditor's 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, the auditor considers 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 complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

## Opinion

In our opinion:

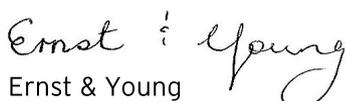
- a. the financial report of Overland Resources Limited is in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

## Report on the remuneration report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the year ended 30 June 2011. 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.

## Opinion

In our opinion, the Remuneration Report of Overland Resources Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

The logo for Ernst & Young, featuring a stylized 'EY' symbol followed by the text 'Ernst & Young' in a cursive script.

Ernst & Young

A handwritten signature in black ink, appearing to read 'F Drummond'.

F Drummond

Partner

Perth

15 September 2011