Overland Resources Limited

ABN 92 114 187 978

Financial Report
30 June 2012

CONTENTS

CORPORATE DIRECTORY

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

Company Secretary
Ms. Beverley Nichols

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

The Directors present their report for Overland Resources Limited ("Overland" or "the Company") and its subsidiary for the year ended 30 June 2012.

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 20 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 Birimian Gold Limited (formerly Eagle Eye Metals Limited) (appointed 25 May 2011).

Mr. Hugh Bresser
Managing Director

Mr. Bresser has more than 20 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 Birimian Gold Limited (formerly Eagle Eye Metals Limited) (appointed 25 May 2011).

Mr Anthony Polglase (resigned 29 February 2012)
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.

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 37 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 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
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
Ms Beverley Nichols (appointed 29 August 2012)
Ms. Nichols has over 20 years experience in accounting, taxation and management in both Australia and the UK, in the manufacturing and resource industries. She is an Associate of the Institute of Chartered Secretaries and Administrators (ACIS), an Associate of Chartered Secretaries Australia (ACSA), a Certified Practising Accountant (CPA) and an Associate of the Chartered Institute of Management Accountants (ACMA).

Ms. Nichols has been the company's CFO for over two years and holds the Company Secretary/Chief Financial Officer position with Birimian Gold Limited (formerly Eagle Eye Metals Limited) (appointed 29 August 2012) as well as holding the position of Chief Financial Officer for a number of resources companies operating throughout Australia and Canada.

Mr Nicholas Day (resigned 29 August 2012)
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 Coventry Resources Limited (appointed 22 June 2010) and Black Range Minerals Limited (appointed 22 June 2010).

Mr. Day was Company Secretary of Birimian Gold Limited (formerly Eagle Eye Metals Limited) (appointed 25 May 2011, resigned 29 August 2012). 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	1,925,000
H. Bresser	4,327,650	3,925,000
G. Pierce	-	2,025,000
S. Els	-	1,925,000

RESULTS OF OPERATIONS

The Group's net loss after taxation attributable to the members of Overland Resources Limited for the year was $1,832,847 (2011: $1,236,548).

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 4 employees at 30 June 2012 (2011: 21 employees).

REVIEW OF OPERATIONS

Overland Resources Limited (Overland, Company) continued to focus its activities on the advancement of the Yukon Base Metal Project with the aim of 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, completion of environmental data collection to enable the finalisation of an EIA and re-evaluation of the economic parameters of a mine development on the project.

Overland continued to expand its ground position in the Yukon Territory by staking new claim blocks linking the main central claims containing the Andrew and Darcy Zinc Deposits to the main access corridor defined by the North Canol Road. The Company now has interests in approximately 1,600 quartz mining claims which cover in excess of 300km^2 of highly prospective terrain in the under explored Selwyn Basin of the Yukon Territory, Canada plus clear title and control over the mine road access route.

As part of the Company's ongoing exploration and development programme a total of 74 diamond drill holes (10,437m) were completed during the financial year ending June 2012 at the Yukon Base Metal Project.

A total of 45 holes were drilled to test for resource continuity and to expand resources at the Andrew and Darcy Zinc Deposits in both a vertical and lateral direction, plus explore the Project to delineate new mineralisation. Results from this drilling were utilised to revise the JORC Code compliant resource for the project which stands at:

13.7 Mt at 5.3% zinc and 0.8% lead

Table 1. JORC Code compliant resource for the Yukon Base Metal Project (2% zinc cut off)

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes	Zinc (%)	Lead (%)	Tonnes	Zinc (%)	Lead (%)	Tonnes	Zinc (%)	Lead (%)	Tonnes	Zinc (%)	Lead (%)
Andrew	1,769,000	5.3	1.6	5,437,000	6.1	1.4	556,000	4.2	0.6	7,762,000	5.8	1.4
Darcy				1,670,000	4.8	0.0	3,880,000	4.7	0.0	5,550,000	4.7	0.0
Darin							360,000	4.0	0.2	360,000	4.0	0.2
Total	**1,769,000**	**5.3**	**1.6**	**7,107,000**	**5.8**	**1.1**	**4,796,000**	**4.6**	**0.1**	**13,672,000**	**5.3**	**0.8**

A total of 29 drill holes were completed to provide geotechnical and hydrological information to support open pit designs and mine development plans. Geotechnical and hydrological information collected from these drill holes were combined with the revised JORC Code compliant resource estimate to establish new open pit designs, mine schedules and development plans.

Work completed utilising the most up to date information available indicated the best investment returns could be provided by developing separate open pits at the Andrew and Darcy Zinc Deposits. In such an event it was envisaged that a total of 8.0Mt of ore at an average grade of 5.0% zinc and 1.5% lead would be mined over a seven year mine life. The average waste to ore strip ratio for these open pits would be 12.5:1 (Andrew Zinc Deposit – 14.9:1; Darcy Zinc Deposit – 5:1).

The mining study recommended a mine site development that would include a 1,000,000 tonne per annum processing facility involving a SAG and ball mill crushing, grinding and flotation circuit to produce separate zinc and lead concentrates. This would be a fly-in-fly-out operation supported by a 200 person mine camp and 82 km mine access road; along which concentrates would be transported by truck to the port of Skagway, Alaska where they would be loaded onto bulk carriers and shipped to the customer's selected discharge port.

The estimated capital cost to develop such an operation is $227 million with a further 20% contingency allowance of $45 million and an estimated pre-strip cost of $20 million.

Operating costs to deliver the concentrate to the ore loading terminal at Skagway are estimated to equate to US$0.70 per pound of payable metal (zinc or lead). These operating costs include all mining and processing costs and transport charges to the port. Costs are exclusive of stevedoring, shipping, treatment and refining costs, taxes, permitting costs, government or community fees and charges.

The results of this economic evaluation indicated that a sustained long term improvement in both zinc and lead metal prices would be required to provide a suitable return to the Company and its shareholders from a mine development at the Yukon Base Metal Project.

As such in June 2012 the Company announced it was suspending mine permitting activities associated with the Project. Importantly there are no expenditure obligations for the Company to maintain the mineral licences in the Yukon Territory. Furthermore the mineral claims that host the Andrew and Darcy Zinc Deposits are in good standing until at least 2026.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There were no significant events after the balance sheet date.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

SHARE OPTIONS

As at the date of this report, there were 10,775,000 options over ordinary shares (15,775,000 options at the reporting date). The details of the options at the date of this report are as follows:

Number	Exercise Price $	Expiry Date
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
9,700,000	0.25	1 December 2016
15,775,000		

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 9,700,000 director incentive options were issued and 7,000,000 options expired. 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. 5,000,000 options have expired since the year end.

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 to Attend	Number of Meetings Attended
Mr. Michael Haynes	5	5
Mr. Hugh Bresser	5	5
Mr. Gibson Pierce	5	5
Mr. Sias Els	5	5

PROCEEDINGS ON BEHALF OF COMPANY

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

CORPORATE GOVERNANCE

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

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Group's auditors to provide the Directors of Overland with an Independence Declaration in relation to the audit of the full-year financial report. A copy of that declaration is included at page 49 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 – resigned 29 February 2012
Mr. Gibson Pierce	Non Executive Director
Mr. Sias Els	Non Executive Director
Ms. Beverley Nichols	Chief Financial Officer/Company Secretary – appointed 29 August 2012
Mr. Nicholas Day	Company Secretary – resigned 29 August 2012

Remuneration Policy

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

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

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

The table below shows the performance of the Group as measured by earnings / (loss) per share for the previous five years:

As at 30 June	2012	2011	2010	2009	2008
Loss per share (cents)	(0.94)	(0.78)	(0.80)	(1.36)	(1.38)
Share price at reporting date (cents)	1	12	5	8	52

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:

	Short term			Share Based	Post		
2012	Base	Directors	Consulting	Payments	Employment		Option
	Salary	Fees	Fees	- Options	Superannuation	Total	related
Director	$	$	$	$	$	$	%
Mr. Michael Haynes	-	60,000	-	85,305	-	145,305	58.7
Mr. Hugh Bresser	-	-	240,000	173,933	-	413,933	42.0
Mr. Anthony Polglase*	-	33,328	-	-	-	33,328	-
Mr. Gibson Pierce	-	38,508	84,498	85,305	-	208,311	41.0
Mr. Sias Els	-	20,000	-	85,305	-	105,305	81.0
Executive							
Ms. Beverley Nichols	-	-	43,500	-	-	43,500	-
Mr. Nicholas Day	-	-	66,000	-	-	66,000	-
	-	151,836	433,998	429,848	-	1,015,682	

* Mr. Polglase resigned on 29 February 2012

	Short term			Share Based	Post		
2011	Base Salary	Directors Fees	Consulting Fees	Payments - Options	Employment Superannuation	Total	Option related
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

There were no other executive officers of the Company during the financial years ended 30 June 2012 and 30 June 2011. 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
30 June 2012									
G. Pierce*	30/09/08	100,000	30/09/09	21/08/13	$0.19	$0.40	19,811	100,000	100
G. Pierce***	23/12/11	1,925,000	23/12/11	1/12/16	$0.58	$0.25	112,613	962,500	50
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
H. Bresser***	23/12/11	3,925,000	23/12/11	1/12/16	$0.58	$0.25	229,613	1,962,500	50
M Haynes***	23/12/11	1,925,000	23/12/11	1/12/16	$0.58	$0.25	112,613	962,500	50
S Els***	23/12/11	1,925,000	23/12/11	1/12/16	$0.58	$0.25	112,613	962,500	50

*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. ***Options were granted for no consideration with 50% vesting immediately and the remaining 50% vesting after a further 12 months service with the company.

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 2012 (2011: 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 2011.

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.

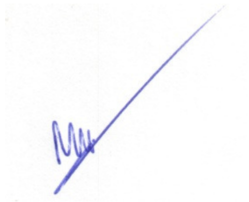
The aggregate remuneration for non-executive Directors Fees has been set at an amount not to exceed $250,000 per annum. This amount may only be increased with the approval of Shareholders at a general meeting.

END OF REMUNERATION REPORT

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

28 September 2012

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.

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

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

Structure of the Board

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

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

"An Independent Director is a Director who is not a member of management, is a non-executive Director and who:

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

In accordance with the definition of independence 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.

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

Name	Term in office
Mr. Michael Haynes	7 years 4 months
Mr. Hugh Bresser	6 years 3 months
Mr. Gibson Pierce	4 years
Mr. Sias Els	2 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 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 2012*

	Notes	Consolidated	
		2012	2011
		$	$
Revenues from operations			
Interest revenue		72,624	94,805
Revenue		**72,624**	**94,805**
Consultants and directors fees		(890,187)	(562,167)
Audit and tax fees		(59,155)	(46,162)
Insurance		(28,243)	(12,396)
Accounting fees		(151,688)	(113,087)
Computer and website expenses		(8,809)	(13,008)
Rent and outgoings		(167,645)	(182,104)
Travel and accommodation		(109,942)	(122,438)
Listing and registry fees		(36,915)	(65,021)
Legal expenses		(61,327)	(8,321)
Exploration expenditure written off		(162,788)	-
Other expenses	4	(228,772)	(206,649)
(Loss)/Profit from operations before income tax		(1,832,847)	(1,236,548)
Income tax expense	5	-	-
(Loss)/Profit from operations after tax		**(1,832,847)**	**(1,236,548)**
Other comprehensive loss net of tax			
Foreign currency translation		(192,732)	(3,902,103)
Other comprehensive loss for the year		(192,732)	(3,902,103)
Total comprehensive loss for the year		(2,025,579)	(5,138,651)
Loss per share:			
Basic loss per share (cents per share)	18	(0.94)	(0.78)
Diluted loss per share (cents per share)	18	(0.94)	(0.78)

Statement of Financial Position *as at 30 June 2012*

	Notes	Consolidated	
		2012	2011
		$	$
CURRENT ASSETS			
Cash and cash equivalents	15(a)	2,953,055	9,850,377
Trade and other receivables	6	330,423	486,414
TOTAL CURRENT ASSETS		**3,283,478**	**10,336,791**
NON CURRENT ASSETS			
Property, plant and equipment	7	326,355	321,695
Other receivables	9	38,963	38,963
Deferred exploration and evaluation expenditure	10	30,399,583	25,774,590
TOTAL NON CURRENT ASSETS		**30,764,901**	**26,135,248**
TOTAL ASSETS		**34,048,379**	**36,472,039**
CURRENT LIABILITIES			
Trade and other payables	11	122,896	956,369
TOTAL CURRENT LIABILITIES		**122,896**	**956,369**
TOTAL LIABILITIES		**122,896**	**956,369**
NET ASSETS		**33,925,483**	**35,515,670**
EQUITY			
Contributed equity	12	39,893,994	39,888,450
Reserves	14	186,057	(51,059)
Accumulated losses	15	(6,154,568)	(4,321,721)
TOTAL EQUITY		**33,925,483**	**35,515,670**

Statement of Cash Flows *for the year ended 30 June 2012*

	Notes	Consolidated	
		2012	2011
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,384,433)	(1,246,895)
Interest received		72,624	117,048
Other receipts		-	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	15(b)	(1,311,809)	(1,129,847)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(53,428)	(33,147)
Expenditure on exploration		(5,537,629)	(5,883,027)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(5,591,057)	(5,916,174)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transaction costs of issue of shares		5,544	(959,390)
Proceeds from issue of shares		-	11,875,000
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		5,544	10,915,610
Net increase / (decrease) in cash and cash equivalents		(6,897,322)	3,869,589
Cash and cash equivalents at beginning of year		9,850,377	1,686,661
CASH AND CASH EQUIVALENTS AT END OF YEAR	15(a)	**2,953,055**	**9,850,377**

Statement of Changes in Equity *for the year ended 30 June 2012*

Consolidated	Issued Capital $	Accumulated Losses $	Share Based Payment Reserves $	Foreign Currency Translation Reserves $	Total $
At 1 July 2011	39,888,450	(4,321,721)	3,259,219	(3,310,278)	35,515,670
Loss for the year	-	(1,832,847)	-	-	(1,832,847)
Other comprehensive (loss)/profit	-	-	-	(192,732)	(192,732)
Total comprehensive (loss)/profit for the year	-	(1,832,847)	-	(192,732)	(2,025,579)
Transactions with owners in their capacity as owners					
Transaction costs on share issue refunded	5,544	-	-	-	5,544
Shareholder equity contribution	-	-	-	-	-
Share based payments	-	-	429,848	-	429,848
At 30 June 2012	**39,893,994**	**(6,154,568)**	**3,689,067**	**(3,503,010)**	**33,925,483**

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)
Transactions with owners in their capacity as owners					
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
At 30 June 2011	**39,888,450**	**(4,321,721)**	**3,259,219**	**(3,310,278)**	**35,515,670**

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 2012 was authorised for issue in accordance with a resolution of the Directors on 28 September 2012.

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 and a for profit entity.

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 2012, and no change to the Group's accounting policy is required.

Reference	Title	Summary	Application date for Group
AASB 1048	Interpretation of Standards.	AASB 1048 identifies the Australian Interpretations and classifies them into two groups: those that correspond to an IASB Interpretation and those that do not. Entities are required to apply each relevant Australian Interpretation in preparing financial statements that are within the scope of the Standard. The revised version of AASB 1048 updates the lists of Interpretations for new and amended Interpretations issued since the June 2010 version of AASB 1048.	1 July 2012

Reference	Title	Summary	Application date for Group
AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	This Standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.	1 July 2012
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *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. Consequential amendments were also made to other standards via AASB 2011-7.	1 July 2013
AASB 11	Joint Arrangements	AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly- controlled Entities – Non-monetary Contributions by Ventures.* AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it 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. Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 128.	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgments 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.	1 July 2013

Reference	Title	Summary	Application date for Group
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 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. Consequential amendments were also made to other standards via AASB 2011-8.	1 July 2013
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognized in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 July 2013
Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the “stripping activity asset”. The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate. Consequential amendments were also made to other standards via AASB 2011-12.	1 July 2013

Reference	Title	Summary	Application date for Group
Annual Improvements 2009–2011 Cycle *	Annual Improvements to IFRSs 2009–2011 Cycle	This standard sets out amendments to International Financial Reporting Standards (IFRSs) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB. The following items are addressed by this standard: IFRS 1 First-time Adoption of International Financial Reporting Standards • Repeated application of IFRS 1 • Borrowing costs IAS 1 Presentation of Financial Statements • Clarification of the requirements for comparative information IAS 16 Property, Plant and Equipment • Classification of servicing equipment IAS 32 Financial Instruments: Presentation • Tax effect of distribution to holders of equity instruments IAS 34 Interim Financial Reporting • Interim financial reporting and segment information for total assets and liabilities	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This Amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies.	1 July 2013
AASB 2012-2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	AASB 2012-2 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.	1 July 2013

Reference	Title	Summary	Application date for Group
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle; and	AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The Standard addresses a range of improvements, including the following: • repeat application of AASB 1 is permitted (AASB 1); and • clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 Presentation of Financial Statements).	1 July 2013
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities;	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.	1 July 2015

Reference	Title	Summary	Application date for Group
AASB 9**	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) 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. (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. (d) **Where the fair value option is used for financial liabilities the change in fair value is to be 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. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.	1 July 2015

* These IFRS amendments have not yet been adopted by the AASB. In order to claim compliance with IFRS, these amendments should be noted in the financial statements.

** AASB ED 215 Mandatory effective date of IFRS 9 proposes to defer the mandatory effective date of AASB 9 from annual periods beginning 1 January 2013 to annual periods beginning on or after 1 January 2015, with early application permitted. At the time of preparation, finalisation of standard is still pending by the AASB. However, the IASB has deferred the mandatory effective date of IFRS 9 to annual periods beginning on or after 1 January 2015, with early application permitted.

(c) Basis of Consolidation

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

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

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

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

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

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

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

(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.

(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:

Class of Fixed Asset	*Depreciation Rate*
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.

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.
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:

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 23.

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

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

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

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

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

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 the exchange differences relating to that entity 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.

(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.

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 23.

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.

	Consolidated	
	2012	2011
	$	$
4. Other expenses		
Advertising and marketing expenses	7,794	64,117
Conferences and seminars	4,369	4,490
General office expenses	44,344	35,403
Printing and stationary	10,103	10,609
Telecommunications	26,236	29,586
Employee salaries/benefits	93,823	17,296
Depreciation	11,950	9,670
Others	30,153	35,478
	228,772	206,649

	Consolidated	
	2012	2011
	$	$
5. Income Tax		
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	**-**
(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate		
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable tax rate is as follows:		
(Loss)/Profit from operations before income tax expense	(1,832,847)	(1,236,548)
Tax at the company rate of 30% (2011: 30%)	(549,854)	(370,964)
Expense of remuneration options	128,954	15,518
Other non deductible expenses	48,836	598
Income tax benefit not brought to account	372,064	354,848
Income tax expense	-	-
(c) Deferred tax		
Statement of financial position		
The following deferred tax balances have not been brought to account:		
Liabilities		
Capitalised exploration and evaluation expenditure	9,119,875	7,732,377
Offset by deferred tax assets	(9,119,875)	(7,732,377)
Deferred tax liability recognised	-	-
Assets		
Losses available to offset against future taxable income	11,298,770	9,584,412
Accrued expenses	7,500	7,500
	11,306,270	9,591,912
Deferred tax assets offset against deferred tax liabilities	(9,119,875)	(7,732,377)
Deferred tax assets not brought to account as realisation is not regarded as probable	(2,186,395)	(1,859,535)
Deferred tax asset recognised	-	-
Unused tax losses	7,287,983	6,198,450
Potential tax benefit not recognised at 30% (2011: 30%)	2,186,395	1,859,535

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.

	Consolidated	
	2012	2011
	$	$
6. Trade and Other Receivables - Current		
GST / VAT receivable	38,904	192,708
Advance to supplier	281,914	284,040
Other	9,605	9,666
	330,423	**486,414**

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	139,209	100,294
Accumulated depreciation	(39,903)	(28,060)
Net carrying amount	**99,306**	**72,234**
Camp Buildings		
Cost	317,989	307,615
Accumulated depreciation	(107,302)	(84,068)
Net carrying amount	**210,687**	**223,547**
Office Furniture & Fixtures		
Cost	28,371	28,549
Accumulated depreciation	(17,109)	(13,015)
Net carrying amount	**11,262**	**15,534**

	Consolidated	
	2012	2011
	$	$
Computer Equipment		
Cost	24,983	23,637
Accumulated depreciation	(19,883)	(13,257)
Net carrying amount	**5,100**	**10,380**
Total property, plant and equipment		
Cost	510,552	460,095
Accumulated depreciation	(184,197)	(138,400)
Net carrying amount	**326,355**	**321,695**

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year:

	2012	2011
Plant and Equipment		
Carrying amount at beginning of year	72,234	71,065
Additions	39,315	17,398
Depreciation expense	(11,843)	(4,715)
Net exchange differences on translation	(400)	(11,514)
Carrying amount at end of year	**99,306**	**72,234**
Camp Buildings		
Carrying amount at beginning of year	223,547	286,146
Additions	12,619	-
Depreciation expense	(23,234)	(15,885)
Net exchange differences on translation	(2,245)	(46,714)
Carrying amount at end of year	**210,687**	**223,547**
Office Furniture and Fixtures		
Carrying amount at beginning of year	15,534	14,054
Additions	-	6,650
Depreciation expense	(4,094)	(1,844)
Net exchange differences on translation	(178)	(3,326)
Carrying amount at end of year	**11,262**	**15,534**
Computer Equipment		
Carrying amount at beginning of year	10,380	7,785
Additions	1,494	8,464
Depreciation expense	(6,626)	(3,565)
Net exchange differences on translation	(148)	(2,304)
Carrying amount at end of year	**5,100**	**10,380**
Total property, plant and equipment	**326,355**	**321,695**

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	
		2012	**2011**
Overland Resources Yukon Limited	Canada	100%	100%

	Consolidated	
	2012	2011
	$	$
9. Other Receivables – Non Current		
Security deposits	38,963	38,963
	38,963	**38,963**
10. Deferred Exploration and Evaluation Expenditure		
Exploration and evaluation expenditure		
At cost	30,399,583	25,774,590
Accumulated impairment	-	-
Total exploration and evaluation	**30,399,583**	**25,774,590**
Carrying amount at beginning of the year	25,774,590	23,077,029
Exploration expenditure during the year	4,992,714	5,739,999
Exploration expenditure written off	(162,788)	-
Net exchange differences on translation	(204,933)	(3,042,438)
Carrying amount at end of year	**30,399,583**	**25,774,590**

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. In June 2012, the Company announced it was suspending mine permit activities associated with the Project. The company will continue to incur expenditure on the Project relating to consulting fees in the June 2013 financial year.

	2012	2011
11. Trade and Other Payables		
Trade payables	77,194	882,042
Accruals	45,407	25,000
Other payables	295	49,327
	122,896	**956,369**

	Consolidated	
	2012	2011
	$	$
12. Contributed Equity		
(a) Issued and paid up capital		
Ordinary shares fully paid	**39,893,994**	**39,888,450**

	2012		2011	
	Number of shares	**$**	**Number of shares**	**$**
(b) Movements in ordinary shares on issue				
Balance at beginning of year	194,064,725	39,888,450	146,564,725	28,972,840
Share Placement at $0.25	-	-	47,500,000	11,875,000
Transaction costs on share issue	-	5,544	-	(959,390)
	194,064,725	39,893,994	194,064,725	39,888,450

(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.

(d) Capital Risk Management

The Group's capital comprises share capital, reserves less accumulated losses amounting to $33,925,483 at 30 June 2012 (2011: $35,515,670). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was ungeared at year end and not subject to any externally imposed capital requirements. Refer to note 22 for further information on the Group's financial risk management policies.

(e) Share options

At 30 June 2012, there were 15,775,000 unissued ordinary shares under options (2011: 13,075,000 options). During the financial year 9,700,000 director incentive options were issued and 7,000,000 options expired. 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. 5,000,000 options have expired since the year end.

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

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

	Consolidated	
	2012	2011
	$	$
13. Accumulated losses		
Movements in accumulated losses were as follows:		
At 1 July	4,321,721	3,085,173
Loss/(Profit)	1,832,847	1,236,548
At 30 June	**6,154,568**	**4,321,721**
14. Reserves		
Share based payments reserve	3,689,067	3,259,219
Foreign currency translation reserve	(3,503,010)	(3,310,278)
	186,057	**(51,059)**
Movement in reserves:		
Share based payments reserve		
Balance at beginning of year	3,259,219	3,207,493
Equity benefits expense	429,848	51,726
Balance at end of year	3,689,067	3,259,219

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

Foreign currency translation reserve		
At 1 July	(3,310,278)	591,825
Foreign currency translation	(192,732)	(3,902,103)
Balance at end of year	(3,503,010)	(3,310,278)

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

15. Cash and Cash Equivalents

	Consolidated 2012 $	Consolidated 2011 $
(a) Reconciliation of cash		
Cash balance comprises:		
Cash and cash equivalents	**2,953,055**	**9,850,377**
Net loss after tax	(1,832,847)	(1,236,548)
Adjustments for:		
Depreciation	11,950	9,670
Share based payment	429,848	51,726
Exploration expenditure written off	162,788	-
Changes in assets and liabilities:		
(Decrease) in provision	-	(9,911)
Decrease/(increase) in receivables	8,442	(2,630)
(Decrease) / increase in trade and other creditors	(91,990)	57,846
Net cash flow used in operating activities	(1,311,809)	(1,129,847)

16. 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 (2011: Nil) and there are no material expenditure commitments within Canada (2011: 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:

	Consolidated 2012 $	Consolidated 2011 $
Within one year	240,000	240,000
(c) Services agreement		
Within one year	60,000	96,000
After one year but not longer than 5 years	-	-
	60,000	96,000

17. Subsequent events

There were no significant events after the balance sheet date.

18. Loss per share

	Consolidated	
	2012	2011
	$	$
Loss used in calculating basic and dilutive EPS	(1,832,847)	(1,236,548)

	Number of Shares	
	2012	2011
Weighted average number of ordinary shares used in calculating basic earnings / (loss) per share:	194,064,725	158,598,972
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	194,064,725	158,598,972

There is no impact from the 15,775,000 options outstanding at 30 June 2012 (2011: 13,075,000 options) on the loss per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future.

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

	Consolidated	
	2012	2011
	$	$
19. Auditors' remuneration		
The auditor of Overland Resources Limited is Ernst & Young (Australia)		
Amounts received or due and receivable by Ernst & Young (Australia) for:		
Audit or review of the financial report of the Company	37,698	39,080
Other services in relation to the Group	11,412	-
	49,110	39,080

20. Key Management Personnel Disclosures

(a) Details of Key Management Personnel

Mr. Michael Haynes	Chairman
Mr. Hugh Bresser	Managing Director
Mr. Anthony Polglase	Non Executive Director – resigned 29 February 2012
Mr. Gibson Pierce	Non Executive Director
Mr. Sias Els	Non Executive Director
Mr. Nicholas Day	Company Secretary – resigned 29 August 2012
Ms. Beverley Nichols	Company Secretary/Chief Financial Officer – appointed 29 August 2012

(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:

	Consolidated	
	2012	2011
	$	$
Short term employee benefits	585,834	615,710
Share based payments	429,848	35,750
Post employment benefits	-	-
Total remuneration	1,015,682	651,460

(c) Shareholdings of Key Management Personnel

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

30 June 2012	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	-	-	30,000	4,327,650
30 June 2011					
Mr. Michael Haynes	4,476,471	-	-	-	4,476,471
Mr. Hugh Bresser	4,297,650	-	-	-	4,297,650

(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 2012	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	-	1,925,000	-	-	1,925,000	50%
Mr. Hugh Bresser	-	3,925,000	-	-	3,925,000	50%
Mr. Gibson Pierce	100,000	1,925,000	-	-	2,025,000	50%
Mr. Sias Els	-	1,925,000	-	-	1,925,000	50%
30 June 2011						
Mr. Anthony Polglase	100,000	-	-	-	100,000	100%
Mr. Gibson Pierce	100,000	-	-	-	100,000	100%

(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 $78,000 during the year (2011: $96,000). $0 was outstanding at year end (2011: $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 $63,390 (2011: $81,644). $2,939 was outstanding at year end (2011: $5,844).

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 (2011: $60,000). This amount is included in Note 20 (b) “Remuneration of Key Management Personnel”. $0 was outstanding at year end (2011: $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 (2011: $240,000). This amount is included in Note 20 (b) “Remuneration of Key Management Personnel”. $20,000 was outstanding at year end (2011: $20,000).

Kernow Mining Consultants Pty Ltd, a Company of which Mr. Anthony Polglase is a Director was paid Directors fees of $33,328 during the year (2011: $49,992). This amount is included in Note 20 (b) “Remuneration of Key Management Personnel”. $0 was outstanding at year end (2011: $4,166).

Pierce Mining Consultants, a company of which Mr. Gibson Pierce is a Director was paid consulting fees of $84,498 during the year (2011: $117,618). This amount is included in Note 20 (b) “Remuneration of Key Management Personnel”. $nil was outstanding at the year end (2011: $Nil).

Argento Trust, a Trust of which Mr. Nicholas Day is a beneficiary was paid consulting fees of $66,000 during the year (2011: $50,000). This amount is included in Note 20 (b) “Remuneration of Key Management Personnel”. $0 was outstanding at year end (2011: $5,500).

Glencore International AG, a Company of which Mr. Sias Els is an employee, was paid Directors fees of $20,000 during the year (2011: $20,000). This amount is included in Note 20 (b) "Remuneration of Key Management Personnel". $1,667 was outstanding at year end (2011: $1,667).

21. 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 20 "Key Management Personnel Disclosures". There were no other related party disclosures for the year ended 30 June 2012 (2011: Nil).

22. 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.

(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 2012 and 30 June 2011, all financial liabilities are contractually matured within 60 days.

(b) Interest Rate Risk

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

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

	Consolidated	
	2012	2011
	$	$
Cash and cash equivalents	2,953,055	9,850,377

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)	
Judgements of reasonably possible movements	2012 $	2011 $	2012 $	2011 $
Increase 100 basis points	29,531	98,504	29,531	98,504
Decrease 100 basis points	(29,531)	(98,504)	(29,531)	(98,504)

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 2011.

(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 2012, 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 2012 (2011: Nil).

23. Share Based Payment Plans

(a) Recognised share based payment expenses

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

	Consolidated	
	2012 $	2011 $
Operating expenditure		
Options issued under employee option plan	429,848	51,726

(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
23/12/11	01/12/16	$0.25	-	9,700,000	-	-	9,700,000	4,850,000
Weighted remaining contractual life (years)			2.34				4.12	3.86
Weighted average exercise price			$0.36				$0.26	$0.27

During the financial year 9,700,000 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.

The model inputs, not included in the table above, for options granted during the year ended 30 June 2012 included:

a) options are granted for no consideration and 50% vest immediately, the remaining 50% vest after a further 12 months service with the company;
b) Expected life of options had a range of 2.34 to 4.12 years;
c) share price at grant date was $0.08;
d) expected volatility of 90%, 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 4.11%.

24. Contingent Liabilities

There are no known contingent liabilities as at 30 June 2012 (2011: Nil).

25. Operating Segment

For management purposes, the Group is organised into one main operating segment, which involves mining exploration for zinc. All of the Group’s activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Makers) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. The Group operates in Australia and Canada. As at 30 June 2012, the total non-current assets in Canada and Australia are $30,725,186 and $39,715 respectively (30 June 2011: $26,094,530 and $40,718 respectively).

26. Dividends

No dividend was paid or declared by the Company in the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2012 (2011: Nil). The balance of the franking account as at 30 June 2012 is Nil (2011: Nil).

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

	2012	2011
	$	$
Current assets	474,373	1,998,040
Total assets	33,989,348	35,622,493
Current liabilities	63,865	106,823
Total liabilities	63,865	106,823
Issued capital	39,893,994	39,888,450
Retained losses	(9,657,578)	(7,631,999)
Share based payment reserve	3,689,067	3,259,219
	33,925,483	35,515,670
(Loss)/profit of the parent entity	(2,025,579)	(5,138,651)
Total comprehensive (loss)/income of the parent entity	(2,025,579)	(5,138,651)

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 2012 and of its performance for the year ended on that date; and

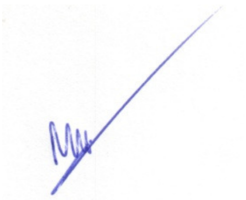
  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(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 2012.

On behalf of the Board



Michael Haynes

Chairman

28 September 2012

Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
www.ey.com/au

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 2012, 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.

Ernst & Young

Ernst & Young

F Drummond
Partner
Perth
28 September 2012

Liability limited by a scheme approved under Professional Standards Legislation

Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
www.ey.com/au

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 2012, 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(a), 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 2012 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(a).

Report on the remuneration report

We have audited the Remuneration Report included in pages 7 to 10 of the directors' report for the year ended 30 June 2012. 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 2012, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

F Drummond
Partner
Perth
28 September 2012