



Overland Resources Limited

ABN 92 114 187 978

Financial Report

for the half year ended 31 December 2012

CONTENTS

	Page No
Corporate Directory	1
Directors' Report	2
Auditors' Independence Declaration	4
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	13
Independent Review Report	14

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

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5 Centro Avenue
Subiaco WA 6008
Australia
Telephone: (+61 8) 9226 5566
Facsimile: (+61 8) 9226 2027

Share Register

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000 Australia
Telephone: 1300 557 010
International: (61 8) 9323 2000
Facsimile: (61 8) 9323 2033

Stock Exchange Listing

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

Auditors

Ernst and Young
11 Mounts Bay Road
Perth WA 6000

Directors' Report

The Directors of Overland Resources Limited submit their report for the half-year ended 31 December 2012.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

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

Results of Operations

The Group's net loss after taxation attributable to the members of Overland Resources Limited for the half-year ended 31 December 2012 was \$785,276 (2011: \$1,065,649).

Review of Operations

Yukon Base Metal Project

The results of an economic evaluation of the Yukon Base Metal Project 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 Project.

As such in June 2012 the Company announced it was suspending mine permitting activities associated with the Project. Since July 2012 the Company has taken steps to:

- significantly reduce corporate overheads, by more than 40%;
- temporarily suspend expenditure on the Yukon Base Metal Project;
- assess numerous new project opportunities, with a focus on assets in attractive mining jurisdictions; and
- establish and foster relationships with government and industry personnel in target jurisdictions.

At the Company's previous two annual general meetings, held 23 November 2011 and 28 November 2012, at least 25% of the votes cast on the remuneration report resolution were voted against adoption of the remuneration report. A Spill Resolution was put to vote at the second of those annual general meetings and more than 50% of votes cast were in favour of the Spill Resolution. Consequently, the Company was required to convene a Spill Meeting which was held on 26 February 2013 where all the three non-executive directors were re-elected.

The Board remains committed to continue to pursue the acquisition of additional quality projects. In doing so it will:

- continue to seek to acquire advanced, "distressed", assets controlled by companies with more limited financial resources;
- evaluate early-stage exploration opportunities within highly prospective mineralised belts; and
- continue to evaluate all resource opportunities, with a focus predominantly, but not exclusively on gold and copper/gold projects.

Directors' Report

Auditor's Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2012.

Signed in accordance with a resolution of the Board of Directors.



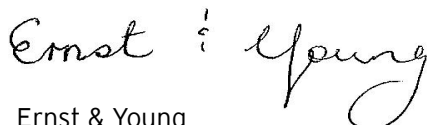
Hugh Bresser

Managing Director

15 March 2013

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

In relation to our review of the financial report of Overland Resources Limited for the half-year ended 31 December 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.

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

Ernst & Young

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

F Drummond
Partner
Perth
15 March 2013

Statement of Comprehensive Income for the half-year ended 31 December 2012

	Notes	Consolidated	
		31/12/2012	31/12/2011
		\$	\$
Revenues from operations			
Interest revenue		14,431	50,628
Revenue		14,431	50,628
Consultants and directors fees		(234,354)	(491,310)
Audit and tax fees		(11,780)	(17,759)
Insurance		(13,175)	(27,449)
Accounting fees		(66,897)	(69,886)
Computer and website expenses		(2,216)	(4,295)
Rent and outgoings		(65,736)	(102,430)
Travel and accommodation		(14,485)	(85,668)
Listing and registry fees		(27,962)	(40,193)
Legal expenses		(12,754)	(56,644)
Evaluation expenditure written off	8	(300,933)	(104,106)
Loss on disposal of assets		(8,763)	-
Other expenses	3	(40,652)	(116,537)
(Loss) from operations before income tax		(785,276)	(1,065,649)
Income tax expense		-	-
(Loss) from operations after tax		(785,276)	(1,065,649)
Other comprehensive loss net of tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	10	243,646	(89,365)
Other comprehensive loss for the year		243,646	(89,365)
Total comprehensive loss for the year		(541,630)	(1,155,014)
Loss per share:			
Basic loss per share (cents per share)		(0.40)	(0.55)
Diluted loss per share (cents per share)		(0.40)	(0.55)

Consolidated Statement of Financial Position as at 31 December 2012

	Notes	Consolidated	
		31/12/2012	30/06/2012
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		2,337,355	2,953,055
Trade and other receivables		276,380	330,423
Total current assets		2,613,735	3,283,478
Non-current assets			
Property, plant and equipment		297,904	326,355
Other assets		38,963	38,963
Exploration and evaluation expenditure	8	30,683,465	30,399,583
Total non-current assets		31,020,332	30,764,901
TOTAL ASSETS		33,634,067	34,048,379
LIABILITIES			
Current liabilities			
Trade and other payables		112,612	122,896
Total current liabilities		112,612	122,896
TOTAL LIABILITIES		112,612	122,896
NET ASSETS		33,521,455	33,925,483
EQUITY			
Contributed equity	9	39,893,994	39,893,994
Reserves	10	567,305	186,057
Accumulated losses		(6,939,844)	(6,154,568)
TOTAL EQUITY		33,521,455	33,925,483

Consolidated Statement of Changes in Equity for the half year ended 31 December 2012

	Contributed Equity	Accumulated Losses	Share Based Payment Reserves	Foreign Currency Translation Reserves	Total
Consolidated	\$	\$	\$	\$	\$
At 1 July 2011	39,888,450	(4,321,721)	3,259,219	(3,310,278)	35,515,670
Loss for the period	-	(1,065,649)	-	-	(1,065,649)
Other comprehensive loss	-	-	-	(89,366)	(89,366)
Total comprehensive loss for the period	-	(1,065,649)	-	(89,366)	(1,155,015)
Transactions with owners in their capacity as owners					
Transaction costs on share issue	5,544	-	-	-	5,544
Share based payment	-	-	253,943	-	253,943
Balance at 31 December 2011	39,893,994	(5,387,370)	3,513,162	(3,399,644)	34,620,142
At 1 July 2012	39,893,994	(6,154,568)	3,689,067	(3,503,010)	33,925,483
Loss for the period	-	(785,276)	-	-	(785,276)
Other comprehensive income	-	-	-	243,646	243,646
Total comprehensive loss for the period	-	(785,276)	-	243,646	(541,630)
Transactions with owners in their capacity as owners					
Transaction costs on share issue	-	-	-	-	-
Share based payment	-	-	137,602	-	137,602
Balance at 31 December 2012	39,893,994	(6,939,844)	3,826,669	(3,259,364)	33,521,455

Consolidated Statement of Cash Flows for the half-year ended 31 December 2012

	Notes	Consolidated	
		31/12/2012	31/12/2011
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(351,290)	(778,416)
Interest received		14,431	50,628
Net cash flows used in operating activities		<u>(336,859)</u>	<u>(727,788)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(51,934)
Proceeds from sale of office equipment		844	-
Payments for expenditure on exploration		(279,685)	(4,552,453)
Net cash flows used in investing activities		<u>(278,841)</u>	<u>(4,604,387)</u>
Cash flows from financing activities			
Transaction costs of issue of shares		-	5,544
Net cash flows from financing activities		<u>-</u>	<u>5,544</u>
Net decrease in cash and cash equivalents		(615,700)	(5,326,631)
Cash and cash equivalents at beginning of period		2,953,055	9,850,377
Foreign Exchanges Variances on Cash		-	-
Cash and cash equivalents at end of period		<u>2,337,355</u>	<u>4,523,746</u>

Overland Resources Limited

Notes to the financial statements for the half-year ended 31 December 2012

1. Corporate Information

The financial report of Overland Resources Limited ("Overland" or "the Company") for the half-year ended 31 December 2012 was authorised for issue in accordance with a resolution of the directors on 15 March 2013.

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.

During the half year ended 31 December 2012, the principal activity was mineral exploration. The Group currently holds a base metals project in Canada.

2. Basis of Preparation and Accounting Policies

Basis of Preparation

This general purpose condensed financial report for the half-year ended 31 December 2012 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2012 and considered together with any public announcements made by Overland Resources Limited during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

During the current period the Group modified the Consolidated Statement of Comprehensive Income to further disaggregate and clarify the nature of costs incurred. Comparative amounts were reclassified for consistency, which resulted in no impact on prior period total expenses.

New Accounting Standards and Interpretations

From 1 July 2012 The Group has adopted all Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2012.

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

The Company has not elected to early adopt any new Standards or Interpretations.

Overland Resources Limited

Notes to the financial statements for the half-year ended 31 December 2012

	Consolidated	
	31/12/2012	31/12/2011
	\$	\$
3. Other Expenditure		
Advertising and marketing expenses	-	27,361
Conferences and seminars	1,624	4,369
General office expenses	7,922	24,380
Printing and stationery	749	8,323
Telecommunications	4,889	20,634
Employee salaries/benefits	18,946	19,607
Depreciation	4,794	5,823
Others	1,728	6,040
Total other expenditure	<u>40,652</u>	<u>116,537</u>

4. Dividends

No dividends have been paid or provided for during the half-year (2011: \$Nil).

5. Segment Reporting

For management purposes, the Company is organised into one main operating segment, which involves exploration for zinc and other minerals. All of the Company's activities are interrelated, and discrete financial information is reported to the Chief Executive Officer (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

6. Commitments and Contingencies

There has been no change to the commitments and contingencies disclosed in the most recent annual financial report.

7. Events after the Reporting Date

On 26 February 2013, the Company held a general meeting of shareholders ("Spill Meeting") where all three resolutions were carried and the Directors were duly re-elected.

8. Deferred Exploration and Evaluation Expenditure

	Consolidated	
	31/12/2012	30/06/2012
	\$	\$
Exploration and evaluation		
At cost	30,683,465	30,399,583
Total exploration and evaluation	<u>30,683,465</u>	<u>30,399,583</u>
Carrying amount at beginning of the period	30,399,583	25,774,590
Exploration expenditure during the year	63,296	4,829,926
Net exchange differences on translation	220,586	(204,933)
Carrying amount at end of period	<u>30,683,465</u>	<u>30,399,583</u>

Overland Resources Limited

Notes to the financial statements for the half-year ended 31 December 2012

The recoverability of the carrying amount of the deferred exploration and evaluation expenditure is dependent on the 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 Yukon Base Metal Project. The Company will continue to incur expenditure on the Project relating to consulting fees in the 2013 financial year.

	Consolidated	
	31/12/2012	30/06/2012
	\$	\$
9. Contributed Equity		
(a) Issued and paid up capital		
Ordinary shares fully paid	39,893,994	39,893,994

	31/12/2012		30/06/2012	
	Number of shares	\$	Number of shares	\$
(b) Movements in ordinary shares on issue				
Balance at beginning of period	194,064,725	39,893,994	194,064,725	39,888,450
Transaction costs on share issue	-	-	-	5,544
	194,064,725	39,893,994	194,064,725	39,893,994

	Consolidated	
	31/12/2012	30/06/2012
	\$	\$
10. Reserves		
Share based payments reserve	3,826,669	3,689,067
Foreign currency translation reserve	(3,259,364)	(3,503,010)
	567,305	186,057
Movement in reserves:		
<i>Share based payments reserve</i>		
Balance at beginning of period	3,689,067	3,259,219
Equity benefits expense	137,602	429,848
Balance at end of period	3,826,669	3,689,067

The Share based payments reserve is used to record the value of equity benefits provided to (i) individuals acting as employees and directors as part of their remuneration; (ii) an Initial Public Offer underwriting agreement; and (iii) for the exercise of the option to purchase the Yukon Base Metal Project.

Overland Resources Limited

Notes to the financial statements for the half-year ended 31 December 2012

	Consolidated	
	31/12/2012	30/06/2012
	\$	\$
<i>Foreign currency translation reserve</i>		
Balance at beginning of period	(3,503,010)	(3,310,278)
Foreign currency translation	243,646	(192,732)
Balance at end of period	<u>(3,259,364)</u>	<u>(3,503,010)</u>

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

11. Share Based Payment Plans

(a) Recognised share based payment expenses

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

	Consolidated	
	31 Dec 2012	30 Jun 2012
	\$	\$
<i>Operating expenditure</i>		
Options issued under employee option plan	<u>137,602</u>	<u>429,848</u>

(b) Employee share based payment plan

The Group has established employee and contractor share option plans (ESOP's). The objectives of the ESOP's are to assist in the recruitment, reward, retention and motivation of employees and long standing contractors of the Company. Under the ESOP's, the Directors may invite individuals acting in a manner similar to employees to participate in the ESOP's and receive options. An individual may receive the options or nominate a relative or associate to receive the options. The plans are open to executive officers, nominated consultants and employees of the Company and its subsidiaries.

Grant Date	Expiry date	Exercise price	Balance at start of the period Number	Granted during the period Number	Lapsed during the period Number	Expired during the period Number	Balance at end of the period Number	Exercisable at end of the period Number
13/01/2011	14/01/2014	\$0.30	700,000	-	-	-	700,000	700,000
30/09/2008	21/08/2013	\$0.40	275,000	-	-	-	275,000	275,000
24/12/2007	19/11/2012	\$0.64	100,000	-	-	(100,000)	-	-
23/12/2011	01/12/2016	\$0.25	9,700,000	-	-	-	9,700,000	9,700,000
			<u>10,775,000</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>10,675,000</u>	<u>10,675,000</u>
Weighted average exercise price			\$0.26	-	-	-	\$0.26	\$0.26
Weighted remaining contractual life (years)			4.11				3.65	3.65

During the period, no employee or consultant incentive options were issued.

Overland Resources Limited

DIRECTORS' DECLARATION

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

In the opinion of the directors:

1. The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including;
 - (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standards AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*;
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Hugh Bresser
Director
15 March 2013

To the members of Overland Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Overland Resources Limited, which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, 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 half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Overland Resources Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

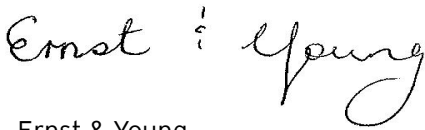
Independence

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

Conclusion

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Ernst & Young

A handwritten signature in cursive script that reads 'F Drummond'.

F Drummond
Partner
Perth
15 March 2013