



Overland Resources Limited

ABN 92 114 187 978

Financial Report

for the half-year ended 31 December 2017

CONTENTS

	Page No
Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	6
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Condensed Notes to the Financial Statements	11
Directors' Declaration	18
Independent Auditor's Review Report	19

CORPORATE DIRECTORY

Directors

Mr. Robert Kirtlan (Non – Executive Chairman)

Mr. Mark Wallace (Non - Executive Director)

Mr. Peter Voulgaris (Non - Executive Director)

Company Secretary

Ms. Paige Exley

Registered Office and Principal Place of Business

Suite 5, Level 1

12-20 Railway Road

Subiaco WA 6008

Australia

Telephone: (+61 8) 9388 6020

Facsimile: (+61 8) 9388 0097

Share Register

Computershare Investor Services Pty Ltd

Level 11

172 St Georges Terrace

Perth WA 6000 Australia

Telephone: 1300 850 505

International: (61 3) 9415 4000

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

Stantons International Audit and Consulting Pty Ltd

Level 1, 1 Walker Avenue

West Perth WA 6005

Solicitors

Corrs Chambers Westgarth

Level 6, Brookfield Place Tower 2

123 St Georges Terrace

Perth WA 6000

Directors' Report

The Directors of Overland Resources Limited ("Overland" or "the Company") and its subsidiaries ("the Group") submit their report for the half-year ended 31 December 2017.

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.

		<u>Appointed</u>		<u>Resigned</u>
Mr. Robert Kirtlan	Non - Executive Chairman	23 May 2017	-	Current
Mr. Hugh Bresser	Non - Executive Director	2 June 2006	-	24 November 2017
Mr. Mark Wallace	Non - Executive Director	25 June 2017	-	Current
Mr. Peter Voulgaris	Non - Executive Director	24 November 2017	-	Current

Company Secretary

The Company Secretary during the period is as follows:

	<u>Appointed</u>		<u>Resigned</u>
Ms Beverley Nichols	29 August 2012	-	1 September 2017
Mr Lloyd Flint	1 September 2017	-	29 November 2017
Ms Paige Exley	29 November 2017	-	Current

Principal Activity

During the period, the Group's principal activity was mineral exploration. The Group currently holds a base metals project and a copper-cobalt project in Canada. Additionally, the Group has an option to acquire a 75% interest in the Yandal East Gold Project in Western Australia.

Significant Changes in the State of Affairs

On 1 September 2017, the Company advised that it had moved premises and changed its postal address and phone number. It also advised it had accepted the resignation of its Company Secretary & CFO, Ms. Beverley Nichols, and advised the appointment of Mr. Lloyd Flint as Company Secretary & CFO.

On 31 August 2017, the Company secured an option with Zebina Minerals Pty Ltd ("Zebina") to acquire 75% of the Yandal East Gold Project ("Yandal") located 70km north-east of Wiluna, Western Australia, on or before 28 February 2019.

On 9 October 2017, Overland issued to Zebina 16,568,498 fully paid ordinary shares at a deemed price \$0.00604 for the value of A\$100,075 as part consideration for the Yandal East Gold Project Option.

On 20 October 2017, the Company announced that it terminated its option-to-acquire the Trojan Gold Project from Westgold Resources Limited.

On 24 November 2017, Mr Hugh Bresser resigned as Director of the Company and Mr Peter Voulgaris was appointed Non-Executive Director.

On 29 November 2017, Mr Lloyd Flint resigned as Company Secretary & CFO and Ms Paige Exley was appointed Company Secretary & CFO.

Directors' Report

On 4 December 2017, the Company announced that it had instituted a sale of ordinary securities for holders of unmarketable parcels of the Company's shares.

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 2017 was \$488,693 (2016: \$331,549).

Review of Operations

YANDAL EAST GOLD PROJECT, WESTERN AUSTRALIA

During the half-year to 31 December 2017, the Company secured an option to acquire 75% of the Yandal East Gold Project ("Yandal East") located 70km north-east of Wiluna, Western Australia and 25km east of the Jundee operation. Yandal East comprises four Exploration Licences (E53/1547, E53/1548, E53/1726 & E53/1835) and one Exploration Licence Application (E53/1970) for a total of approximately 327km², covering 70 strike kilometres of under-explored, prospective greenstones within the world-class Yandal Greenstone Belt with past production exceeding 15Moz. Access to Yandal East is via well maintained country roads to the Millrose Station Homestead which is located immediately adjacent to Yandal East.

The Company acquired the 18-month option to purchase a 75% interest in Yandal East, as consideration for the option the Company has issued 16,568,498 Overland shares and 16,568,498 Overland options with an exercise price of \$0.00754 to Zebina Minerals Pty Ltd ("Zebina"). In addition, the Company must spend \$350,000 within 18 months or before 28 February 2019.

To exercise the option the Company must issue A\$400,000 in Overland shares at a 10% discount to the 20-day volume weighted average price within 18 months or before 28 February 2019. On exercise the two parties will form a 75:25 exploration joint venture with Zebina free carried until a decision to mine. On decision to mine Zebina must contribute its share pro rata or dilute to a 1% gross royalty

During the half-year the Company completed a detailed due diligence process at Yandal East including a site visit and small rock chip sampling program at the high-grade Coralie Jean prospect with samples assaying up to 24.8 g/t Au. The Company also compiled all of the publicly available drilling data and re-processed all of the available geophysics data. In addition, a new gravity survey was completed covering Yandal East on a 1km x 1km grid. On completion of the data compilation and acquisition Jon Hronsky of Western Mining Services was engaged to conduct a geological interpretation and drill target generation exercise that was ongoing at the end of the year.

The information on this page relating to exploration results at Coralie Jean is extracted from Overland's announcement made to the ASX on 23 October 2017 entitled "Amended Rock Chips Assay up to 24.8 g/t Gold at Coralie Jean". Overland is not aware of any new information that materially affects the information included in the original market announcement, the material assumptions and technical parameters underpinning the results continue to apply and have not materially changed.

TROJAN GOLD PROJECT, WESTERN AUSTRALIA

In December 2016, the Company entered into a binding Heads of Agreement with Westgold Resources Limited ("Westgold") and select subsidiaries of Westgold, whereby the Company has a 12-month option to acquire 100% of the Trojan Gold Project ("Trojan"), located approximately 55km ESE of Kalgoorlie in Western Australia.

Directors' Report

On 20 October 2017, the Company announced that it terminated its option-to-acquire the Trojan Gold Project from Westgold Resources Limited.

YUKON BASE METAL PROJECT, CANADA

During the half year the Company continued to advance its re-assessment of the optimal development strategy for the Yukon Base Metal Project.

McCLEERY COPPER-COBALT, YUKON, CANADA

The Company holds a 100% interest in the McCleery Copper-Cobalt Project ("McCleery") through the staking of 42 new claims covering ~9 km² in the Yukon Territory, Canada. McCleery is located 170km south-east of the Yukon's capital, Whitehorse, and 40km north-east of the community of Teslin in south-central Yukon. A tractor trail/winter road provides access from the Alaska Highway to within 10km of the Project.

The Company commenced planning for a work program to be undertaken. This will initially comprise reconnaissance mapping, rock and soil sampling and targeted follow-up of the known cobalt and copper mineralisation.

Subsequent to the reporting date the Company announced that it had executed a binding term sheet with Rafaella Resources Ltd for the sale of its McCleery Copper-Cobalt project in Yukon, Canada, for the value of AU\$100,000, subject to terms and conditions.

Significant Events after the Reporting Date

On 19 January 2018, the Company issued 16,568,498 unlisted options, exercisable at \$0.00754 and expiring 19 January 2020 as part consideration for the Yandal East Gold Project Option

On 22 January 2018, the Company announced that it had executed a binding term sheet with Rafaella Resources Ltd for the sale of its McCleery Copper-Cobalt project in Yukon, Canada, for the value of AU\$100,000. The term sheet sets out that Rafaella agrees to acquire 100% of the shares in Overland Resources (BC) Limited, for the issue of 500,000 fully paid ordinary shares in the capital of Rafaella at a deemed issue price of \$0.20 per share, subject to terms and conditions.

On 7 February 2018, the Company announced that it had completed the unmarketable parcel share sale process announced in December 2017. A total of 3,497,866 shares were sold, from 312 holders of unmarketable parcels, at a price of \$0.01 per share.

On 12 February 2018, the Company announced that it had executed a Sale and Purchase Agreement with Peter Gianni to acquire a 100% interest in Exploration Licence Application 53/1971 for a total consideration of \$10,000.

On 5 March 2018, the Company announced that it had received firm commitments to subscribe for 181,818,180 new ordinary fully paid shares in a placement to institutional and sophisticated investors at \$0.011 per share to raise \$2 million before expenses ("Placement"). The Placement will be issued in two tranches, Tranche 1 for the issue of 132,702,115 fully paid shares and Tranche 2 for the issue of 49,116,065 fully paid ordinary shares, subject to shareholder approval.

On 12 March 2018, the Company issued 132,702,115 fully paid shares to institutional and sophisticated investors at \$0.011 per share to raise \$1,459,723 before expenses, pursuant to Tranche 1 of the Placement.

Directors' Report

Auditor's Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Stantons International Audit and Consulting Pty Ltd, 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 6 and forms part of this directors' report for the half-year ended 31 December 2017.

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



Robert Kirtlan

Non – Executive Chairman

16 March 2018

16 March 2018

Board of Directors
Overland Resources Limited
Suite 5, Level 1, 12-20 Railway Road
SUBIACO WA 6008

Dear Directors

RE: OVERLAND RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Overland Resources Limited.

As Audit Director for the review of the financial statements of Overland Resources Limited for the half year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2017

	Notes	Consolidated	
		31 December 2017	31 December 2016
		\$	\$
Revenues from operations			
Interest revenue		2,636	1,865
Profit on sale of asset		3,060	-
Revenue	4	5,696	1,865
Consultants, directors and employee benefits	5	10,026	(216,637)
Audit and tax fees		(13,678)	(9,740)
Insurance		(4,421)	(4,167)
Accounting fees		(37,300)	(38,231)
Computer and website expenses		(15,230)	(879)
Occupancy expenses		(17,092)	(31,934)
Travel and accommodation		(5,617)	(83)
Listing and registry fees		(23,754)	(22,903)
Legal expenses		(31,440)	(2,313)
Exploration expenditure written off	8	(350,120)	-
Other expenses	6	(5,763)	(6,527)
Loss from operations before income tax		(488,693)	(331,549)
Income tax expense		-	-
Loss from operations after tax attributable to members of Overland Resources Limited		(488,693)	(331,549)
Other comprehensive profit/(loss) net of tax			
<i>Items that cannot be reclassified to profit or loss</i>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		31,669	(3,956)
Other comprehensive profit/(loss) for the half year		31,669	(3,956)
Total comprehensive (loss) for the half year attributable to the members of Overland Resources Limited		(457,024)	(335,505)
Loss per share:			
Basic loss per share (cents per share)		(0.09)	(0.09)
Diluted loss per share (cents per share)		(0.09)	(0.09)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the condensed notes.

Consolidated Statement of Financial Position as at 31 December 2017

	Notes	Consolidated	
		31 December 2017 \$	30 June 2017 \$
ASSETS			
Current assets			
Cash and cash equivalents		820,107	1,130,659
Trade and other receivables		17,460	43,219
Prepayments		13,291	10,746
Assets held for sale	8	18,600	-
Total current assets		869,458	1,184,624
Non-current assets			
Property, plant and equipment		165,892	171,446
Other receivables		229,695	225,515
Deferred exploration and evaluation expenditure	8	1,854,738	1,871,201
Total non-current assets		2,250,325	2,268,162
TOTAL ASSETS		3,119,783	3,452,786
LIABILITIES			
Current liabilities			
Trade and other payables		173,742	152,138
Total current liabilities		173,742	152,138
Non-current liabilities			
Provisions		229,695	225,515
Total non-current liabilities		229,695	225,515
TOTAL LIABILITIES		403,437	377,653
NET ASSETS		2,716,346	3,075,133
EQUITY			
Contributed equity	9	42,162,167	42,063,930
Reserves	10	3,314,714	3,283,045
Accumulated losses		(42,760,535)	(42,271,842)
TOTAL EQUITY		2,716,346	3,075,133

The consolidated statement of financial position should be read in conjunction with the condensed notes.

Consolidated Statement of Changes in Equity for the half-year ended 31 December 2017

	Contributed Equity \$	Accumulated Losses \$	Share Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Total \$
Consolidated					
At 1 July 2017	42,063,930	(42,271,842)	3,855,028	(571,983)	3,075,133
(Loss) for the period	-	(488,693)	-	-	(488,693)
Other comprehensive profit	-	-	-	31,669	31,669
Total comprehensive (loss) for the period	-	(488,693)	-	31,669	(457,024)
Transactions with owners in their capacity as owners					
Share Issue	100,075	-	-	-	100,075
Transaction costs on share issue	(1,838)				(1,838)
Balance at 31 December 2017	42,162,167	(42,760,535)	3,855,028	(540,314)	2,716,346
At 1 July 2016	40,584,296	(41,609,060)	3,855,028	(517,196)	2,313,068
(Loss) for the period	-	(331,549)	-	-	(331,549)
Other comprehensive (loss)	-	-	-	(3,956)	(3,956)
Total comprehensive (loss) for the period	-	(331,549)	-	(3,956)	(335,505)
Transactions with owners in their capacity as owners					
Share Issue	100,000	-	-	-	100,000
Balance at 31 December 2016	40,684,296	(41,940,609)	3,855,028	(521,152)	2,077,563

The consolidated statement of changes in equity should be read in conjunction with the company's condensed notes.

Consolidated Statement of Cash Flows for the half-year ended 31 December 2017

	Notes	Consolidated	
		31 December 2017	31 December 2016
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(225,943)	(169,307)
Interest received		2,636	2,591
Net cash flows used in operating activities		<u>(223,307)</u>	<u>(166,716)</u>
Cash flows from investing activities			
Payments for expenditure on exploration		(88,467)	(22,438)
Proceeds from sale of property, plant & equipment		3,060	-
Net cash flows used in investing activities		<u>(85,407)</u>	<u>(22,438)</u>
Cash flows from financing activities			
Proceeds from share issue		-	-
Transaction costs from issue of shares		(1,838)	-
Net cash flows used in financing activities		<u>(1,838)</u>	<u>-</u>
Net decrease in cash and cash equivalents		(310,552)	(189,154)
Cash and cash equivalents at beginning of period		1,130,659	660,178
Cash and cash equivalents at end of period		<u>820,107</u>	<u>471,024</u>

The consolidated statement of cash flows should be read in conjunction with the company's condensed notes.

Overland Resources Limited

Condensed Notes to the financial statements for the half-year ended 31 December 2017

1. Corporate Information

The financial report of Overland Resources Limited (“Overland” or “the Company”) for the half-year ended 31 December 2017 was authorised for issue in accordance with a resolution of the directors on 16 March 2018.

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

The financial statements are presented in Australian dollars (\$).

During the half year ended 31 December 2017, the principal activity was mineral exploration. The Group holds a base metals project in Canada and an option to acquire a gold project in Western Australia.

2. Basis of Preparation and Accounting Policies

Basis of Preparation

This general purpose condensed financial report for the half-year ended 31 December 2017 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 2017 and considered together with any public announcements made by Overland Resources Limited during the half-year ended 31 December 2017 in accordance with the continuous disclosure obligations of the ASX listing rules.

Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax for the half-year ended 31 December 2017 of \$488,693 (2016: \$331,549) and experienced net cash outflows of \$310,552 (2016: \$189,154). At 31 December 2017, the Group had net current assets of \$695,716 (June 2017: \$1,032,486).

The Directors have reviewed the Group’s financial position and are of the opinion that the use of the going concern basis of accounting is appropriate given the Company’s market capitalisation and on the basis that the Group has been successful to date in securing required funding and the Directors are of the opinion that it will continue to do so through a combination of debt and equity. The Directors are currently assessing options for additional funding.

Should the Group not be able to secure additional funds, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Overland Resources Limited

Condensed Notes to the financial statements for the half-year ended 31 December 2017

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

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

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

3. Segment Reporting

For management purposes, the Group is organised into two geographical operating segments, Australia and Canada which involves mineral exploration. All of the Group'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 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 31 December 2017, the following table shows the assets and liabilities of the Group by geographical region:

	31 December 2017	31 December 2016
	\$	\$
Current Assets		
Australia	841,071	468,619
Canada	28,387	18,474
Non-Current Assets		
Australia	306,757	1,805,301
Canada	1,943,568	227,501
Total Assets	<u>3,119,783</u>	<u>2,519,895</u>
Current Liabilities		
Australia	166,231	196,367
Canada	7,511	13,298
Non-Current Liabilities		
Australia	-	-
Canada	229,695	232,666
Total Liabilities	<u>403,437</u>	<u>442,331</u>
Segment Results		
Loss for the period		
Australia	(480,490)	(319,045)
Canada	(8,203)	(12,504)
Total loss for the period	<u>(488,693)</u>	<u>(331,549)</u>

Overland Resources Limited

Condensed Notes to the financial statements for the half-year ended 31 December 2017

4. Revenue

	Consolidated	
	31 December 2017	31 December 2016
	\$	\$
Revenues from operations		
Interest revenue	2,636	1,865
Profit on sale of asset	3,060	-
Total revenue	5,696	1,865

5. Consultants, directors and employee benefits

	Consolidated	
	31 December 2017	31 December 2016
	\$	\$
Consultants fees (1)	(26,625)	180,600
Directors fees	9,600	30,000
Employee benefits	6,999	6,037
Total consultants, directors and employee benefits	(10,026)	216,637

(1) During the period, the Company withdrew from the Trojan Gold Project and accordingly reversed an accrual of \$90,000, that had been previously recognised in relation to a Finder's Fee in the form of 15 million performance shares. The performance shares had not been issued and are no longer capable of converting to fully paid ordinary shares following the withdrawal from the project.

6. Other Expenditure

	Consolidated	
	31 December 2017	31 December 2016
	\$	\$
General office expenses	300	1,158
Printing and stationery	3,651	3,391
Telecommunications	932	673
Others	880	1,305
Total other expenditure	5,763	6,527

7. Commitments and Contingencies

Yandal East Gold Project

During September 2017, the Company entered into a binding agreement with Zebina Minerals Pty Ltd ("Zebina") for an option to acquire 75% of the Yandal East Gold Project on or before 28 February 2019. The option terms are as follows:

Earn-in Phase:

1. On 9 October 2017, Overland issued Zebina 16,568,498 fully paid ordinary shares at a deemed price \$0.00604 for the value of A\$100,075 ("Option Shares"). Option Shares are escrowed for 12 months.
2. Overland will also issue Zebina an equal number of unlisted options ("Options"). The Options will have an exercise price of 125% of the VWAP used to calculate Option Shares above, and will expire 24 months

Overland Resources Limited

Condensed Notes to the financial statements for the half-year ended 31 December 2017

from the date of issue. On 19 January 2018, 16,568,498 unlisted options were issued, exercisable at \$0.00754 and expiring 19 January 2020. The Company has accrued the value of the Options at 31 December 2017 in the amount of \$116,390, as the issue of the options was approved by shareholders on 24 November 2017 and the Options were issued subsequent to the reporting date.

- Overland is required to undertake A\$350,000 worth of expenditure on the Project within the 18-month option period ending 28 February 2019.

Execution Phase:

- Upon issuance of its notice of intent to exercise the option Overland will issue Zebina an additional A\$400,000 of OVR shares, at a 10% discount to the 20-day VWAP prior to notice of intent. 50% of the shares will be escrowed for 6 months, the balance will be escrowed for 12 months.

Upon exercise of the Option, Overland and Zebina will enter into an incorporated exploration joint venture whereby:

- Zebina retains a 25% free-carried interest, whilst Overland as the JV operator will continue to fund any exploration and pre-development activities.
- Once a decision to mine is made over a defined area or resource this area will be excised from the exploration JV and a mining JV created over the mining area at the same ratio. Zebina will be required to contribute to the development expenditure on a pro-rated basis. The exploration JV will remain active over the remainder of the Yandal East Gold Project.
- Should Zebina choose not to contribute their interest will be diluted, should they dilute to less than 5% its JV interest shall automatically convert to a 1% royalty.

Trojan Gold Project

During the half-year the Company terminated its option to acquire 100% of the Trojan Gold Project in Kalgoorlie, Western Australia. Accordingly, the Company has written off the deferred exploration and evaluation expenditure in the amount of \$350,120 for the project and reversed an accrual for of \$90,000, that had been previously recognised in relation to a Finder's Fee for the project.

8. Deferred Exploration and Evaluation Expenditure

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
Exploration and evaluation		
At cost	33,407,881	32,850,186
Accumulated provision for impairment	(31,553,144)	(30,978,985)
Total exploration and evaluation	1,854,737	1,871,201
Carrying amount at beginning of the period	1,871,201	1,476,557
Exploration expenditure during the half-year	324,070	444,478
Exploration expenditure written off (1)	(350,120)	-
Provision for impairment of exploration expenditure	-	-
Amount reclassified as asset held for sale (2)	(18,600)	-
Net exchange differences on translation	28,187	(49,834)
Carrying amount at end of period	1,854,738	1,871,201

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.

Overland Resources Limited

Condensed Notes to the financial statements for the half-year ended 31 December 2017

During September 2017, the Company entered into a binding agreement with Zebina for an option to acquire 75% of the Yandal East Gold Project on or before 28 February 2019. On 9 October 2017, Overland issued Zebina 16,568,498 fully paid ordinary shares at a deemed price \$0.00604 for the value of A\$100,075 ("Option Shares") as part consideration for the Option. Option Shares are escrowed for 12 months.

On 19 January 2018, the Company issued 16,568,498 unlisted options, exercisable at \$0.00754 and expiring 19 January 2020 as part consideration for the Option. The Company has accrued the value of the unlisted options at 31 December 2017 in the amount of \$116,390, as the issue of the options was approved by shareholders on 24 November 2017 and the Options were issued subsequent to the reporting date.

- (1) During the half-year, the Company terminated its option to acquire 100% of the Trojan Gold Project in Kalgoorlie, Western Australia. Accordingly, the Company has written off the deferred exploration and evaluation expenditure in the amount of \$350,120 in relation to the project.
- (2) Subsequent to the end of the reporting period, the Company entered into an agreement for the sale of its subsidiary Overland Resources (BC) Limited which holds the licences for the McCleery Copper-Cobalt Project in Yukon, Canada, accordingly the expenditure in relation to the McCleery Project aggregating to \$18,600 has been reclassified to Asset Held for Sale.

9. Contributed Equity	Consolidated			
	31 December 2017		30 June 2017	
	\$		\$	
(a) Issued and paid up capital				
Ordinary shares fully paid	42,162,167		42,063,930	
	Number	\$	Number	\$
	of shares		of shares	
(b) Movements in ordinary shares on issue				
Balance at beginning of period	514,239,963	42,063,930	354,343,236	40,584,296
16 Dec 2016 - Share issue at \$0.007941	-	-	12,592,872	100,000
17 Mar 2017 – Share issue at \$0.012	-	-	10,000,000	120,000
13 Apr 2017 - Entitlement Issue at \$0.01	-	-	67,264,391	672,643
21 Apr 2017 - Entitlement Issue at \$0.01	-	-	58,380,978	583,810
28 Jun 2017 – Share Issue at \$0.009	-	-	8,180,225	73,508
28 Jun 2017 – Share Issue at \$0.0115	-	-	3,478,261	40,000
9 Oct 2017 – Share Issue at \$0.006	16,568,498	100,075	-	-
Transaction costs on share issue	-	(1,838)	-	(110,327)
Balance at end of period	530,808,461	42,162,167	514,239,963	42,063,930

Overland Resources Limited

Condensed Notes to the financial statements for the half-year ended 31 December 2017

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
10. Reserves		
Share based payments reserve	3,855,028	3,855,028
Foreign currency translation reserve	(540,314)	(571,983)
	3,314,714	3,283,045
Movement in reserves:		
a) <i>Share based payments reserve</i>		
Balance at beginning of period	3,855,028	3,855,028
Equity benefits expense	-	-
Balance at end of period	3,855,028	3,855,028

The share based payments reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration and provided to brokers/consultants as a fee for services provided and as consideration for the Yandal East Project Option.

	6 months ended	12 months ended
	31 December 2017	30 June 2017
	\$	\$
b) <i>Foreign currency translation reserve</i>		
Balance at beginning of period	(571,983)	(517,196)
Foreign currency translation	31,669	(54,787)
Balance at end of period	(540,314)	(571,983)

11. Share Based Payments

(a) Recognised share based payments

	Consolidated	
	6 months ended	6 months ended
	31 December 2017	31 December 2016
	\$	\$
Share based payments expense	-	-
Share based payments capitalised	100,075	-
Total share-based payments	100,075	-

On 9 October 2017, Overland issued to Zebina 16,568,498 fully paid ordinary shares at a deemed price \$0.00604 for the value of A\$100,075 as part consideration pursuant to the Yandal East Gold Project Option. The shares are escrowed for 12 months. Refer to Note 7.

12. Dividends

No dividends have been paid or provided for during the half-year (2016: \$Nil).

13. Events after the Reporting Date

On 19 January 2018, the Company issued 16,568,498 unlisted options, exercisable at \$0.00754 and expiring 19 January 2020 as part consideration for the Yandal East Gold Project Option. This issue was approved by shareholders at the Company's AGM held 24 November 2017 and the value of the options has been accrued for as at 31 December 2017.

Overland Resources Limited

Condensed Notes to the financial statements for the half-year ended 31 December 2017

On 22 January 2018, the Company announced that it had executed a binding term sheet with Rafaella Resources Ltd for the sale of its McCleery Copper-Cobalt project in Yukon, Canada, for the value of \$100,000. The term sheet sets out that Rafaella agrees to acquire 100% of the shares in Overland Resources (BC) Limited, for the issue of 500,000 fully paid ordinary shares in the capital of Rafaella at a deemed issue price of \$0.20 per share, subject to terms and conditions.

On 7 February 2018, the Company announced that it had completed the unmarketable parcel share sale process announced in December 2017. A total of 3,497,866 shares were sold, from 312 holders of unmarketable parcels, at a price of \$0.01 per share.

On 12 February 2018, the Company announced that it had executed a Sale and Purchase Agreement with Peter Gianni to acquire a 100% interest in Exploration Licence Application 53/1971 for a total consideration of \$10,000.

On 5 March 2018, the Company announced that it had received firm commitments to subscribe for 181,818,180 new ordinary fully paid shares in a placement to institutional and sophisticated investors at \$0.011 per share to raise \$2 million before expenses ("Placement"). The Placement will be issued in two tranches, Tranche 1 for the issue of 132,702,115 fully paid shares and Tranche 2 for the issue of 49,116,065 fully paid ordinary shares, subject to shareholder approval.

On 12 March 2018, the Company issued 132,702,115 fully paid shares to institutional and sophisticated investors at \$0.011 per share to raise \$1,459,723 before expenses, pursuant to Tranche 1 of the Placement.

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 2017 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



Robert Kirtlan
Chairman
16 March 2018

**INDEPENDENT AUDITOR'S REVIEW REPORT
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 consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Overland Resources Limited (the consolidated entity). The consolidated entity comprises both Overland Resources Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Overland Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is 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 half year 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 2017 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, 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Overland Resources Limited on 16 March 2018.

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 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
16 March 2018