



MINING STUDY UPDATE – YUKON BASE METAL PROJECT

ASX Release

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OVERLAND RESOURCES LIMITED

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Issued Capital:

194.1 million shares
15.8 million unlisted options

ASX Symbol: OVR

- **Mine schedule proposes open pit operations at the Andrew and Darcy Zinc Deposits for a combined total of:**
 - 8.0 Mt at 5.0% zinc and 1.5% lead**
- **LOM operating cost estimate of US\$0.70/lb. of payable metal delivered to tidewater at the port of Skagway.**
- **Capital cost estimate of US\$227 million plus 20% contingency and \$20 million in pre-strip costs.**
- **Mine permitting process suspended until more certainty in future metal prices and global access to capital improves.**
- **Exploration and acquisition activities to continue towards the identification and discovery of additional resources.**
- **\$3.2 million cash reserves at bank.**

Overland Resources Limited (ASX:OVR, "Overland", "Company") herein provides an update on its study into the economics of developing a mining operation at the Company's 90% owned Yukon Base Metal Project in Canada.

Following evaluation of the viability of developing open pit and/or underground mining operations at the Project it was determined that the best investment returns can be provided by developing separate open pits at the Andrew Zinc Deposit and the Darcy Zinc Deposit (Figure 2). A total of 8.0Mt of ore at an average grade of 5.0% zinc and 1.5% lead would be recovered over a seven year mine life. The average waste to ore strip ratio for these open pits would be 12.5:1 (Andrew Deposit – 14.9:1; Darcy Deposit – 5:1).

The mine site development would entail establishment of a 1,000,000 tonne per annum SAG and ball mill crushing, grinding and flotation circuit to produce separate zinc and lead concentrates. 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 (Table 1).

The mining operation would be expected to produce, annually, approximately 95,000 wet metric tonnes of zinc concentrate grading 58% zinc and 28,000 wet metric tonnes of lead concentrate grading 62% lead for the life-of-mine (LOM). 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.

Experienced, independent consultants have determined that operating costs to deliver the concentrate to the ore loading terminal at Skagway would 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 indicate a sustained long term improvement in both zinc and lead metal prices will be required to provide a suitable return to the Company and its shareholders from a mine development.

The Company remains confident that the outlook for long term metal prices, particularly zinc, are positive and that they will increase over the next three to five years as demand increases following the recovery in global economies and with the anticipated closure of several zinc mines, thereby reducing supply.

However in light of the results of the recent economic study and the current uncertainty in the global equity and financial markets, following careful consideration, the Board of Overland has elected to suspend all further mine permitting work for the Yukon Base Metal Project. Importantly there are no expenditure obligations for the Company to maintain the claims that host the Andrew and Darcy Deposits in good standing until at least 2026. Hence the Company can monitor the global economic situation without risk of losing an extremely valuable asset.

STRATEGY AND NEXT STEPS

The Company has a land holding of approximately 300km² in the Yukon Territory, Canada. This combined land package includes the Selous (90%), Junction (100%) and Riddell (100%) Projects, which together comprise the Yukon Base Metal Project (Figure 1).

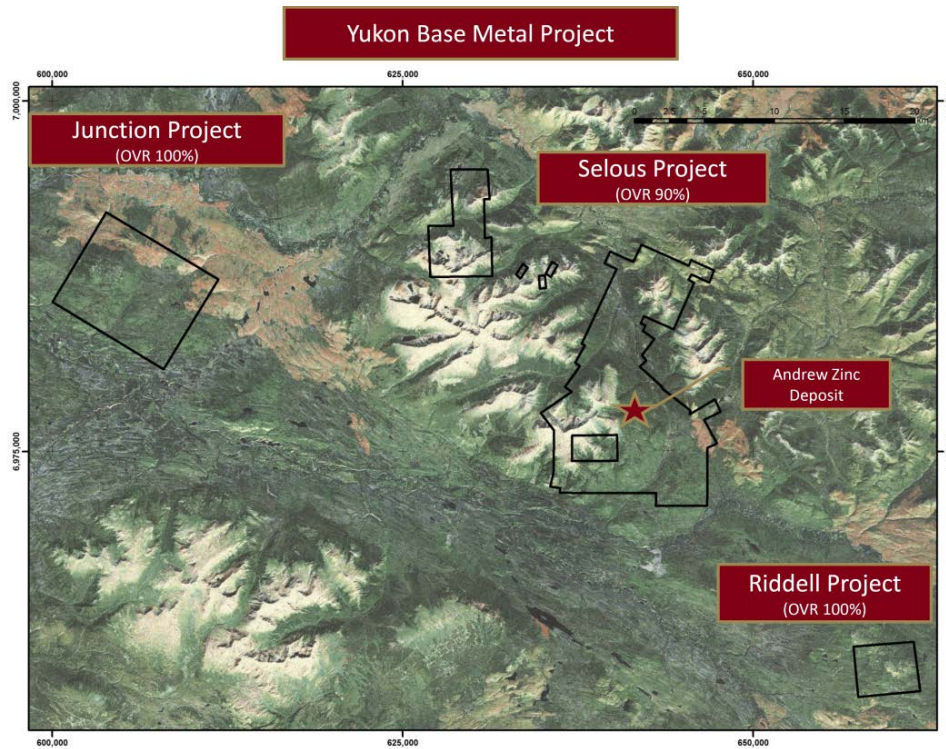


Figure 1. Overland Resources Limited ground holding showing at the Yukon Base Metal Project

The Company currently has cash resources of approximately \$3.2 million. It's Board and Management believe that in the current uncertain economic conditions it can best improve shareholder value by directing these funds towards exploration and discovery of additional resources at the highly prospective and underexplored Yukon Base Metal Project whilst concurrently seeking to secure new assets to add to the Company's project portfolio. When global economic conditions and commodity prices improve the Company will be positioned to readily re-initiate mine permitting activities.

Hugh Bresser
Managing Director

Item	US\$'000
Mining	8,550
Crushing and Processing	71,607
Infrastructure	26,589
Site Services	22,016
Indirect	35,250
ECPM (15%)	14,730
Tailings and Water Management	14,357
Road Construction	33,748
Contingency (20%)	45,370
Pre-strip	20,450
Total Project Costs (including pre-strip)	292,668

Table 1. Capital Cost estimate breakdown for the Selous Project

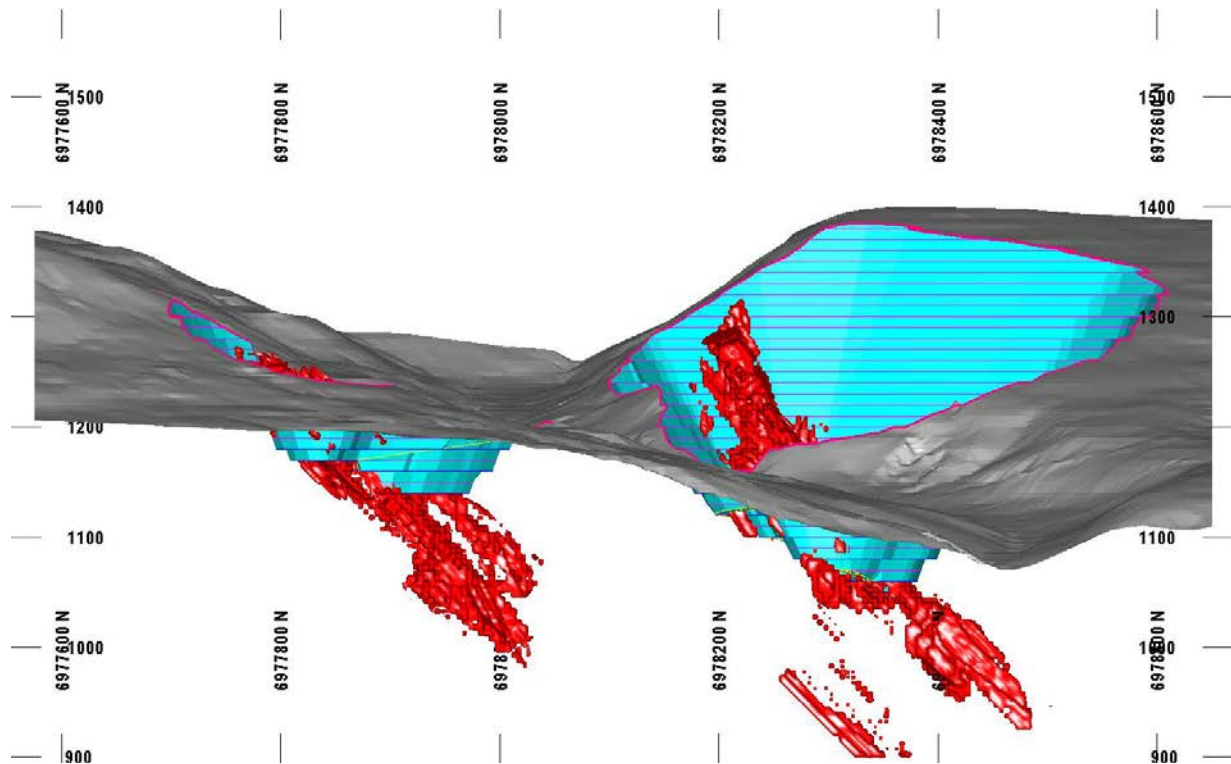


Figure 2. Andrew (RHS) and Darcy (LHS) open pit designs showing ore zones contained within the pits and continuing below the bottom of the pits.

Selous Project Operational Cost Item	Per tonne of processing feed	Per lb. of payable metal
Mining and Processing		
Site G&A	\$12.76	\$0.12
Feed mine to crusher	\$28.79	\$0.26
Feed processes and stored	\$28.76	\$0.26
Total delivery of product to mine gate	\$70.31	\$0.64
Transport		
Transport to port of Skagway	\$7.37	\$0.07
Total cost mine, process and transport to Skagway, Alaska	\$77.68	\$0.70

Table 2. Operating Cost estimate breakdown for the Selous Project for production and delivery of concentrate to the port of Skagway, Alaska

JORC CODE COMPLIANT RESOURCE ESTIMATE

The total JORC Code compliant measured, indicated and inferred mineral resource at the Yukon Base Metal Project (see Table 1) is:

**13.7 Mt at 5.3% zinc and 0.8% lead¹, or
13.7 Mt at 6.2% zinc equivalent²**

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

Table 1. JORC Code compliant resource estimate for the Yukon Base Metal Project¹

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr Peter Ball who is a Member of the 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 Result 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.

¹ Lower cut off of 2% zinc applied

² May 29th spot LME metal prices applied: US\$0.8668/lb. zinc and US\$0.8764/lb. lead