

ASX Release**17 May 2011****OVERLAND RESOURCES
LIMITED**

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Issued Capital:

194.1 million shares

ASX Symbol: OVR

DIAMOND DRILLING PROGRAMME COMMENCES**YUKON BASE METAL PROJECT**

- A 10,000 metre diamond drilling programme commences
- Expansion of known resources targeted
- High priority targets identified for maiden drill testing
- Additional drill targets being developed

Overland Resources Limited (ASX:OVR, "Company") is pleased to announce that it has commenced a 10,000 metre diamond drilling programme at its Yukon Base Metal Project in the Yukon Territory, Canada.

Initial drilling will target the high grade Andrew Zinc Deposit, where mineralisation remains open in all directions, to delineate vertical and lateral extensions of the current resource. The JORC Code compliant resource at the Andrew Zinc Deposit currently stands at:

7.2 Mt at 6.2% zinc and 1.5% lead, (see Table 1)

A second diamond drill rig is on site and will commence drilling at the Darcy Zinc Deposit within the next week. The deepest drilling here extends to only 130 metres vertically, with mineralisation remaining open at depth. This limits the bounds of the current resource and subsequently constrains the open pit mine design. Mineralisation also remains open in both directions along strike. The JORC Code compliant resource at the Darcy Zinc Deposit is:

3.5 Mt at 5.3% zinc, (see Table 1)

There is significant potential to increase this with additional drilling.

A recently delineated zinc in soil geochemistry anomaly extends 1,000 metres to the north east of the Andrew Zinc Deposit. This new anomaly is a high priority target which will be drill tested for the first time during 2011. Its tenor is comparable to that of the 2,500 metre long zinc in soil anomaly that extends to the south east of the Andrew Zinc Deposit, which hosts the Andrew, Darin and Darcy Zinc Deposits (see Figure 1).

The Company will continue to define and drill test additional targets through 2011. The recently acquired highly prospective Riddell Prospect, the Pinnacle Prospect and extensions of the Darin Deposit, are all high priority targets for drill testing.

With \$12 million in cash, the Company is well funded to continue to aggressively explore the Yukon Base Metal Project and surrounding areas as it finalises its feasibility studies and mine permitting activities.

Hugh A Bresser

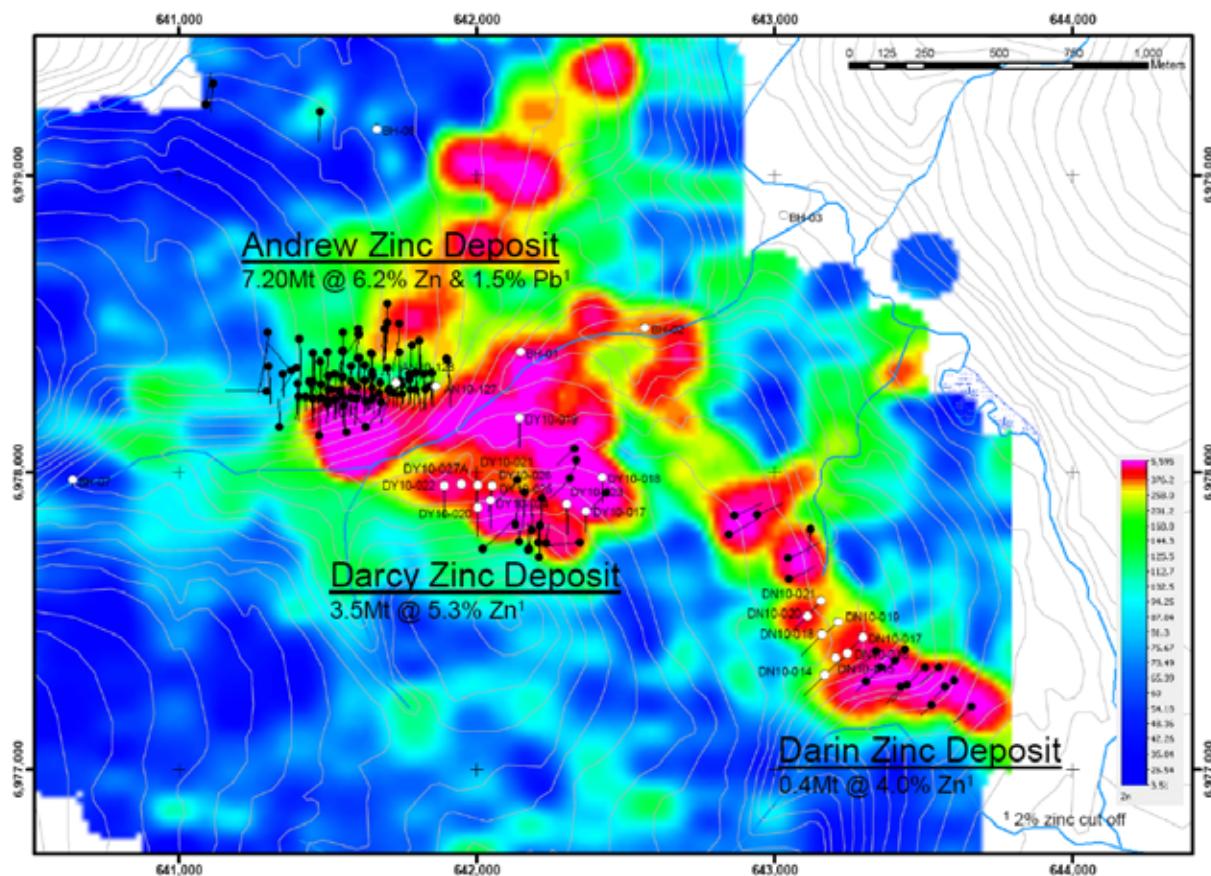
Managing Director

JORC Code Compliant Resource Estimate

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

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

Figure 1. Andrew, Darcy and Darin Zinc Deposits hosted in a 2,500 metre long anomalous zinc in soil geochemistry corridor and newly identified anomalous zinc in soil trend to the north east of the Andrew Zinc Deposit.



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.

Under the Canadian Securities Administrators' National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"), issuers are prohibited from aggregating inferred mineral resources with other categories of mineral resources. Under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), issuers are permitted to aggregate all categories of mineral resources. Under NI 43-101, for the Andrew Zinc Deposit, Measured and Indicated mineral resources of 6,300,000 tonnes, having an average grade of 6.0% of zinc and an average grade of 1.6% of lead. Under NI 43-101, Overland would not be permitted to aggregate the Indicated and Inferred mineral resources for the Darcy Zinc Deposit.

¹ 2% zinc cut off applied