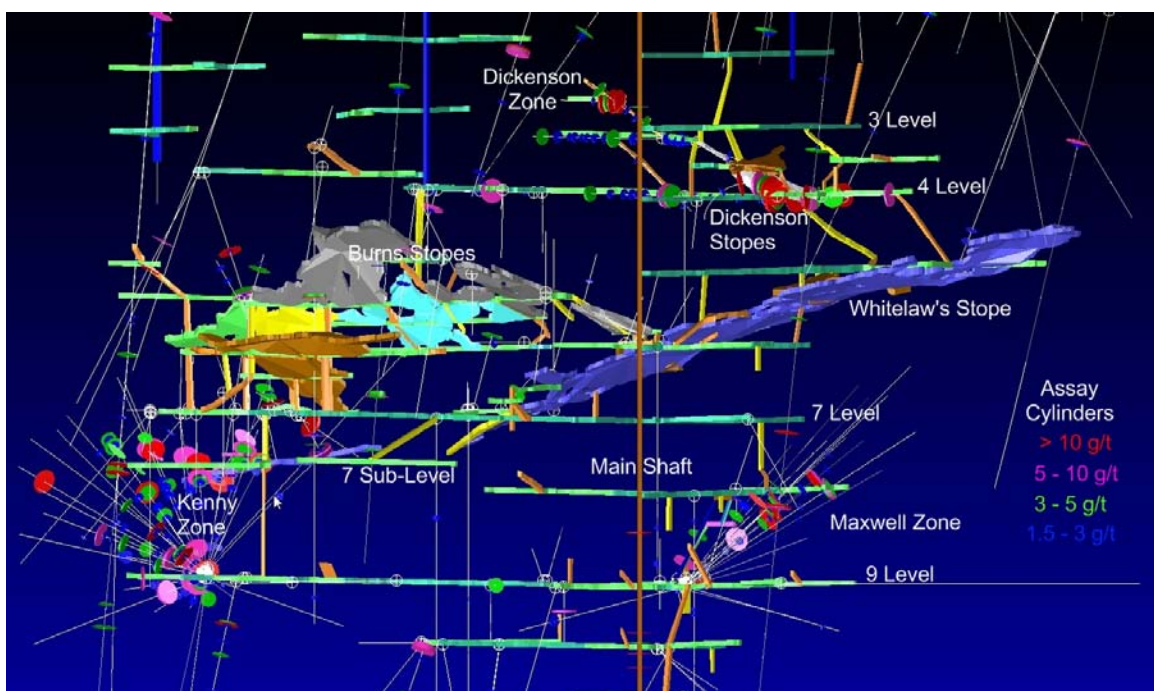


- Morning Star mine ready for mining from two locations. Four stopes being initially prepared. Retention of mining contractors commenced.
- Channel samples taken from proposed initial mining stopes on 4L Dickenson Reef and 6L Burns Reef (currently at lab).
- Tender process for design and construction of an on-site mill underway
- High grade grab sample (~79g/t Au.) from Wallaby Dyke on EL5079

Morning Star Gold NL <ASX: MCO> is pleased to announce some project updates at its namesake eastern Victorian mine at Woods Point, 120km ENE of Melbourne.

The company has been preparing the existing underground workings, shaft and flats at the Morning Star mine for a return to gold mining. The current mining plan will see four stopes entered initially to ensure continuity of material and grade. These stopes are either already developed or partially developed in areas at between 4 Level (4L) and 9 Level (9L) of the mine (120m-280m from surface).

The mining method employed will be slot-rise and strip using airlegs. This will minimise dilution and increase metal extraction. The ore body in the initial stopes is less than 30 degrees and the areas of mining focus are outlined in this report. Mining from the 9L towards the Maxwell Reef zone is also planned as part of the initial mining program as previously detailed.



Long section view of the upper areas of the Morning Star mine on which the company is currently focusing its mining program. Assay cylinders denote grades.

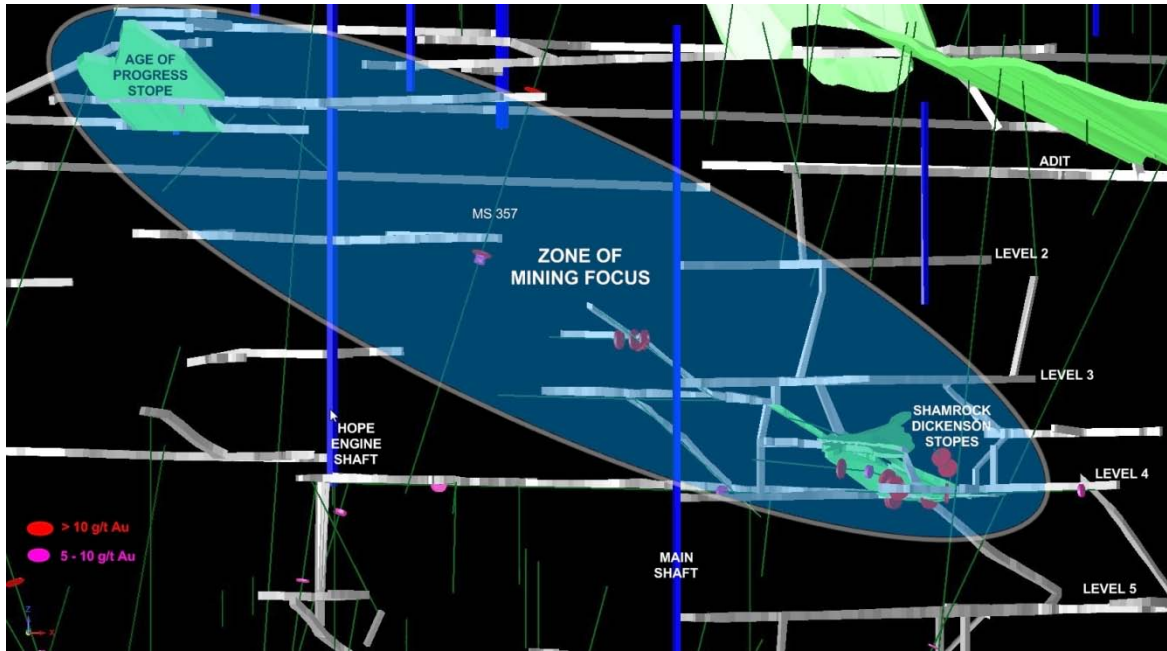
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The long section view above graphically depicts the four main zones within the Morning Star mine that the company will initially seek to extract ore from in its expanded mining program. The areas in no particular order are Dickenson (4L), Burns (6L), Kenny (7 Sub-L) and Maxwell (9L).

Diamond drilling by the company from the 9L (~278m depth) last year proved the potential of the Kenny, Maxwell and Whitelaw extension zones. Prior channel and recon sampling done by the company and WMC has proved the potential of the Dickenson's Reef zone and in 2006-07, MCO proved the grade potential of Burns Reef zone with some high grade assays of that area in the past 2 years. All current areas of focus have substantial tonnage potential for mining.



Sectional View of the initial zone of mining focus from 4L Dickenson's.

The above diagram's blue ellipse denotes the zone between 4 Level (120 metres below surface), leading up to historic mining areas ~1 Level (~30m depth) of the mine close to the historic Hope Engine Shaft. The Hope Engine Shaft will be used for ventilation in the current mining program.

Diamond drill hole MS357 from surface, intersects this focus area and highlights the tonnage potential leading up from the Shamrock/Dickenson Zone. Drill hole MS357 returned 4m @ 33.6g/t Au.

The other feature clearly demonstrated in this diagram above, is the location of the main creek adit into the Morning Star mine. The mine is accessed via a small winze at the end of the adit. Planning is currently underway by the technical mining team to assess the use of the main adit for ore extraction. Any expanded ore extraction program at the mine would utilise the adit, which would ultimately need to be widened.

The 3D view below graphically depicts the relationship between the Shamrock and Dickenson's stopes and grade cylinders therein to date.



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3D view of the Shamrock & Dickenson's Reef Zone on 4L of the Morning Star mine.

The initial stages of MCO's new mining plan entail extraction of ore from this zone commencing on the Dickenson Reef on 4L. The 4L of the mine has been extensively refurbished and prepared for mining. Rail and services are now fully in place to mining areas and the 4L plat was completely renewed and prepared for haulage.

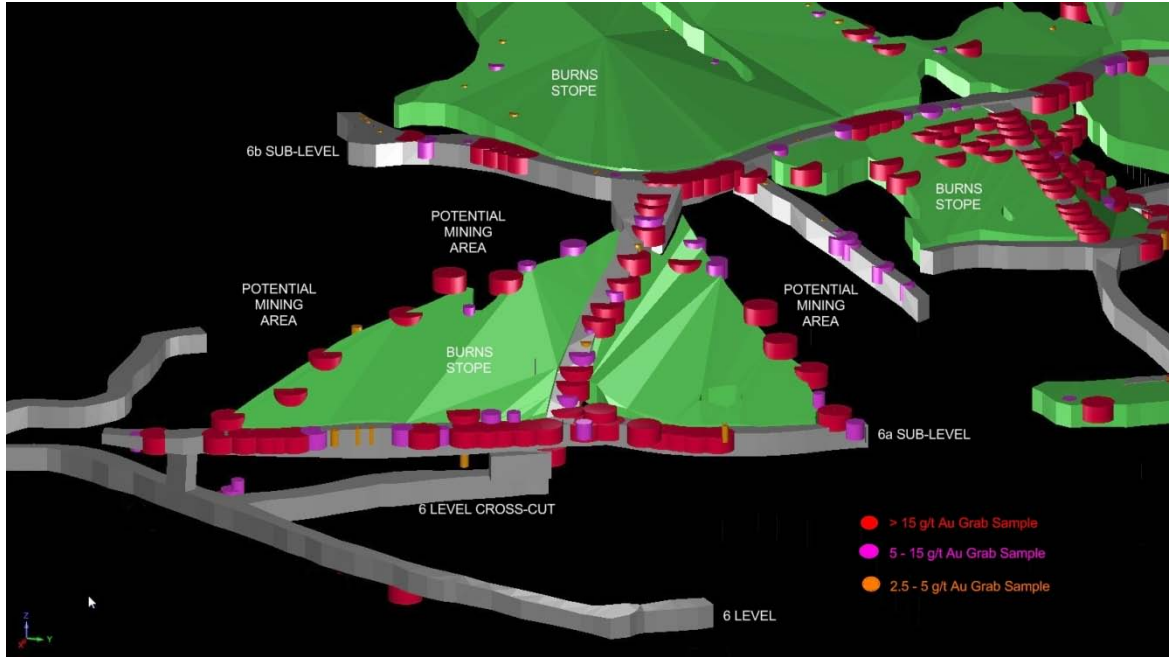
The company has taken samples (currently at lab) from one leading edge of the Dickenson stope and drives to ascertain potential mining grades and tonnage and to validate previous sampling done by Gold Mines of Australia (WMC) and by MCO.

The Dickenson Reef is a brecciated reef of between 250mm-500mm and rises at a 30 degree angle from the 4L floor towards the Shamrock Reef. Sampling of the intersection of the Shamrock/Dickenson area has returned assays averaging greater than 60 grams per tonne. More sampling will be undertaken in coming weeks.

The first stage of the initial mining program is expected to commence imminently.

The 3D view below depicts one area of the historically rich Burns Reef stopes. Initial access is via a small rise to the 5-6 Interlevel, where stoping is planned to recommence.





3D view of the rich Burns Stopes depicting assay results and planned extraction zones.

An area of the historically rich Burns Reef of current focus can be accessed from the 6 Level (180m) of the mine. The stopes being re-entered by MCO have recently been sampled (currently at lab) in order to determine potential mining grade and tonnage.

The Burns Reef in this section of the mine is a narrow but rich, laminated quartz reef ~100mm-200mm width. Samples taken by WMC and MCO in the past have indicated high grades with many being above 100g/t.

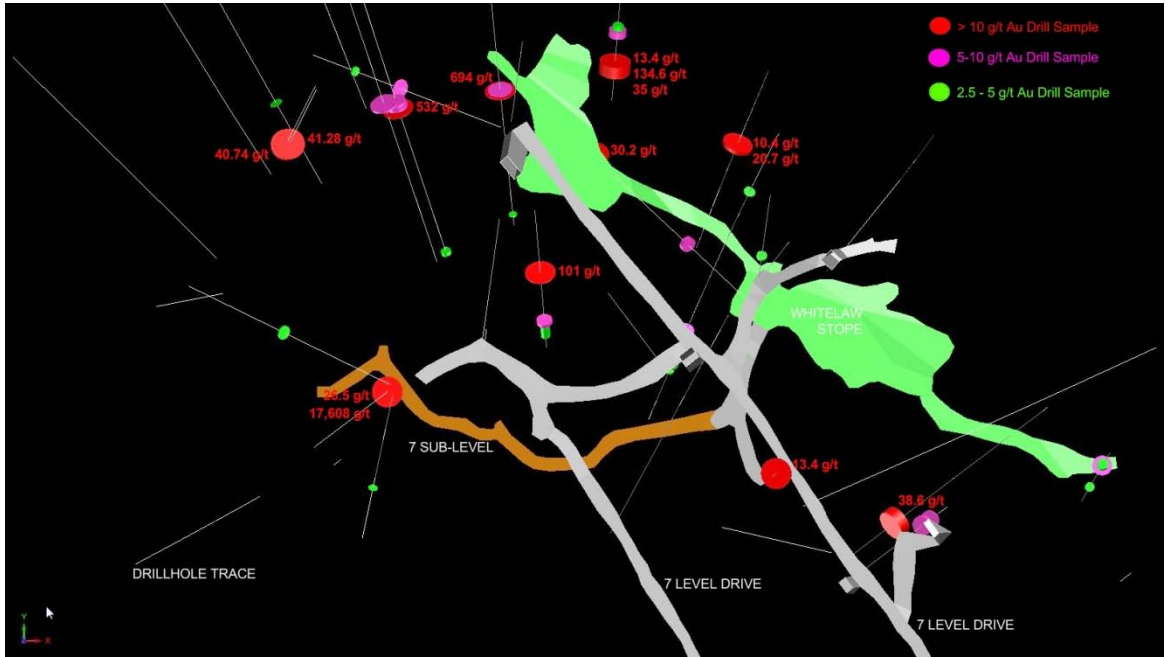
The diagram above shows the results of the previous sampling programs by grade and highlights the number of samples assaying over 15g/t (red cylinders).

The diagram above also displays the tonnage potential of the Burns Reef Zone. Extensive areas of the Burns Reef are yet to be accessed by the company and it is expected that once this occurs, extra potential will be outlined.

Areas of the Burns Reef were among the last reefs exploited in the mine before mining ceased in late 1962. Another area which was being developed at the time of mine closure was the north drive of 7L and an area known as the 7 Sub-Level, accessed via a winze (depicted as the 7 Sub-Level rise in the 2nd diagram below).

Diamond drilling by MCO from the north drives of 9L in 2008 highlighted the potential of this zone known as Whitelaw's Extension and Kenny Reef. Many of the drill intercepts of high grade are depicted **in the next diagram**.





Plan view of the 7 Level and 7 Sub-Level displaying high-grade drill intersections in zone of intended mining.

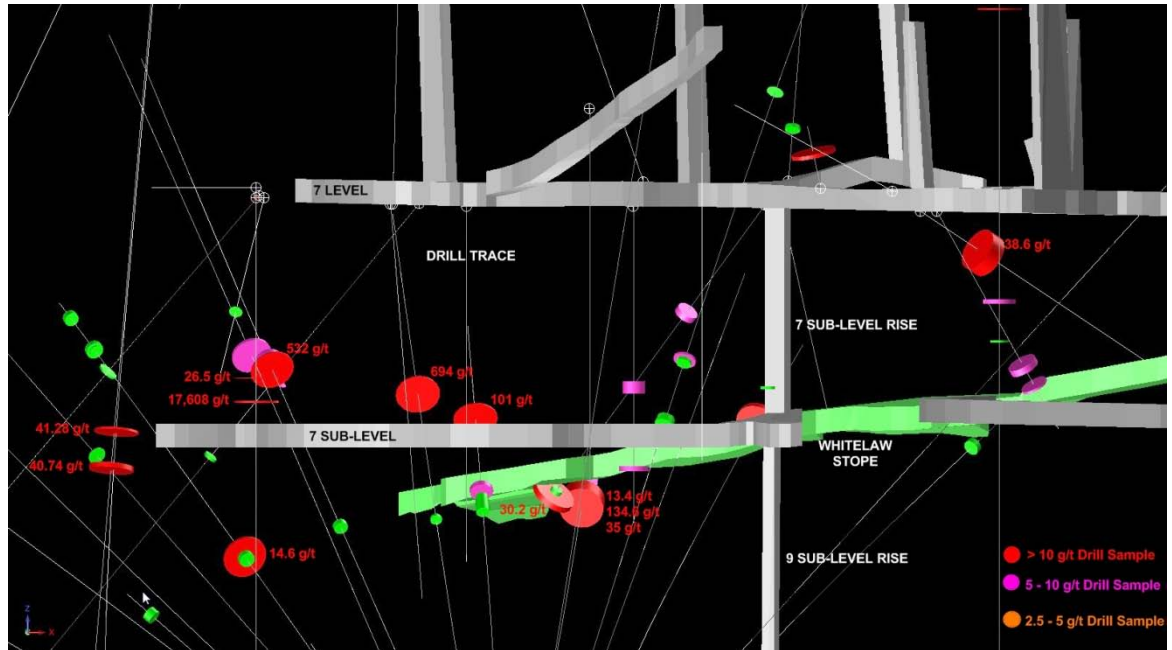
The plan views above and sectional diagram below show the outstanding grade potential of the 7 Level and 7 Sub-Level of the mine (c. 230m depth). The Kenny and Whitelaw Reef Zones are highlighted herein.

The company plans to further develop the 7 Sub-Level and 7 Level in order to carry out sampling prior to commencing extraction and delineate further tonnages for the mining program.

Once mining commences, the ore will be delivered to the 9 Level of the mine via the 9 Sub-Level rise. Previous development and drive and plat refurbishment by MCO has established rail and services on the 9 Level to enable ore extraction via trucks to 9L plat and up the main shaft.

The cross-section below depicts graphically how numerous high grade drill intersections are very close to the 7L and 7 Sub-Level.





Sectional View of the Morning Star mine's northern 7 Level and 7 Sub-Level.

Regional Exploration Program

The Wallaby Dyke and Mine

The Wallaby gold mine is located approximately 3km SW of the hamlet of Gaffney's Creek. At the Wallaby mine, gold occurs in dyke-hosted quartz-carbonate veins within a dyke bulge that forms part of the Woods Point dyke swarm.

The known extent of dyke bulge is 100 metres in length and 30 metres in width. Historic mining records indicate that the dyke was exploited to a depth of less than 60 metres and produced more than 6,000oz Au. Little exploration of the Wallaby has occurred since the end of the 19th century.

Recent exploration and mapping of the Wallaby Mine by Morning Star Gold included a grab sample from mullock that returned an assay of 79g/t Au. The Wallaby mine is of interest because of its size and the fact that it has not been tested to depth. More sampling and re-accessing of the Wallaby's main adit is planned for the coming quarter. Current planning also entails renewing a historic pathway to the Wallaby Mine from Sibley's Track. The site can also be accessed readily from MCO's 100% controlled MIN5299 near Hunts Dyke.

Hunts Dyke

The company is taking a much closer look at the Hunts Dyke on MIN 5299. The Hunts dyke is close to Gaffney's Creek and the Wallaby dyke. Gaffney's Creek is 7kms from the Morning Star mine site via Frenchman's Gap and the main Woods Point to Mansfield Road. Historically an open cut yielded in the order of 20,000ozs Au., but an underlying dyke accessed via two adits and a 40m vertical shaft is thought to have good potential. Assays from grab samples in the adits and a 2003 diamond drill hole from surface to 100m depth into the dyke will be reported in the next progress report which will outline MCO's regional exploration plan more fully.

On Site Gold Milling

Preliminary feasibility and costing work on a stand-alone treatment plant for the Morning Star mine has been finalised. As previously indicated the company's strong focus is to remove the cost and risks associated with toll milling and build its own gravity gold plant on site. An on-site milling operation would also serve Morning Star's regional dykes and mines, which are being explored currently. The company has moved to the tender stage with various parties on a range of gravity plant options. Morning Star Gold has also engaged a very experienced, local consultant for advice on all related regulatory issues.

NAG testing

Samples of mineralized waste rock mined during underground development along Maxwell's reef are to be NAG tested. The NAG (Net Acid Generation) test provides a measure of the acid potential of overburden and waste rock as well as the sample reactivity and lag period. This will give us an indication as to what measures (if any) are required to prevent acid drainage from waste rock storage. It is likely that the NAG testing will show the waste rocks to be acid neutral with the high carbonate content in the altered wall rocks neutralizing the effect of the oxidation of iron sulphides.

Community Engagement

Recently MCO held its quarterly Community Engagement Meeting in Woods Point. The meeting involved both company and community representatives and was well attended locally. Morning Star is pleased to have such a high level of support from members of the local community. The community strongly voiced that the Morning Star mine is an integral part of the Woods Point and Mansfield district and an important economic contributor to local businesses. A summary of the meeting can be found at our website and is published in the Woods Point 'Mountaineer Magazine'.

Nick Garling MCO's MD said today; "The Morning Star mine is being prepared for mining, initially in four zones between 120m and 250m from surface. The company

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is in the final stages of contracting suitably qualified miners and ensuring all regulatory issues have been properly addressed to commence extraction across multiple extra stopes beyond the planned Maxwell zone, which was approved last year. The new technical mining team and the local workforce have done an outstanding job in preparing the mine for gold production – the first from this mine since 1962/3.

Our milling process options are moving forward. The company is hopeful that financing and costs will become clearer by Q4.”

About Morning Star Gold

Morning Star Gold <ASX: MCO> is 100% owner and manager of the Woods Point Gold Project in Victoria’s historic Eastern gold fields. The company’s tenements are adjoining over ~220km² and yielded ~2 million ounces of gold historically from various high-grade mines in close proximity to Woods Point. Nearly half of this production was sourced from the Morning Star mine, which was mined for around a million tonnes of ore at just under an ounce to the tonne for a recorded production of 883,000 ounces of gold. At one point in the early 1940s, the Morning Star mine was Australia’s biggest gold mine. Gold Mines of Australia (WMC) operated it for 25 years (1934-1959). Other gold production on MCO’s regional tenements was generally confined to relatively shallow workings in the weathered zone above the water table. Key current targets for new exploration and development include the Wallaby, All Nations, Loch Fyne, Rose of Denmark, Hunts and Waverly mines. These mines produced ~320,000 ounces of gold at similarly high grades historically. The Morning Star mine also carries an in situ gold resource, estimated in 2008 to exceed 900,000ozs. This resource is in the process of being revalidated and re-evaluated.

For further information please contact Nick Garling, Morning Star’s MD at nick.garling@morningstargold.com.au or you can subscribe to E-Alerts of all Morning Star’s news & ASX Releases at www.morningstargold.com.au

Forward Looking Statements

This presentation includes statements and information pertaining to Morning Star Gold’s expectations and beliefs concerning future events. Forward risks, uncertainties and other factors, many of which are outside the control of Morning Star Gold can cause actual results to differ materially from such statements. Morning Star Gold makes no undertaking to subsequently update or revise such statements but has made every endeavour to ensure that they are accurate at the time of presentation.

Competent Persons Statement

The information contained in this report was compiled Greg Curnow BSc MAusIMM who has over twenty years of relevant experience in relation to the mineralisation being reported on, to qualify as a Competent Person as defined in the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Curnow works on a full-time basis as a consultant to Morning Star Gold NL and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

