

New reefs enhance Morning Star

Diamond drilling of up-holes from two separate areas underground at Morning Star Gold NL's namesake mine has continued to target the upper portion of the mine's Gap Zone.

Managing director Nick Garling said the underground drilling results – taken from a position on Level 9, 278m below surface – had increased the company's confidence that payable gold existed in the Gap Zone of the Morning Star mine.

"Our belief has been enhanced after the discovery of several new reefs at historically known extremities of the Morning Star dyke, which are open in all directions, in addition to an extension of the prodigious Whitelaws structure, which was channel sampled at an average of 41 g/t gold last year in the 7 sub-level of the mine," Garling said.

"New zones of mineralisation have been encountered from recent drilling in three loca-

tions within the Gap. The first of these has appeared in three short holes from 10L, which had specific high-grade targets between 10L and 11L near the main shaft.

"Another has been encountered during the first 9L down-hole in a seven-hole radial fan programme we just commenced. Finally, four up-holes at 9L north have also indicated a new mineralised quartz vein structure.

"They all give us cause for optimism in the success of the company's current underground drilling programme."

Morning Star has two Kempe rigs (K1 and K2) operational on 9L of the mine, 200 lineal metres apart.

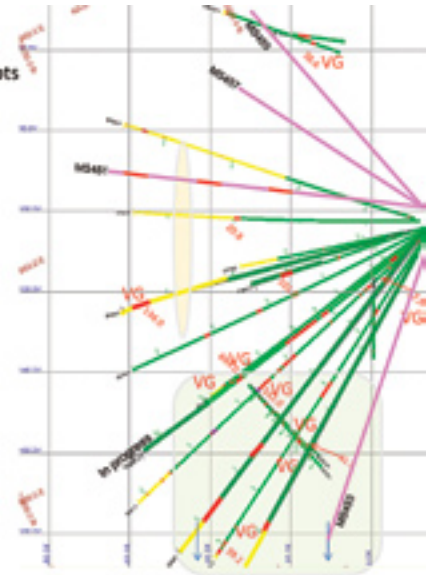
The K1 rig has been drilling an area to the north-east and north-west of the historically rich Whitelaws Reef, while the K2 rig has been drilling to the south-east of Tills Reef, closer to the main vertical shaft of the mine.

The Gap Zone of the Morn-

Plan View of K1 Drill Fan
9 Level North (-278m RL)
Whitelaw & Kenny Reef Intercepts
(20m Grid Spacing)

LEGEND

- VG = coarse visible Au
- 17.608g/t Au Assay
- June 2008 Drillholes (logging in progress)
- Thickened Bulk Sample ~14g/t Au
- Quartz Veins
- Host Dyke
- Sediments
- New dyke fault offset Antiform



ing Star mine is best identified as an area of dyke-hosted rocks beneath Whitelaws Reef, with historic production of 66,000oz gold, and above the Achilles Floor, which has produced 200,000oz gold. The average production grade of Whitelaws Reef and Achilles Floors was in the order of 28 g/t gold.

The company has drilled a total of 4,780m underground from 55 diamond drill holes to date. The initial drilling focus has been two-fold: First was to achieve an up-hole reserve drill-out on newly discovered reef systems near the historically prodigious Whitelaws Floor at the north of the Morning Star dyke; and second was the up-hole extension drilling near the Tills Reef and 8L East Reef in the southern and central part of the dyke.

The Maxwell Reef drilling had been very favourable, according to Garling, to the point that the company had announced it was carrying out a pilot mining programme, along with a concurrent further mining feasibility study on the area containing the Maxwell and Sydney Reefs. The expected inferred head grade at the Maxwell Reef was at least 12 g/t gold.

Preparations for rising and ore pass development are in progress from the 9L, not far from the main shaft at an existing intercept location.

Drilling of targets on the Sydney Reef will be suspended during the mining programme at the Maxwell Reef, as Sydney sits

immediately above this zone.

The K2 drilling crew will assist with the mining development on Maxwell.

Further up-holes targeting a northern extension of Whitelaw and Kenny Reefs have been designed, but will require some drive development on 9L north in order to follow the mineralisation along the contact.

The company has also started drilling down-holes into the Gap Zone, largely aimed at overhead resource targets in the upper area of the Gap Zone of the mine between the 7L and 9L underground.

In addition to these initial overhead targets, the company has started drilling down-holes into deeper areas of the Gap Zone.

A programme of short holes was designed from 10L area, 210m below surface, with some specific historic target extensions in mind. Three preliminary holes have been completed from this position near the main mine shaft.

As well as these 10L down-holes, a radial fan of down-holes from 9L north was designed. Drilling deeper into the Gap Zone at that 9L north position has recently begun, with initial visual logging and sampling of the first drill-hole indicating several zones of mineralised quartz veins, which appear related to an historic drill hole that returned high-grade intersections.

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