



ASX RELEASE

2nd December 2008

CAPITAL RAISING PROGRAM

Morning Star Gold NL <ASX: MCO> is pleased to announce that it has secured funds to further its 100% owned Woods Point Gold Project in Eastern Victoria.

The company has raised \$715,000 at 10 cents per share from a small group of sophisticated investors. This is the first leg in our current recapitalisation plans. **As a near-term means to raise additional working capital, Morning Star intends to offer to all eligible shareholders a new pro-rata rights issue of options.**

The pro-rata rights issue of options will be on a 1 for 1 basis and eligible shareholders will be entitled to apply for one (1) new option over each Morning Star Gold NL fully paid ordinary share held on the **record date, which is Wednesday 28th January 2009. The new options will cost 1c each and can be exercised at any time until their expiry date on 31st March 2010. The exercise price of each option is 10c and they will be ASX listed.**

The rights issue of options has the potential to raise the company an additional \$1,237,797 million for working capital purposes by the closing date in February 2009.

Morning Star's MD Nick Garling said today: "The capital markets have been tough but we're gratified that long standing holders of our stock have chosen to support the company at this point. Notwithstanding the uncertainty in markets, the price of gold – especially in Australian Dollars – has continued to appreciate. This adds more impetus to our mining plans, with AUD gold currently above \$1,100 per ounce. Regarding our new pro-rata rights issue of options, we are presently in discussions to have the offer underwritten. Morning Star has a great opportunity in front of it with the Maxwell Pilot Mining Program to learn much about the historic ore body and to validate from stope to mill, studies already undertaken on our gold resources in the Morning Star mine. The Maxwell trial program also gives us the golden opportunity of future cash flow, which is all important in these markets."

For more information on Morning Star Gold, please visit our website at:

www.morningstargold.com.au **E-Alerts can be subscribed to on our website.**

Or contact us at info@morningstargold.com.au

