

# Pure Speculation

## Morning Star rises

Robin Bromby From: [The Australian](#) December 03, 2009 2:30PM

**ALMOST two years ago - on December 7, to be precise - Pure Speculation made it very clear where it stood in regard to a certain gold explorer.**

We reported thus: "Shares in **Morning Star Gold** have taken a pummelling with four straight days of declines, closing at 26c on Friday on rumours of an upcoming placement. We prefer to take a longer term view. Deep drilling comes at a cost, but work way down inside the historic Victorian mine has been promising".

In all, during the 3.5 year life of *Pure Speculation*, we've mentioned MCO a total of 10 times in an effort to keep this story alive. Vindication may be at hand. This morning the stock was at 47.5c, up 5c on the day. Those holding the options exercisable at 10c are looking particularly pretty.

The company said it has come across visible gold in the Maxwell drive down in the Morning Star mine, with assays up to 137 grams/tonne.

Mind you, it has been a long time between drinks. This reporter first wrote about this company - it was then known as Mount Conqueror Minerals - and this project 11 years ago. And we won't ring the church bells until there is some continuity of production. All we can say at this stage is that it is looking good - so far.

The Morning Star mine produced almost 1 million ounces over its life, which spanned 102 years of almost continual output (interrupted only by the 1939 Black Friday bush fires). The average grade over that period was 27 grams/tonne. It began as an alluvial mine, with the New Morning Star Co formed in 1916 to go underground. During the 1940s it was Australia's largest gold mine.

When it closed in 1961 the gold price was \$US35.25/oz, a price level that had been relatively unchanged since 1934. It was the costs of going deeper and deeper that killed the operation, and losses kept mounting.

That was then. This is now. Morning Star, after 48 years, is coming back to life. All things being equal, it should be one of the more successful restorations of historic Victorian gold mines.