

Morning Star

Morning Star Turns to Production after Stunning Maiden JORC

Two major developments have taken place for emerging Victorian gold producer Morning Star Gold (MCO) at its 100% owned Woods Point Gold Project near Melbourne. The Morning Star mine produced 30 Tonnes of Gold between 1862-1963 at over 24.5g/t (excluding tails of 2 - 7g/t).

Morning Star released a Maiden JORC Resource of 910,000 Ounces of Gold and announced the Maxwell Pilot Mining extraction of 10,000 Tonnes from an unmined 'Gap Zone' of 60MT of host rocks within its namesake mine.

The Morning Star mine and adjoining tenements including the Waverly, Rose of Denmark & All Nations mines are alive again. MCO holds 220km² of Licences, covering a significant chunk of the 6MOZ gold production 'Walhalla-Jamieson Synclinorium', which is dotted with 100's of diorite dykes along three major shear zones, including the Ross Creek and All Nations. These intrusive igneous dykes have been historically shown to host quartz reefs and high-grade gold. The geology is totally different and more homogeneous than the sedimentary-hosted deposits of Bendigo and Ballarat.



Quartz with Visible Gold from the Morning Star mine

JORC Statement of 910,000 Ounces of Gold

Morning Star's preliminary JORC was compiled through a combination of surface and underground diamond drilling by the company and digitisation of GMA (WMC) archival exploration / production records relating to the Morning Star mine.

The underground JORC Resource at the Morning Star is 726,000 ounces (2MT at 11.2g/t). The balance is an open-pittable resource of 184,000 ounces (2.6MT at 2.2g/t). Importantly, the JORC number includes 248,000 ounces of Measured and Indicated Resources.

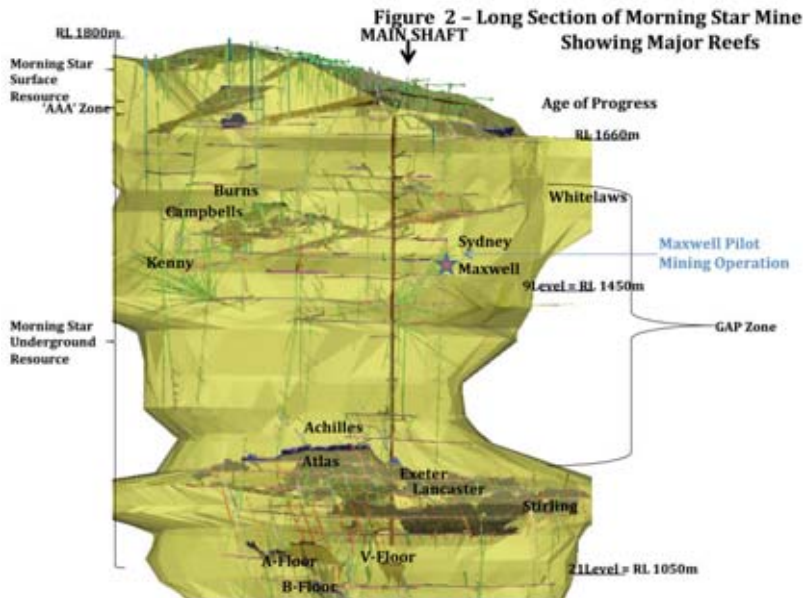
The JORC numbers did not include any 'Grade Factoring', which recent studies have shown gives consistent increases in gold grades, as sample size and density increases. Stope production grades are consistently 250% to 650% higher than drill hole assays.

Maxwell Pilot Mining Program

MCO's aims to extract 10,000T of ore from the Morning Star mine and have it toll-treated offsite. The anticipated cost of mining, transport & treatment is 8 grams per tonne or ~A\$240PT. Assays and sampling indicate the Maxwell Reef target contains an average grade exceeding 12g/t Au. Much higher grades (up to 1,392g/t) have been observed in drill assays.

Morning Star

Morning Star expects an initial production rate of 50t per day, using existing infrastructure and staff. This will be the first gold production at the mine for 45 years. The success of Pilot Mining at Maxwell Reef could easily be duplicated in other areas of the Morning Star mine where access to ore blocks is available.



Long Section of Morning Star mine & Maxwell Pilot Mining area

Comments by Morning Star's MD

MD Nick Garling said, "We feel our recent JORC numbers are an outstanding start. Current drilling within the 'Gap Zone' of the Morning Star mine gives us confidence in a series of production zones. Recent drill assays at Maxwell Reef average 10g/t. Historically in Achilles Reef however - the richest production zone of the mine - drill assays averaged just 2.19g/t, but production exceeded 27g/t. (100,000ozs Au. from 130,000T). We've now proved the upper Gap Zone contains high-grade gold and we have high hopes, that further exploration and development for mining will be rewarding."



Morning Star's Chief Geologist Dr Peter Jackson with MD Nick Garling