
NEWS

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NEW EAST VICTORIAN MINER AIMS FOR 3-4M OUNCE GOLD RESOURCE IN THREE YEARS

The proponents of reinvigorating Morning Star - one of Victoria's most historic mines in the lower Eastern Alps region - says it is hoping to rebuild the project into a three to four million ounce gold opportunity by 2011.

Addressing the second day in Melbourne today of the inaugural *Paydirt 2008 Victoria Resources Conference*, Morning Star Gold NL Managing Director, Mr Nicholas Garling, said the Company had set the target as part of its objective of rebuilding a modern day gold mining operation in the area.

The Company recently announced its maiden JORC compliant resource of 910,000 ounces of gold for the mine at Woods Point, including 726,000 underground ounces grading 11.2 grams per tonne and a large near surface deposit of 2.6 million tonnes at 2.2 grams per tonne for 184,000 ounces.

Most of that resource is based around the mine's single shaft, which has been refurbished in recent years.

Morning Star has already spent \$25 million to date refurbishing the old mineshaft and workings and on regional exploration – with first production scheduled for late this year.

“Our latest drilling is showing a repetitive quartz reef zone underfoot in the Gap Zone of the mine. MCO also has 220km² of tenements containing hundreds of dykes which have yet to be tested,” Mr Garling said.

“Most of the historic workings were only worked to the water table and did not contact beyond the weathered zone - so the gold deposition tonnages are close to surface and that provides great potential scale to our Woods Point Gold Project.”

Morning Star has this year discovered at least four new underground reefs in the Gap Zone of the Morning Star, in a 70-hole drill program at the old mine. All structures are open in every direction.

Mr Garling said that at least 60% of Morning Star's known mineralisation is yet to be drill tested and the Morning Star dyke remains open to the north and south and open at depth – creating potential for “significant tonnage and grade enhancements”.

The Company has at least another four major dyke targets all with significant historical production, within an 11 kilometre strike distance either side of the Morning Star shaft – including Hunts / Dempsey (90,000 ounces) and the 250,000 ounce All Nations and Loch Fyne mines.

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