



ASX RELEASE

PRODUCTION COMMENCED DEC 2010 – DRILLING PROGRAMS JAN 2011

- Mill (GPP) commissioning began late Nov 2010 running through Dec 2010
- Gold production commenced mid Dec 2010
- Mine site closed 24 Dec through 2nd Jan – security measures at site
- Morning Star's GPP re-operational 3rd Jan 2011
- New winder installation late Jan 2011 set to increase shaft haulage capacity
- Drilling into "Gap Zone" underfoot from 9L (~270m U/G) starts Jan 2011
- Drilling at Reliance dyke prospect set for early Jan 2011 (100% MCO)
- Mapping and Sampling underway at Loch Fyne prospect (Shandong JV)
- Shandong and Chile representatives to join MCO Board Q1 2011
- Senior operational framework strengthened for 2011 – key personnel added



Morning Star's New Gravity Processing Plant (GPP) receives its first load of commissioning ore

Background

More detailed updates will follow on these abovementioned projects as works get underway again 3rd Jan 2011.



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Comments

Morning Star's Chairman Nick Garling said: "it's been a big year for Morning Star with a strengthening in key personnel and org structure, a huge addition of site infrastructure and overall a strong focus on a return to Woods Point gold production via consistent mill operation, which we achieved late in the period. Commissioning of our new onsite gravity processing plant (GPP) continued throughout the month of December 2010 and we are grateful to our committed team of staff, contractors and also to Gekko Systems the GPP designers who have together worked hard to overcome typical challenges in this commissioning phase. 2011 promises to be a golden year for Morning Star."

"I would like to wish all of our shareholders and staff a very prosperous, safe and healthy new year."



Morning Star Gold team members at the famous 'Gap Getaway' near Woods Point in late 2010

Forward Looking Statements

This material includes statements and information pertaining to Morning Star Gold's expectations and beliefs concerning future events. Forward risks, uncertainties and other factors, many of which are outside the control of Morning Star Gold can cause actual results to differ materially from such statements. Morning Star Gold makes no undertaking to subsequently update or revise such statements but has made every endeavour to ensure that they are wholly accurate at the time of presentation.

Ends