

THE MORNING STAR GOLD MINE AT WOODS POINT IN VICTORIA, ONCE THE EASTERNMOST JEWEL IN WMC'S CROWN AND THE LARGEST GOLD MINE IN AUSTRALIA, IS BACK IN PRODUCTION.



WOODS POINT
150
YEARS OF GOLD

- **PRODUCTION COMMENCED MARCH 2011**
- **MULTI-MILLION OUNCE GOLDFIELD**
- **ONSITE GRAVITY PROCESSING PLANT (80KTPA)**
- **AGGRESSIVE DRILL PROGRAMS UNDERWAY**
- **\$15M CASH - NO DEBT**

MORNING STAR TENEMENTS HISTORIC PRODUCTION

MORNING STAR	> 883,000ozs
ALL NATIONS	> 132,000ozs
LOCH FYNE	> 109,000ozs
COMET	> 64,000ozs
WAVERLY	> 40,000ozs
WALLABY	> 40,000ozs
ROSE OF DENMARK	> 34,000ozs
DEMPSEY	> 27,000ozs
HUNTS	> 20,000ozs
LITTLE COMET	> 12,000ozs
TINGHA	> 10,000ozs

(ASX: MCO)

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morningstar
mining a golden future

FAST GROWING MORNING STAR GOLD PRODUCES FIRST EVER 'DORE' BARS

Morning Star Gold NL (ASX: MCO) can claim the title as 'Australia's newest gold producer' with the news that it's produced 1kg of dore bars from concentrates recovered at its Morning Star Goldmine east of Melbourne in March 2011.

This gold production marks MCO's first ever cash flow as it transitions from explorer to gold producer.

Morning Star is commissioning an onsite gravity mill at its 100% owned namesake mine. Designed and built by Gekko Systems it targets 80,000TPA throughput but is expandable. MCO is targeting 15g/t Au. as average head grade.

MCO is milling from a stockpile of blended development ores at the site and will commence stoping a high grade zone known as 'Maxwells' at 270m depth in April 2011. The Maxwell high-grade zone is currently 44m in length and channel samples at 1m intervals indicate a reef grade averaging 28 g/t Au.

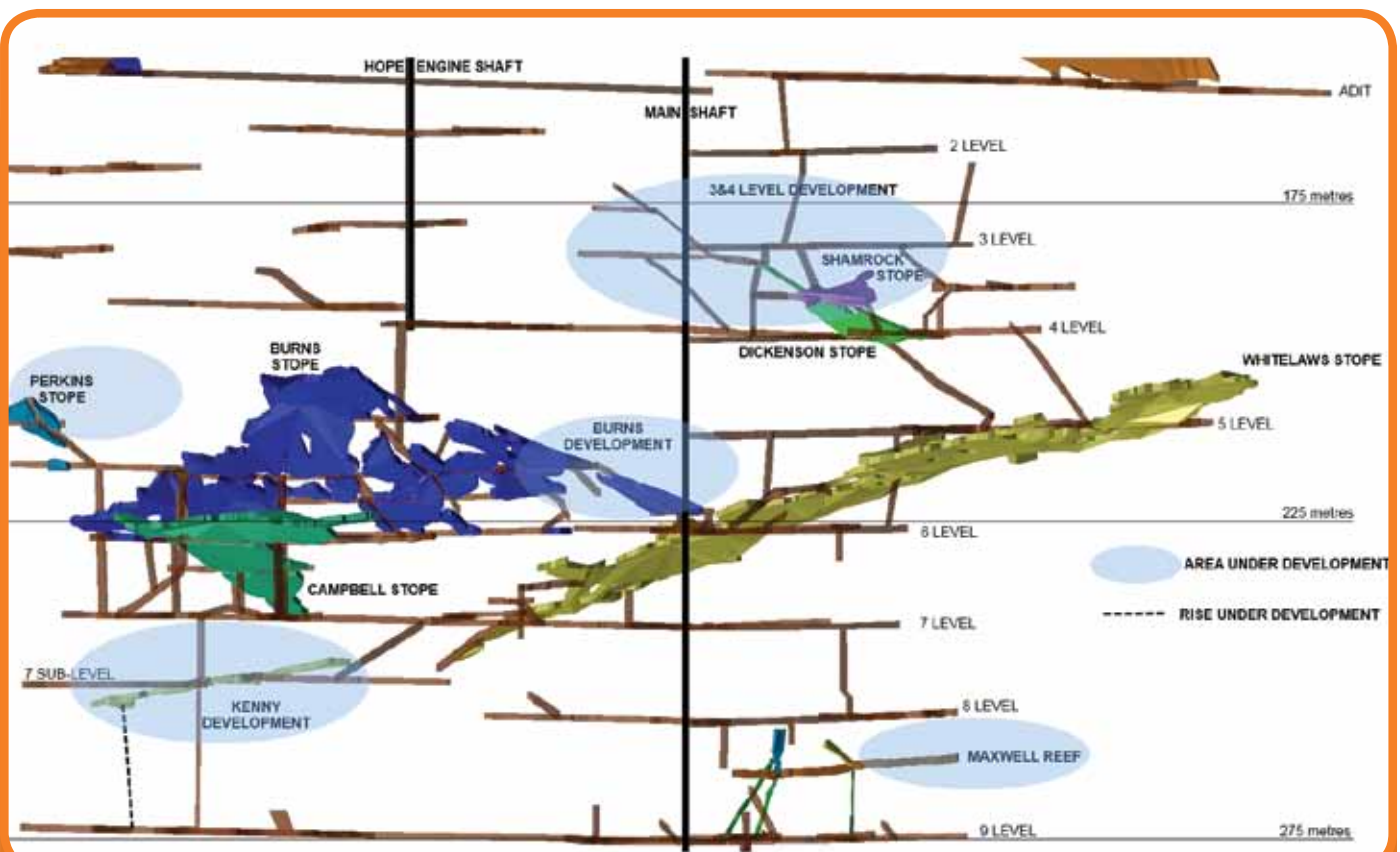
Four additional mining areas between 100 - 280m depth are also currently being developed and will provide mill feed well beyond 2011-12. Drill core assays and reef samples in 2008-09 of up to 1,392g/t Au. heralded the economic capability of Maxwells and Kenny reefs and other reefs such as in the Burns zone (166m depth) are considered to be extremely prospective also with samples assaying up to 2,625 g/t Au.

The Morning Star Goldmine was Australia's biggest in the early 1940's. It has historical gold production of 883,000ozs averaging 26.5g/t. and in its heyday between 1934-1959 was operated by Gold Mines of Australia (WMC Ltd) closing with gold at \$35 per ounce.

The Morning Star mine sits in one of Victoria's largest hard rock goldfields – the Woods Point – Walkalla Synclinorium – with production records indicating yields of 6-7 million golden ounces, compared to Bendigo-Ballarat's 22Mozs. It's vastly underexplored geologically with just 3 mines at Walkalla, A1 and Morning Star) going deeper than the water table and weathered zone.

Morning Star has commenced an aggressive diamond drilling program on several regional targets within its 200km² tenements. There are literally dozens of old mines worked to shallow depths which provide economic ore targets. MCO is being assisted in some of this regional exploration by a \$4.5M JV with the Shandong Tianye Group of Jinan, China on two of its current mining licences. So far the JV has uncovered a potential gold resource at the Rose of Denmark mine at Gaffneys Creek. This Rose of Denmark is currently being drilled and modeled and a bulk sample has been planned for later in the year. MCO is also looking carefully at the Waverly dyke which is over 5kms in strike length very close to its Woods Point mining hub.

MCO is one to watch carefully as new cash flow and a strong \$15M balance sheet with zero debt together with a tight share register and large partners assist in its growth.



Schematic X-Section of Morning Star Goldmine - Mining Zones