



Morning Star Gold NL
Level 4, 20 Loftus Street
Sydney NSW 2000
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F +61 2 9291 3899
info@morningstargold.com.au
www.morningstargold.com.au

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SAM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

22 February 2010

Dear Fellow Morning Star Gold Option Holders,

RE: Morning Star Gold NL – Upcoming Expiry of ‘MCOOB’ Options Tranche on 31st March 2010

Please find attached a form from our share registry Computershare explaining how you go about exercising your MCOOB options into fully paid MCO shares should you wish to do so. If you wish to participate in the MCOOB exercise, you must act before the 31st March 2010.

By exercising your options into fully paid shares and paying the exercise fee of 10 cents per option you wish to exercise, you are helping our company fund its expansion plans into 2010 and beyond.

The option exercise is underwritten but nonetheless we would be delighted if you wish to participate in the success of Morning Star Gold with us going forward by exercising some or all of your MCOOB holding.

The \$12.3 Million raised from the options exercise will be used to fund our onsite gravity plant currently being constructed at a cost of \$2.5M. The funds will also be applied to the Woods Point Gold Project overall with upgrades being commissioned on shaft haulage from the Morning Star mine and access to the high grade ore lodes by other means currently in the planning stages. Funds will also enable more rapid exploration and development of potential ore sources such as Reliance, Wallaby and Little Comet. The MCOOB conversion will also significantly strengthen MCO's balance sheet.

Perhaps most importantly Morning Star is still on track to produce gold at the Morning Star mine in 2010.

I wish you every success with your Morning Star Gold holding and recommend the options exercise to you wholeheartedly. Any queries can be addressed by our designated team at Computershare

Yours Sincerely,

Nick Garling
Managing Director / CEO
02 9291 3888
www.msgold.com.au



mining a golden future

Morning Star Gold N.L.

ABN 34 003 312 721



Please return completed form to:
Computershare Investor Services Pty Limited
GPO Box 7115 Sydney
New South Wales 2001 Australia
Enquiries (within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000
web.queries@computershare.com.au
www.computershare.com

Securityholder Reference Number (SRN)



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For your security keep your SRN/HIN confidential.

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Use a black pen.
Print in CAPITAL letters
inside the grey areas.

A B C

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Option Expiry Notice

Options exercisable at A\$0.10 expiring at 5:00pm (AEDT) on 31 March 2010

Dear Optionholder(s)

You are reminded that the Options to subscribe for Fully Paid Ordinary Shares in the capital of Morning Star Gold NL registered in your name expire on 31 March 2010. These Options are exercisable wholly or in part by the payment of A\$0.10 for each option exercised. Payment has to be received at the address overleaf, by 5:00pm (AEDT) on 31 March 2010. For every one option exercised, the optionholder will be allotted one Fully Paid Ordinary Share in the capital of Morning Star Gold NL

Options not exercised by 5:00pm (AEDT) on 31 March 2010 will lapse.

To be completed by Optionholder

B Number of Options to be exercised

Form for entering number of options to be exercised

C Amount enclosed at A\$0.10 per Option

Form for entering amount enclosed at A\$0.10 per Option

I/We enclose my/our payment for the amount shown above being payment of A\$0.10 per Option.

To the Directors
Morning Star Gold NL

I/We the above named being the registered holder(s) of the options, hereby exercise my/our option for Fully Paid Ordinary Shares in Morning Star Gold NL and I/we request you allot such Fully Paid Ordinary Shares to me/us and I/we agree to be bound by the Constitution of the Company.

Payment details – Please note that funds are unable to be directly debited from your bank account

D Drawer Cheque Number BSB Number Account Number Amount of cheque

Form for payment details including Drawer, Cheque Number, BSB Number, Account Number, and Amount of cheque

Make your cheque or bank draft payable to Morning Star Gold NL

Sign Here - This section must be signed for your instructions to be executed

E Individual or Optionholder 1

Signature box for Individual or Optionholder 1

Sole Director and Sole Company Secretary

Optionholder 2

Signature box for Optionholder 2

Director

Optionholder 3

Signature box for Optionholder 3

Director/Company Secretary

The directors reserve the right to make amendments to this form where appropriate. Please refer to the lodgement instructions overleaf.
This form may not be used to effect an address change. Please contact Computershare Investor Services Pty Limited on 1300 850 505 for an appropriate form, or download a Change of Address Notification form from www.computershare.com

See back of form for completion guidelines

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How to complete this form

Exercise of your Options in full or part

A Registration Name(s)

Your name and address as it appears on the Register of Morning Star Gold NL.

B Options Exercised

Enter the number of Options you wish to exercise.

C Exercise Monies

Enter the amount of exercise monies. To calculate the amount payable, multiply the number of Options exercised by the exercise price.

D Payment

Make your cheque or bank draft payable to Morning Star Gold NL in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box C. **Please note that funds are unable to be directly debited from your bank account.**

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Expiry Notice being rejected. Paperclip (do not staple) your cheque(s) to the Options Expiry Notice where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

E Signature(s)

You must sign the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. Alternatively, attach a certified copy of the Power of Attorney to this form when you return it.

Deceased Estate: all executors must sign and, if not already noted by the registry, a certified copy of Probate or Letters of Administration must accompany this form.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

This is an important document and requires your immediate attention. If you are in any doubt as to how to deal with it, please consult your Financial or other Professional Advisor.

Lodgement of Notice

Option Expiry Notices must be received by Computershare Investor Services Pty Limited Sydney by no later than 5:00pm (AEDT) on 31 March 2010. You should allow sufficient time for this to occur. Return the Option Expiry Notice with cheque(s) attached to:

Computershare Investor Services Pty Limited
GPO Box 7115
SYDNEY NSW 2001

Neither Computershare Investor Services Pty Limited nor the Company accepts any responsibility if you lodge the Option Expiry Notice at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

Recent Fully Paid Ordinary Share Prices on Australian Securities Exchange

Latest available market sale price of the Fully Paid Ordinary Shares was \$A0.395 on 1 February 2010.

Highest sale price during the 3 months preceding 1 February 2010 was \$A0.49 on 3 December 2009. Lowest sale price during the 3 months preceding 1 February 2010 was \$A0.29 on 20 November 2009.

Last trading day of Options on the Australian Securities Exchange will be on 31 March 2010.

If you have any enquiries concerning your Option holding, please contact Computershare Investor Services Pty Limited on 1300 850 505.

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Please return the completed form in the envelope provided or to the address opposite:

Computershare Investor Services Pty Limited
GPO Box 7115 Sydney
New South Wales Australia

