

Morning Star Gold NL

Suite 56A, Jones Bay Wharf
32 Pirrama Road
Pymont NSW 2009

T 02 8569 7488**F** 02 8569 7499

info@msgold.com.au

www.msgold.com.au



HIGH GRADE ASSAYS (UP TO 851g/t) AT ROSE OF DENMARK

- **851g/t Au ASSAY RETURNED IN LATEST SAMPLING IS HIGHEST TO DATE at RoD**
- **50 SAMPLES FROM RoD ADIT RE-DEVELOPMENT AVG 19.2g/t Au**
- **REHABILITATION OF RoD ADIT 90% COMPLETED**
- **2,000 METRE DIAMOND DRILLING PROGRAM COMMENCES Q4/11 AT RoD**
- **BULK SAMPLE (TRIAL MINING) PROGRAM PLANNED IN NEXT QUARTER**
- **WORK PLANS APPROVED FOR ADDITIONAL DRILLING OF REGIONAL TARGETS**

REGIONAL EXPLORATION

Rose of Denmark – MIN 5299

Rehabilitation of the Rose of Denmark (RoD) adit has progressed 285 metres. Approximately 34m of the adit remains to be rehabilitated before a 30 metre crosscut and drill cuddy can be developed at the front of the dyke bulge to provide a platform for testing the dyke bulge as part of planned a 2,000m diamond drill program (Figs 1 & 2).

Continuous mapping and sampling of the adit has been undertaken as rehabilitation has progressed. **Assays from 50 adit samples taken to date (grabs, channel and rockchip) have averaged 19.2 g/t Au with a peak grade of 851g/t coincident with a historic stoping area (Figs 2, 3 & 4).** A number ore samples, including the peak grade of 851 g/t, submitted for assay did *not* display visible gold. Further testing at depth of the ore shoot from which the peak assay was reported is planned in the scheduled diamond-drilling program. Historical records indicate there wasn't a significant amount of mining done below the adit level in this area.

To improve drill hole targeting and geological evaluation at the Rose of Denmark structural data is being processed to identify possible structural controls which influence gold grade. Mapping and sampling results are being used to assist in planning a mining program that would allow an initial bulk sample of ~2,000 tonnes to be mined at the RoD.

Preliminary mapping & sampling of a historical open pit at the mine to improve MCO's knowledge of the ore shoots above the main Rose of Denmark adit is planned for Q3 2011.

The Rose of Denmark is located near Gaffneys Creek on MIN 5299 is a mining licence held by Morning Star and currently subject to a joint venture agreement whereby Shandong Tianye of China have agreed to spend \$4.5M to earn a 51% stake of the title. To date ~\$2.5M has been committed to the projects subject to the MCO-Shandong JV. The mine has not been entered or worked for gold since around 1925.

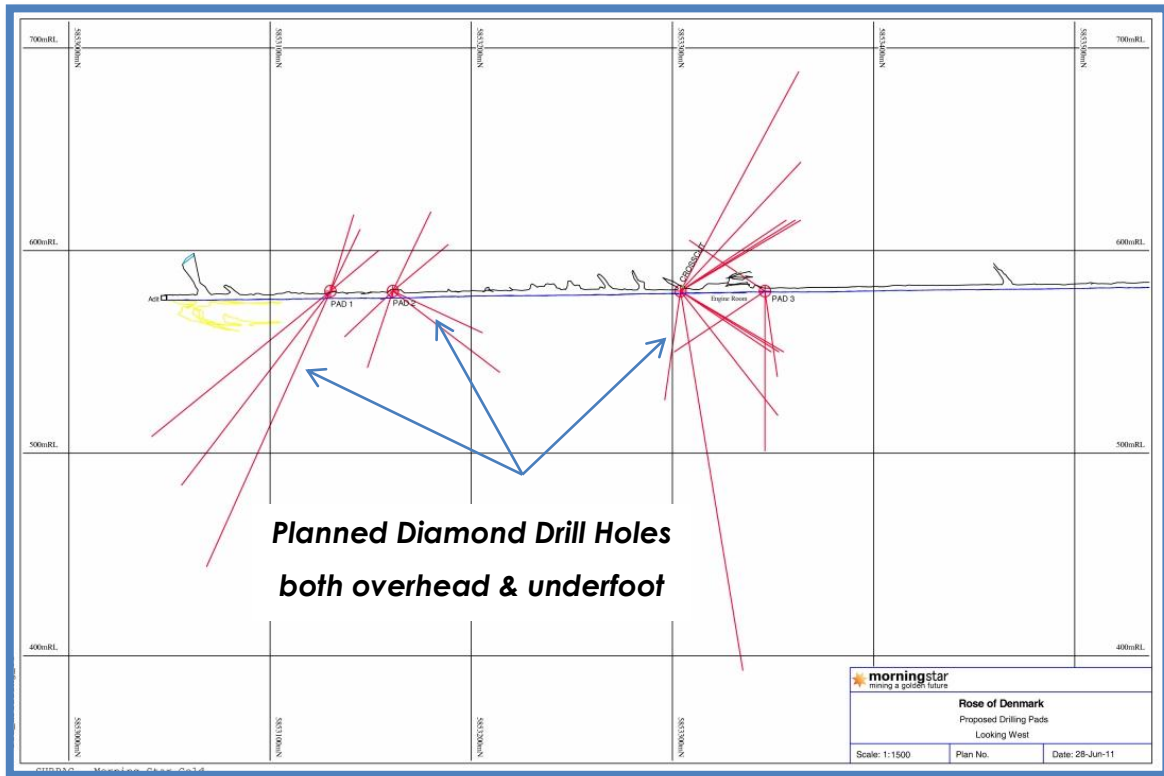


Fig 1: Proposed Rose of Denmark drilling - (long section view to west)

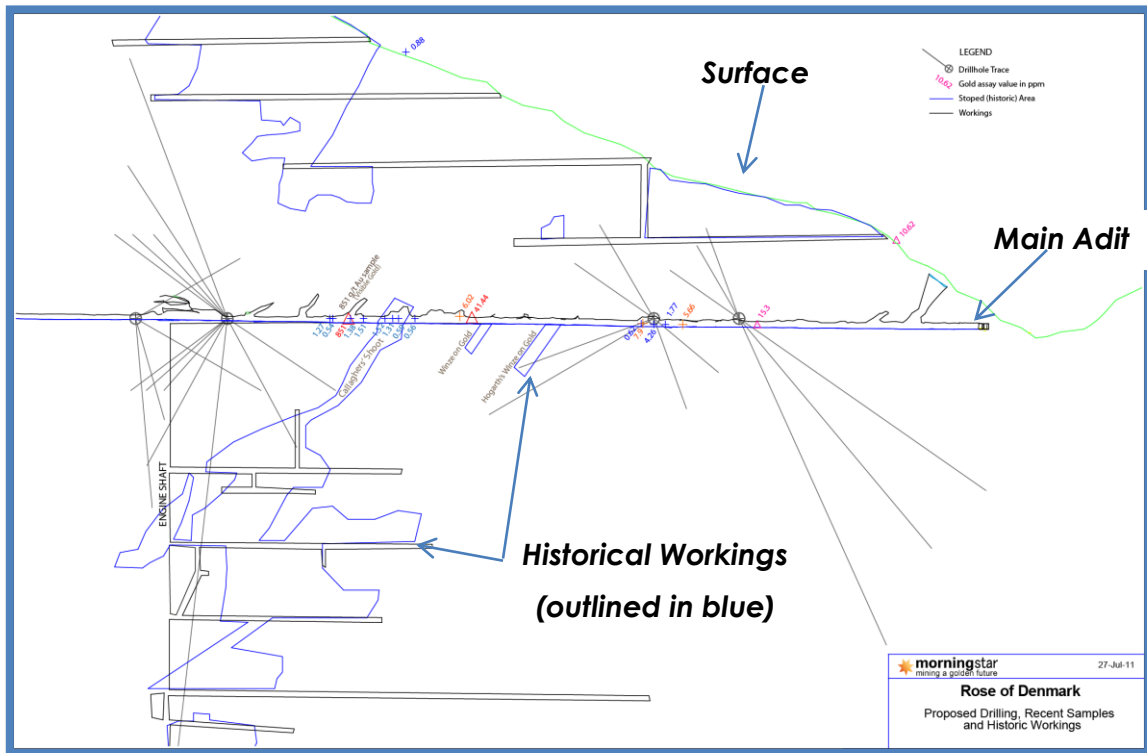


Fig 2: Proposed Rose of Denmark drilling - (long section looking east)



Fig 3: Location of the 851 g/t Au grab sample (note quartz veining in wall)

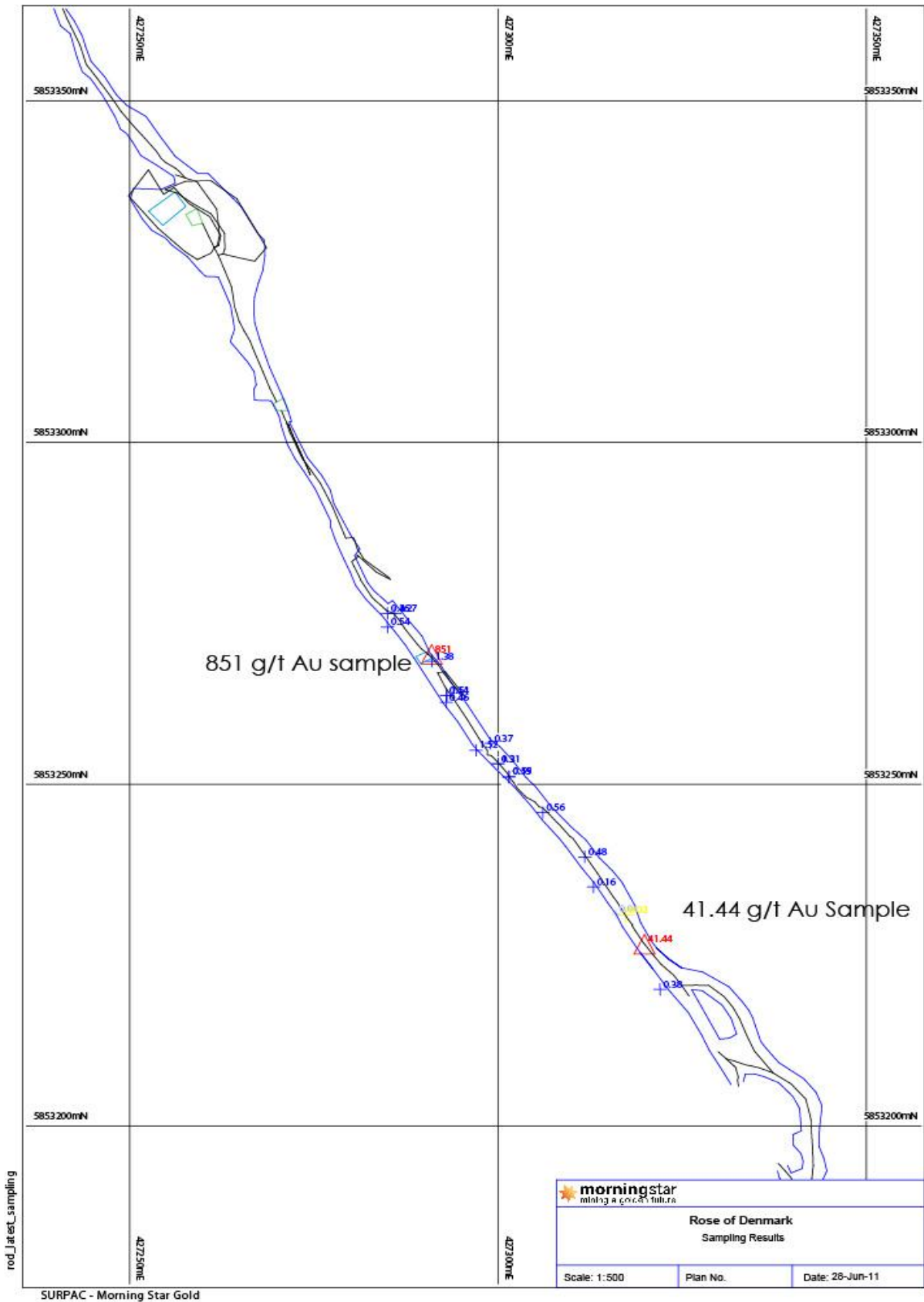
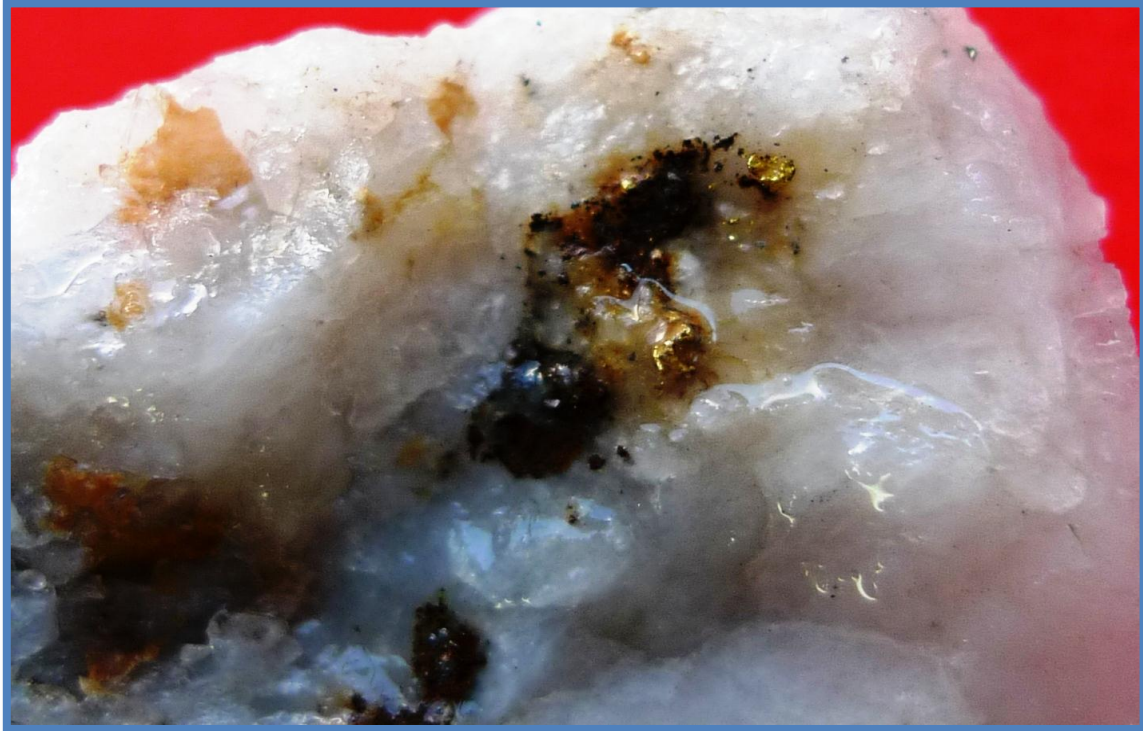


Fig 4: Sample Locations at Rose of Denmark Adit (MIN 5299)



Coarse Visible Gold in Quartz from the Rose of Denmark (above & below)





Fig 7: Mineralised Dyke from Adit being stockpiled at RoD minesite

OTHER REGIONAL EXPLORATION IN BRIEF

Waverly Dyke -MIN 5009 (100% MCO)

MCO geologists are investigating potential drillsite locations along the extent of the Waverly dyke, especially near the Perkins and Dearlove tracks. These drill sites will be used to target northern extensions of the Waverly dyke and will allow the follow up of MCO drilling into the Waverly dyke that took place in 2008 and included visible gold being logged in one of the holes (WV05) at ~100 metres from surface.

The Waverly workings outcrop over 4kms in strike length on Morning Star's mining licence near Woods Point in close proximity to the Morning Star Goldmine. Very little information on historical production is recorded other than reports of free gold and high grade occurrences. MCO also has good access to underground exposures of the dyke in the Tingha adit and drilling from this site is being investigated.

Little Comet -MIN 5009 (100% MCO)

DPI Victoria has approved a work plan for the Little Comet prospect which incorporates a reconnaissance drilling program of 4 to 6 diamond holes. MCO expects to carry out this work in the coming summer period. A more comprehensive description of this new program will be made available soon. The Little Comet is easily accessible by vehicular track from Woods Point and underground adit access is being investigated.

EL 4231 (100% MCO)

MCO is awaiting DPI Victoria approval of a work plan for the licence before commencing the work which includes diamond drilling at the Garibaldi prospect.

EL 5079 (100% MCO)

Preparation of a new work plan covering diamond drilling at a number of sites on EL 5079 is underway and once completed it will be lodged with the DPI Victoria.

The plan will cover new work at the Wallaby dyke near Gaffneys Creek, a second stage drilling proposal at the Reliance dyke and exploration at the Transit of Venus prospect.

Yours Sincerely,



Mike Botting,

Chief Executive Officer

Morning Star Gold NL (ASX: MCO)

Forward Looking Statements

This document 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 accurate at the time of release.

Competent Persons Statement

The information contained in this report was compiled Mr Greg Curnow BSc MAUSIMM who has over twenty years of relevant experience in relation to the mineralisation being reported on, to qualify as a Competent Person as defined in the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Curnow works on a full-time basis as a consultant to Morning Star Gold NL and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.