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morningstar
mining a golden future

Trading Halt Request (under Listing Rule 17.1) – 7th June 2012

Mr Elvis Onyura
ASX Companies Officer
elvis.onyura@asx.com.au

Dear Sir,

RE: FINANCING ARRANGEMENTS WITH CHILLEE LTD

Information has been made available to Morning Star Gold NL (MCO) early this morning (AEST) which materially alters our financing arrangements announced via ASX on 15th March 2012.

Chillee Limited our major shareholder and financier has early this morning unilaterally terminated the \$10 Million AUD facility agreed at that time.

As a result the Board of MCO will determine other means of financing as a matter of urgency and in the meantime requests a trading halt effective immediately under ASX Listing Rule 17.1.

MCO's Board will keep the market informed immediately new financing information is at hand.

Sincerely,
NM Garling

Chairman (on behalf of the MCO Board)

About Morning Star Gold

Morning Star Gold <ASX: MCO> is 100% owner and manager of the *Woods Point Gold Project* in Victoria's historic eastern goldfields close to Melbourne. MCO controls Five Mining Licences (MINs) and One Exploration Licence (EL) which are adjoining over ~200km². Two of the MINs are recent applications which have received 'priority' for grant. These are MIN 5560 at the Wallaby Mine west of Raspberry Point and MIN 5562 at the El Dorado Mine in the same area near Lyrebird Creek. MCO's current tenements yielded ~2 million ounces of gold production from various mines averaging nearly 1oz/T Au. Nearly half of this production was sourced from the Morning Star Goldmine (883Kozs @ 26g/t Au.). Only three mines in the goldfield were mined to any significant depth and 100's of surface targets (mostly mafic/gabbro dykes) are recognised either from past production or mapping and sampling by MCO. At one point in the early 1940s, the Morning Star Goldmine was Australia's biggest mine. Western Mining (WMC Ltd) operated it for 25 years (1934-1959). The Morning Star Goldmine also carries a JORC inferred resource of 910,000ozs (U/G resource portion is 2MT @ 11.2g/t). Much of this resource is currently under the water table and MCO intends using diamond drilling over 2012-14 to verify the resource and increase confidence in it.

Production has recommenced at the Morning Star Goldmine for the first time in nearly 50 years. The rate of production is budgeted to increase over 2012-13 and MCO infrastructure allows for up to 80KTPA throughput at its onsite gravity processing plant (GPP) via its new high-speed hoist set-up.

Other gold production mines on MCO's tenements were generally constrained in relatively shallow workings in the near surface or 'weathered zone' and above the water table. Key current targets for new exploration and development include the Wallaby, Loch Fyne, Rose of Denmark, Hunts, Waverly, Little Comet, El Dorado, Reliance & All Nations mines. These mines historically produced ~500,000 ounces of gold at grades ranging 8g/t to 40g/t Au.

MCO has a current JV with the Shandong Tianye Group of China – a well-capitalised publicly listed conglomerate who agreed to spend \$4.5M over 2011-12 to farm-in to 51% of two of MCO's regional licences (MINs 5299 & 5241). The Morning Star Goldmine (MIN 5009) and various other priority production targets such as Wallaby (MIN 5560) are 100% owned by MCO, separate to the JV. MCO also has minority positions in two JVs on gold prospects in the Central West of NSW.

For further information please subscribe to E-Alerts of all Morning Star's news & ASX Releases at the company's website.

You can also connect with Morning Star on Twitter, Facebook and in hundreds of regularly updated project pictures on the web via Flickr at: www.flickr.com/photos/morningstargold/

Forward Looking Statements

This report may include 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. All envisaged mining & exploration works herein are subject to appropriate regulatory approvals. 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 publication.