

24 December 2009

Morning Star to Purchase 80,000TPA Onsite Gravity Plant

Key Points

- Morning Star Gold has chosen Gekko Systems of Ballarat, Victoria to supply and install its onsite gravity processing plant at the Morning Star mine
- Gravity Plant will cost \$2.5 Million and will be fully funded from cash at hand
- Plant is designed to process ~80,000 Tonnes Per Annum at rate of 10TPH
- Plant expected to be fully operational onsite by June 2010
- Current onsite ore stockpile ~6,000 Tonnes ranging from development grade ore to high grade ores (Maxwell & Dickenson zones)
- High level of automation and sampling protocols available on Gekko mill
- Milling designed to process ore at ~1mm giving good CAPEX and OPEX relative to peers
- Extensive independent metallurgical testing points to high free milling gold content (gravity gold separation) of between 82 - 92% @ 300um - 1,000um
- Regulatory planning is underway via DPIV and Mansfield Shire



'Three Wise Men' on 9L near Maxwell's Zone Morning Star mine. A very Merry Christmas to one and all.

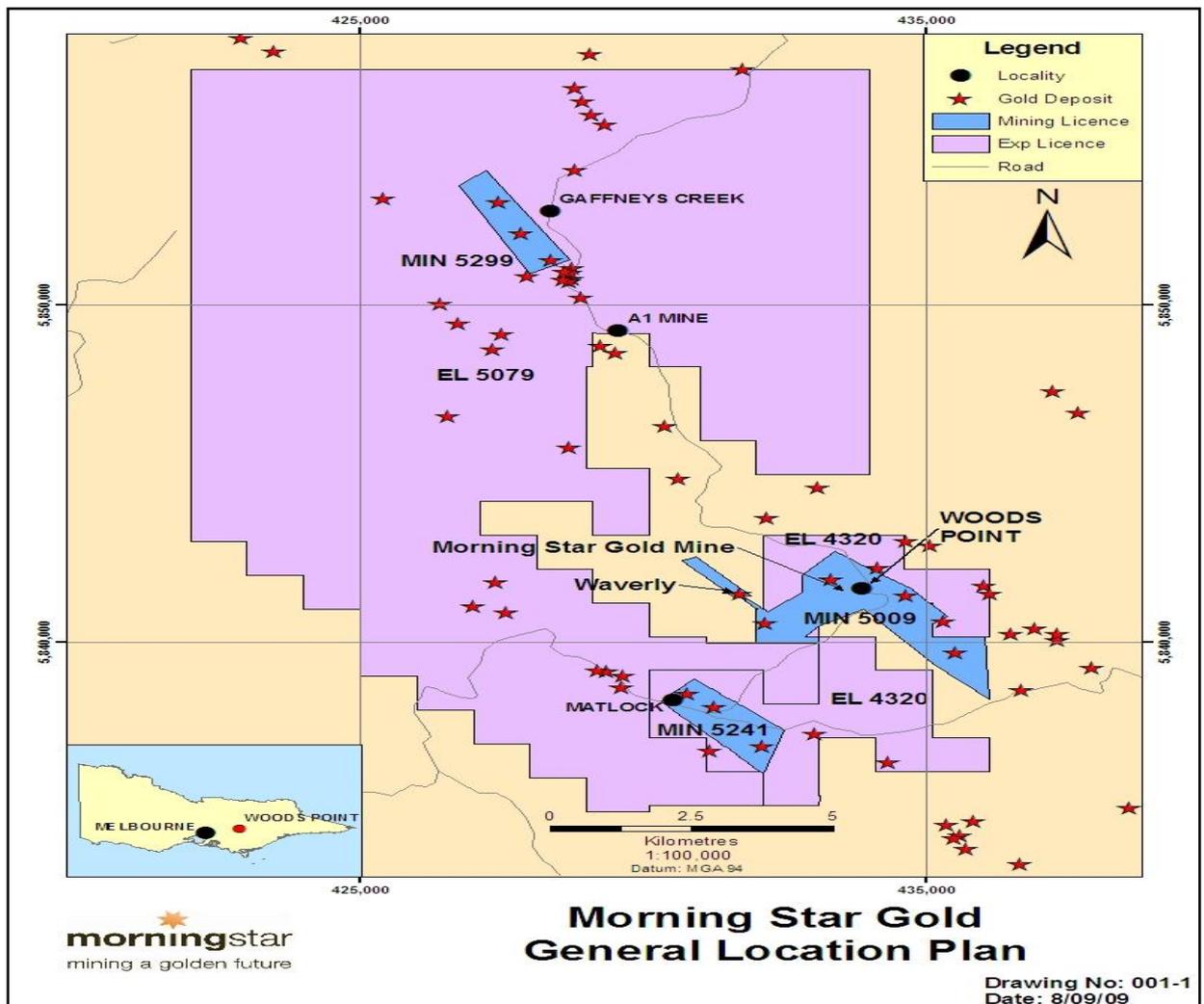
ASX RELEASE

MD Comments

Nick Garling commented, “The selection of Gekko Systems of Ballarat to supply, install and commission our 10TPH onsite gravity processing plant is a very positive step in Morning Star’s transition from mine developer to producer. Gekko bring an excellent reputation and a local capability to our operations. Gekko also provide an important partnership approach”

“We are delighted with progress of our mining program to date and look forward to a very robust 2010 calendar year. We will break until early January and commence operations in the New Year with a strong focus on high grade ore extraction at the Morning Star mine from various developed and developing stopes. MCO will also aggressively expand our regional exploration and development programs - both as part of our recently announced JV with our Chinese partners Ample Rise (on MINs 5241 & 5299) and on our 100% held exploration licences (ELs 4320 & 5079).”

“Recent sampling and mapping at the Reliance dyke has been very encouraging and we’ll have more to say about assay results and our overall regional program early in 2010. Morning Star Gold, led by an ever strengthening technical and onsite team is looking forward to joining the ranks of new Australian gold producers this financial year. This is our main aim. I’d like to take this opportunity to wish all of our shareholders a happy and safe Christmas and a relaxing holiday period.”





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 gold fields. The company's 3 MINs and 2 ELs (tenements) are adjoining over 220km² and yielded ~2 million ounces of gold historically from various high-grade mines in close proximity to Woods Point. Nearly half of this production was sourced from the Morning Star mine, which was mined for around a million tonnes of ore at just under an ounce to the tonne for a recorded production of 883,000 ounces of gold.

At one point in the early 1940s, the Morning Star mine was Australia's biggest gold mine. Gold Mines of Australia (WMC) operated it for 25 years (1934-1959).

Other gold production on MCO's regional tenements was generally confined to relatively shallow workings in the weathered zone above the water table. Key current targets for new exploration and development include the Wallaby, All Nations, Loch Fyne and Rose of Denmark, Hunts, Waverly and Reliance mines. These mines collectively produced ~500,000 ounces of gold at similarly high grades historically. A new Chinese partner is spending \$4.5M over the next 2 years to farm-in to 51% of two of MCO's regional MINs. The Morning Star mine and other priority production targets are 100% owned by MCO.

The Morning Star mine also carries an in situ gold resource, estimated in 2008 to exceed 900,000ozs. This resource is in the process of being revaluated and re-evaluated as mining recommences at Morning Star for the first time in 50 years.

For further information please contact Nick Garling, Morning Star's MD at nick.garling@morningstargold.com.au or you can subscribe to E-Alerts of all Morning Star's news & ASX Releases at the company's website www.morningstargold.com.au

About Gekko Systems

Gekko Systems specialises in the design, development and distribution of innovative mineral processing equipment and systems with a particular focus on gravity separation and gold processing. Long-term relationships based on trust and mutual benefit as well as an emphasis on innovation, are the cornerstones of the company's philosophy. With offices in Australia (Head Office), Canada, South Africa, and Chile and the business owners and team of employees, contractors, consultants and suppliers are passionate about producing timely, high-quality products and services for our customers. Since commercialisation in 1996, over 400 units have been manufactured and installed in 43 countries worldwide."

For more info on Gekko Systems please see their website <http://www.gekkos.com/>

Forward Looking Statements

This release 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. 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 presentation.