

ABN 34 003 312 721

**ASX Release – 27<sup>th</sup> MARCH 2007**

## **EXPLORATION WIDENS TO 3 REGIONAL DYKE TARGETS**

### **HIGHLIGHTS**

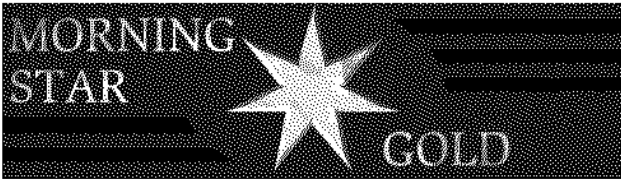
- *MCO is now Mapping & Sampling its Regional Dykes, which were historically mined for High Grade Gold above the water table.*
- *The Dyke Content of MCO's Regional Targets is estimated at 68 Million Tonnes.*
- *A Diamond Drilling Program of MCO's Regional Dykes will commence in July.*
- *Initial Mapping & Sampling along the COMET, LITTLE COMET & ALL NATIONS line of Dykes has found mineralised Quartz Reefs & Visible Gold.*

### **MORNING STAR MINE UPDATE**

- *Underground Diamond Drilling of the "Gap Zone" from 9L expected to commence after Easter.*
- *Underground Quartz Reef Sampling Program continues.*

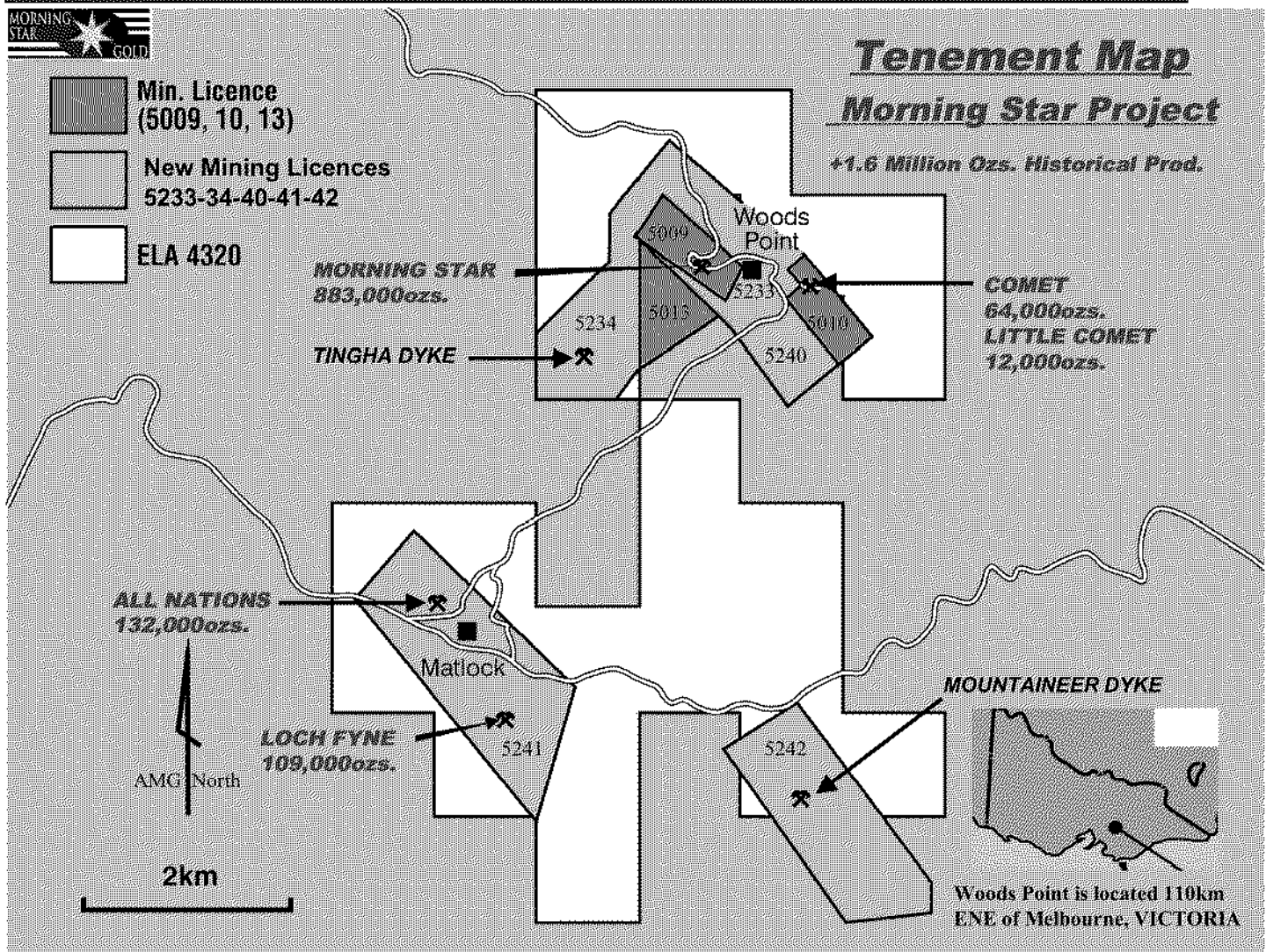
### **SUMMARY OF KEY POINTS**

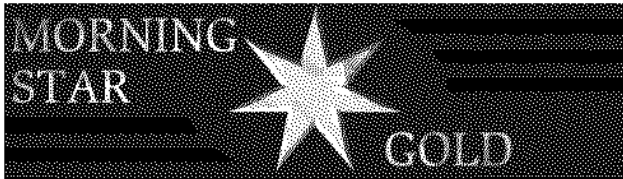
- Morning Star Gold N.L. has commenced a Regional Exploration Program on recently granted Mining Licences proximal to the Company's Morning Star mine. (See Morning Star Project Tenement Map below).
- The recently granted Mining Licences are all close to or adjoining the Company's existing Mining Licences in the historically rich Woods Point Gold Province of Eastern Victoria. This group of Mining Licences represents the largest ever aggregation of tenements in the Woods Point area. Over 1.6Mozs. of Gold was produced on MCO's tenements.
- The new Mining Licences contain a series of dykes + historic workings, some of which produced over 100,000ozs Au. The mines were located within dykes containing Quartz Reef structures, which have historically yielded high grade gold, in some cases greater than several ounces per tonne.
- The Dykes on MCO's newly aggregated tenements were mostly mined to shallow depth (<100 metres), which was above the water table (Loch Fyne dyke an exception). In contrast, the proximal Morning Star mine was mined much deeper than this and has within it at least 35 Quartz Reefs to a known depth of over 1000 metres.
- The aim of the Company's Regional Exploration Program is to delineate economic ore targets and continue building a Resource Model at the Morning Star Project. MCO's theory is that the Regional Dykes may have repetitive Quartz Reef and other vein stock-work systems well below the water table as at the proximal Morning Star mine.
- The Company has commenced mapping and sampling historic workings along strike on three (3) dykes within its new Mining Licences - COMET, LITTLE COMET & ALL NATIONS. The COMET and LITTLE COMET Dykes are located at Woods Point, very close to the Morning Star mine. One aspect of the Regional Exploration Program is designed to test the theory that the COMET and LITTLE COMET dykes may bulge and even join beneath the water table. The survey works are in preparation for Underground Sampling and Diamond Drill program set for H2 2007.



- Mapping to date has indicated very promising geology. The COMET & LITTLE COMET Dykes have been revealed to be much wider than thought (5-10 metres wide) & the old workings are more extensive than anticipated. High vein densities with strong ferruginisation along vein margins observed in dyke exposures provide much encouragement for success in locating economic mineralisation in the upcoming underground sampling & drilling programs. Some gold has already been obtained from a small crushed dyke sample taken from one of the accessible drives within the LITTLE COMET Dyke.
- The Company currently estimates from historical records, that its Regional Dykes contain around 68 million tonnes of dyke material. This dyke material only represents an estimate above the water table. Diamond Drilling expected to commence in July 2007 will be targeting extensions of these Regional Dykes beneath the water table as at the proximal Morning Star dyke, which is estimated from historical records to contain over 156 million tonnes of dyke material and has produced over 883,000 ozs Au. (1862-1963).
- In our previous ASX Release (27FEB2007) it was reported that ore samples from the exposed Burns Reef at the Morning Star mine returned an average assay grade of 357 g/t Au with a high grade of 578 g/t Au. Sampling continues.

## MORNING STAR GOLD - REGIONAL DYKE TARGETS





## **BACKGROUND – MORNING STAR PROJECT**

- The Morning Star mine was operated from 1862-1963 producing over 27.4 tonnes of Gold (883,000ozs.) from Quartz Reefs with an average grade exceeding 26.5 g/t.
- Morning Star Gold's mid-2005 diamond drilling program increased the estimated content of the Morning Star Dyke by 16.4% to 156 Million Tonnes.
- Morning Star Gold has identified in excess of 35 Quartz Reefs within the Morning Star Dyke and geological modeling is continuing in order to quantify the tonnage of these Quartz Reefs and build the Company's overall Resource Model.
- The Company's newly granted Mining Licences in the Woods Point & Matlock area are currently being surveyed, mapped & sampled. At least six (6) other known dykes are situated on these New Licences, some of these dykes having historical production in excess of 100,000ozs of Gold from shallow workings, mostly above the water table.
- The six (6) other known dykes within the expanded Woods Point & Matlock tenement package are currently estimated to contain a further 68 Million Tonnes of dyke material.

## **CORPORATE SUMMARY**

Morning Star Gold N.L. is focusing solely on its Woods Point & Matlock tenement package in eastern Victoria. The Woods Point - Waihalla gold province yielded over 5,000,000 ounces of gold. This places the area 2nd behind Bendigo + Ballarat in historical hard rock gold production. Woods Point, population 45 is around 120kms east of Melbourne via the Yarra Valley and Marysville.

ASX Codes	MCO - MCOOA (opts)
Shares & Options on Issue	106,484,425 FPO - 53,492,213 Dec 31st 08. 25c opts
Non-Executive Chairman	Max M. Garling
Directors	Mai Bird, Jeff Williams, Tim Allen & Nick Garling
Major Shareholders	Directors + Affiliates 16%
	Crooked River Capital / Nick Garling 15%
	Jerrymara Investments Pty Ltd 5%
	Arafura Investments Ltd 4%
Contact Details	Level 4, 20 Loftus St. Sydney NSW 2000
Telephone	(02) 9252 3699 Fax (02) 9252 3537
Email	<a href="mailto:info@morningstargold.com.au">info@morningstargold.com.au</a>
Web	<a href="http://www.morningstargold.com.au">www.morningstargold.com.au</a>
ABN	34 003 312 721

### ***Competent Person Statement***

*The information contained in this report was compiled by Dr. Peter Jackson BSc(hons) PhD. who has relevant experience in relation to the mineralisation being reported on, to qualify as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves. He is a Competent Person as defined under the Australian Stock Exchange Listing Rules and has consented to the use of the information in this report.*

**Dr. Peter Jackson BSc(hons) PhD**  
**M.A.I.G.**