

ASX Release – 27 FEB 2007

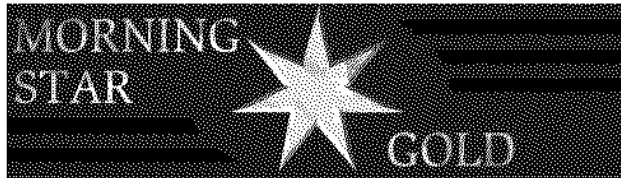
## ADDITIONAL HIGH GRADE GOLD ASSAYS AT MORNING STAR MINE

### HIGHLIGHTS

- *Underground Quartz Reef Sampling continues in the Morning Star mine – upper levels.*
- *Infill Channel Samples of Burns Reef 1965' level returned an average grade of 356.72 g/t Au with grades ranging from 149.44 g/t to 577.6 g/t Au.*
- *High Grade Assays also included 489.4 g/t, 444 g/t, 383.8 g/t, 241.4 g/t & 211.4 g/t Au.*
- *Repeat Assays average 40% higher than those quoted above.*
- *MCO's Underground Sampling Program to date has seen 129 samples taken for an average assayed grade of 78.8 g/t in between Levels 4 and 8 of the mine.*
- *Economic Ore Targets have been established and are being added to the overall Resource Model at the Morning Star.*
- *Further sampling is planned shortly in the 7 Level Winze area.*

### SUMMARY OF KEY POINTS

- Morning Star Gold N.L is continuing its underground sampling program on the historic Morning Star mine in the Woods Point Gold Province in Eastern Victoria.
- The aim of the Sampling Program is to delineate economic ore targets and continue building a Resource Model at the Morning Star Project.
- In our previous ASX Release (1NOV2006) it was reported that high-grade samples returned an average grade of 174.98 g/t Au with a high grade of 1663.20 g/t Au.
- The Company's Channel Sampling Program has now been conducted between Levels 4 and 8 of the mine. Wherever practicable, samples collected are 2 to 3kgs each.
- Results to date have returned very high-grade gold assays and the Company has identified potentially economic ore targets within the mine.
- 8 Level of the mine was not considered historically prospective and limited sampling confirms grade levels assaying up to 6.12 g/t Au near 'Tills Reef'.
- Further detailed In-Fill Channel Sampling was conducted on 6 Level and has confirmed very high grades experienced historically at 'Burns Reef'. Assays indicated grades between 149.44 g/t and 577.6 g/t with an average grade of 356.72 g/t Au.
- The next sampling location is a rehabilitated winze between 7 and 9 Levels.
- The current phase of dewatering & shaft rehabilitation is nearly complete, as the 9 Level target should be attained by Easter at the current rate of progress. This level is significant, as the Underground Diamond Drill Program will be based from L9 into the "Gap Zone". The "Gap" is an area of the mine, which as previously reported, was partially developed but not stoped by GMA (WMC) in the late 1940s.
- The "Gap Zone" is situated between 9 Level & 15 Level of the mine and is estimated to contain >40 million tonnes of dyke material with at least ten (10) auriferous quartz reefs.



## BACKGROUND – MORNING STAR PROJECT

- The Morning Star mine was operated from 1862-1963 producing over 27.4 tonnes of gold (883,000 ozs) from Quartz Reefs with an average grade of 26.5 g/t.
- After Morning Star Gold's mid-2005 diamond drilling program, the estimated content of the Morning Star Dyke Bulge was increased by 16.4% to 156 Million Tonnes. This does not include Morning Star Gold's 6 other known dykes within their recently expanded Woods Point tenement package.
- Morning Star Gold has identified in excess of 35 Quartz Reefs within the Morning Star Dyke Bulge and geological modelling is continuing in order to quantify the tonnage of these quartz reefs in order to update the Company's overall Resource Model.
- The Company's newly granted Mining Licences in the Woods Point area are currently being surveyed, mapped & sampled. Six (6) other known dykes are situated on these Licences, some of these dykes having historical production in excess of 100,000ozs of Gold from shallow workings above the water table.

Morning Star Gold N.L. is focusing solely on its Woods Point tenement package in eastern Victoria. The Woods Point - Waihalia gold province is 2nd behind the Bendigo - Ballarat area in historical hard rock gold production with over 5,000,000 ounces production. Woods Point, population 45 is around 130kms east of Melbourne via the Yarra Valley and Marysville.

ASX Codes	MCO, MCOOA
Shares & Options on Issue	106,484,425 FPO - 53,492,213 Dec 31st 08. 25c opts
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### *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.*

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 M.A.I.G.*