Monday, 8 November 2010

MORNING STAR GOLD EUROPEAN INVESTOR PRESENTATION

Dear Shareholders,

Morning Star Gold NL (ASX: MCO) is this morning (LONDON TIME) presenting the following company information to a metals industry and investors conference in London.

The presentation will also be the basis of investor focused meetings this week in the UK and Europe.

Sincerely

Nick Garling
Chairman

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 5 mining and exploration tenements (3 MINs and 2 ELs) are adjoining over 220km2 and yielded ~2 million ounces of gold historically from various high-grade mines. Nearly half of this production was sourced from the Morning Star mine (circa 1MT mined at an average grade above 24.5 g/t) for a recorded production of 883,000ozs 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). 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 revalidated and re-evaluated as mining recommences at Morning Star for the first time in 50 years. The underground component is 724Kozs @ 11.2g/t Au.

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, Little Comet and Reliance mines. These mines collectively produced ~500,000 ounces of gold at high grades historically.

MCO’s new Chinese partner is spending $4.5M over the next 18 months to farm-in to 51% of two of MCO’s regional MINs 5299 & 5241. The Morning Star mine, Waverly and other priority production targets within MIN 5009 are 100% owned by MCO. Mining plans within the Morning Star Mine (MIN 5009) are in the midst of being expanded.

For further information please contact Nick Garling, MCO’s Managing Director at nickg@msgold.com.au or you can subscribe to E-Alerts of all Morning Star Gold’s news & ASX Releases at the company’s website.
Morning Star Gold NL
Australia’s Newest Producer
Europe IR Trip - Nov 2010
Morning Star Gold NL (MCO) has prepared this presentation based on information available to it at the time of preparation.

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This presentation is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this presentation nor anything in it shall form the basis of any contract or commitment whatsoever. This presentation contains forward looking statements that are subject to typical risk factors associated with gold exploration, mining and production. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, currency fluctuations, drilling and production results, resource estimations, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in Australia and overseas, political risks, project delays or advancement, approvals and cost estimates.

The information in this presentation that relates to exploration and production targets refers to targets that are conceptual in nature, where in some cases there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will ultimately result in the determination of a Mineral Resource. The information in this presentation that relates to mineral resources and exploration results are based on information compiled by Mr Greg Curnow who is a Member of the Australasian Institute of Mining and Metallurgy. Any statement herein, direct or implied, as to a potential gold deposit is conceptual in nature and a reference to the targeted gold potential and not to any JORC compliant Mineral Resource. Mr Curnow is a consultant to MCO and has sufficient experience which is relevant to the style of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 edition of the JORC Code. He has given his consent to the inclusion in this presentation of the matters based on the information in the form and context in which it appears.
Morning Star Gold's (MCO) strategic vision is to develop the Woods Point Gold Project into one of Australia’s lowest cost, high grade mid-tier gold production projects

- Due to the abundance of high-grade ore bodies in the Woods Point Dyke Swarm
- 2010 gold production (1st in 50 years) at Morning Star Gold Mine is the major initial focus
- Gold processing plant (GPP) is constructed onsite 80KTPA capacity is scaleable
- Rapid exploration and development is taking place on regional targets within 20kms

Steps for Growth:

1. **Start Gold Production** at Morning Star targeting 80KTPA @ 15g/t (**ESTABLISH CASH FLOW**)  
2. **Explore & develop local mines** - historically high-grade gold ore bodies (**SHANDONG JV**)  
3. **Develop multiple mines** in Woods Point district with MS Mine gold processing hub (**DE-RISK**)  
4. **Self-funded development** at Morning Star goldmine (below 10L, ~310m) (**GROW RESOURCES**)  
5. **Up-scale Mill Throughput to 120,000TPA** over next three years (15g/t target) (**GROW OUNCES**)  

Morning Star Gold aims to be re-rated commensurate with mid tier gold producers by 2015
HISTORY

1862 onwards Woods Point – Walhalla Goldfield **Produced ~7 Mozs Gold (155 Tonnes)**

1934-59 **WMC owned MS Mine. Australia’s largest gold mine in early 1940s**

1959 **WMC quit asset in 1959 with gold price $32oz & high power grid costs**

2004 **Morning Star Gold NL (ASX Code: MCO) recommences U/G operations**

2008 **100-fold increase in mining tenements to 220km²**

2008 **Maiden JORC of 910,000ozs. (Underground resource is 724,000ozs @11.2g/t)**

2008-09 **High Grade Results** from diamond drilling & channel sampling of Morning Star mine

2009-10 **Raised $12M – Builds onsite gravity gold mill targeting 80,000TPA at 15g/t**

2009-10 **Shandong Tianye purchase 11% stake & invest $4.5M into Regional JV**

2011-15 **Focus on building 5-10 year production plan** (increase resources at MS Mine)
Five Adjoining Titles with Prodigious Historic Production Records

- **Morning Star control five adjoining mining titles, central to the Woods Point Dyke Swarm**
- Three are granted Mining Licences. (MINs 5009, 5299 & 5241)
- Two are granted Exploration Licences of circa 220km2. (ELs 5079 & 4320)
- ~ 7Mozs historic production in Woods Point – Walhalla Goldfield
- Woods Point – Walhalla is the 3rd biggest hard rock gold field in eastern Australia by production behind Bendigo and Ballarat
- MCO control MIN 5009 (Morning Star mine) 100%
- MCO have engaged with a JV partner (Shandong Tianye Group Ltd) in developing production targets on MIN 5299 (Dempsey, Hunts & Rose of Denmark) up the shear zone to the northwest of Woods Point in Gaffney’s Creek area & MIN 5241 down strike to the southeast (All Nations and Loch Fyne) in the Matlock area
- Indigenous Land Use Agreements (ILUA) in perpetuity for all of MCO’s Titles ratified by NNTT in 2008
Tenements Overview

- Three Mining Licences sitting inside two adjoining Exploration Licences covering ~220km². (7MOZs historic production in field.
- MCO control MIN 5009 (Morning Star) 100% and have engaged with a JV partner (Shandong Tianye) in developing targets on other two MINs (5299, 5241)
Very experienced technical team with expert consultants at call including...

- Peter Hepburn-Brown - 25+ years as mining engineer (ex WMC, Harmony, GCM, Niugini)
- Dr Peter Jackson - Director of Geology – Considered an expert in Woods Point Dyke Swarm
- Greg Curnow - Chief Geologist (WMC & Dominion, 22 years of mine geology experience)
- MD Nick Garling - large shareholder ex-broker/banker (Lehman Bros & UBS in HK & Japan)
- Jeff Williams non-exec Director - a mining engineer & MD of Mineral Deposits (ASX: MDL)
- 25 year experienced Mine Manager Mott Ryan held world record for decline shaft headings
- Leading consultants engaged on range of project issues - e.g. Coffey Mining
- Loyal, local and experienced mining staff at mine site
- The small town of Woods Point and local Community is very pro-Morning Star
### MILLING & CASHFLOW

<table>
<thead>
<tr>
<th>Year</th>
<th>Tonnage</th>
<th>Grade</th>
<th>Total Grams 90% Rec</th>
<th>Total Ozs</th>
<th>$A Gold</th>
<th>$A Sales</th>
<th>$A Cost Per Oz</th>
<th>$A Net Profit</th>
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<td>2010</td>
<td>5,000</td>
<td>5 g/t</td>
<td>22,500</td>
<td>724</td>
<td>$1,370.00</td>
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<td>15 g/t</td>
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<td>34,727</td>
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<tr>
<td>2012</td>
<td>80,000</td>
<td>15 g/t</td>
<td>1,080,000</td>
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<td>$47,575,990</td>
<td>600</td>
<td>$26.7M</td>
</tr>
<tr>
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<td>52,090</td>
<td>$1,370.00</td>
<td>$71,363,300</td>
<td>600</td>
<td>$40.1M</td>
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<td>2015</td>
<td>120,000+</td>
<td>15 g/t</td>
<td>1,620,000</td>
<td>52,090</td>
<td>$1,370.00</td>
<td>$71,363,300</td>
<td>600</td>
<td>$40.1M</td>
</tr>
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</table>
Contains the Morning Star Mine

- Largest historic producer in the goldfield
- Production of 883,000ozs Au. (1MT@ 26.55 g/t)
- JORC 910Kozs (U/G is 2MT tonnes @ 11.2g/t Au)
- Mine infrastructure redeveloped to 10 Level
- Historic workings reach over 900 metres in depth
- 4 high-grade mining areas under development
- Onsite gold processing plant is ready
- Production starts November 2010
ONSITE PROCESSING 80,000TPA (SCALEABLE)
MIN 5299 – SHANDONG JV

Includes the historic mines:

- **Rose of Denmark Mine...**
  - 99,158 tons for 39,794 oz (12.5 g/t)
  - Mine development in process
  - Underground drilling program Jan 2011
  - Multiple visible gold samples Oct 2010

- **Dempsey’s Mine...**
  - 7,457 tons for 1,656 oz (6.91 g/t)
  - Site for second processing plant

- **Hunt’s Mine...**
  - 54,625 tons for 14,691 oz (8.36 g/t)
  - Drilling in Q1 2011
Includes the historic mines:

- **All Nations Mine...**
  - Produced 132,000 ozs Au.
  - 5 high grade ore bodies
  - Drilling currently

- **Loch Fyne Mine...**
  - Produced 109,000 ozs Au.
  - Large high grade development
  - Sampling / mapping currently
INVESTMENT POINTS

The Woods Point Gold Project provides a very exciting gold production opportunity at exactly the right time due to the strong price of gold.

**Production Commencing Nov-Dec 2010**

- Morning Star is ready for the first gold production in 50 years as gold prices make multi-year highs
- Extremely tightly held share register. Chairman and colleagues are large long-term holders
- Undersold story and little PR done to date to promote company
- Little known about goldfield compared to big Victorian names in Bendigo and Ballarat
- No institutions on register as yet - provides strong share price upside opportunity
- Strong support from Chinese partners adds financial strength & fast tracks regional targets
- Top 10 holders control ~50%, Top 50 own close to 70% meaning limited available securities
- Cash position ~$3M. Excludes $3.75M in JV funds – budgeted production to yield high margin + RoE
- Fully paid for plant and machinery
- No debt
- Fantastic growth story
GROWTH POTENTIAL

At Morning Star Goldmine

- Scaleable onsite Gravity Gold Processing Plant – Throughput can be expanded even doubled
- Haulage Upgrades over 2010-11 increase capacity by over five times present rate
- Gap Zone of the mine has 66 Million Tonnes of under explored dyke
- Gap Zone is immediately under present development level
- Mine developed to 820 metres depth but only dewatered at present to 310 metres

At Regional Tenements

- Vastly underexplored – no drilling beyond 100 metres depth in all key targets
- Numerous historic mines on MCO tenements with high grade production
- Shandong JV aimed at fast tracking key regional targets
- Tenements consolidated
- Larger producing local mines mineralised beyond 1km depth
- 250 million shares on issue
- A$0.40 per share
- A$100 million market cap
- 1,700 shareholders
- Top 50 Holders own 70% of shares on issue
- Top 3 Holders own 40% of shares on issue (includes Chairman Nick Garling & Shandong Tianye)
- A$3 Million cash at hand (excluding JV funds of $3.75M)
- Average Daily Volume 265,000 shares
- Average Daily Value A$105,000
- 52 Week High 49c
- 52 Week Low 29c
- 52 Week VWAP 33.5c
PERFORMANCE

MCO Share Price Outperformance versus ASX Index
WHY MORNING STAR RIGHT NOW?

Production commencement at Morning Star Goldmine

- Multiple high grade ore sources
- In mine resources 2MT or ~20 years
- Onsite processing facility ready

Cashflow from 2011 production will enable increased production

- Rising production profile to ~150,000ozs per annum by 2014
- Forecast 2011 profit of $26.7M to re-invest into building production and resources

Significant exploration upside

- Multiple High Grade targets close to processing plant
- Shandong Joint Venture aimed at quickening development of key targets