

PROGRESS ON TRIAL MINING AT MORNING STAR GOLD MINE

AuStar Gold Limited (ASX: AUL) ('AuStar' or 'the Company') provides the following update in relation to current progress at the Morning Star Gold Mine.

Highlights:

- **Development to the Stacpoole gold zone is nearing completion**
 - **41 metres of development has now been safely completed**
 - **Ground instability was encountered underground which was efficiently overcome by construction of a bypass**
- **Preparation for trial mining is largely complete with recruitment of key processing team**

AuStar CEO Tom de Vries said "After a tremendous start to the project with a huge amount of work undertaken in a short period of time, our objective to develop to the Stacpoole zone and undertake trial mining will soon be achieved."

"Although the last 3 weeks was challenging whilst we constructed a bypass, the fact that it was completed in a timely, cost effective and safe manner is a testament to the strong work ethic and diligence of our team. It is this continued focus on safety and performance that gives me confidence we will achieve our objective this quarter."

Morning Star Process Plant

Further progress has been made in relation to AuStar's owned and operated on-site gold processing plant and its processing team, including:

- The selection of a small, focused metallurgical team to commence shortly, with the key objective of re-commissioning the plant and optimising plant recovery;
- The appointment of an expert underground paste fill superintendent to ensure the efficient placement of process tailings safely underground; and
- Periodic inspection and maintenance of the plant has been upgraded in contemplation of its imminent restart.

Photos 1 and 2: Inspection of plant for restart

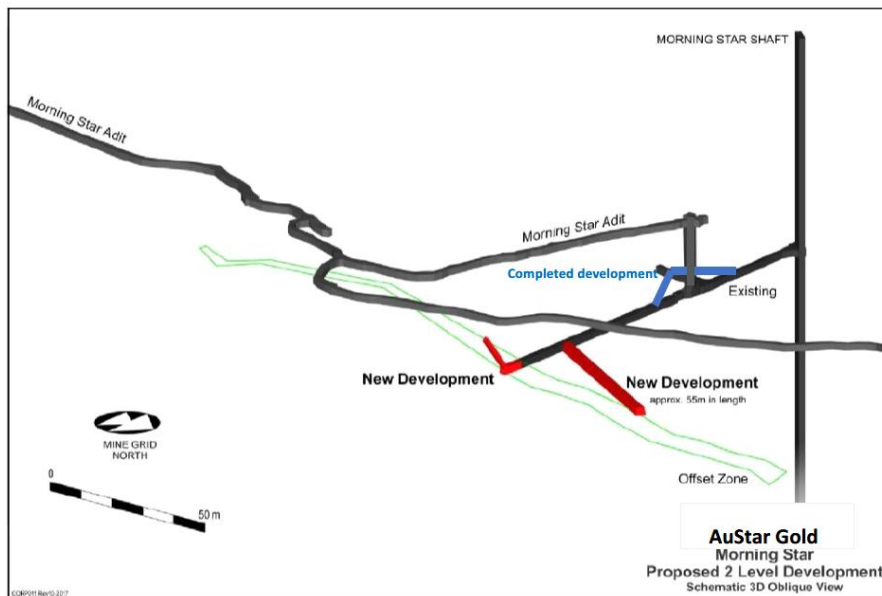


Access to Stacpoole Zone via the Morning Star Shaft

The Company's development plan involving a staged approach toward achieving production has resulted in 41.4 metres of additional tunnel added to 2 level around the internal shaft.

This internal shaft was originally nominated by the previous operator as the safe second egress and ventilation shaft and as such, competent enough to allow work to occur on its periphery. However, as work progressed it became unstable and an alternative bypass was developed.

Figure 1 2 Level with completed bypass development



The “New Development” turn-out to the North (refer Fig 1.) is now well underway. In addition, further development will occur to the east prior to rising to the Stacpoole zone. This will allow for more efficient extraction of the potential gold bearing zone and will be undertaken concurrently with the Northern Drive

About AuStar Gold Limited:

AuStar is focused on the return to production of the Morning Star mine and its environs - **an advanced high-grade gold project, with significant infrastructure including processing plant, a strategic tenement footprint, and prospectively, well positioned for near-term trial mining.**

In addition, AuStar intends to develop its adjoining tenements in the Walhalla to Jamieson gold district (particularly the prolific Woods Point Dyke Swarm) into low cost high grade gold production projects.

End

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Disclaimer:

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