

GlobeStar Enters into a Support Agreement and Announces Cdn.\$1.65 per Share Cash Offer by Perilya

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Toronto, Ontario -- ([Marketwire](#) - Oct. 22, 2010) - GlobeStar Mining Corporation ("GlobeStar") (TSX: GMI) today announced that all conditions to the entering into of a definitive support agreement (the "Support Agreement") with [Perilya Limited](#) ("Perilya"), as set out in a binding letter agreement between Perilya and GlobeStar dated October 6, 2010, have been satisfied and that the parties have entered into the Support Agreement. Under the Support Agreement, Perilya will make an offer to acquire all of the outstanding common shares of GlobeStar by way of a take-over bid for CDN\$1.65 per common share in cash (the "Offer"). The Offer represents a 29.9% premium to the closing market price on the Toronto Stock Exchange (the "TSX") of GlobeStar common shares on October 6, 2010, the date the Offer was previously announced, and a premium of 36.5% to the 20-day volume weighted average price of GlobeStar common shares on the TSX.

GlobeStar's board of directors, after consulting with its financial and legal advisors, has unanimously determined that the Offer is fair, from a financial point of view, to the holders of GlobeStar common shares and is in the best interests of GlobeStar and recommends acceptance of the Offer by such holders. GMP Securities L.P., the financial advisor to GlobeStar's board of directors, previously provided an opinion that the consideration to be received by the holders of GlobeStar common shares pursuant to the Offer is fair, from a financial point of view, to the shareholders of GlobeStar.

Commenting, GlobeStar's Chief Executive Officer, David Brace, said: "We are pleased that Perilya has entered into a definitive support agreement and is moving ahead with its Offer to acquire GlobeStar. The Offer demonstrates our commitment to maximizing shareholder value while considering the best interests of GlobeStar."

Perilya is an Australian base metals mining and exploration company listed on the Australian Securities Exchange. Perilya is the operator of the Broken Hill zinc, lead, silver mine in New South Wales, Australia, and the Beltana high-grade zinc mine in South Australia. In its half-year financial results for the six months ending June 30, 2010 and reported on August 27, 2010, Perilya reported free cash on hand of AUS\$119.4 million and revenue from operations of AUS\$127.1 million. Perilya is owned 52% by China's third largest zinc producer, Shenzhen Zhongjin Lingnan Nonfermet Co. Ltd, a company listed on the Shenzhen stock exchange with a market capitalization of approximately US\$5 billion. Shenzhen Zhongjin Lingnan Nonfermet Co. Ltd has indicated to Perilya that it fully supports the Offer.

Perilya has advised GlobeStar that it has obtained bank financing from a major Chinese bank lender, which, together with Perilya's existing cash reserves, is sufficient to fund the Offer. The Offer is not subject to a financing condition.

The Support Agreement provides for, among other things, customary provisions relating to the support of GlobeStar's board of directors, non-solicitation and right to match covenants in favour of Perilya and the payment to Perilya of a termination fee of Cdn.\$7.35 million if the acquisition is not completed in certain specified circumstances, including the acceptance by GlobeStar of a superior proposal. Under the Support Agreement, the obligation of Perilya to take up and pay for GlobeStar common shares pursuant to the Offer is subject to the receipt of certain approvals from the Government of The People's Republic of China.

In early October 2010, in connection with the Offer and the entering into of the previously announced binding letter agreement, each director and officer of GlobeStar and certain shareholders of GlobeStar entered into a lock-up agreement with Perilya pursuant to which they agreed to, among other things, tender their GlobeStar common shares to the Offer. In the event of a superior proposal, the lock-up agreements may be terminated in certain circumstances. The lock-up agreements represent approximately 48.72% of outstanding GlobeStar common shares (calculated on a fully-diluted basis).

Formal documentation relating to the take-over bid is expected to be mailed by Perilya on or prior to October 27, 2010. The Offer will be open for acceptance for a period of not less than 35 days and will be conditional upon, among other things, valid acceptance of the Offer by GlobeStar shareholders owning not less than 66 2/3% of the outstanding GlobeStar common shares. In addition, the Offer will be subject to certain

customary conditions, relevant regulatory approvals (including from the Government of The People's Republic of China) and the absence of any material adverse effect with respect to GlobeStar. Perilya may waive certain conditions of the Offer in certain circumstances. If the Offer is successful, Perilya has agreed to take steps available to it under relevant securities and corporate laws to acquire any remaining outstanding GlobeStar common shares.

GMP Securities L.P. is acting as financial advisor and Osler, Hoskin & Harcourt LLP is acting as legal counsel to GlobeStar.

About GlobeStar

[GlobeStar Mining Corporation](#) is a Canadian-based mining and exploration company producing copper, gold and silver at its Cerro de Maimón mine in the Dominican Republic. GlobeStar is also exploring for copper and gold on its extensive mineral concessions in the Dominican Republic, and holds significant interests in the Moblan lithium project in Quebec, Canada, and the Cumpié Hill lateritic nickel deposit in the Dominican Republic. GlobeStar maintains a listing on the Toronto Stock Exchange (symbol: GMI).

Cautionary Statements Concerning Forward-Looking Statements

This news release contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). Forward-looking statements include, but are not limited to, possible events and statements with respect to possible events. The words "plans," "expects," "is expected," "scheduled," "estimates," or "believes," or similar words or variations of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will be taken," "occur," and similar expressions identify forward-looking statements.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable to GlobeStar as of the date of such statements, are inherently subject to significant risks and uncertainties and may not be appropriate for use other than as used herein. These estimates and assumptions include, but are not limited to: (a) certain assumptions relating to approvals, waivers, consents and other requirements necessary or desirable to permit or facilitate the transaction; (b) the various assumptions set forth in Perilya's take-over bid circular to be prepared and to be filed in accordance with the applicable securities laws; (c) the ability to satisfy the applicable conditions of the transaction; (d) the ability of Perilya to obtain the necessary regulatory approvals from the Government of The People's Republic of China; (e) the ability of the Cerro de Maimón mine's sulphide and oxide plants to operate at their design capacities and having the facilities to meet water treatment or storage requirements and their impact on production; (f) certain assumptions relating to the market price for its products and metal grades; (g) there being no significant disruptions affecting operations at the Cerro de Maimón mine; (h) production of copper and other metals at the Cerro de Maimón mine being consistent with GlobeStar's current expectations; (i) the continued operation of the Cerro de Maimón mine; and (j) the ability of GlobeStar to successfully continue its exploration and other activities. Because of these risks and uncertainties and, as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated, implied or indicated by these forward-looking statements. Although GlobeStar believes that the expectations reflected in its forward-looking statements are reasonable, we can give no assurances that the expectations of any forward-looking statements will prove to be correct. All of the forward-looking statements made in this news release are qualified by these cautionary statements and those made in the "Risk Factors" section of GlobeStar's most recently filed Annual Information Form and GlobeStar's other filings with the securities regulators of Canada. These factors are not intended to represent a complete list of the factors that could affect GlobeStar. GlobeStar disclaims any intention, and assumes no obligation, to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise, or to explain any material difference between actual events and such forward-looking statements, except as required pursuant to applicable securities laws.

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