

GlobeStar Mining Corporation Reports Third Quarter 2010 Results

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(All dollar amounts are expressed in United States currency unless otherwise stated.)

Toronto, Ontario -- ([Marketwire](#)- Nov. 12, 2010) - GlobeStar Mining Corporation ("GlobeStar" or the "Company") (TSX: GMI) today announced key highlights of its financial and operational results for the three months and nine months ended September 30, 2010. Copies of GlobeStar's third quarter 2010 unaudited financial statements and management's discussion and analysis ("MD&A") are available on GlobeStar's website at www.globestarmining.com and at www.sedar.com.

GlobeStar will hold a conference call at 9:00 a.m. (EST) on Tuesday, November 16, 2010 to discuss the third quarter 2010 results. Call-in details are included at the end of this release. A short presentation will be made during the conference call, for which presentation slides will be available on the investor relations tab of GlobeStar's website in advance of the call.

Highlights

- On October 6, 2010 the Company announced that it had entered into a binding agreement with Perilya Limited ("Perilya"), subject to the satisfaction of certain terms and conditions of that agreement, to enter into a further definitive support agreement and make an offer to acquire all of the outstanding shares of GlobeStar by way of a take-over bid for Canadian \$1.65 per common share ("the Offer").
 - On October 22, 2010 the Company announced that all conditions to the entering of a definitive support agreement had been satisfied and that the parties entered into that support agreement.
 - On October 25, 2010 the Company announced that Perilya, through its direct wholly-owned subsidiary, Perilya Canada Limited, commenced the Offer and mailed the Offer document and take-over bid circular to the Company's shareholders.
 - During the quarter ended September 30, 2010, the Cerro de Maimon Mine recognized gross revenues of approximately \$22.1 million, operating earnings of \$8.8 million and EBITDA of \$7.8 million¹. Cash flows from operations for the quarter totalled approximately \$4.8 million, resulting in cash balances (including restricted cash and cash equivalents) of approximately \$19.2 million at September 30, 2010.
- (1) EBITDA is a non-GAAP measure and is discussed under "Non-GAAP Measures" below.
- The sulphide plant at the Cerro de Maimon Mine, which produces copper, gold and silver in concentrate form, produced for the third quarter approximately 8,300 tonnes of copper concentrate, containing approximately 4.4 million pounds of copper, 1,200 ounces of gold and 102,000 ounces of silver.
 - The Cerro de Maimon oxide plant, which produces a gold-silver precipitate, produced 2,000 ounces of gold and 39,300 ounces of silver in the third quarter and generated revenues of \$2.5 million.
 - Cash costs per payable pound of copper sold² during the third quarter of 2010 were approximately \$2.43 before by-product credits and \$0.85 after by-product credits.
 - The 2010 exploration program in the Dominican Republic has continued progressing with two drills operating in the area of the Cerro de Maimon Mine and the continuation of the trenching and drilling programs at Cerro Kiosko, Loma La Mina and Barbuio West
 - On October 20, 2010 the Company released the partial assay results from the 99 diamond drill hole program at the Moblan Lithium Project in Quebec Canada. Results show continuity of the main pegmatite sill for over 700 metres along strike with the best intercepts resulting in 33.2 metres grading 2.42% Li₂O (Reference is made to the press release issued by the Company on October 20, 2010).
 - On November 10, 2010 the Company issued a press release on the results to date of its exploration program relating to the Cerro de Maimon open pit.

Operating Results

A summary of the operating results for the third quarter of 2010 is outlined in the following tables.

During the third quarter of 2010, the sulphide plant at the Cerro de Maimon mine in the Dominican Republic produced approximately 8,300 tonnes of copper concentrate, containing approximately 4.4 million pounds of copper, 1,200 ounces of gold and 102,000 ounces of silver.

Copper production is lower than anticipated in the 2010 mine plan, due primarily from lower head grade, which was 2.6% copper for 2010. The lower head grade was due to a change in the mining sequence as ore contained in the bottom of the pit was unavailable for extraction due to the accumulation of water from heavy rain in the mine over the last several months. The Company has developed a plan to treat the water in the pit by processing it through the oxide gold plant, to remove the impurities, and then discharge the purified water. The Company began discharging water in accordance with all applicable environmental regulatory requirements in September.

(2) Cash costs per payable pound of copper sold is a non-GAAP measure and is discussed under "Non-GAAP Measures" below.

The following table outlines the sulphide plant's operating statistics during the third quarter and the nine months ended September 30, 2010:

| Sulphide Plant - Operating Statistics | Three Months Ended September 30, 2010 | Nine Months Ended September 30, 2010 |
|---------------------------------------|--|---|
| Sulphide ore processed (tonnes) | 99,000 | 313,500 |
| Copper grade | 2.4% | 2.6% |
| Gold grade g/t, Silver grade g/t | 1.1, 85 | 1.2, 66 |
| Copper, gold & silver recoveries | 83%, 35%, 38% | 84%, 44%, 51% |
| Copper concentrate produced (tonnes) | 8,300 | 28,500 |
| Copper in concentrate (pounds) | 4.4 million | 14.9 million |
| Gold & silver in concentrate (ounces) | 1,200, 102,000 | 5,400, 329,000 |

The oxide plant, which produces a gold-silver precipitate, produced approximately 2,000 ounces of gold and approximately 39,300 ounces of silver during the third quarter of 2010.

The following table outlines the oxide plant's operating statistics during the third quarter and the nine months ended September 30, 2010:

| Oxide Plant - Operating Statistics | Three Months Ended September 30, 2010 | Nine Months Ended September 30, 2010 |
|------------------------------------|--|---|
| Oxide ore processed (tonnes) | 56,500 | 182,600 |
| Gold grade g/t, Silver grade g/t | 1.4, 49 | 1.5, 42 |
| Gold & silver recoveries | 76%, 44% | 80%, 54% |
| Gold produced (ounces) | 2,000 | 6,900 |
| Silver produced (ounces) | 39,300 | 135,100 |

Third Quarter 2010 Financial Results

Results of Operations: Gross revenues from the sale of 8,400 tonnes of concentrate during the third quarter of 2010 totalled approximately \$19.6 million, while the sale of gold-silver precipitates resulted in gross revenues of approximately \$2.5 million.

Refining and treatment charges decreased by \$0.8 million in the third quarter of 2010 compared to the third quarter of 2009, due in part to lower sales volumes, but also due to a renegotiation of GlobeStar's copper concentrate sales contract with its primary customer on more favourable market terms for 2010.

Cash costs per payable pound of copper sold³ were approximately \$2.43 before by-product credits and \$0.85 after by-product credits for the third quarter of 2010. These cash costs include mine site operating costs as well as smelting, refining, freight and royalty charges related to marketing the copper concentrate.

Operating earnings for the third quarter of 2010 were approximately \$8.8 million, after deducting amortization and depletion, as compared to operating earnings of \$8.9 million for the third quarter of 2009.

Net interest expense for the third quarter of 2010 decreased by \$0.1 million compared to the third quarter of 2009, due to a lower interest rate on the Company's long-term debt and a reduced outstanding debt balance, as the Company continued to make its quarterly debt repayments during the year.

The settlement of GlobeStar's derivative contracts continued on a monthly basis during the third quarter. During the three months ended September 30, 2010, GlobeStar realized net derivative losses of \$2.0 million, consisting of \$0.8 million from gold contracts, \$0.7 million from silver contracts and \$0.5 million from copper contracts. These contracts will continue to settle on a monthly basis until the end of 2011, with GlobeStar's exposure decreasing at the start of 2011 due to significantly lower hedged volumes of copper and gold.

Net income for the third quarter of 2010 totalled \$3.4 million or \$0.032 per share, as compared to \$1.4 million or \$0.013 per share for the third quarter of 2009.

(3) Cash costs per payable pound of copper sold is a non-GAAP measure. See MD&A for a discussion of non-GAAP measures.

The following condensed Statements of Income outline the financial results of operations during the three months and nine months ended September 30, 2010:

| Statements of Income (Loss) (in U.S. \$millions) (unaudited) | Three Months Ended September 30, 2010 | Nine Months Ended September 30, 2010 |
|---|--|---|
| Gross revenues | 22.1 | 66.8 |
| Refining, treatment and other charges | (1.7) | (5.6) |
| Net revenues | 20.4 | 61.2 |
| Operating expenses | (8.7) | (24.3) |
| Amortization & depletion of mineral properties | (2.9) | (8.6) |
| Operating earnings | 8.8 | 28.3 |
| Corporate, general & administrative expenses | (1.5) | (4.8) |
| Interest | (0.3) | (0.9) |
| Derivative gains (losses) - realized & unrealized | (2.1) | (3.3) |
| Other expenses | - | (0.2) |
| Income tax expenses | (1.5) | (6.3) |
| Net income | 3.4 | 12.8 |

During the third quarter of 2010, GlobeStar realized average sales prices on its concentrate sales of \$3.57 per pound for copper, \$1,258 per ounce for gold and \$22.53 per ounce for silver. The realized prices incorporate the expected forward prices for the month of settlement according to the Company's sales arrangements. These realized prices compare with the quarter's average London Metal Exchange cash settlement price of \$3.29 per pound for copper, the average of the London morning and afternoon daily spot prices of \$1,227 per ounce for gold and the average of the London brokers official daily spot price of \$18.96 per ounce for silver.

Statements of Cash Flows: For the three months ended September 30, 2010, GlobeStar generated \$4.8 million in operating cash flows, as compared to \$8.0 million for the same period in 2009. The operating cash flow reduction is primarily due to lower production during the third quarter 2010.

GlobeStar made its scheduled quarterly long-term debt repayment of approximately \$2.6 million, including accrued interest, on September 30, 2010. Pursuant to the requirements of GlobeStar's senior debt facility, the debt reserve account remained fully funded during the third quarter of 2010 in the amount of \$5.2 million.

Exploration expenditures of \$0.6 million during the third quarter of 2010 related primarily to the drilling and trenching programs at Barbuito West, Cerro Kiosko, Loma La Mina and Moblan West, as described below. Capital expenditures at the Cerro de Maimon mine included construction work on the tailings pond and a deep drilling program below and to the south east of the open pit.

As a result of the above items, the total increase in cash for the third quarter of 2010 was \$1.3 million.

The following condensed Statements of Cash Flows outline GlobeStar's cash flows during the three months and nine months ended September 30, 2010:

| Statements of Cash Flows (in U.S. \$millions) (unaudited) | Three Months Ended September 30, 2010 | Nine Months Ended September 30, 2010 |
|--|--|---|
| Cash flows from operating activities | 4.8 | 15.3 |
| Repayment of long-term debt (principal) | (2.5) | (7.0) |
| Exploration expenditures | (0.6) | (1.9) |
| Cerro de Maimon mine capital expenditures | (1.1) | (3.2) |
| Other cash flow items | 0.7 | (0.2) |
| Increase (decrease) in cash | 1.3 | 3.0 |

Balance Sheet Data: Cash, restricted cash and cash equivalents and accounts receivable were approximately \$31.1 million at September 30, 2010, an increase of \$2.1 million during the third quarter of 2010.

Saleable metal inventories were approximately \$1.9 million at September 30, 2010 as compared to \$1.4 million at year-end. The amount outstanding on GlobeStar's senior debt facility totalled \$30.5 million at the end of the third quarter of 2010, after making the scheduled quarterly repayments for the year to date.

The following condensed Balance Sheets outline GlobeStar's financial position at September 30, 2010 and December 31, 2009:

| Balance Sheets (in U.S. \$millions) (unaudited) | As at September 30, 2010 | As at December 31, 2009 |
|--|--------------------------------|-------------------------------|
| Assets | | |
| Cash, including restricted cash and cash equivalents | 19.2 | 16.3 |
| Marketable securities | 0.4 | - |
| Accounts receivable | 11.8 | 8.1 |
| Saleable product inventory (at cost) | 1.9 | 1.4 |
| Mineral properties | 93.4 | 96.9 |
| All other assets | 7.9 | 7.1 |

| | | |
|--|-------|-------|
| Total Assets | 134.6 | 129.8 |
| Liabilities & Equity | | |
| Accounts payable and accrued liabilities | 7.4 | 7.2 |
| Long-term debt | 30.5 | 37.5 |
| All other liabilities | 11.4 | 13.3 |
| Equity | 85.3 | 71.8 |
| Total Liabilities & Equity | 134.6 | 129.8 |

2010 Outlook

The previously disclosed guidance for 2010 has been revised to reflect the operating levels achieved during the first three quarters of 2010. The updated guidance for 2010 for expected production, operating and capital costs is as follows:

- Total production from the Cerro de Maimon Mine in 2010 is forecast at approximately 20 to 21 million pounds of copper, 16,000 to 17,000 ounces of gold and 500,000 to 600,000 ounces of silver.
- Cash costs per payable pound of copper sold⁴, including production costs and treatment, refining, shipment and royalty charges, are currently forecast to average for 2010 approximately \$0.80 per pound of payable copper after by-product credits.
- Capital costs for 2010 at the Cerro de Maimon Mine are currently forecast to be approximately \$8 million, including expenditures of approximately \$3 million on a permanent water treatment plant.

Exploration Programs

Cerro de Maimon Mine

In June 2010, the Company started a second DDH program consisting of 23 holes (approximately 4,500 meters) in and outside the areas where estimated mineral reserves are located at the Cerro de Maimon open pit mine project. The main goal of this program is to explore the extent of deep sulphide mineralization beyond the current open pit and to obtain bulk sulphide material from the estimated mineral reserves for metallurgical testing of primary copper/zinc ore. By the end of the third quarter 2010 a total of 2737 meters in 15 holes were completed. Assays are pending for most of these holes but massive sulphide intercepts in deep zones (deeper than the location of the current estimated mineral reserves) have been consistently encountered along the strike of the main mineralized lens. The results to date of this program were, as noted above, summarized in a press release issued on November 10, 2010.

(4) Cash costs per payable pound of copper sold is a non-GAAP measure and is discussed under "Non-GAAP Measures" below.

Maimon Cluster

The Maimon Cluster is defined by an approximate five-kilometre radius around the Cerro de Maimon mine. The focus of exploration activities during the third quarter of 2010 was the Loma La Mina target, within the Maimon Cluster.

After the results of trench program (reported previously), a 14 DDH program was initiated in late June 2010 in Loma La Mina, and completed in August 2010, totaling 1731 metres. The drilling program aimed to target tabular deformed silica/sericite dominated zones associated with gold identified after the previous trenching. Main interceptions of the program included 3.65 and 1.60 meters grading 2.34 g/t gold and 2.06 g/t gold in hole LM2010; and 1.38 meters grading 1.02 g/t gold in hole LM2010-02. Results did not provide data for an estimated mineral resource and no further work is recommended in the area.

Bayaguana District

GlobeStar's Bayaguana district consists of 72 square kilometres of mineral concessions, located approximately 60 kilometres east of the Cerro de Maimon mine, and hosts several geologically important copper and gold deposits. Much of GlobeStar's exploration in the Bayaguana District during the first half of 2010 was focused on the Cerro Kiosco prospect. The Cerro Kiosco deposit has a National Instrument ("NI") 43-101 compliant estimated indicated and inferred mineral resource of 4.9 million tonnes grading 0.98% copper, 2.0 grams of gold per tonne and 5.1 grams of silver per tonne at a cut-off grade of 0.35 grams of gold per tonne.

Results of the 2010 trenching program in Cerro Kiosco reported previously have been integrated with the drilling database of Cerro Kiosco, and there is a possible gradient of increasing gold grades to the southeast. This geological model will be tested with a 22 DDH program (approximately 3,700 meters). The program will target about a 300-meter length along strike of the main and intermediate veins, extending from section 150 S to section 450 S. The proposed fence drilling pattern aims to intercept both the main and intermediate veins at 50-meter regular spaced centers. Continuity of the main vein will be tested for greater than 200 meters along dip.

Moblan West Lithium Project

The Moblan West lithium deposit, located in northern Quebec, is 60% owned by GlobeStar and hosts a NI 43-101 compliant estimated inferred mineral resource of 5.3 million tonnes grading 1.5% lithium oxide ("Li₂O") at a cut-off grade of 0.43% Li₂O.

An infill drilling program commenced in early 2010 and by the end May 2010, the program totalled 99 holes and 13,379 metres.

Drilling confirmed the sill continuity along strike for over 700 metres (Section 506450 E to section 507150 E). Hole 1331-10-105 intercepted 2 metres grading 1.72 % Li₂O, in a deep northward projection of the main sill, showing that although thinning, the sill is traceable for over 400 metres down dip. By the end of the third quarter end validated assays were received for a total of 87 holes. Main intercepts include 36.3 metres grading 1.92 % Li₂O in hole 1331-10-14; 37.4 metres grading 1.99% Li₂O in hole 1331-10-22; 28.8 metres grading 1.98% Li₂O in hole 1331-10-36; 42.6 metres grading 1.89% Li₂O in hole 1331-10-40; 40.9 metres grading 1.82% Li₂O in hole 1331-10-57; 37.0 metres grading 1.85 % Li₂O in hole 1331-10-68; 36.3 metres grading 2.00% Li₂O in hole 1331-10-70; 44.4 metres grading 1.94% Li₂O in hole 1331-10-89; 42.5metres grading 1.87 % Li₂O in hole1331-10-101; 39.6 metres grading 1.85% Li₂O in hole 1331-10-103; 37.9 metres grading 1.94% Li₂O in hole 1331-10-104 and 33.2 metres grading 2.42% Li₂O in hole 1331-10-106. Current drilling density targets the main sill for about 200 meters distance along dip (at about a 50 vertical depth).

Conference Call Details

GlobeStar will host a conference call on Tuesday, November 16, 2010 at 9:00 a.m. (EST) to discuss the third quarter 2010 results. The conference call may be accessed by dialing 1-866 551-3680 in North America or 1-212 401-6760 internationally. Please dial in the participant pass code 8351494#. The archived conference call can be accessed by following the instructions in the investor relations tab on GlobeStar's website.

A short presentation will be made during the conference call and the presentation slides will be available in the investor relations tab of GlobeStar's website at www.globestarmining.com.

About GlobeStar

[GlobeStar Mining Corporation](http://www.globestarmining.com) is a Canadian-based mining and exploration company producing copper, gold and silver at its Cerro de Maimon 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 Cumpie Hill lateritic nickel deposit in the Dominican Republic. GlobeStar maintains a listing on the Toronto Stock Exchange (symbol: GMI).

A.E. Olson, M AusIMM, GlobeStar's Senior Vice President and COO and a Qualified Person as defined under NI 43-101, supervised the preparation of and verified the technical information contained in this release related to the Cerro de Maimon mine. Technical information related to GlobeStar's exploration properties has been verified by Sergio Gelcich, PhD, P.Geo., GlobeStar's Senior Geologist and a Qualified Person under NI 43-101.

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) the ability of the Cerro de Maimon mine's sulphide and oxide plants to operate at their design capacities; (b) certain assumptions relating to the market price for its products and metal grades; (c) there being no significant disruptions affecting operations at the Cerro de Maimon mine or exploration expenditures and activities; (d) production and cost of operations at the Cerro de Maimon mine being consistent with GlobeStar's current expectations; (e) the continued operation of the Cerro de Maimon mine; and (f) 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.

For more information, please contact

GlobeStar Mining Corporation
David Brace
Chief Executive Officer
(416) 640-4915
dbrace@globestarmining.com

or

GlobeStar Mining Corporation
Dave Massola
Chief Financial Officer
(416) 868-6678, extension 4034
dmassola@globestarmining.com
www.globestarmining.com

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