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GlobeStar Mining Corporation (GMI : TSX-V)

Date: October 25, 2006
Price: \$1.00



KEY INFORMATION

BALANCE SHEET (as at June 30, 2006)

Current Assets *	\$ 808,125
Total Assets	18,499,001
Current Liabilities	1,129,750
Long-Term Debt	4,760,425
Shareholders' Equity	12,608,826

* a \$30 million financing was completed in August 2006

SHARES OUTSTANDING (as at October 25, 2006)

Basic	*76,552,856
Fully-Diluted	89,216,933

*management and insiders own approximately 20% of the total shares issued and outstanding

COMPANY OVERVIEW:

GlobeStar Mining Corporation is focused primarily on base and precious metals exploration and development in the Dominican Republic. The company's principal asset is its 100%-owned copper-gold Cerro de Maimon mine project, which is expected to be in production in 2008. GlobeStar also holds several other metals properties in the Dominican Republic and a lithium-feldspar project in northern Quebec.

Cerro de Maimon

Cerro de Maimon is located approximately 70 km northwest of Santo Domingo, the capital city of the Dominican Republic. The deposit, which includes 3,391 surrounding hectares and associated mining rights, was acquired

Highlights:

- copper production to commence at Cerro de Maimon in 2008 with estimated cash operating costs of just US\$0.48 per pound (after precious metals credits)
- financing and permitting are in place to commence mine construction
- nickel concessions returning promising grades between 1% and 2% nickel

from Falconbridge Limited (now Xstrata plc) in 2002. GlobeStar controls the surface rights to over 3 km² of land needed for an open pit, mill site, waste dump/tailings area, and ancillary infrastructure.

The Cerro de Maimon deposit contains 4.8 million tonnes of measured and indicated resources. In addition, there are 0.49 million tonnes of inferred resources with mineralization open at depth and to the southeast. From this overall mineral resource, 3.3 million tonnes of proven and probable mineral reserves have been calculated. These reserves grade 2.87% copper, 1.35% zinc, 40.91 grams per tonne (gpt) silver and 1.28 gpt gold.

In September 2006, the company provided an updated technical report for Cerro de Maimon based on the results of a May 2005 feasibility study. Using a 3-year historical average copper price of US\$1.15 per pound, a 10% discount rate and with cash operating costs of US\$0.48 per pound of copper (net of precious metals credits), the study's base case economics return an after tax net present value (NPV) of US\$18.7 million. Also, the project's net cash flow is calculated to be US\$46.3 million. It should be noted that this report uses a conservative copper price approximately 35% below its current market value. In addition, no upside is given for the potential expansion of the reserve base in the area.

GlobeStar estimates a conservative 22 month engineering and construction period for the mine's sulphide plant. The mine plan proposes

commissioning a 1,300 tonne-per-day sulphide circuit to commence production of copper concentrates. A planned 500 tonne-per-day oxide circuit could be operating as early as four months thereafter, which will produce gold and silver bars. The sulphide and oxide circuits will operate simultaneously for approximately 3.2 years until the current oxide reserves are depleted. Afterwards, the sulphide circuit will process the open pit proven and probable reserves over an estimated 6.3 year period. Upon depletion of the open-pit reserves, the circuits will be available for potential mill feed which GlobeStar plans to source from the company's 100% owned exploration ground which covers approximately 85% of the surrounding massive sulphide belt, and other deposits within economic trucking distance.

Using winter 2005 equipment and material costs, the oxide plant capital has been estimated at US\$7.8 million and the sulphide plant capital costs are anticipated to be US\$20.7 million. The total preproduction capital is now estimated at US\$40 million with a total project capital of US\$46.5 million.

Nickel Exploration

GlobeStar presently controls 198 km² of nickel laterite concessions in the Dominican Republic, including two concessions located immediately adjacent to Xstrata's Falcondo nickel laterite mine and smelter complex. Management intends to identify nickel ore that can be processed by these existing smelter facilities. By leveraging existing infrastructure, GlobeStar hopes to reduce its economic grade and tonnage thresholds, which would provide the company with a significant advantage over other similar nickel projects. In 2005, Falcondo processed 3.8 million tonnes of ore grading 1.18% nickel, while GlobeStar's average grades are about 1.7% nickel. Based on current nickel pricing, the company's ore would gross an extra \$100 to \$150 per

tonne as compared to Falcondo's current production. Management has not entered into any formal discussions with Xstrata at this time.

In May 2006, the company reported that 21 of 25 holes drilled in its phase one program at the Cumpie Hill nickel concession returned nickel grades of at least 1%. Significant results included several holes grading 2% nickel over at least 16 metres and another three holes grading 1.7% over 18 metre intercepts. Results from 25 additional holes drilled in phase two at Cumpie Hill were released in early August 2006 with 13 holes returning nickel intercepts with a minimum width of 1.5 metres exceeding 1% nickel. Drilling at this concession is expected to recommence once additional targets have been identified.

In late September 2006, GlobeStar commenced its first drilling program at the Cercedillo nickel/cobalt concession. The concession covers 42.2 km², of which 21.3 km² are mapped as peridotite, the source rock for nickel laterite deposits.

Financing

In May 2006, GlobeStar received US\$38 million of debt financing from Nedbank Capital of South Africa to fund construction and implementation of Cerro de Maimon. The company also has an existing US\$4.25 million debt facility in place.

On August 1, 2006, GlobeStar completed a private placement of 21,739,131 special warrants at a price of \$1.15 per special warrant for gross proceeds of \$25 million. An over-allotment option of 4,347,827 special warrants was also exercised for additional proceeds of \$5 million. Each special warrant shall entitle the holder to receive one common share of the company. The proceeds will be used as the required equity financing for the Cerro de Maimon copper project.

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