



# GlobeStar

Mining Corporation

## **GLOBESTAR MINING: UPDATE OF CERRO DE MAIMON COPPER/GOLD ECONOMIC STUDY ACCELERATES START UP OF COPPER PRODUCTION AND IMPROVES ECONOMICS: Pre-tax Net Present Value (8% discount) of US\$61.4 million with US\$0.48/lb of copper net operating costs**

Toronto, November 29, 2005. GlobeStar Mining Corporation (TSXV-GMI) (the "Company") is pleased to announce results from a mine plan optimization study recently completed by the company's consulting engineers for its permitted Cerro de Maimón copper/gold project (the "Project") in the Dominican Republic. The optimization study is based on the results of the May 2005 Behre Dolbear and Company Updated Feasibility Study (see GlobeStar press release of May 17<sup>th</sup>, 2005). The optimization study incorporates changes to the scheduling, capital costs and operating costs from those contained in the feasibility study. The reserve and resource numbers remain as previously reported. The complete optimization study will be posted on SEDAR shortly.

Using US\$1.33/lb copper prices, an 8% discount rate and with cash operating costs of US\$0.48/lb of copper (net of precious metals credits) (US\$0.74/lb cash costs ex metal credits), the study's base case economics returns a pre-tax **Net Present Value (NPV) of US\$61.4 million (C\$73.0 million) with a pre-tax Internal Rate of Return (IRR) of 49.7%**. Using November 17<sup>th</sup> 2005 spot prices, the study returns a pre-tax NPV (8%) of US\$139.9 million (C\$166.5 million) with a pre-tax IRR of 89.3%.

The Project is significantly leveraged to copper prices with average annual base case EBITDA of US\$24.5 million for the six years of full production.

<b>Cerro de Maimón Sensitivity Analysis</b>			
Case	Low	Base	High
Copper (US\$/lb)	\$ 1.15	\$ <b>1.33</b>	\$ 1.97
Zinc (US\$/lb)	\$ 0.46	\$ <b>0.55</b>	\$ 0.73
Gold (US\$/oz)	\$ 392.00	\$ <b>438.48</b>	\$ 479.00
Silver (US\$/oz)	\$ 5.98	\$ <b>6.89</b>	\$ 8.03
IRR (Pre Tax)	34.1%	<b>49.7%</b>	89.3%
Project Cash Flow (Pre Tax)	\$ 66.8	\$ <b>105.9</b>	\$ 222.5
NPV @ 8% (Pre Tax)	\$ 30.6	\$ <b>61.4</b>	\$ 139.9

Case 1, the "low case" is based on the September 2005 historical 3-year averages for the metals  
 Case 2, the "base case", uses the September 2005 historical 3-year average for the metals in conjunction with 2-year London Metals Exchange future prices for copper and zinc, and 2-year GCX future prices for gold from and silver weighted 60:40 historical to future pricing.  
 Case 3, the "high case" incorporates the Kitco Bullion Dealers spot prices as of November 17, 2005.

## **Development Plan**

The Company estimates a conservative 22-month engineering and construction period for the sulphide plant. The reconfigured mine plan proposes commissioning the 1,300 tonne per day sulphide circuit first to commence production of copper concentrates. The 500 tonne per day oxide circuit may be commissioned as soon as 4 months thereafter producing gold and silver doré bars. The sulphide and oxide circuits will operate in parallel for approximately 3.2 years at a design capacity of 1,800 tonnes per day until the current oxide reserves are depleted. The sulphide circuit will process the open pit proven and probable reserves over 6.3 years. 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.

## **Capital Costs**

The Project's capital costs have increased from the Behre Dolbear report's 4<sup>th</sup> quarter 2004 pricing estimates. Using 3<sup>rd</sup> quarter 2005 equipment and material costs the oxide plant capital has been re-estimated to US\$7.8 million. The sulfide plant capital estimate has been modified and escalated by 9% to US\$20.7 million. Included in the additional capital estimate is US\$7.0 million pre-production stripping and stockpiling of oxide ore that was previously included in the operating costs. The total pre-production capital is now estimated at US\$40.0 million with a total project capital of US\$46.5 million.

## **Operating Costs**

Mining costs were escalated by 10% to US\$1.16 and US\$1.49 per tonne of undrilled/unblasted and drilled/blasted material mined respectively, reflecting the recent equipment, fuel/lubrication and tire cost increases. Plant operating cost estimates have been reduced for the oxide and sulfide operations to US\$8.89 and US\$12.43 (average) per tonne of processed ore, respectively. The sulfide operating cost includes G & A, owner's mining, environmental, and reclamation for life-of-mine. The life-of-mine cash cost per pound of copper is US\$0.48/lb copper net of precious metal credits (US\$0.74/lb ex-precious metal credits).

## **Additional Opportunities**

The updated economic analysis does not include opportunities to increase the reserve base by:

- expanding the Cerro de Maimón open pit;
- developing an underground mining operation to access the mineralization known to exist below the Cerro de Maimón pit (the pit currently bottoms in strongly mineralized material) and;
- development of new ore bodies within the surrounding Maimón massive sulphide belt, where GlobeStar's exploration concessions cover approximately 85% of the mineralized belt. GlobeStar is currently preparing independent resource estimates for a number of other massive sulphide mineralized deposits including the Loma Pasada and Loma Barbuico projects.

This optimization study was completed under the supervision of John F. Harvey and Richard Jolk, P.E., who have been retained as project consultants. Tim Warman P.Geol. is the Qualified Person for GlobeStar and has reviewed this press release for accuracy.

GlobeStar Mining is a Canadian Junior Mine Developer focused on mine development and mineral exploration in the Dominican Republic. The company is currently developing the fully permitted Cerro de Maimon copper-gold project, and is actively exploring its extensive land position for copper, gold and nickel.

For more information visit the Company Website at [www.globestarmining.com](http://www.globestarmining.com), or contact:

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*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

## Appendix A – Optimization Study Assumptions

The May, 2005 Behre Dolbear, feasibility report was used as a basis upon which the optimization study was prepared. The mine plan has been reconfigured without remodeling the reserves to move copper production forward in the mine life thereby taking advantage of higher forecast commodity pricing while improving project economics.

Using the unchanged combined proven and probable reserves detailed in a press release on May 17<sup>th</sup> 2005, the mine will recover approximately 176.99 million lbs of copper, 83,822 oz of gold, 2,792,889 oz of silver, and 89.18 million lbs of zinc, from 0.576 million tonnes of oxide ore grading 2.56g/tonne of gold and 64.66g/tonne of silver (87% are proven reserves), plus 2.752 million tonnes of sulphide ore grading 3.43% Copper, 1.63% Zinc, 1.02g/tonne of gold and 35.93g/tonne of silver (69% are proven reserves). Recoveries used are from the previously published feasibility study (see press release of May 17<sup>th</sup>, 2005). This example uses treatment charges of US\$85.0/tonne, refining charges of US\$0.85/lb of copper, and approximately 45% payment for contained zinc in concentrate. Final concentrate off take agreements are currently under negotiation and may vary from these assumptions. An exchange rate of 0.84 was used to convert US\$ to Canadian currency.

The proven and probable reserves developed by Behre Dolbear and presented above used conservative historical 3-year price averages for March 2005. The latest available 3-year historical price averages updated through September 2005 have improved significantly since March 2005 and can be substituted directly for the March 2005 prices. Further, 2-year metal futures prices have also improved significantly and may more closely represent actual market conditions. In Case 2 above (the base case) the latest historical 3-year price averages and 2-year metal future prices were used in the optimization study in ratio 60:40 and are presented below:

<u>Price Type and Date</u>	<u>Commodity</u>	<u>Average Price</u>
September 2005 Historical 3-year average prices	Copper	\$1.15/lb Cu
	Zinc	\$0.46/lb Zn
	Gold	\$392/toz Au
	Silver	\$5.98/toz Ag
November 17, 2005 Two-year metals future prices	Copper	\$1.60/lb Cu
	Zinc	\$0.69/lb Zn
	Gold	\$508.17/toz Au
	Silver	\$8.25/toz Ag

Both pre-tax and post tax scenarios are presented, as any further development in the Dominican Republic would be financed out of pre-tax cash flow.