ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2009

March 30, 2010

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INFORMATION IN THIS ANNUAL INFORMATION FORM

Unless otherwise stated, references to "GlobeStar", the "Company", "its", "our" and "we", or related terms, refer to GlobeStar Mining Corporation and its subsidiaries. Information contained in this Annual Information Form is presented as at December 31, 2009 unless otherwise indicated.

The website of GlobeStar is located at www.GlobeStarmining.com. The contents of GlobeStar's website are expressly not incorporated by reference into or should in any way be deemed to be part of this Annual Information Form. In addition, references in this Annual Information Form to research reports, technical reports or to articles and publications should not be construed as reflecting in any way or manner the complete findings of the entire referenced report or article. Unless specifically included in the Annual Information Form, the information in each report or article is expressly not incorporated by reference into this Annual Information Form.

Reference is made to the "Glossary and Technical Terms" beginning on page 62 for definitions of technical and other terms used in this Annual Information Form.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Information Form and the documents incorporated by reference herein contain statements which are not current statements or historical facts and are "forward-looking information" within the meaning of applicable Canadian securities law. All statements, other than statements of historical fact, contained or incorporated by reference into this Annual Information Form constitute forward-looking information. Words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved and other similar expressions have been used to identify forward-looking statements. These statements relate to, among other things, GlobeStar's expectations regarding future growth, results of operations (including, without limitation, future production and sales, and operating and capital expenditures), performance (both operational and financial), business and political environment and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities.

Although the forward-looking information in this Annual Information Form reflects GlobeStar's current beliefs as of the date of this Annual Information Form based upon information currently available to management and based upon what management believes to be reasonable assumptions, GlobeStar cannot be certain that actual results, performance, achievements, prospects and opportunities, either expressed or implied, will be consistent with such forward-looking information. By its very nature, forward-looking information necessarily involves significant known and unknown risks, assumptions, uncertainties and contingencies that may cause GlobeStar's actual results, assumptions, performance, achievements, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking information. Assumptions include, but are not limited to, the accuracy of geologic interpretations and studies of the orebodies at the Cerro de Maimón Property, the Moblan West property and its other properties, the content of the orebody in respect of the Cerro de Maimón Property, the ability of the sulphide and oxide plants to operate at their design capacities, certain assumptions relating to the market price of copper, gold and silver and the expected levels of supply and demand for copper, gold and silver, there being no significant disruptions affecting operations at the Cerro de Maimón Property, production at the Cerro de Maimón Property being consistent with GlobeStar's current expectations, the continued operation of the Cerro de Maimón mine and production facilities, the ability of GlobeStar to successfully continue its exploration activities in respect of its other properties and prospects and the accuracy of the geologic interpretations and drill results in respect of GlobeStar's other properties and prospects. Risks and uncertainties include, among other things, risks relating to the price of gold, silver and copper, replacement of reserves, reduction in reserves relating to geotechnical and other risks, ground movements, political risk, nationalization or expropriation risks, changes in laws and regulations, civil unrest, labour unrest, legal and/or regulatory compliance requirements and/or costs, reserve and resource estimates, rights to mining or mineral claims or licenses, production estimates, exploration and development activities, competition, operational risks, environmental, health and safety risks, defects in title, seismic activity, the cost and availability of labour, the availability and cost of material and supplies, increases in production and capital costs, permitting and construction costs, enforcement of legal rights, competition for, among other things, capital, acquisitions and skilled personnel, fluctuations in foreign exchange or interest rates and stock market volatility, uncertainties over the interpretation of drill results, the geology, grade and continuity of mineral deposits and the uncertainty of profitability based upon the Company's past losses, the failure to obtain adequate

financing on a timely basis and on acceptable terms, and hedging activities. There may be other factors that cause results, assumptions, performances, achievements, prospects or opportunities in future periods not to be as anticipated, estimated or intended. See "Risk Factors" in this Annual Information Form.

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown, can cause actual results, performances or achievements to vary or differ materially from the results, performances or achievements that are or may be expressed or implied by such forward-looking statements contained in this Annual Information Form. Accordingly, all such factors should be considered carefully when making decisions with respect to GlobeStar, and prospective investors should not place undue reliance on forward-looking information. Forward-looking information is as of December 31, 2009. GlobeStar assumes no obligation to update or revise forward-looking information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward-looking information except as required by applicable law.

CURRENCY AND EXCHANGE RATES

In this document, funds are quoted in both Canadian dollars and United States dollars. Accordingly, throughout this Annual Information Form, references to "US$" are to United States dollars and references to "$" are to Canadian dollars. As of March 29, 2010, the Bank of Canada noon buying rate for the purchase of one US$ using Cdn$ was $1.0203. The Bank of Canada noon buying rates for the purchase of one United States dollar using Canadian dollars were as follows during the indicated periods below:

	Year Ended December 31		
	2009	2008	2007
End of period	$1.0466	$1.2246	$0.9881
High for the period	$1.3000	$1.2969	$1.1853
Low for the period	$1.0292	$0.9719	$0.9170
Average for the period	$1.1420	$1.0660	$1.0748

CONVERSION

The following table sets forth certain standard conversions from standard Imperial units to the International System of Units (or metric units).

To Convert From	To	Multiply By
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471
Grams	Ounces (troy)	0.032
Ounces (troy)	Grams	31.103
Tonnes (t)	Short tons	1.102
Tonnes	Pounds	2,204.620
Short tons or tons	Tonnes	0.907
Grams per tonne	Ounces (troy) per ton	0.029
Ounces (troy) per ton	Grams per tonne	34.286

CORPORATE STRUCTURE

General

The Company was initially incorporated as 3996671 Canada Inc. under the *Canada Business Corporations Act*, pursuant to articles of incorporation dated January 11, 2002. Pursuant to articles of amendment dated October 29, 2002,

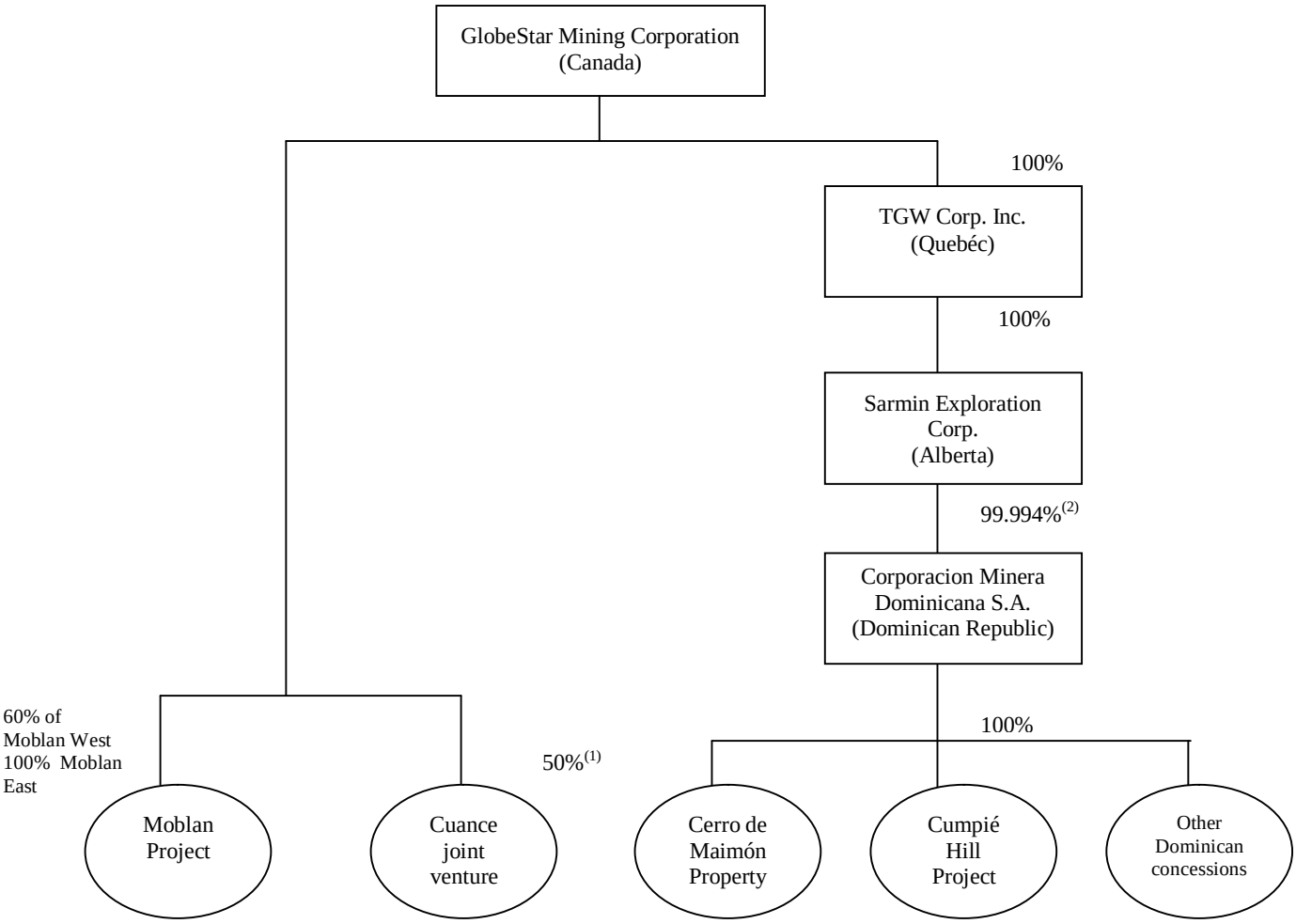
the Company changed its name to "GlobeStar Mining Corporation". On November 26, 2002, the Company filed articles of amendment removing certain transfer restrictions applicable to the Company's securities.

Effective December 6, 2002, the Company participated in a plan of arrangement (the "**Arrangement**") with its sole shareholder, TGW Corp. Inc. ("**TGW**"), a reporting issuer and publicly traded company. Pursuant to the terms of the Arrangement, all of the issued and outstanding shares of TGW were exchanged for common shares in the capital of the Company (the "**Common Shares**") on a one for one basis, resulting in the former shareholders of TGW becoming the shareholders of the Company and TGW becoming a wholly owned subsidiary of the Company. The Company's head and registered office address is 18 King Street East, Suite 900, Toronto, Ontario, M5C 1C4.

The Common Shares of the Company are presently listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "GMI".

Intercorporate Relationships

The Company has three subsidiaries: (i) TGW, a corporation incorporated under the laws of the Province of Québec, (ii) Sarmin Exploration Corp. ("**Sarmin**"), a corporation incorporated under the laws of the Province of Alberta, and (iii) Corporacion Minera Dominicana S.A. ("**CMD**"), a corporation incorporated under the laws of the Dominican Republic. Sarmin is a wholly-owned subsidiary of TGW and CMD is a wholly-owned subsidiary of Sarmin. The following chart illustrates the relationship between GlobeStar and its subsidiaries, together with the jurisdiction of incorporation for each subsidiary.



(1) By providing US$1.17 million of funding for these concessions over three years, Everton Resources Inc. ("**Everton**"), GlobeStar's joint venture partner, earned a 50% interest in the concessions comprising the Cuance joint venture, and may earn a further 20% interest by funding a feasibility study that results in either of the concessions being converted into a production property.

(2) In accordance with the laws of the Dominican Republic, CMD is required to have a minimum of seven shareholders. Accordingly, GlobeStar is the holder of 99.994% of the issued and outstanding shares of CMD and each of the six directors of CMD are the holders of 0.001% of the issued and outstanding shares of CMD, respectively. The shares of CMD which are held by its directors are subject to certain restrictions, including that such shares may only be held by such directors for so long as such directors remain directors of CMD. The six directors of CMD currently include Eric Olson, David Massola, Larry Ciccarelli, Jose Antonio Ruiz, Julio Espaillat and David Brace. For the purposes of this Annual Information Form, any description of GlobeStar's ownership interest in CMD, the Cerro de Maimón Property (as defined below) and any other assets of CMD, is qualified in its entirety by the foregoing.

GENERAL DEVELOPMENT OF THE BUSINESS

GlobeStar is a Canadian-based mining, exploration and development company which owns a portfolio of mining property assets in the Dominican Republic and the province of Québec, Canada. GlobeStar's principal assets are its interest in the Cerro de Maimón mine (the "**Cerro de Maimón Property**"), the Moblan project consisting of GlobeStar's interests in Moblan West and Moblan East (**the "Moblan Project")** and the Cumpié Hill project (the "**Cumpié Hill Project**") located in the Monseñor Nouel Province in the Dominican Republic. Base metals (copper, zinc, silver, nickel and gold) are the principal commodities mined, explored for and sought in respect of the Cerro de Maimón Property, the Cumpié Hill Project and certain other mineral projects of the Company. Lithium is the principal commodity explored for at the Moblan Project. The Company's assets consist of interests in or rights to the following:

Asset	Location	Ownership Interest
Cerro de Maimón Property	Monseñor Nouel Province, Dominican Republic	100% owned by CMD
Cumpié Hill Project	Monseñor Nouel Province, Dominican Republic	100% owned by CMD
El Ańon concession	Dajabón/Montecristi,Dominican Republic	100% owned by CMD
Maimón concession	Sánchez Ramírez, Dominican Republic	100% owned by CMD
Managuá concession	Monte Plata, Dominican Republic	100% owned by CMD
Trinidad concession	Monte Plata, Dominican Republic	100% owned by CMD
Rincón Abajo concession	Monte Plata, Dominican Republic	100% owned by CMD
Moblan Project	Chibougamau, Québec	60% of Moblan West owned by GlobeStar
		100% of Moblan East owned by GlobeStar
Cuance joint venture[(1)]	Monseñor Nouel Province, Dominican Republic	50% owned by GlobeStar
Corozal Ridge[(2)]	Monseñor Nouel Province, Dominican Republic	100% owned by GlobeStar

Notes:

(1) The Cuance joint venture consists of the Los Hojanchos and Loma de Payabo concessions located in the Monseñor Nouel Province, Dominican Republic. By providing US$1.17 million of funding for these concessions over three years, Everton, GlobeStar's joint venture partner, earned a 50% interest in the concessions comprising the Cuance joint venture, and may earn a further 20% interest by funding a feasibility study that results in either of the concessions being converted into a production property.

(2) The Corozal Ridge nickel-bearing laterite zone is located 3.5 kilometres east of the Cumpié Hill Project and 1.5 kilometres west of the Cerro de Maimón Property.

Three Year History

On January 10, 2007, the Common Shares were listed for trading on the TSX under the symbol "GMI" and were de-listed from the TSX Venture Exchange.

During the first half of 2007, GlobeStar announced the new discovery of nickel-bearing laterites at Loma Mala in the Dominican Republic, the commencement of a diamond drill campaign for its nickel concessions in the Dominican Republic and the issuance of purchase orders for all mills and crushers and other long lead-time items for the Cerro de Maimón Property.

On May 8, 2007, the Company announced that the board of directors (the "**Board**") had adopted a shareholder rights protection plan (the "**Rights Plan**"). The Board determined that it was in the best interests of GlobeStar to adopt the Rights Plan, consistent with similar plans in Canada. The Rights Plan was ratified and authorized by the shareholders of the Company at the meeting of shareholders held on June 14, 2007. The terms of the Rights Plan are similar to existing shareholder rights plans adopted by other Canadian public companies. The Board implemented the Rights Plan by authorizing the issuance of one right in respect of each Common Share of the Company outstanding at the close of business on May 3, 2007, and the issuance of one right in respect of each additional Common Share issued from treasury after May 3, 2007. See "Description of Capital Structure – Rights Plan".

On May 29, 2007, GlobeStar announced that it had completed a financing transaction with a syndicate led by Desjardins Securities Inc. on a bought-deal basis consisting of a private placement of 15,905,000 Common Shares at a price of $2.00 per Common Share for aggregate gross proceeds of $31,810,000. The financing was undertaken to partially fund the continued development of the Cerro de Maimón Property and for general working capital purposes.

Pursuant to the terms of the debt financing provided by NEDBANK Capital of South Africa in the initial amount of US$38 million (including US$3 million of capitalized interest) for the purpose of funding the construction and implementation of the Cerro de Maimón Property (the "**NEDBANK Financing**"), which was subsequently increased from US$38 million to US$45 million to include a US$7 million cost overrun facility in August 2007, in the second half of 2007 GlobeStar entered into a combination of forward and call option contracts for gold and silver, covering quantities based on 90% of the estimated production of these metals from the Cerro de Maimón Property during its initial three years, to economically hedge against the risk of declining commodity prices. The hedging program in place provides a forward price for gold of US$650 per ounce for a total of 57,900 ounces and a forward price for silver of US$11.50 per ounce for a total of 1,440,000 ounces. The program included long call options at an average strike price of US$800 per ounce for gold and US$17.25 per ounce for silver, thus permitting the Company to participate in price increases in the event that gold or silver prices exceed the strike prices of the options. The NEDBANK Financing bears annual interest at a floating rate of London Interbank Offered Rate ("**LIBOR**") plus 300 basis points which was approximately 3.28% as of December 31, 2009. Under the NEDBANK Financing, mandatory prepayments are required at 25% of the Cerro de Maimón Property's excess available cash flow, as defined under that facility. The NEDBANK Financing, including the cost overrun facility, was substantially drawn down in 2008 and the first debt repayment was made in June 2009 in accordance with the terms of such facility. Pursuant to the NEDBANK Financing, during the third quarter of 2007, GlobeStar entered into a combination of forward and call option contracts for copper covering approximately 10% of the estimated copper production of the Cerro de Maimón Property during its initial three years of operation. The hedging program in place provides a forward price for copper of US$2.52 per pound covering a total of 9,497,503 pounds. The program includes long call options at an average strike price of US$4.04 per pound of copper, thus permitting the Company to participate in price increases in the event that copper prices exceed the strike prices of the options. These hedging programs do not require cash margins, collateral or other security from the Company.

In August 2007, GlobeStar announced the results of a mineral resource and reserve estimate technical report in compliance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") on the Cerro de Maimón Property, dated August 21, 2007, prepared by Micon International Limited ("**Micon**") (the "**2007 Maimón Report**"). A full copy of the 2007 Maimón Report is available under the Company's profile on SEDAR at www.sedar.com. For more information see "Description of the Business – Principal Properties".

In November 2007, GlobeStar announced the results of a NI 43-101 complaint technical report (the "**Cumpié Hill Report**"), dated November 28, 2007, prepared by F.R. Billington Consulting Geologist ("**F.R. Billington**") and Snowden Mining Industry Consultants Inc. ("**Snowden**") on the Cumpié sector (the "**Cumpié Sector**") of GlobeStar's Cumpié Hill Project in the Dominican Republic. A full copy of the Cumpié Hill Report is available under the Company's profile on SEDAR at www.sedar.com. For more information, see "Description of the Business – Principal Properties".

During the second half of 2007, GlobeStar continued to advance construction of the Cerro de Maimón Property, announced the results of its 64-hole infill drill program for the Cumpié Hill Project, completed a DIGHEM electromagnetic survey in respect of GlobeStar's nickel bearing peridotite concessions, upgraded the discovery to a mineral resource estimate in respect of the Cumpié Hill Project and completed its drilling program at Loma Mala.

During the first half of 2008, GlobeStar continued to explore its two new nickel-bearing laterite zones at Corozal Ridge and Cuaba Quemada in the Dominican Republic, prepared the Cerro de Maimón Property for production and began exploration activities on its Cuance concession, Maimón concession and Loma Pesada deposit.

On January 31, 2008, GlobeStar announced that William Fisher resigned from his position as Chief Executive Officer and as a director of GlobeStar and that the Board had appointed Larry Ciccarelli, one of the founders of GlobeStar and then Chairman of the Board, as interim Chief Executive Officer. Mr. Fisher also entered into a consulting agreement with GlobeStar for an 18 month period, pursuant to which Mr. Fisher agreed to provide certain consulting services as might be required by GlobeStar.

In April 2008, GlobeStar announced the results of a NI 43-101 compliant technical report (the "**Cumpié Hill II Report**"), dated February 25, 2008, prepared by F.R. Billington and Snowden on both the Cumpié Sector and the Loma Mala sector (the "**Loma Mala Sector**") of GlobeStar's Cumpié Hill Project in the Dominican Republic. A full copy of the Cumpié Hill II Report is available under the Company's profile on SEDAR at www.sedar.com. For more information, see "Description of the Business – Principal Properties".

On July 30, 2008, GlobeStar announced that construction of the Cerro de Maimón Property and related sulphide concentrating facilities had been substantially completed. Wet commissioning of the sulphide flotation circuit and start-up of the regrind ball mill commenced on July 26, 2008, and the crushing circuit was operational in early July of 2008.

On September 25, 2008, GlobeStar announced that the Company had scheduled its first shipment of approximately 1,000 tonnes of copper concentrate to a smelter in China.

Subsequent to the end of the third quarter of 2008, GlobeStar exercised its option to acquire half of the 2% NSR held by Falconbridge Dominicana C. Por A. ("**Falcondo**") relating to production from the Cerro de Maimón Property. Falcondo continues to retain the remaining 1% NSR, to which GlobeStar has a right of first refusal.

On October 22, 2008, GlobeStar appointed David Brace as Chief Executive Officer of the Company and on March 5, 2009 he became a member of the Board.

On January 13, 2009, GlobeStar formally announced that commercial production at the Cerro de Maimón Property had begun effective January 1, 2009.

On January 23, 2009, GlobeStar announced the appointment of A. Eric Olson, as Senior Vice President and Chief Operating Officer effective January 21, 2009, that the former Chief Operating Officer, Jean-Pierre (JP) Chauvin, retired and that Dave Massola, GlobeStar's current Chief Financial Officer, would also assume the position of Senior Vice President, Finance.

On February 12, 2009, GlobeStar made the first shipment of doré from the Cerro de Maimón oxide plant to a refinery located in the United States of America.

On March 24, 2009, PricewaterhouseCoopers LLP was informed that they would not be re-appointed as auditors of GlobeStar. On the recommendation of the Audit Committee, the Board approved a proposal to engage Deloitte & Touche LLP as auditors for GlobeStar for the fiscal year ending December 31, 2009.

On April 18, 2009, it was announced that recent geologic interpretations of the Cerro de Maimón orebody indicated that there was an undrilled area adjacent to the north-west end of the open pit which may host an extension of the Cerro de Maimón deposit. Trenching and geophysical programs commenced over the prospective area and a drilling program was initiated to evaluate this new target.

At the end of the second quarter 2009, GlobeStar made its first scheduled payment under the NEDBANK Financing in the amount of approximately $2.9 million and at that time, was in compliance with all covenants thereunder, including certain project completion tests relating to the Cerro de Maimón Property.

On September 17, 2009, GlobeStar announced key highlights of the 2009 drilling program covering the Company's 60% owned Moblan West lithium deposit located approximately 100 kilometres north of Chibougamau, Québec. Drilling to date at the Moblan West deposit of the Moblan Project has outlined a near-surface 40 metre thick pegmatite sill which hosts a NI 43-101 compliant inferred mineral resource estimate of high quality spodumene mineralization.

On September 30, 2009, the Company made its scheduled quarterly payment of long-term debt for the third and fourth quarters of 2009 in the amount of approximately $2.7 million, and was in compliance with all covenants under the debt facility as of the end of the third and fourth quarters of 2009.

Recent Developments

On January 11, 2010, GlobeStar confirmed that its copper, gold and silver hedge exposure entered into in 2007 pursuant to the NEDBANK Financing for 2010 would be significantly lower than in 2009. GlobeStar's hedging program, which commenced in 2009, covers a period of three years and was required, as noted above under the NEDBANK Financing.

On January 13, 2010, GlobeStar reported that there were no injuries to personnel and operations remained normal at the Cerro de Maimón Property located in the Dominican Republic due to the earthquake in Haiti. The Cerro de Maimón Property is located approximately 200 kilometres east of Port-au-Prince Haiti where an earthquake on January 12, 2010 caused considerable damage.

On February 23, 2010, GlobeStar announced the appointment of Julio Espaillat to the position of Vice President, Exploration.

DESCRIPTION OF THE BUSINESS

General

GlobeStar is a Canadian-based mining, exploration and development company that owns a portfolio of mining property assets in the Dominican Republic and the province of Québec, Canada and its shares are traded on the TSX. GlobeStar's principal assets are its interests in the operating mine at the Cerro de Maimón Property, the Moblan Project and the Cumpié Hill Project. See "General Development of the Business" for a complete list of the Company's mineral properties. Base and precious metals (copper, silver and gold) and lithium are the principal commodities mined, explored for and sought in respect of the Cerro de Maimón Property and the other mineral properties of the Company. See "General Development of the Business – Three Year History" and "Principal Properties".

Specialized Skill and Knowledge

Mining and mineral exploration companies in Canada must follow specific guidelines for disclosure, designed to improve the accuracy and integrity of the information they provide. NI 43-101 governs a company's public disclosure of scientific and technical information about its mineral projects. The disclosure must be based on information provided by a "qualified person" (as defined in NI 43-101). A "qualified person" under NI 43-101 is an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, has experience relevant to the subject matter of the mineral project and the technical report or is an individual in good standing with a professional association and, in the case of a foreign association has a corresponding designation. Mr. Eric Olson, MAusIMM, Senior Vice President and Chief Operating Officer of GlobeStar, is the qualified person as defined under NI 43-101 who supervised the preparation of and verified the technical information contained in this Annual Information Form, other than that related to the Moblan lithium deposit below on behalf of GlobeStar. See "Description of the Business – Other Properties".

Employees

At December 31, 2009, GlobeStar and its subsidiaries employed approximately 180 persons. GlobeStar considers its relations with its employees to be good. The Company's labour force in both Canada and the Dominican Republic is not represented by a union.

Competitive Conditions

The base and precious metal mineral exploration and mining business is a highly competitive business. GlobeStar competes with numerous other companies and individuals in the search for and the acquisition of attractive base and precious metal mineral properties. The ability of GlobeStar to replace or increase its estimated mineral reserves and resources in the future will depend not only on its ability to develop its present properties and projects, but also on its ability to select and acquire suitable producing properties or prospects for base and precious metal development or mineral exploration. In the Dominican Republic, GlobeStar holds a number of concessions near and around the Cerro de Maimón Property and has targeted these areas for future exploration activities. GlobeStar currently believes that production costs for copper concentrate, net of by-product credit, produced at its Cerro de Maimón Property compare favourably with many similar projects in Central and Latin America.

Environmental Protection

GlobeStar's exploration activities and mining and processing operations are subject to the federal, state, provincial, regional and local environmental laws and regulations in the jurisdictions in which GlobeStar's operations are located, namely the Dominican Republic and Quebéc. In particular, GlobeStar is subject to Environmental Law 64-00 which provides for various inspections and regulations carried out by all levels of government in the Dominican Republic.

In all jurisdictions in which GlobeStar operates, environmental licenses, permits and other regulatory approvals are required in order to engage in exploration, mining and processing, and mine closure activities. Regulatory approval of a detailed plan of operations and a comprehensive environmental impact assessment is required prior to initiating mining or processing activities or for any substantive change to previously approved plans. In all jurisdictions in which GlobeStar operates, specific statutory and regulatory requirements and standards must be met throughout the life of the mining or processing operations in regard to air quality, water quality, fisheries and wildlife protection, archaeological and cultural resources, solid and hazardous waste management and disposal, the management and transportation of hazardous chemicals, toxic substances, noise, community right-to-know, land use, and reclamation. Except as may be otherwise disclosed herein, GlobeStar is currently in compliance in all material respects with all material applicable environmental laws and regulations and the Technical and Environmental, Health & Safety Committee of its Board reviews the relevant documents and procedures on a regular basis to ensure all regulations and laws are being adhered to.

GlobeStar is currently reviewing the water treatment requirements which would allow the discharge of water at the Cerro de Maimón Property starting in 2010. During 2010, portable water treatment facilities will likely be rented to verify the operating procedures required to discharge water that, in turn, meets with standards set in the applicable environmental regulations. Longer term, the preliminary indication for the capital requirements to install adequate processing equipment to treat and discharge impounded process water is estimated to be in the order of $4 to $8 million. At this time, it is envisioned that these expenditures will be made during the period from 2010 to 2012.

Social or Environmental Policies

In May 2009, GlobeStar's Board established a Technical and Environmental, Health & Safety Committee consisting of a majority of independent members. In June 2009, the Company's internal mandates for Health and Safety and for the Environment and Sustainability were finalized and approved by senior management.

GlobeStar continues to be committed to the highest standards of occupational health and safety in all of its activities. GlobeStar's health and safety policies are based on its commitment to provide an incident-free and illness-free workplace supported by ongoing monitoring of its safety practices and performance. All activities carried out by GlobeStar employees and contractors are carried out under the following guiding principles, which aim to integrate

safety into all aspects of work by providing appropriate communication, training and equipment for individuals to work safely and responsibly at all times; by incorporating health and safety into planning activities; by continued development, review and improvement of best working practices; by continuous compliance with all applicable laws, regulations and standards; by developing processes to identify and control hazards in the workplace; by setting objectives in health and safety performance; and by committing appropriate resources to health and safety programs.

GlobeStar believes that individuals are responsible and accountable for upholding these principles which are designed to avoid injury and illness. Individuals are encouraged to identify and report any unsafe work conditions. GlobeStar continues to strive to communicate openly on occupational health and safety matters with its employees and contractors, as well as with industry peers, governments and the communities in which GlobeStar operates.

GlobeStar is committed to the highest standards of environmental care and social responsibility in conducting its business and operations as an international resource company. GlobeStar's environmental and sustainability policies are designed for continuous improvement in performance by incorporating ongoing developments in environmental knowledge, evolving global practices, and local community expectations. GlobeStar's environmental and sustainability principles include establishing operating standards that comply with or surpass all applicable laws, regulations and standards; respecting the rights of employees and the communities in which GlobeStar operates; developing and committing appropriate resources to reclamation plans for all of GlobeStar's activities, from exploration to mine closure; executing concurrent reclamation where possible in order to return the site to its natural state as quickly as feasibly possible; communicating environmental responsibilities to suppliers of goods and services to GlobeStar; seeking to provide employment and business opportunities for local communities covering GlobeStar's existing operations and new projects; ensuring that systems are maintained to identify, control and monitor environmental risks arising from all activities, with the aim of reducing environmental impact prior to occurrence and correcting/resolving as soon as feasible any unforeseen environmental impacts; conducting research and developing programs to protect the environment by conserving resources, minimizing waste and improving processes; and providing meaningful benefits to communities in which the Corporation operates by supporting sustainable initiatives that develop local social and economic priorities.

GlobeStar believes that individuals can demonstrate leadership and commitment to continuous improvement in both environmental protection and community relationships. GlobeStar strives to communicate openly on environmental and community matters with the individuals, industry peers, governments and communities in which GlobeStar operates.

GlobeStar has taken certain steps to implement these policies. All policies are distributed to employees who are required to sign a form indicating that they have read and are familiar with the policies. Departmental budgets were created and employees implement these policies as appropriate.

Operations, Production and Sales

GlobeStar commenced commercial production on January 1, 2009 at the Cerro de Maimón Property and began recognizing revenues and the associated cost of sales for the first time as of that date. During the year ended December 31, 2009, GlobeStar recognized gross revenues of US $78.5 million on the sale of approximately 44,100 tonnes of copper concentrate and approximately 4,900 ounces of gold and 70,700 ounces of silver contained in doré and related products. After deducting refining and treatment charges, and freight, royalties and other charges, GlobeStar realized net revenues of US $68.0 million for 2009.

The corresponding operating expenses for the year ended December 31, 2009 totalled $26.2 million, while the amortization and depletion of mineral properties was $10.0 million. As a result, GlobeStar's operating earnings totalled $31.7 million for the year.

Cash costs per payable pound of copper sold in 2009 were approximately $1.58 before byproduct credits and $0.81 after byproduct credits. For 2010, the Company expects that cash costs per payable pound of copper sold will be approximately $0.95 after byproduct credits, assuming an estimated gold price of $950 per ounce and an estimated silver price of $15 per ounce.

Corporate, general and administrative expenses for 2009 totalled $5.1 million, which was lower than the balance in 2008 of $6.0 million. Decreases in stock-based compensation expense of $0.5 million and in professional and maintenance fees of $0.8 million were partially offset by an increase of $0.3 million in GlobeStar's foreign service taxes, which are payable in respect of payments to and services provided by companies located outside of the Dominican Republic.

GlobeStar's general exploration expenses increased by approximately $0.3 million as compared to 2008. These costs are not related to specific mining properties and are expensed as incurred, in accordance with the Company's stated accounting policy. Most of these costs in 2009 relate to efforts to identify new exploration and acquisition opportunities in Mexico, Central America and Colombia.

During the year ended December 31, 2009, GlobeStar recorded net interest expense of $1.8 million, primarily due to interest on GlobeStar's long-term debt, whereas, in 2008, the interest on the long-term debt was capitalized during the construction phase of the Cerro de Maimón mine. Interest income has decreased year-over-year by $0.5 million due to lower interest rates and reduced cash balances.

The Company is affected by fluctuations of the Canadian dollar and the Dominican peso in relation to the United States dollar, since a portion of GlobeStar's expenses is denominated in these foreign currencies. Foreign exchange losses during 2009 totalled $0.1 million, as compared to losses of $1.9 million during 2008.

During the year ended December 31, 2009, GlobeStar reduced the carrying value of its nickel laterite properties by approximately $0.2 million, following an assessment by management of the recoverability of certain of the capitalized costs, and wrote off the costs associated with the Caribbean Basin and other properties, based on an assessment of the expected future benefits associated with these expenditures. In addition, GlobeStar reduced the carrying value of the El Anón and Jatubey properties, following an assessment by management of the future development potential of these properties. During 2008, no similar write downs were recorded.

Due to steady increases in the market prices of copper, gold and silver during 2009, GlobeStar recorded unrealized losses of $17.6 million on its outstanding derivative contracts entered into under the terms of its debt facility. Conversely, during 2008, GlobeStar recorded unrealized gains of $18.1 million on these contracts, largely due to gains recorded in the third and fourth quarters of 2008 that were caused by weakening commodity prices resulting from the global economic downturn. The settlement of these derivative contracts commenced in January 2009 and will continue on a monthly basis until the end of 2011. As a result of these settlements, GlobeStar realized net derivative losses of $4.2 million during 2009.

GlobeStar recorded a current income tax provision of $5.3 million related to its taxable income in the Dominican Republic for 2009. During 2008, GlobeStar did not incur any tax expense, as it was not yet in commercial operations. The future tax recovery for 2009 was $5.4 million, as compared to a future tax expense of $2.3 million for 2008. The increase in the future tax recovery is due mainly to changes in the temporary differences associated with GlobeStar's derivative-related liabilities.

As a result of the above items, GlobeStar recorded consolidated net income for the year ended December 31, 2009 of $2.0 million (or $0.019 per share) as compared to income of $8.3 million (or $0.079 per share) for the prior year.

Sales and Marketing

GlobeStar is a party to a number of sales and marketing agreements.

GlobeStar entered into an agreement with Ocean Partners USA Inc. on April 1, 2007 to provide marketing and selling services in respect of copper concentrates produced from the Cerro de Maimón Property as well as other marketing services. The agreement is in effect through the first three years of production from the Cerro de Maimón Property. This agreement has, given the sales agreement entered into in January 2010 with Ocean Partners USA Inc. referred to below, been effectively suspended for 2010.

GlobeStar had three sales contracts in respect of the 2009 fiscal year with smelters in China. These contracts define the quantities to be shipped and the refining and treatment costs charged by the smelter. Under these contracts, copper, gold

and silver prices were determined based on the London Metal Exchange prices, at approximately the time of delivery to the smelter. These contracts have now been assigned to Ocean Partners USA Inc. for 2010. In addition, GlobeStar is a party to a new sales agreement dated January 21, 2010 with Ocean Partners USA Inc. to sell to Ocean Partners all of Cerro de Maimón copper concentrate production during 2010.

GlobeStar has the gold production from the oxide plant refined at SIPI Precious Metals Corp in Chicago, IL ("**SIPI**"). SIPI can refine either doré or precipitates produced from the oxide plant. The Company sells the outturned copper, gold, and silver to SIPI at then prevailing market prices.

Mining in the Dominican Republic

General Information

The Dominican Republic is located in the Caribbean, in the eastern two-thirds of the island of Hispaniola, between the Caribbean Sea and the North Atlantic Ocean, east of Haiti. Its total area is approximately 49,000 square kilometres. The country's legal system is based on the French Civil Code.

Economy

The Dominican Republic is a Caribbean representative democracy that enjoyed relatively strong growth in gross domestic product ("**GDP**") until 2001 when growth declined and its currency was devalued. The Dominican Republic's economic development improved with the ratification of the Central America-Dominican Republic Free Trade Agreement in September 2005. The economy continued to improve in 2006 and 2007 as GDP reached approximately 7 to 8% per year. The GDP fell to approximately 5% in 2008. The Dominican peso has been relatively stable for the last few years. In 2009, the Dominican peso has depreciated slightly against the US dollar but the country's economic growth grew by approximately 3.5%.

Mining Industry

Management views the future of the Dominican Republic's mining industry as favourable. According to the General Directorate of Mining of the Ministry of Industry and Commerce, the country still has many unexploited mineral deposits. There are presently a number of foreign companies carrying out exploration activities in different areas of the country and there is a large gold mine currently under development.

The principal minerals found in the Dominican Republic are gold, silver, copper, nickel, marble, limestone, granite and larimar (a precious stone used in jewellery). Dominican law permits any local or foreign person to file an acknowledgement of having discovered mineral deposits in any specific territory without requiring any special permits. There are two kinds of concessions for businesses interested in mining metallic or non-metallic resources; one for exploration and one for exploitation of minerals located within a specific area. An exploration concession, which typically is granted for a period of three years, authorizes a company to perform technical and scientific investigations on the soil and inner layers of the soil to find, limit and define the areas that contain mineral deposits. An exploitation concession, which is typically granted for a period of up to 75 years, permits a beneficiary to prepare and extract minerals found in a specified area as well as to exploit, upgrade (beneficiation), melt, refine and use the extracted material in any commercial manner over an area up to 20,000 hectares. Exploration concessions can typically be renewed up to a maximum of five years.

Mining Law

The Dirección General de Mineria ("**DGM**") is the government agency charged with the development of programs for the promotion of mining in the Dominican Republic under Mining Law No. 146. DGM is under the direction of the Secretary of Industry and Commerce. DGM promotes the investment by foreign companies in the exploration and exploitation of mineral resources and petroleum products.

Title and Ownership

Mining law No. 146 of the Dominican Republic states that all minerals found in the soil or subsoil of the Dominican Republic are the property of the government. Decree No. 13-87 opened most of the Dominican Republic to exploration by private companies and joint ventures with the government of the Dominican Republic. Rights to explore or develop mineral deposits must be obtained through contract concessions from DGM. The granted concession is entitled to build the required infrastructure for development of the mining operation. Additionally the granted concession can request the expropriation of lands considered indispensable to the mining project after paying the appropriate indemnity.

The Dominican Republic has four areas designated as "fiscal reserves" which are reserved for development by the government of the Dominican Republic. Public auction and the subsequent signing of special contracts with the government of the Dominican Republic provide for mining exploitation within a fiscal reserve. No private entity may apply for a mining concession within the area of a fiscal reserve.

Royalties

A mining license holder must pay royalties to the government equal to 5% of the freight-on-board price of mineral exports. Minerals exported by metal refineries and smelters are exempt from royalties. Moreover, royalties paid by a mining company may be deducted from the income tax due in the same fiscal year in which they were paid. No refund is available if the royalties paid exceed the income tax owed in a given year.

Employment Obligations

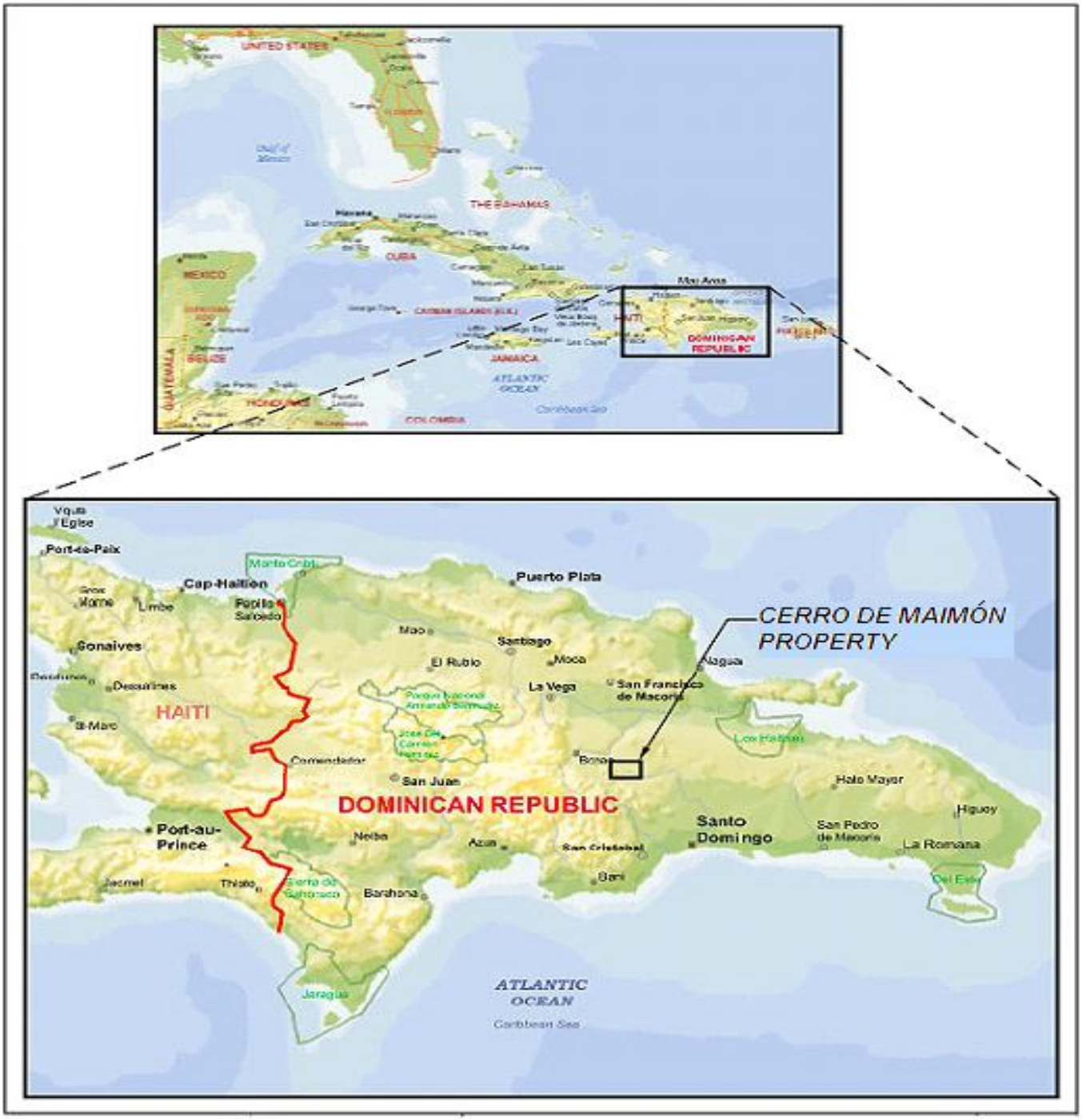
Mine workers are entitled to receive the basic minimum wage applicable to other employees and mining companies must comply with all of the legal provisions set forth in the Dominican Labour Code as well as the country's social security legislation, including those provisions applicable to occupations deemed to be of a dangerous nature.

Principal Properties

Cerro de Maimón Property – Dominican Republic

Project Description and Location

The Cerro de Maimón Property is located near the town of Maimón in Monseñor Nouel Province and can be accessed from the capital city of Santo Domingo by Highway 1 to the town of Piedra Blanca, then by a secondary paved road north to Maimón and then to the concession by way of secondary paved roads. Highway 1 provides access to the country's major cities of Santo Domingo and Santiago and its major ports of Haina, Puerta Plata, Santo Domingo, San Pedro de Macoris and Arroyo Barril. The following map indicates the general location of the Cerro de Maimón Property:


UNITED STATES
THE BAHAMAS
CUBA
MEXICO
BELIZE
GUATEMALA
HONDURAS
JAMAICA
HAITI
DOMINICAN REPUBLIC
COLOMBIA
ATLANTIC OCEAN
Caribbean Sea
CERRO DE MAIMÓN PROPERTY
Port-de-Paix
Cap-Haïtien
Puerto Plata
Gonaïves
Santiago
Moca
La Vega
San Francisco de Macoris
Nagua
HAITI
Comendador
San Juan
DOMINICAN REPUBLIC
Port-au-Prince
Santo Domingo
San Pedro de Macoris
La Romana
Barahona
Jacmel
Jérémie

The Cerro de Maimón Property falls entirely within the 2.245 hectare Cerro de Maimón Mining Block C-1 ("**Mining Block C-1**"). CMD acquired a 100% interest in the Cerro de Maimón Mining Block C-1 from Falcondo (currently owned by Xstrata Nickel) on March 1, 2002. CMD obtained a mining permit for the Cerro de Maimón Property on April 15, 2003. This permit expires 75 years from the date of grant with a renewal requirement every 25 years.

Mining Block C-1 was held by Falcondo prior to March 1, 2002. On March 1, 2002 all right, title and interest in and to Mining Block C-1 was transferred to CMD for an initial payment of US$350,000 upon signing of the transfer agreement. The transfer agreement also required (i) a second payment of US$250,000 within 12 months after completion of a positive feasibility study on the Cerro de Maimón Property, (ii) an environmental impact study to be prepared for and approved by the Ministry of the Environment and Natural Resources, and (iii) a final payment of US$250,000 twelve months after CMD informed Falcondo of its intention to go into production on the Cerro de Maimón Property. All of these conditions have been fulfilled. Falcondo retained a 2% NSR interest in Mining Block C-1 and CMD in 2008 exercised its option to repurchase half of the 2% NSR from Falcondo for US$1,000,000.

All royalties, overrides, back-in rights, payments and/or encumbrances affecting the Cerro de Maimón Property are summarized in the table below. Surface fees were calculated using an exchange rate of 34 Dominican pesos equal to US$1.

Obligation	Due to	Due when	Notes	Specified in
US $42.00 – annual surface fees, Mining Block C-1	Dir. Gen. de Impuestos Internos	Annually	Dominican peso ("**RD**") $0.50 per hectare per year.	Mining Law (146) article 116
5% NSR[1]	Dir. Gen. de Impuestos Internos	Upon production	NSR is credited towards income tax.	
5% net profits royalty (NPI)	Municipality of Maimón	Upon production	Pending commencement of production.	
1% tax on assets	Dir. Gen. de Impuestos Internos	During construction and operation	CMD obtained an exemption from this tax during the construction period. The amounts owing are credited towards income tax.	
Import taxes	Dir. Gen. de Impuestos Internos	During construction and operation	Includes value added tax of 16% plus additional taxes. CMD obtained a temporary exemption from this tax during construction of the Cerro de Maimón mine.	Tax Code - law number 11-92
1.5% NSR, minimum income tax	Dir. Gen. de Impuestos Internos	Annually	Applicable upon commencement of production.	
25% "flat" income tax	Dir. Gen. de Impuestos Internos	Annually	Applicable upon commencement of production.	
1% NSR	Falcondo	Annually	Applicable upon commencement of initial sales.	

Note:

(1) The 5% NSR is deductible from income tax (Mining Law No. 146, article 120) and is assessed on concentrates but not on smelted or refined product (Mining Law No. 146, article 121).

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to the mine site is via Highway 1 from Santo Domingo, which is a modern four lane highway with shoulders capable of supporting heavy equipment and traffic. The road leaving Highway 1 at Piedra Blanca and going to Maimón is a two lane paved road with some shoulders. From Maimón another two lane paved road with few shoulders leads east toward Los Martinez for approximately 4.5 kilometres. From this location, the mine site is then accessed by heading through a fence line due south via a paved road for a distance of approximately 1.8 kilometres to the project site.

The average annual temperature at the Cerro de Maimón Property is 26 degrees centigrade with an annual range from 17 to 35 degrees centigrade. The Dominican Republic lies in the general path of hurricanes that develop in the southeast part of the Caribbean Sea.The Cerro de Maimón Property is located in a seismically active area within 100 kilometres of a major earthquake zone that parallels the north coast of the Dominican Republic.

Domestic power and telephone service are available at the property and in the town of Maimón. GlobeStar's 6.8 megawatt ("**MW**") power plant operating on heavy fuel oil located at the Cerro de Maimón Property provides the required sustained power for operations. Nearby communities, including the towns of Maimón, Cotui and Bonao, provide the majority of mining personnel. These communities represent more than 80% of the total workforce. Population density at the Cerro de Maimón Property is sparse, and there are no permanent settlements. Terrain on the Cerro de Maimón Property consists of rolling, partially cultivated hills with elevations of 100 to 500 metres. The mine site may reach elevations of approximately 30 to 40 metres above sea level.

History

Falcondo obtained the Quisqueya No. 1 exploitation concessions under contracts from the Dominican Government in 1957. Contracts for concession No. 8084 were published in the Official Gazette on January 23, 1957, concession No. 9164 published on November 15, 1969, and amendments were signed on May 26, 1988 and August 25, 1994. These contracts authorized Falcondo to conduct mining operations for an unlimited period of time and also allowed Falcondo to subdivide the concessions and negotiate with third parties.

A regional exploration program led to the discovery of surface gossan outcrops in a number of areas, including the Cerro de Maimón Property. The Cerro de Maimón Property was drilled and recognized as a massive sulphide deposit in 1978.

Between 1978 and 1990, Falcondo completed 144 drill holes totalling 15,983 metres. Since acquiring 100% of the exploitation rights to the Cerro de Maimón Property from Falcondo on March 1, 2002, GlobeStar, through CMD, has completed a number of additional diamond drill holes totalling 6,704 metres.

Geology and Mineralization

The Maimón formation comprises a 65 kilometres long, northwest trending belt of metavolcaniclastic and volcanic rocks, now represented by sericite and chlorite schists, which form the major part of the zone of an early Cretaceous fore-arc volcanism. The Los Ranchos formation to its immediate north is interpreted by most workers to represent the associated island volcanism, though it has been suggested that the two formations correlate. The volcanic rocks are largely metamorphosed to greenschist facies and consist of a bimodal spilite-keratophyre suite, much of which is suppressed by bedded submarine volcaniclastic units for subordinate flows and shallow intrusives. A belt of meta-tuffs, cherts black shales and limestones occurs in the central part of the zone.

Two structural provinces have been recognized within the formation parallel to the structural trend of the belt. In the southwest of the belt, the Ozama Shear zone consists of highly strained inter layered mafic and felsic mylonites, formed in response to northward thrusting of the Loma Caribe peridotites over the Maimón formation. The Altar zone in the northeast of the Maimón formation demonstrates much less deformation. Volcanogenic massive sulphide deposits have been identified at several locations within the Maimón formation.

The Maimón concession lies over the Maimón formation. The Maimón formation is a belt of Cretaceous-age metavolcanic and meta-sedimentary rocks that include mafic, intermediate, and felsic volcanic rocks, minor sediments,

exhaustive iron formation and gossan. Massive sulphide occurrences within this formation are known from the Maimón and the El Añon concessions and form the Cerro de Maimón deposit.

Deposit Types

The Cerro de Maimón deposit is a volcanogenic, copper and zinc rich, exhalative massive sulphide deposit hosted in metavolcanic rocks of the early cretaceous age Maimón formation. It is exposed along a 70-kilometre belt that is nine kilometres in width and extends from northwest to southeast across the central area of the Dominican Republic. The Cerro de Maimón Property consists of two parts, a copper, zinc, gold and silver bearing massive sulphide deposit and an overlying gold and silver bearing oxide deposit that formed by weathering of massive sulphide mineralization. The weathering profile at the Cerro de Maimón Property extends to a depth of up to 35 metres but averages approximately 20 metres in thickness.

Quartz veins characterize the footwall at the northwestern end of the Cerro de Maimón Property. Minor massive sulphide horizons have been intercepted in the footwall volcanics indicating the potential for other deposits in relatively close proximity.

Tertiary uplift and subsequent erosion of the Maimón formation has resulted in the near surface weathering and oxidation of the exposed part of the massive sulphide body. Within approximately 30 to 40 metres of the surface, the up dip part of the massive sulphide body has been completely weathered and oxidized to an iron oxide rich gossan. The gossan is supergene enriched with regard to gold and silver, likely as micron sized electrum particles. Copper, zinc and lead have been completely leached and completely removed by the ground waters responsible for the oxidation. Ground water responsible for the leaching of the base metals in the near surface cell migrated downward and selectively redeposit some of the metals at depth in the unoxidized massive sulphide zone. As a result, the massive sulphide is super gene enriched with regard to copper, while the iron and zinc was completely carried away by the ground water.

Within the deposit, primary sulphides are fine grained with local well developed banding and insitu brecciation. Sulphide content is variable and ranges from massive (>50%) to semi-massive (50% - 15%) to disseminated (1% - 15%). The deposit is dominated by pyrite with quartz, lesser sericite, minor amounts of chlorite and occasional calcite. Secondary sulphide mineralization occurs regularly and chalcocite and covellite are the dominant secondary minerals. Chalcocite rims and replaces pyrite, chalcopyrite, sphalerite and occasionally bornite. Secondary sulphide mineralization occurs irregularly within the primary sulphides. Chalcocite and covellite are the dominant secondary minerals.

Three smaller massive sulphide deposits are known to occur in the Maimón formation and include Loma Pesada, and Loma Barbuito and San Antonio. Loma Pesada is located approximately 15 kilometres to the northwest of the Cerro de Maimón Property and consists of a 2 to 10 metre thick massive sulphide bed. Loma Barbuito is located approximately 5 kilometres to the north of the Cerro de Maimón Property, with a massive sulphide bed that ranges up to a maximum thickness of 20 metres. San Antonio occurs approximately 20 metres to the southwest and consists of a massive sulphide mineralization ranging up to 15 metres thick. In addition, other exploration prospects have been identified with favourable geology, alteration and mineralogy, including Loma La Nina, Sona Cristina, Dona Barbara, and El Altar.

The extent of geologic evaluation of the Cerro de Maimón Property is relatively good and appears sufficient to support economic considerations. The Cerro de Maimón deposit geometry is reasonably defined, although the presence of a few small cross faults is indicated, but not well defined. The mineralogy is understood, but could be detailed more in the gossan zone for precious metals.

Much of the understanding of the Cerro de Maimón Property geology is based on exploration from previous companies, including Falcondo, more than 10 years ago, but CMD has conducted sufficient infill drilling to generally corroborate the earlier geological results.

Exploration in 2009

At the Cerro de Maimón Property, an initial phase of trenching and exploration drilling, to the northwest of the open pit, was completed in July 2009, after drilling approximately 2,133 metres in 13 diamond drillholes. Results indicated a 200

metre extension of the Cerro de Maimón of both the oxide and sulphide ore zones to the northwest. A four hole (540 metres) drill hole program was completed in footwall zones with no significant results.

Drilling continued in the third and fourth quarters of 2009 with an infill program over the area previously identified to the northeast of the pit. This drilling program was carried out systematically following 25 metre spaced cross sections. A total of 26 holes (3,097 metres) were completed by year end 2009. The program is expected to continue through the first quarter of 2010. Assays are still pending; once the assays are received it will be possible to fully delineate the grade, continuity and extent of both the oxide and sulphide mineralization and subsequently update the mineral resource estimates.

Previous Drilling

Several drilling programs have occurred since discovery of the Cerro de Maimón Property. Between 1978 and 2007, Falcondo and CMD combined completed 191 drill holes totalling 21,174 metres. In 2008, CMD drilled 9,475 production drill holes totalling 52,112 metres.

Immediately on acquiring the mineral exploitation rights to the Cerro de Maimón Property from Falcondo in 2002, CMD commenced drilling with 28 holes totalling 1,577 metres placed along the length of the deposit. These holes generally corroborate the previous Falcondo drill hole geology and grade values. In 2003, CMD completed three bore drill holes for geotechnical sampling and investigation. In 2004, Pincock, Allen and Holt ("**PAH**") completed four holes as twins to validate the Falcondo and CMD drilling to date.

During 2006 and 2007, additional drilling took place comprising 29 holes totalling 3,018.7 metres. Kluane Drilling Inc. of Canada ("**Kluane**") and Geocivil S.A. ("**Geocivil**") were contracted for this drilling program. In January 2005, Kluane commenced drilling 27 additional holes in the gossan toward the northwest end of the deposit.

Sampling and Analysis

Drill core from all the concessions was collected at the drill site to estimate recovery. Generally, the different drill programs experienced good core recovery and calculations based on data derived from these drillholes were considered to be reliable. Recovery from the 2006-2007 drilling program averaged 88.2%, ranging from 84.6% to 92.6%. Sampling of mineralization within the study area by previous operators was conducted by diamond drilling, air flush drilling and trench sampling methods. Sampling was conducted in accordance with industry standards and there are no drilling, sampling, or recovery issues that could affect the accuracy or reliability of the results. Samples were viewed as being representative and unbiased.

Soil samples were collected from the "B" horizon at a depth of approximately 70 centimetres using an open auger. Material from three to five nearby auger holes was composited to provide a sample weight of approximately 200 to 500 grams. Rock samples included both representative chip samples and select samples of surface exposures, both types of which were useful in characterizing mineralization in outcrop.

Gold and silver analysis performed at the Falcondo laboratory during the 1990s was analyzed using a fire assay preparation procedure on a 30 gram sample followed by atomic absorption analysis. Copper, lead and zinc were analyzed using a two-acid digestion followed by atomic absorption analysis. After 2002, pulverized samples were shipped to ALS Chemex ("**ALS**") laboratories in Toronto or to SGS Lakefield Research Limited ("**SGS**") laboratories outside Toronto. Gold was analyzed at the ALS laboratories in Toronto, SGS laboratories outside Toronto and SGS Canada outside Toronto using a fire assay preparation procedure on a 30 gram sample followed by atomic absorption analysis. Silver, copper, lead and zinc were analyzed using aqua regia digestion, followed by inductively coupled plasma ("**ICP**") atomic emission spectrography. Check samples were treated in the same fashion. The ALS laboratories were used for all assays during the 2002 to 2006 drilling programs. The SGS laboratory was used for the 2006-2007 drilling programs. Laboratory certification includes ISO 9002 accreditation, a quality management system that covers all aspects of the analysis and reporting. Sample security was assured by a close monitoring of drill core during collection, logging, sample preparation and analysis.

2009 samples are being prepared in the ACME Analytical Laboratories ("**ACME**") sample preparation facility in Maimón, Dominican Republic and will be analyzed at SGS laboratories.

During a visit by Micon in the Spring of 2007, all of the assaying results certificates were viewed at GlobeStar in Toronto, with most of the certificates being cross-checked against the information contained in the database. No major errors were identified and the few discrepancies found were immediately corrected.

Security of Samples

Core was collected each day at the drill site by a Company representative and transported to Maimón for logging and sample selection. The core then went to the Falcondo mine site where it was cut, bagged and delivered to the sample preparation laboratory by a Company representative. Drill core was prepared as follows: a sample interval was selected based on geological composition (in any case, not more than two metres); the core was then cut in half with a diamond saw; half of the core was crushed to minus one-half inch; the crushed core was split and crushed again to minus one-quarter inch; and further splitting took place and a sample of 100 grams was pulverized for analysis. The Falcondo mine has produced nickel from laterite, which also contains cobalt, chromium and iron. Contamination of these elements is likely at a mine laboratory that routinely processes ore grade samples. However, contamination of gold, silver, copper, lead or zinc, the elements of interest at the Cerro de Maimón Property, is not considered likely. All drill core and soil samples were prepared at the Falcondo laboratory in Bonao.

Several data verification programs have been undertaken in the last few years. An issue relating to data analysis was identified with respect to the original assays carried out in the Falcondo laboratory. In particular, the copper and the gold results from the Falcondo laboratory were routinely overstated. The majority of the rejects were assayed by an independent and certified laboratory for the Anomaly B Cerro Verde and Loma Pesada deposits. Resource estimations of the Anomaly B Cerro Verde and Loma Pesada deposits were based on the results from these laboratories where available. During their visits, previous consultants took samples from these deposits and considered them reliable with the results of the rejects obtained in the independent laboratory. These samples were assayed by SGS Canada in Rouyn-Noranda and in Sudbury. Extensive check assaying for quality control was performed by PAH, Behre Dolbear and Company, Inc. and Falcondo and details are noted in a 2006 production schedule sensitivity analysis (the "**Production Schedule Sensitivity Analysis Report**") prepared by R.W. Jolk dated July 7, 2006.

During a site visit, Micon employees went to the Cerro de Maimón Property and examined the surface exposure of the Cerro de Maimón Property. Micon employees also visited the office/warehouse facility on the Cerro de Maimón Property to look at new and old core stored there. No further sampling was conducted but a series of random checks were conducted to evaluate the integrity of the database.

The data verification process has been completed by GlobeStar, GlobeStar's previous consultants and Micon. Since there have not been any material problems identified with respect to the process, the Company is confident about the integrity of the database compiled by the former and current operators of the Cerro de Maimón Property.

Mineral Resource and Reserve Estimates

The mineral resources set out herein were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") standards relating to mineral resources and mineral reserves, definitions and guidelines as prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM council on December 11, 2005. Under the CIM definitions, a mineral resource must be economically viable in respect of its form and quantity and be of such a grade or quality that it has reasonable prospects for economic extraction. Micon has used cut off grades of 0.5 g/t gold equivalent and 0.3% copper for the reporting of the estimated measured, indicated and inferred mineral resources. Micon is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing or political issues which would adversely affect the mineral resources estimates herein. The tonnage and grade estimates for the oxide and sulphide domains are set out in the following tables:

August 2007 Mineral Resource Estimate by Micon

Oxide Resource						
Class	**Tonnes**	**Au (g/t)**	**Ag (g/t)**	**AuEquiv**	**Ounces Au**	**Ounces Ag**
Measured	985,172	1.86	33.2	2.40	58,828	1,051,146
Indicated	261,407	1.39	23.4	1.78	11,713	196,929
Oxide Resource is summarized at a 0.50 g/t equivalent gold cut-off grade (AuEquiv)						
AuEquiv = Au + Ag * AgFactor AgFactor = 0.01630						

Sulphide Resource									
Class	**Tonnes**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**	**Zn (%)**	**Pounds Cu**	**Ounces Au**	**Ounces Ag**	**Pounds Zn**
Measured	5,628,632	2.30	0.91	33.3	1.46	285,868,560	164,955	6,030,179	181,517,189
Indicated	1,739,214	1.25	0.73	28.7	1.31	47,862,876	40,634	1,603,996	50,063,877
Inferred	142,283	1.20	0.71	34.6	1.12	3,758,520	3,249	158,491	3,522,333
Sulphide Resource is summarized at a 0.30% copper cut-off grade									

December 31, 2009 Mineral Resource Estimate by GlobeStar

Oxide Resource					
Class	**Million Tonnes**	**Au (g/t)**	**Ag (g/t)**	**Ounces Au**	**Ounces Ag**
Measured	0.47	1.79	26.0	27,002	392,504
Indicated	0.13	1.39	18.1	6,010	78,046
Stockpile	0.57	1.49	29.0	27,113	527,696
Oxide Resource is summarized at a 0.50 g/t equivalent gold cut-off grade (AuEquiv)					
AuEquiv = Au + Ag * AgFactor AgFactor = 0.01630					
Stockpile is a run-of-mine stockpile which has been mined and is ready for processing in the oxide plant.					

Sulphide Resource									
Class	**Million Tonnes**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**	**Zn (%)**	**Tonnes Cu**	**Ounces Au**	**Ounces Ag**	**Tonnes Zn**
Measured	4.81	2.27	0.89	31.7	1.47	109,271	138,049	4,898,059	70,769
Indicated	1.39	1.23	0.72	27.8	1.28	17,078	32,122	1,245,454	17,775
Sulphide Resource is summarized at a 0.30% copper cut-off grade.									

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Detailed information regarding engineering assumptions used to determine the estimated mineral reserves can be found in the 2007 Maimón Report, which is available under the Company's profile on SEDAR at www.sedar.com. The estimates of individual oxide and sulphide mineral reserves are presented in the tables below.

August 2007 Mineral Reserve Estimate by Micon

Mineral Reserves – Oxide			
	Tonnes	**Ag (g/t)**	**Au (g/t)**
Proven	927,274	37.1	1.95
Probable	230,093	23.9	1.48
Total	**1,157,367**	**34.5**	**1.86**

Mineral Reserves – Sulphide				
	Tonnes	**Cu (%)**	**Ag (g/t)**	**Au (g/t)**
Proven	4,285,800	2.66	35.7	0.98
Probable	538,760	1.52	28.7	0.78
Total	**4,824,560**	**2.54**	**34.9**	**0.96**

In Micon's opinion, the mineral reserve tonnage has been estimated using economics, mining recovery and dilution, and mine planning methodologies which are appropriate.

December 31, 2009 Mineral Reserve Estimate by GlobeStar

Mineral Reserves – Oxide			
	Tonnes	**Ag (g/t)**	**Au (g/t)**
Proven	389,749	22.5	1.53
Probable	107,837	16.6	1.18
Total Proven & Probable	**497,586**	**21.2**	**1.45**
Stockpile	565,972	29.0	1.49
Total	**1,063,558**	**25.4**	**1.47**
Stockpile is a run-of-mine stockpile which has been mined and is ready for processing in the oxide plant.			

Mineral Reserves – Sulphide				
	Tonnes	**Cu (%)**	**Ag (g/t)**	**Au (g/t)**
Proven	3,882,579	2.66	34.9	0.98
Probable	511,099	1.54	28.9	0.78
Total	**4,393,678**	**2.53**	**34.2**	**0.96**

During the pre-production period, GlobeStar mined 1,261,000 million tonnes of waste. The remaining waste expected to be removed over the life of the Cerro de Maimón mine is approximately 44.7 million tonnes rendering a strip ratio of 7.70 to 1.00 over the remaining life of the current pit.

GlobeStar determined the December 31, 2009 year-end estimated mineral reserves and resources by adjusting the Micon estimated mineral reserves and resources for the actual blocks mined during the period.

Mining Operations and Method

GlobeStar uses standard truck and excavator mining techniques in the open pit mining operations of the Cerro de Maimón Property, utilizing back-hoe excavators and both rigid body and articulated haul trucks to move both ore and waste during mining operations. Mining operations are carried out by a mining contractor working under the supervision of CMD.

GlobeStar believes that the equipment selected has been suitably sized for the proposed bench heights. Mining is carried out on 5 metre benches, which complements the size of the contractor equipment necessary for the proposed production rate.

The proposed annual ore mining rate ranges from 0.490 million tonnes to 0.662 million tonnes of sulphide ore, at grades of 1.80% to 3.81% copper, averaging 2.54% copper, over the estimated nine year mine life. Over the same period, the total material mined is planned to range from 13,600 to 20,300 t/d or approximately 4.9 to 7.3 million tonnes per year. The oxide ore overlays the sulphide ore and is removed during the stripping process.

Pit design is based on conventional pit shells, which have been determined using the Lerchs-Grossmann algorithm, based on mining blocks, which include all mining and haulage costs for waste and all mining, processing, transport, off-site treatment and administration costs for ore.

Processing

Ore mined from both the oxide (gossan) and sulphide zones is processed in the mills utilizing separate circuits for the two ore types, after treatment in a common crushing plant. The products are gold-silver doré or zinc-copper-silver precipitate and copper concentrate from the oxide plant and sulphide plant, respectively. A zinc flotation circuit has not been considered at this time, but may be added later, subject to satisfactory metallurgical test results. A comprehensive metallurgical testing program is planned in 2010.

The processing plant comprises a common crushing plant for both ore types, followed by separate processing circuits for oxide and sulphide ores. The layout of the plant facilitates the use of common service facilities and enables the oxide grinding circuit to be employed for grinding sulphide ore when the oxide supply has been exhausted.

The oxide mill, sized for 700 t/d throughput, is comprised of a grinding unit, thickener, five-tank agitated cyanide leaching circuit, a three stage counter-current decantation or "CCD" for solution recovery, and a zinc precipitation (Merrill-Crowe) circuit for gold-silver precipitate recovery. The precipitate can be smelted to produce doré bars or precipitates from the Merrill-Crowe plant can be sent directly to a refiner. Reagent preparation and delivery systems (lime, cyanide and flocculant) are also utilized as part of these activities.

The sulphide mill, sized for 1300 t/d throughput, is comprised of a grinding unit, flotation cells arranged for roughing-scavenging, a regrind ball mill, cleaner flotation cells and a re-cleaner column cell. Copper concentrate produced in flotation is dewatered by a thickener and pressure filter prior to shipment by trucks to the port. Reagent preparation and delivery systems (lime, flotation collectors, copper sulphate and frother) are also utilized as part of these activities.

Tailings slurry from both mills is combined and pumped to the common tailings thickener. Tailings solution flows to the process water pond, which also collects mine waste and surface run-off water, for aging and is recycled to the plant. After thickening to a near-paste consistency, the tailings slurry is pumped to the tailings storage area.

Market

On February 5, 2009, GlobeStar entered into an agreement with Ocean Partners USA Inc. to sell all of the 2009 copper concentrate production and precipitate from its Cerro de Maimón Property and to assign all of its contracts with smelters to Ocean Partners USA Inc. Through 2009, GlobeStar sold 100% of its copper concentrate production to various smelters in China with the assistance of Ocean Partners USA Inc. For 2010, GlobeStar has entered into an agreement dated January 21, 2010 with Ocean Partners USA Inc. where it will sell all of the copper concentrate produced to Ocean Partners USA Inc.

Other Contracts

A mining contract (GMSCR-001) Mining Contract – Cerro de Maimón Property to be dated effective June 15, 2007, was negotiated among CMD, the Company and Sococo de Costa Rica, the contractor, where Sococo is responsible for all aspects of mining operations. The agreement expires in 2010 and the Company has no reason to believe it will not be renewed on similar terms.

GlobeStar has installed a 6.8 MW power plant onsite that operates on bunker C fuel oil. The power plant is operated under an operating and maintenance agreement with the supplier of fuel for the power plant. The estimated cost of power at December 31, 2009, including the capital, operating and maintenance costs, is about 16.6 cents per kilowatt-hour.These costs are directly dependent on the price of bunker C fuel oil.

Environmental Conditions

To the knowledge of GlobeStar, there are no existing environmental liabilities concerning the Cerro de Maimón Property. An approved environmental license for the property was granted by the Dominican Republic's Ministry of Environment and Natural Resources. As noted, pursuant to Environmental Law 64-00 the municipality of Maimón will be paid a 5% net profit royalty on production from the Cerro de Maimón Property.

In February 2006, GlobeStar submitted its construction management plan under the terms of its environmental licence, and the plan was approved by the government on March 20, 2007. GlobeStar submitted its operating management plan in the second quarter of 2008.

To the knowledge of GlobeStar, all required permits from the Dominican Republic government have been obtained for the purposes of construction, operations and closure of the Cerro de Maimón Property.

Environmental monitoring is expected to be carried out to meet statutory requirements, confirm the adequacy of current control measures and provide input into closure planning projects. Monitoring programs include: groundwater and surface water quality at designated locations; groundwater levels and flow in designated locations; surface water flow in the adjacent streams; meteorological data (temperature, rainfall, pressure, wind, evaporation) at meteorological stations; air quality (dust setting) at designated locations; noise at designated locations; industrial and domestic garbage; and pit water quality and flow. CMD also conducts environmental awareness training and human resources training to ensure adequacy of environmental regulation compliance. Compliance reports are filed with the appropriate governmental agency as required.

CMD's closure planning is an on-going process that will be refined as the plans are revised and operational and monitoring data are evaluated. Closure costs are expected to be revised on an annual basis as required. The closure management plan will be submitted to the appropriate governmental authorities in the future in accordance with the applicable legal requirements of the Dominican Republic.

Taxes

There are currently several forms of income taxes which are applicable to the Cerro de Maimón Property including: a corporate income tax; a withholding tax on foreign services; a municipal environmental tax; a dividend withholding tax; a withholding tax on interest paid abroad; and a tax on assets.

There is a flat 25% tax on taxable income for organizations domiciled in the Dominican Republic and there is a minimum income tax rate of 1.5% for all companies with revenues in excess of 6,000,000 Dominican pesos per year. If the 25% flat tax exceeds the minimum tax then there is no minimum tax payable.

The withholding tax on foreign services is paid on service fees charged to foreign affiliates at a tax rate of 25% and applies to all payments made abroad. In addition, as noted above, pursuant to Environmental Law 64-00 a 5% net profit royalty on production is levied and paid to the nearest municipality in which mining occurs.

The dividend withholding tax is considered as an advance corporate tax. With respect to "subsidiaries," when the dividends earned from Dominican Republic sourced income are distributed to a resident or non-resident entity, the distributing corporation is required to withhold tax at the rate of 25%. However, Canada and the Dominican Republic have a treaty that reduces this tax to 18% from the amount distributed as a dividend. The distributing corporation is then permitted to credit the amounts withheld against its tax liability in the year when the distribution is made. Should the amounts withheld from dividends exceed the tax liability of the distributing entity, the excess credit may be carried forward and credited against taxes due in the following fiscal year. With respect to "branches," the profits of permanent establishments remitted or transferred to a parent company or legal entity domiciled abroad are not subject to withholding tax as long as the "branch" can demonstrate to the government that it has paid its tax on profits in the fiscal year. To that end, there is a "branch" profits tax of 25%.

Withholding tax on interest on loans paid to foreign lenders is at the rate of 5%.

Under article 19 of Dominican Republic Law 557-05, a 1% annual tax is assessed on the assets of any corporation. The basis of this tax is the total assets as they appear in the balance sheet before any adjustments for inflation less any depreciation or amortization. This tax is credited to annual income tax payments.

There are also several other taxes and duties applicable to the Cerro de Maimón Property as follows; a selective consumption tax paid on imported goods that are considered to be non-essential (the rate is currently set at 5% of the cost, plus insurance and freight); a value added tax, known as the Tax on the Transfer of Industrialized Goods and Services ("**ITBIS**"), is payable on all goods purchased (imported and domestic) for the Cerro de Maimón Property ITBIS is applied at a tax rate of 16% on all applicable goods and services); and import duties that may be levied. CMD obtained an exemption from ITBIS during construction on the Cerro de Maimón Property.

Royalties

Under the terms of a NSR agreement dated March 1, 2002, a 2% NSR royalty was granted and payable to Falcondo by CMD on all production derived from the Cerro de Maimón Property by CMD. On October 31, 2008, CMD exercised an option to repurchase from Falcondo half of the 2% NSR for US$1,000,000.

According to article 119 of the Dominican Republic Mining Law, a royalty is to be paid to the government of the Dominican Republic on the export of raw materials and concentrated metalliferous minerals. This royalty acts as a minimum income tax and is set at 5% of the freight-on-board (FOB) value of exports. The amount paid pursuant to this royalty is applied as a credit towards the income tax paid (either to the 25% of taxable income or the 1.5% minimum tax on gross revenues).

Production Forecast

The overall economic potential of the Cerro de Maimón Property has been evaluated using conventional discounted cash flow techniques on a 100% equity basis. This procedure has been used for the purpose of estimating the financial returns expected to accrue to CMD as the owner of 100% of the Cerro de Maimón Property mining, processing and precipitate and concentrate transportation operations.

The Cerro de Maimón Property operation draws the majority of its economic value from the sale of copper concentrate. In addition, credits for gold and silver concentrate are accrued. Sale of precipitate from oxide ore production also makes a significant contribution to total revenue.

The production of ore is derived from open pit mining at the Cerro de Maimón Property. It is assumed in the estimates of annual cash flow that the mining rate of approximately 2.7 million tons per year of ore and waste will increase to approximately 6.8 million tons per year by the year 2015, and will start to decline thereafter.

No revenues for zinc have been included in the economic analysis of the Cerro de Maimón Property at this time since the copper concentrate smelter contracts do not offer a financial reward for zinc content. Metallurgical testing is in progress to develop a suitable zinc recovery process for the mineralization containing significant zinc content.

The results of the financial analysis indicate that mining of the mineralized material, which is classified as a measured and indicated resource within the design pit outline, has a favourable economic outlook and therefore the mineralized material meets the definition of a reserve.

Life of Mine

Under the current mine plan, GlobeStar's production at the Cerro de Maimón Property is expected continue until 2018. It is estimated that the capital payback period will be less than three years.

Additional Information

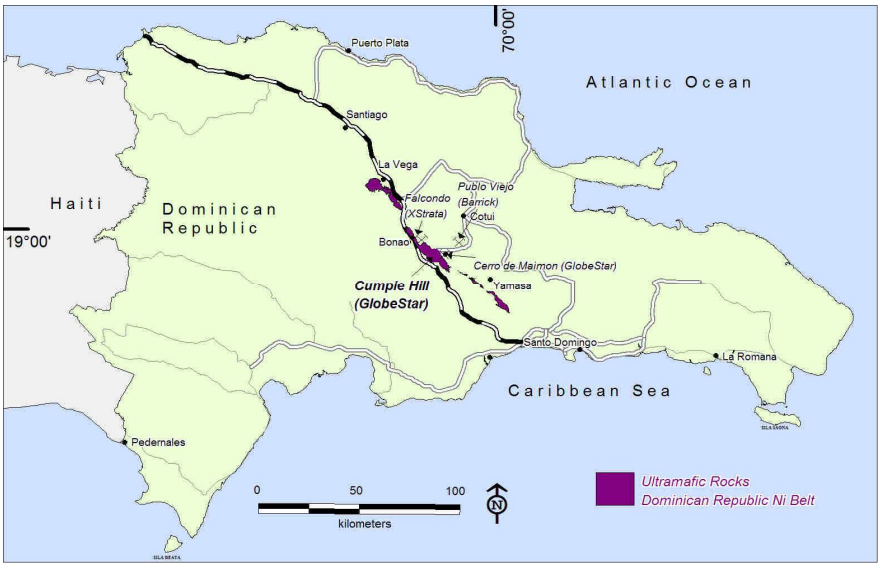
For additional information, please refer to the 2007 Maimón Report. As previously indicated, a full copy of the 2007 Maimón Report is available under the Company's profile on SEDAR at www.sedar.com.

Cumpié Hill –Dominican Republic

Coincident with the recent resurgence in the price of nickel, GlobeStar has been evaluating the options available to reinitiate the development of the Cumpié Hill nickel laterite deposit.

Project Description and Location

As shown in the map below, the Cumpié Hill Project is located in Monseñor Nouel Province in the central part of the Dominican Republic, approximately 75 kilometres northwest of the capital city, Santo Domingo, and four kilometres from the Cerro de Maimón Property. Cumpié Hill has a NI 43-101-compliant estimated indicated and inferred mineral resource of 6.2 million tonnes grading 1.5% nickel at a cut-off grade of 1% nickel containing an estimated 200 million pounds of nickel.



The Cumpié Hill Project lies in its entirety within the 2,245 hectare Mining Block C-1 which is subscribed to as a mining exploitation concession under resolution No. IX-03 dated April 11, 2003.

As discussed above, exploitation concessions are granted by the Dominican Republic government for a period of 75 years. GlobeStar's licensing period for Mining Block C-1 started on April 11, 2003.

Exploration drilling on the nickel laterites was completed as part of the evaluation of the mineral potential of Mining Block C-1. The necessary environmental approvals for the exploration phase are covered by permits issued for the Cerro de Maimón Property from Secretaria de Estado de Medio Ambiente y Recursos Naturales ("**SEMARENA**"). In 2007,

CMD obtained from SEMARENA the terms of references to complete the environmental studies required to obtain the licence to exploit the nickel resources from the Cumpié Hill Project. An environmental assessment is currently being prepared by a Dominican Republic environmental consulting company. No surface rights have been purchased over the areas of the Cumpié Hill Project.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to the Cumpié Hill Project is via Highway 1 from Santo Domingo, which is a modern four-lane highway (two lanes in each direction) with shoulders capable of supporting heavy equipment and traffic. The road leaving Highway 1 at Piedra Blanca and going to Maimón is a two-lane paved road with some shoulders. From Maimón to the southwest towards Rio La Leonora the access is by rough dirt road for a distance of about 3.5 kilometres. The last kilometre of the access road is not suitable for vehicles. A 2 kilometre pedestrian track connects the Cumpié Sector and Loma Mala Sector following the ridge that connects the two sectors. Highway 1 provides access to the country's major cities of Santo Domingo and Santiago and the port of Haina. There are no railroads near the Cumpié Hill Project site.

The average annual temperature is 26°C with summer temperatures ranging from about 21°C to 35°C and winter temperatures ranging from 17°C to 32°C. The Dominican Republic lies in the general path of hurricanes that develop in the southeast part of the Caribbean Sea. The Cumpié Hill Project is located in a seismically active area within 100 kilometres of a major earthquake zone that parallels the north coast of the Dominican Republic.

Domestic power and telephone service are available in the town of Maimón, which is linked to the national power grid. However, power outages and disruptions are frequent. To avoid disruptions to service, GlobeStar commissioned its 6.8 MW power plant for the Cerro de Maimón Property in September of 2008 and the power plant has been operating on a continuous basis since then.

Nearby communities of Maimón and Bonao provide the majority of mining personnel for the Cumpié Hill Project. Population density at the Cumpié Hill Project is sparse and there are no permanent settlements.

The Cumpié Hill laterite sectors are situated between 300 metres and 440 metres in elevation above sea level on crests of north-south trending ridges. Relief is generally moderate but becomes steep along the western and eastern margins of the zones. Flat lying areas occur along the ridge crests. The vegetation is predominantly made up of coniferous tree plantations.

History

The presence of nickel laterite over serpentinised peridotites was first described in the Dominican Republic by geologists of the U.S. Geological Survey in 1918 and again in 1941. In 1955 Falcondo acquired the concession of the entire 90 kilometre long peridotite belt from the Dominican Republic government and started an exploration program to evaluate the lateritic nickel deposits. In 1956, an airborne magnetic survey clearly outlined the distribution of the ultramafic bedrock. From 1960 to 1967, the development of the nickel laterite process took place by Falcondo and in 1968, a commercial decision to commence production was approved. The Falcondo plant started production in October 1971.

Exploration by Falcondo from the 1950s to the 1970s in the area now covered by GlobeStar's Cumpié Hill Project included limited auger drilling and pit sampling. The areas of laterite development on Loma El Cumpié and Loma Mala were identified but their potential was not recognized at that time.

On March 1, 2002, ownership of Mining Block C-1 was transferred from Falcondo to CMD. GlobeStar's evaluation of the nickel laterite potential of its mineral concessions over the peridotite belt commenced in early 2006 and included the start of an exploration program over the area of the Cumpié Hill Project.

Geology and Mineralization

Regional Geology

The island of Hispaniola geologically consists of an early Cretaceous to early Eocene island-arc, modified by Tertiary left-lateral strike-slip tectonics. The ultramafic rocks that form the protore for nickel laterite development are ophiolitic peridotites obducted in the Tertiary along the major transform fault that forms the boundary between the North American and Caribbean Plates. These peridotites form part of the median belt of Hispaniola. Located in the center of the belt, the partially serpentinised peridotite is flanked on both sides by metamorphic volcanic sequences of Lower Cretaceous age and basaltic volcanic units from Upper Cretaceous arc terrains. On the northeast side, the peridotite belt is in thrust contact with the volcanic rocks of the Maimón formation, which are unconformable overlain by basalts of the Peralvillo – Siete Cabezas formations. On the southwest side, the peridotite is in thrust contact with metamorphosed, magnesium-rich mid-ocean ridge basalts of the Duarte Complex.

Local Geology

The main belt of peridotites extend over approximately 90 kilometres in a northwest-southeast direction, from Sierra Prieta, to the northwest of the city of Santo Domingo, to the Bayacanes River, to the west of La Vega. The width of the ultramafic massif varies from few hundred metres to a maximum of 6 to 7 kilometres near La Vega.

The peridotites have generally undergone primary serpentinisation to varying degrees. Three principal rock types are recognised; dunites, harzburgites and serpentinites. Of the three, harzburgite is the dominant type, accounting for more than 50% of the peridotite. Dyke-like bodies of diorite, dolerite and gabbro are common within the peridotites.

The chemical weathering of ultramafics in tropical and sub-tropical climatic conditions can result in the concentration of nickel and cobalt in the laterite profiles that make up the regolith over ultramafic protores. Several large areas of laterite development occur over the peridotites of the belt. In the Falcondo Quisqueya No. 1 concession, immediately adjacent to the northern boundary of Mining Block C-1, these have long been recognised and exploited by Falcondo.

Based on chemical and physical characteristics of the horizons in a typical laterite developed over the ultramafics in the Falcondo properties, E.W. Lithgow, in a 1993 report, distinguished six zones (horizons) within the laterite profile that are described as follows:

Zone A. Chocolate-brown limonite. Loose and friable, dark brown to chocolate color. Qualitative x-ray diffraction analysis shows that it consists mostly of goethite. Pisolites of hematite, up to one centimetre in diameter, occasionally occur. Contacts with the underlying zone B are usually sharp. Most elements, including cobalt, silica, magnesium and nickel have been extensively depleted by leaching from this zone, with consequent iron enrichment. Normally constitutes the overburden, but may also contain commercial nickel values, in which case element composition is very similar to that of zone B. Normally contains the highest iron values of the profile.

Zone B. Ochre-brown limonite. Very compact, clayey texture, with some plasticity, reddish to yellowish brown color. Consists mostly of goethite, with minor amounts of serpentine minerals near the contacts with the underlying zones of the laterite profile. Although its quartz content averages only 6% by weight, this mineral can occasionally increase dramatically to become an important contaminant, occurring as stringers of white, powdery silica which impart a dirty, heterogeneous appearance to zone B and dilute it to below ore grade values. The contact with the overlying zone A is usually quite regular and parallels the surface topography. Contacts with the underlying zones C, D or E on the other hand, are often gradational and extremely irregular, with zone B frequently occurring as narrow tongues which penetrate deeply into the profile.

Zone C. Soft serpentine. Loose, clayey texture, also displaying some plasticity. Color varies considerably and may be green, yellowish brown or reddish brown. Normally contains up to 20% by volume of boulders of hard serpentine, and these increase in proportion through normally transitional contacts into zones D or E. Green serpentine (lizardite) is the dominant mineral phase, with goethite becoming more abundant at transitional contacts with zone B. Quartz may be abundant locally in the form of silica boxwork. Chemically, the zone is characterized by increasingly higher nickel

values, accompanied by a drastic drop in iron content and associated elements (cobalt, manganese, sulfur and aluminium).

Zone D. Hard serpentine. Consists of 20-50% by volume of 5-25 centimetre diameter angular joint blocks set in a matrix of soft serpentine. These boulders usually present an outer, nickel-enriched skin, up to 2 inches in thickness, with nickel values of up to 3%, which decrease rapidly inwards towards a barren core. Serpentine mineral content, as well as nickel enrichment in the laterite profile, reach their peak in this zone.

Zone E. Serpentinised peridotite. Consists of 50-70% by volume of usually +25 centimetre diameter massive angular joint blocks, with smaller amounts of soft serpentine matrix. Gray color. Except for its slightly lower nickel content, its major element composition is essentially identical to that of zone D. It has the highest content of ferromagnesian minerals (olivine and enstatite) of the ore zones.

Zone F. Unaltered ultramafic. Visibly unaltered, highly jointed protore, consisting mostly of coarse grained harzburgite, fine grained black dunite and sheared greenish black serpentinite. Normally constitutes the barren bedrock below the highly irregular bottom of the orebody, although some inclusions within zone E may occasionally attain ore grade values. Chemically, it is characterized by extremely low nickel and iron values (0.37% and 6.8%, respectively), and very high magnesium value (34%).

The laterite profiles over the entire ultramafic belt vary laterally as well as vertically making the lithological zones very heterogeneous and erratic within short distances.

Property Geology

GlobeStar implemented the same classification and description of the laterite horizons as used by Falcondo in their mining operations. While each of the horizons described by E.W. Lithgow is present in the laterites of the Cumpié Sector and Loma Mala Sector, the limonite zones (A and B) are only sporadically developed/preserved while zones C and D are generally well developed and preserved. The average thickness of each of the zones (where present) in the laterite profile from the drilling data is set out in the table below.

Laterite Horizon	**Average Thickness (m)**	
	Cumpié	**Loma Mala**
Zone A. Chocolate-brown limonite	2.91	
Zone B. Ochre-brown limonite	5.23	2.76 (A+B)
Zone C. Soft serpentine	5.61	3.98
Zone D. Hard serpentine	7.62	2.89
Zone E. Serpentinised peridotite	7.58	3.82

Mineralization

The deposits developed over the nickel laterite belt of the Dominican Republic, including those in the Cumpié Hill Project, are of the hydrous silicate “Type A” variety. These are dominated by the development of the concentration of nickel in hydrated silicate minerals in the transition and saprolite zones. However, they also show a more limited development of nickel concentration in hydrated iron oxides in the limonite and transition zones.

Two main areas of laterite development have been identified in the Cumpié Hill Project area to date. These are designated the Cumpié Sector and the Loma Mala Sector.

The Cumpié Sector consists of three dismembered areas of laterite. Together they cover an area of 331,900 square metres with a combined strike length of approximately 1,250 metres in a north-south direction and an average width of 300 metres in west-east direction. The thickness of the laterite profile ranges from 2 to 40 metres with an average thickness of 20 metres.

The Loma Mala Sector covers an area of 84,400 square metres with strike length of approximately 400 metres in a north-south direction and maximum width of 400 metres in a west-east direction in the northern segment, narrowing to approximately 150 metres in the south. The thickness of the laterite profile ranges from 2 to 20 metres with an average thickness of 13 metres.

Limonite, transition, and saprolite horizons are developed in this sector, however, generally the limonite is less well developed/preserved than the transitional and saprolite zones. The laterite/ultramafic bedrock contact is generally transitional and barren rock remnants/boulders are common in the laterite profile. A detailed mineralogical analysis has not been undertaken on the Loma Mala Sector.

Exploration

The exploration work relevant to the Cumpié Hill mineral resource estimates includes mapping, diamond core drilling and slope analysis.

Mapping of the lateritic soils was undertaken by GlobeStar's geologists in order to constrain the areas for drill planning. The constraining outline of the lateritic development was defined using the mapping data collected along 100 metre spaced lines, topographic slope analysis and information from the logging of drill cores. Mapping was based upon soil colour and texture, and where present, on outcrop geology.

Slope Analysis

A slope analysis based on a Digital Terrain Model ("**DTM**") provided by Fugro N.V. was completed by GlobeStar. The DTM was based on radar data collected on 100 metre spaced flight lines. Lateritic development in the Cumpié Hill Project area is generally very well constrained within areas of slope lower than 15%. An additional more accurate DTM was prepared by Eagle Mapping Ltd. in August 2007. The new DTM provided a topographic map with 2.5 metre contours. A slope analysis based on this new DTM provided very similar results to the earlier exercise.

Drilling

Initial reconnaissance drilling, using a hand-portable auger/percussion drill rig and consisting of 31 vertical holes totalling 220 metres, was completed by GlobeStar staff on Loma El Cumpié in early 2006. This drilling was followed by the first phase of diamond core drilling carried out by Kluane and comprising of 25 NTW sized drillholes totalling 505.5 metres. This initial drilling confirmed the potential of a significant mineralized profile on the Cumpié Sector. However, because of the limited sample recovery achieved (average 68%), the data from this drilling was not used for any mineral resource estimation.

A second phase of core drilling commenced in May 2006 and was followed up by an infill drilling program completed in July 2007 on the Cumpié Sector and in September 2007 on the Loma Mala Sector.

The present mineral resource estimates are based on a total of 2,680 metres (2015 metres in the Cumpié Sector and 665 metres in the Loma Mala Sector) of diamond core that was drilled in 105 vertical drillholes (75 in the Cumpié Sector and 30 in the Loma Mala Sector) between May 2006 and September 2007. Drilling was completed on a nominal 71 metre by 71 metre spaced grid over areas constrained by the mapped lateritic soil. All the drilling was carried out under the supervision of GlobeStar staff using man portable rigs set up on 6 metre by 6 metre platforms.

Eleven holes were drilled in early 2006 by Kluane with an Energold Drilling Corporation ("**Energold**") man portable rig using a NTW corebarrel. Ninety-four drillholes were drilled by Geocivil in late 2006 and 2007, a local Dominican Republic drilling company, with an INGETROL Explorer Plus MD 3-man portable rig using an HQ sized triple tube core barrel.

Core recovery was measured and recorded by GlobeStar for each drill run with the exception of one drillhole for which the data was lost. The minimum acceptable recovery was established at 90%. These recoveries were not always achievable in areas with rapid changes from hard to soft lithologies. In general, however, the recoveries were satisfactory with recoveries in the mineralised zones of over 90% in all but seven drillholes. Six of these drillholes

achieved recoveries of over 85%. One drillhole had a recovery in the mineralised section of 72%. The risk of significant bias as a result of core loss is considered to be low.

The drilled intervals represent good approximations of the true thicknesses. All the drillhole collars were surveyed by GlobeStar using a differential global positioning system. As all the drillholes are vertical and shallow (maximum depth 46 metres) no directional surveys were required.

Sampling and Analysis

Drillhole core samples were recovered by the drilling contractor from the core barrel. The core was put into a plastic "sausage" that was cut and sealed at both ends prior to being placed in wooden boxes. The core recovery was measured by GlobeStar personnel. The core was then transported by road to the GlobeStar exploration office in the town of Maimón for logging, geochemical and bulk density sampling and magnetic susceptibility determinations. Bulk density samples consisted of 10 to 20 centimetre lengths of the whole core. Half core was sampled for assays. Selected samples were also submitted for metallurgical test work.

The drillhole cores were logged by GlobeStar geologists. Texture, plasticity, colour, amount, type and size of fragments, structure, and mineralogical information were recorded on a logging sheet, and accordingly intervals were assigned to the appropriate facies. The laterite facies (zones) in the Cumpié Hill Project closely resemble those described from the adjacent Falcondo mining operations, and GlobeStar followed the same system of nomenclature. Cores were routinely photographed. The log sheets include a photograph of a typical piece of core for each major interval. In general, good core recoveries in the mineralised zones were achieved and the samples are considered representative of the Cumpié Sector and Loma Mala Sector laterite facies.

Bulk density determinations were performed on 249 core samples from 35 drill holes on the Cumpié Sector and 163 core samples from 24 holes on the Loma Mala Sector. These drillholes were fairly evenly distributed over the two sectors. Individual samples of 10 to 20 centimetres in length were selected immediately after the plastic "sausage" was cut open at the core logging facility.

Samples were picked from intact and coherent core taking care to select 'representative' pieces of core from each facies type. Bulk density measurements were done by GlobeStar's geo-technician following a standard procedure in the Maimón exploration office.

Sample preparation was carried out at three different laboratories, two of which have been certified as complying with international standards ISO 9001 and ISO 17025.

Security of Samples

The following procedures were in place to ensure sample security:

- GlobeStar geologists/geotechnicians supervised the placement of drillhole core into the core trays at the drill site;
- GlobeStar personnel collected the core and transported it to the facilities in Maimón for logging and sampling;
- sampling was conducted by GlobeStar geologists/geotechnicians;
- samples were packaged in sealed bags assigned with unique sample numbers;
- samples prepared at the Falcondo laboratory were transported by road by GlobeStar staff;
- crusher rejects and duplicate pulps were returned from the Falcondo laboratory to the secure GlobeStar facility in Maimón where they are stored;
- samples for preparation/assay at SGS laboratories were delivered to a courier service office in Santo Domingo by GlobeStar staff;
- crusher rejects and duplicate pulps of samples prepared/assayed at SGS laboratories were stored in their facilities; and
- all half core was stored in a secure GlobeStar facility near Maimón.

The procedures carried out by GlobeStar and its contractors in respect of sample security, sample preparation and analysis were consistent with standard industry practice for evaluation of a nickel laterite. The authors of the Cumpié Hill Report and the Cumpié Hill II Report believe all procedures are adequate and in line with industry norms.

Mineral Resource and Reserve Estimates

No mineral reserves have been estimated for the Cumpié Hill Project to date. Accordingly, the following discussion is focused on estimated mineral resources. The following table summarizes the nickel mineral resources by classification category as indicated. The most likely cut-off grade for this deposit is not known and would need to be defined in future economic studies. Resources have thus far been reported at a range of potential cut-off grades. All estimates and reports were prepared on a 'dry tonnage' basis.

Category	Cut-off (% Ni)	Tonnage (Mt)	Grade (%Ni)	Contained Ni (kt)
Indicated	0.8	3.7	1.38	51
	0.9	3.4	1.43	49
	1.0	3.0	1.49	45
	1.1	2.6	1.55	41
	1.2	2.3	1.61	37
	1.3	2.0	1.67	33
	1.4	1.7	1.72	30
Inferred	0.8	4.1	1.3	53
	0.9	3.7	1.4	52
	1.0	3.2	1.5	48
	1.1	2.7	1.5	41
	1.2	2.3	1.6	37
	1.3	2.1	1.6	34
	1.4	1.7	1.7	29

Notes:

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability.

(2) The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. GlobeStar has considered these factors in the resource table and believe that the amounts in the table are accurate in all material respects.

(3) It is uncertain if further exploration will result in upgrading the inferred mineral resource to an indicated or measured mineral recourse category or the indicated mineral resource to a measured mineral resource.

(4) Figures have been rounded and this may have resulted in minor discrepancies.

(5) The cut-off grade for this deposit is not known and will need to be confirmed by the appropriate economic studies.

The estimates of the mineral resources contained in the preceding table were prepared in the following steps:

- database compilation and validation;
- data preparation (this and subsequent steps are discussed below);
- geological interpretation and modelling;
- creation of block models and assignment of rock density to the blocks by lithological domain;
- compositing of assay intervals to a common length within lithological domains;
- exploratory data analysis of nickel (Ni), iron (III) oxide (Fe_2O_3), silicon dioxide (SiO_2), aluminum oxide (Al_2O_3), magnesium oxide (MgO), cobalt (Co), chromium (III) oxide (Cr_2O_3) and Loss on Ignition within lithological domains;
- elevation coordinate transformation of block models and composite assay intervals to un-folded space;
- analysis of extreme values and determination of appropriate top cuts;
- variogram analysis and modelling;
- estimation of grade into blocks using ordinary kriging;

- validation of estimated block grades against input sample data;
- confidence classification of estimates with reference to CIM (2005) definition standards; and
- mineral resource evaluation and tabulation.

To the knowledge of GlobeStar, there are no known material exploration, legal, marketing, socio-economic, political, title, permitting, or taxation issues affecting the Cumpié Hill Project mineral resource estimates, and, apart from the usual environmental aspects that require consideration as part of any mineral exploration project, there are no known material specific environmental issues. Accordingly, GlobeStar is unaware of any issues that would materially adversely affect these mineral resource estimates. In addition, to the best of GlobeStar's knowledge, there are no known material mining, metallurgical, or infrastructure issues relating to such estimated mineral resources other than those discussed in the Cumpié Hill Report and the Cumpié Hill II Report.

During 2008, GlobeStar commissioned a preliminary mining study of the Cumpié Hill Project by outside consultants.

Additional Information

For additional information, please refer to the Cumpié Hill Report and the Cumpié Hill II Report. A full copy of the Cumpié Hill Report and the Cumpié Hill II Report are available under the Company's profile on SEDAR at www.sedar.com.

Other Dominican Republic Concessions

The table below outlines the status of GlobeStar's other copper and gold concessions in the Dominican Republic and the names of the main exploration projects in each concession, as discussed in the report (the "**Initial Datac Report**") prepared by the engineering firm Datac Geo-Conseil Inc. ("**Datac**") dated January 2006, as amended in September 2006 covering: (i) the Dona Amanda and Dona Loretta deposits located on the Rincón Abajo concession; (ii) the Cerro Kiosko deposit located on the Managuá concession; (iii) the Loma Pesada and Loma Barbuito deposits located on the Maimón concession; and (iv) the Cerro Verde and Anomaly "B" deposits located on the El Ańon concession. In September 2006, GlobeStar also announced the results of an amendment to the Datac Report (the "**Amended Datac Report**") and together with the Initial Datac Report, the "**Datac Report**").

			Bayaguana Group		
Concession Name	**El Ańon**	**Maimón**	**Managuá**	**Trinidad**	**Rincón Abajo**
General Location (prov.)	Dajabón / Montecristi	Sánchez Ramírez	Monte Plata	Monte Plata	Monte Plata
Geological Formation	Amina Schist	Mainmón Fm.	Los Ranchos Rm.	Los Ranchos Rm.	Los Ranchos Rm.
Ownership	CMD	CMD	CMD	CMD	CMD
Date Granted	2001-06-11	2001-06-11	2002-12-17	2005-01-13	2005-01-13
Expiry Date	2006-06-11	2006-06-11	2007-12-17	2010-01-13	2020-01-13
Area	1,720 has	100,790 has	1,200 has	3,701 has	2,237.50 has
Mining Resolution	V-01	VI-01	XVII-02	XXXIV-05	XLI-05
Project names within concessions	Cerro Verde Anomaly "A" Anomaly "B" Elias Gossan	Loma Pesada Arroyo Laito Doña Barbara Barbuito Loma La Mina El Atar	Cerro Kiosko	Trinidad	Doña Amanda Doña Loretta
Status	Under Re-Application	Under Re-Application	Under Re-Application	Under Re-Application	Under Re-Application

Bayaguana Group of Concessions –Dominican Republic

Project Description and Location

Bayaguana is an advanced exploration project in the eastern Dominican Republic, covering approximately 8,096 hectares of the Los Ranchos formation, which also hosts the Pueblo Viejo deposit of Barrick Gold Corporation and Goldcorp Inc. (formerly owned by Placer Dome Inc.).

The Bayaguana project is situated approximately 65 kilometres northeast of the Dominican Republic's capital city of Santo Domingo, and 5 kilometres north of the town of Bayaguana.

The Bayaguana property consists of 72 square kilometres of mineral concessions, located approximately 60 kilometres east of the Cerro de Maimón Property, and hosts three copper and gold deposits. The largest mineral deposit is Doña Amanda which has a NI 43-101 compliant inferred mineral resource estimated at 128 million tonnes grading 0.31% copper, 0.19 grams of gold per tonne and 1.43 grams of silver per tonne at a cut-off grade of 0.15% copper.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

As noted above, the climate of the Dominican Republic is tropical with a temperature range between 18 and 32 degrees centigrade and generally high humidity. The heaviest rainfall period is between May and November with annual accumulations of approximately 300 millimetres of rain.

The concessions are located in an area of the Central Cordillera mountain range and the terrain consists of rolling, cultivated hills with elevations typically less than 500 metres.

Access to the concessions from Santo Domingo is by paved road until the town of Bayaguana, and from there access to the project areas is by secondary paved and gravel roads only and a four wheel drive vehicle is required.

Bayaguana has a population of approximately 20,000 and historically, provided a supply of mining personnel and support services.

History

The Dominican Republic Mines Department of the Ministry of Commerce and Industry administers mining concessions in the Dominican Republic and was the first to conduct exploration work in the Bayaguana district by carrying out soil geochemical surveys and drilling five percussion air holes in 1982.

Falcondo exploration activities included in 1988 and 1989 regional surveys that focused attention on Cerro Kiosko, Cerro Guaimarote, and Doña Loretta. A soil program was also conducted on the Managua and Rincon Abajo concessions. Anomalous results for gold, arsenic, antimony, and molybdenum led to a geophysical survey and drill program in 1990 and 1991. Very low frequency electromagnetic ("**VLF-EM**") surveys and magnetics were completed (79.5 line kilometre) along with both gradient Induced Polarization ("**IP**") (51 line kilometre) and dipole-dipole IP (seven line kilometre) at Doña Loretta and Doña Amanda.

A Falcondo drill program commenced in 1990. Eleven holes (2,506 metres) were drilled at Doña Amanda and six holes (750 metres) were drilled at Doña Loretta. The best results were 40.4 metres of 2.99% copper, 0.37 ppm silver, and 37 ppm gold at Doña Loretta. A low-grade copper deposit was identified at Doña Amanda.

Falcondo moved over to the Managua concession in 1996 and completed a soil survey and an IP survey. Twenty-two trenches were dug and 1,585 samples were collected for assay. The Cerro Kiosko target was drill tested in 1997 with 17 holes (3,743 metres) and again in 1998 with 12 holes (1,928 metres).

Geologic mapping and surface sampling continued in 1999. Thirty line kilometres of soil samples were collected over the Doña Amanda deposit; 22.8 line kilometres of soil samples were collected at Rincon Abajo; and 50 line kilometres were completed on the Trinidad concession. Six trenches were dug (550 metres) on the Managua concession and 391

trench samples were collected and analyzed. Another IP survey was conducted (9 line kilometres) at Managua and four drill holes were completed (650 metres). One confirmation hole was drilled at Doña Loretta (87.5 metres).

IP conductors identified on the Rincon Abajo concession in 1999 were drill tested in 2002 with seven holes (845 metres). The targets were conductors located north and west of the Doña Amanda deposit. Two additional holes drilled on the Trinidad concession (101 metres) tested the thickness of the Hatillo limestone.

Geology and Mineralization

The Bayaguana Group has three mining concessions with three mineral deposits. The Managua concession contains the Cerro Kiosko deposit and the Rincon Abajo contains the Doña Amanda and Doña Loretta deposits. The Trinidad concession does not currently have any known deposits.

The largest and most important high sulphidation hydrothermal system discovered in the Los Ranchos formation to date, apart from Pueblo Viejo, is the Bayaguana district. The Bayaguana district hosts the Cerro Kiosko and Doña Amanda deposits, as well as a number of partially explored target areas, such as Doña Loretta and Cerro Guaimarote. The known deposits and targets are covered by the contiguous Managua Rincon Abajo and Trinidad mining concessions.

Rock units in the Bayaguana district include olivine-bearing basalt flows and exogenous dacite domes. The basalts exhibit a porphyritic texture with phenocrysts of plagioclase, pyroxene, and olivine. Rock types include:

- locally amygdaloidal, locally flow banded, basalt porphyry flows;
- monomictic flow breccias containing a crystalline and occasionally flow-banded matrix;
- epiclastic breccias which contain a mixture of variably altered basalt clasts in a matrix of finely comminuted basalt fragments; and
- interbedded volcaniclastic sediments consisting of an immature mix of fine to medium grained basalt fragments.

Dacite domes are generally porphyritic but are locally fine-grained and equigranular. Evidence for emplacement at the surface includes columnar jointing, local flow banding, and discontinuous quartz porphyry spines with slickensided surfaces. Emplacement is thought to have been as exogenous flow-dome complexes.

Surrounding the dacite domes are argillically altered pyroclastic aprons consisting of coarsely fragmental heterolithic tuff breccias and interbedded finer grained tuffs. Clasts in the tuff breccia are a mix of variably altered basalt, dacite and tuff breccia. Some of the clasts are veined and silicified.

The presence of silicified clasts in the pyroclastic apron indicates that the hydrothermal system was active at the time the pyroclastic blanket was emplaced and the vent for the pyroclastic apron is nearby, within the limits of the hydrothermal system.

These features are also characteristic of gold mineralization in the Pueblo Viejo district.

Hydrothermal alteration related to gold mineralization in the Bayaguana district includes silicification, argillic alteration, phyllic alteration, and propylitic alteration. Silicification, containing a small percentage of disseminate pyrite, is centered on dacite domes. Sulphidic silicification is also found locally in the dacite tuff breccias, especially on Loma de Managua and in the propylitically altered basalts where they are cut by quartz veins.

Argillic alteration (quartz plus pyrite plus kaolinite) is largely confined to pyroclastic blankets that surround dacite domes. The largest dome in the area is centered on Loma de Managua. Argillic alteration becomes more widespread and more intense (pyrite content increases) towards Loma de Managua, where it grades into a silicified “cap”.

Propylitic alteration consists of quartz plus pyrite plus chlorite plus calcite. Propylitic alteration is zoned around the argillized and silicified dacite domes and is largely confined to basalts. Quartz plus sulphide increase in the vicinity of veins that may run as high as 25% sulphide. Sericite also increases near veins (phyllic alteration) causing a lightening of

the typical dark green propylitized basalts. Pyrophyllite (sericite without potassium) is also present as part of the phyllic assemblage.

Deposit Types

Exploration on the Bayaguana Group of concessions has identified high sulphidation type gold mineralization at Cerro Kiosko and at Doña Amanda. High sulphidation gold mineralization is characterized by ore mineralogy that includes enargite and by hydrothermal alteration mineralogy that includes pyrophyllite. High sulphidation deposits account for roughly half of the total gold endowment in the Caribbean Basin, largely contained in a cluster of deposits known as the Pueblo Viejo district.

Pueblo Viejo, with over five million ounces in past gold production and an estimate of nearly 35 million ounces in remaining mineral resources, is one of the largest gold deposits in the Caribbean Basin. However, other mineral occurrences in the Los Ranchos formation are also associated with volcanic domes and thinly bedded carbonaceous sedimentary rocks.

The Cerro Kiosko deposit has individual quartz veins measuring up to 30 centimetres in thickness and occurs as a swarm within a zone of intense hydrothermal alteration that measures up to 100 metres in thickness. The veins are discontinuous, crustiform banded, chaledonic to microcrystalline, milky quartz veins with moderate to high sulphide content.

The Doña Amanda copper deposit consists of a secondary enrichment blanket covering lower grade copper protore.

The Doña Loretta deposits are not well known but seem to be similar to the Doña Amanda deposit. Presently, the known extent of the deposit is more or less 450 metres by 200 metres with a thickness which varies from 4.5 metres to 65 metres.

Exploration and Drilling

Between 2000 and 2002, GlobeStar carried out local geophysics IP, mapping, the drilling of seven drill-holes (845 metres) on Doña Amanda and the drilling of two drillholes (101 metres) on Loma Guaimarote. Since 2003, several exploration programs were carried out, which included drilling in three different campaigns: 24 drillholes (2,051 metres) on the Trinidad concession, 11 drill-holes (1,104 metres) on Doña Loretta and four drillholes (721 metres) on Doña Amanda. Some soil surveys, trenching and geophysical IP surveys were also done during this period. Metallurgical tests were also conducted on Doña Amanda and Doña Loretta.

The 2009 exploration in the district focused on determining the Pueblo Viejo (Au-Ag) type potential in the western segment of the Cerro Guaimarote basin area in the Trinidad Concession and also on testing any relevant zoning in the known mineralization in the Dona Loretta area, Rincon Abajo Concession. By year end, a review of the available data in Cero Kiosko, Managua concession was carried out with the scope of defining a geological model for the know mineralization, update resources and test occurrence of similar zones areas in adjacent areas.

GlobeStar's 2009 exploration program completed geological, geophysical and geochemical surveys in the eastern portion of the Bayaguana district and has drilled approximately 2,170 metres in nine holes in La Palma East area and 4,518 metres in 24 holes in the Cerro Mariposa and Dona Loretta area.

A nine-hole drill program (2,170 metres) was completed in the Hoyo La Palma target. Four holes were sampled and consistently showed anomalous values of Cu, Au, Ag, As, Fe, Mo and Zn associated to hydrothermal breccias. The best interception consisted of 6.3 metres grading 0.54% Cu and 0.12 g/t of gold.

A twenty-four hole drill program was completed during the third and fourth quarters of 2009 at the Cerro Mariposa and Doña Loretta targets. The Doña Loretta mineral deposit has a NI 43-101 compliant estimated inferred mineral resource of 8.2 million tonnes grading 0.5% copper at a cut-off grade of 0.25% copper.

The 2009 Loretta/Mariposa drilling program consisted of 24 holes (4,518 metres) drilled along 1.3 km between the Mariposa Hill and the Dona Loretta south area. All assays were received by year's end, best interceptions included 10.00 metres grading 0.92% Cu and 0.12 g/t of Au (Hole CC-27) and 21.62 metres grading 0.80% Cu and 0.04 g/t Au. Based on the new drilling data it was possible to define discrete relatively high grade mineralized structures that show secondary copper enrichment at shallow levels. These structures have a variable strike between North/South and North/Northwest and general steep dip. Thickness of the structures averages between 1 and 3 metres, reaching up to 20 metres (hole CC-01). It is expected that the 2009 drilling data will be integrated into the Doña Loretta geological model and resources will be subsequently updated in 2010.

The largest mineral deposit is Doña Amanda which has an inferred mineral resource estimated at 128 million tonnes grading 0.31% copper, 0.19 grams of gold per tonne and 1.43 grams of silver per tonne at a cutoff grade of 0.15% copper. GlobeStar's 2009 exploration program completed geological, geophysical and geochemical surveys in the eastern portion of the Bayaguana district and has defined the La Palma East area as a prospective target for a diamond drilling program.

The Cerro Kiosko prospect lies to the west of the Managua volcanic centre. Cerro Kiosko is located in the southwest corner of the Managua Concession and consists of a system of crustiform banded, chalcedonic to microcrystalline, milky quartz veins with moderate to high sulphide content. The Cerro Kiosko deposit has a 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. The Cerro Kiosko mineral system remains open to the south and drilling in early 2010 will be directed towards increasing this resource.

In 2009, an alteration mapping program was carried out in core and surface samples. The premise was to accurately determine the alteration mineralogy associated to the known mineralization and test the presence of similar alteration assemblages in adjacent zones, where eventual parallel mineralized structures can occur. Alteration mineralogy was determined using PIMA (Portable Infrared Mineral Analyzer). A complete alteration characterization was done in a central section of Kiosko vein; the main alteration minerals in the immediate proximity and within the Kiosko vein are dykite, illite and silica. Through systematic field mapping and sampling along NW transverses crossing the known mineralized structure at least 3 parallel altered elongated zones were identified. Further geological reconnaissance will be carried out to determine the extent of the alteration zones and any association to Au/Cu mineralization.

The next exploration steps include a trenching program over areas identified by the late 2009 transverse program and also taking over the predicted surface projection of the known mineralized structures in Cerro Kiosco. Results will be used to evaluate the potential of shallow gold/copper resources in the area and to define further drilling.

Sampling and Analysis

Before 2008, samples were dried, crushed and pulverized to minus 100 mesh at the Falcondo laboratory in the Dominican Republic. The pulverized sample was then shipped to ALS laboratories in Toronto for a 32 element ICP package and gold analysis by a fire assay prep-AA finish procedure. Drill core from all the concessions was collected at the drill site and measured to estimate recovery. Generally the different drill programs experienced good core recovery and calculations based on data derived from these drillholes are considered to be reliable. Recoveries at Doña Amanda were somewhat lower, varying between 65% and 87%, but were determined to be acceptable.

Sampling was conducted in accordance with industry standards. The Datac Report indicated there were no drilling, sampling or recovery issues that could affect the accuracy and reliability of results in any program prior to 2006.

As previously noted above, the Falcondo mine, where the samples were analysed, produces nickel from laterite ore that, in addition to nickel, contains cobalt, chromium and iron. Contamination of these elements is likely at a mine laboratory that routinely processes ore-grade samples. However, contamination of gold, silver, copper, lead or zinc is not considered likely.

Since 2008, samples have been prepared in the ACME sample preparation facility in Maimón, Dominican Republic and analyzed by ICP in the ACME laboratories in Vancouver or Santiago. Base metals over limits are assayed by AA and gold over limits by fire assay.

Security of Samples

Sample security was assured by close monitoring of drill core during collection, logging, sample preparation and analysis. Core was collected at the drill site by a Company representative and transported to Bayaguana or Maimón for logging and sample selection. The core then went to the Falcondo mine site where it was cut, bagged and delivered to the sample preparation laboratory by a Company representative. Prepared samples were submitted to the Falcondo laboratory at the mine site or shipped to ALS laboratories in Toronto or to SGS laboratories outside Toronto. Check samples were treated in the same fashion.

The Datac Report endorses the adequacy of the sampling, sample preparation, analytical and security procedures as described above.

Mineral Resource Estimates

Doña Amanda

With a lower cutting grade of 0.30% copper, the Doña Amanda mineral resource was estimated at 43.3 Mt at 0.45% copper. With a lower cutting grade of 0.15% copper, the mineral resource has been estimated at 127.8 Mt at 0.31% copper. The category of this estimated resource is considered as inferred due to the difficulty with the reproduction of the original assays.

Cerro Kiosko

The Cerro Kiosko calculation was carried out by A.J. Patrick in a report entitled "Evaluation of a portfolio of exploration concessions in the Dominican Republic" dated 1998 and was reviewed by Datac for confirmation. The estimate was done using different lower cutting grades, 0.35 g/t, 0.50 g/t and 2.0 g/t gold. No upper cutting grade was used. The highest value used was 50.31 g/t gold. No dilution factor was employed in this calculation. The following table summarizes the results of this calculation:

Deposit	Cutting Grade	Method	Mineral Resource Category	Tons (millions)	Copper (%)	Gold (g/t)	Silver (g/t)
Cerro Kiosko	0.35 g/t gold	Block model	Indicated Inferred	0.565 4.360	1.01 0.98	1.93 2.01	4.20 5.17
Cerro Kiosko	0.5 g/t gold	Block model	Indicated Inferred	0.438 4.028	1.27 1.04	2.39 2.12	4.84 5.35
Cerro Kiosko	2.0 g/t gold	Block model	Indicated Inferred	0.126 1.700	2.89 1.66	5.63 3.40	8.88 7.39

Doña Loretta

The estimate was done using a lower cutting grade at 0.25% copper. No upper cutting grade was used. The highest value used was 10.1% copper. The used density was 3.10 t/m^3. This density was obtained by laboratory assays, and using samples collected by Datac employees during a visit to the Dominican Republic. No dilution factor was employed in this calculation. With the polygonal calculation method on longitudinal section, the resource is evaluated at 7.1 Mt at 0.52% copper. With the polygonal transversal sections calculation method, the resource is evaluated at 8.2 Mt at 0.50% copper. The category of this resource is considered to be inferred and further drilling of this deposit is required for a better understanding of its properties. This resource estimate is based on the pre-2009 drilling program (Holes CC-01 to CC-18).

Exploration and Development

The Datac Report recommends the preparation of an economic model for each deposit following which further drilling is required to identify the necessary properties that would change the deposit categorization from an estimated inferred

mineral resource to an estimated indicated resource. Further calculations, preferably adopting the block modelling method with an accompanying feasibility study, should generally follow to confirm the indicated resource status.

The Datac Report further recommends that additional drillholes be carried out at the Doña Amanda deposit to verify the continuity of the zone to the north, to the south-west and to the south. Infilled drilling is recommended at both the Doña Amanda (with at least 100 metres of spacing) and the Cerro Kiosko (with at least 50 metres of spacing) deposits in order to confirm whether an indicated resource is present.

The current exploration in the district is focusing on Pueblo Viejo (gold-silver) in the Cerro Guaimarote basin area in the Trinidad concession. Gold mineralization, at the newly discovered Monte Oculto deposit in Barrick Gold Corporation's Pueblo Viejo district, was transported along steeply dipping hydrothermal conduits and spread along conformable epiclastic/sedimentary horizons. Another priority is to establish the potential of shallow gold/copper resources in Cerro Kiosco.

Maimón Concession – Dominican Republic

Property Description and Location

The Maimón concession, adjacent to the Cerro de the Maimón Property, is situated in the provinces of La Vega, Monseñor Nouel and Sanchez Ramirez, approximately 50 kilometres northwest of Santo Domingo. The property has an elongated, irregular shape and extends for 50 kilometres in a north-western direction with a total area of 10,790 hectares. In addition, GlobeStar has access to seven surrounding concessions held by Everton (totalling 5,821 hectares) through a 35% back-in agreement, and to the adjacent Cuance Group (as defined below) concessions (totalling 4340 hectares) through its joint venture with Everton.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

As previously noted, the climate of the Dominican Republic is tropical with a temperature range between 18 and 32 degrees centigrade and generally high humidity. The heaviest rainfall period is between May and November with annual accumulations of approximately 300 millimetres of rain.

The concessions are located in an area of the Central Cordillera mountain range and the terrain consists of rolling, cultivated hills with elevations typically less than 500 metres.

Access to the Maimón concession from Santo Domingo is via a main four-lane highway to Piedra Blanca and from there via secondary gravel roads where a four-wheel drive vehicle is required. There is a divided highway (Carretara Duarte) between the north and south coast that runs through the Maimón concession.

The nearby communities of Bonao and Maimón provide mining personnel and support services.

History

Exploration in the Maimón belt began in the early 1980's with a government-sponsored program of soil geochemistry. Rosario Dominicana conducted airborne geophysics, stream and soil geochemistry, and drill testing on the deposit currently known as Loma Barbuito. Falcondo continued the exploration effort through the 1990's utilizing various techniques at El Altar, Loma El Can, Laito, and Doña Cristina, as well as drill programs at Loma Barbuito, Loma Pesada, Arroyo Laito and Doña Nieve. GlobeStar carried out additional drilling at Loma Barbuito, and at the 2J and Dona Cristina geophysical targets.

Geology and Mineralization

The Maimón concession lies over the Maimón formation. The Maimón formation is a belt of Cretaceous-age metavolcanic and metasedimentary rocks that includes mafic, intermediate, and felsic volcanic rocks, minor sediments, exhalative iron formation, and gossan. Massive sulphide occurrences within this formation are known from the exploration of the Maimón and the El Ańon concessions and from the Cerro de Maimón deposit.

Draper et al. in a 1996 work interpreted the Maimón formation as the fore-arc equivalent of the Los Ranchos formation, host to the Pueblo Viejo deposits. They divided the Maimón formation into the El Altar zone and the Ozama Shear zone: two parallel structural-metamorphic provinces characterized by deformed, greenschist facies metamorphic rocks. Mapping at Pueblo Viejo shows that thrust faulting and metamorphism extend beyond the limits of the El Altar zone and into the Los Ranchos formation. The Maimón formation may simply represent sheared and metamorphosed Los Ranchos formation, or its fore-arc equivalent.

Deposit Types

Three deposits are currently known from the Maimón concession: Cerro de Maimón, Loma Pesada and Loma Barbuito.

Cerro de Maimón is a massive sulphide deposit previously drilled by Falcondo in 1996.

Loma Pesada is underlain by acid volcanic rocks interbedded with intermediate lavas and siliceous iron formation. The deposit is a copper-zinc rich massive sulphide type with small amounts of silver and gold. The massive sulphides lens is 1 to 8 metres in thickness with a mean of 3 metres.

Loma Barbuito is a massive sulphide mineralization up to 20 metres in thickness. The dimension and the continuity of this area is presently not well defined.

Exploration and Drilling

Since 2000, GlobeStar has carried out several exploration programs in the Maimón concession area, including regional reconnaissance of the airborne geophysical conductors with subsequent rock sampling, regional stream sediments surveys, linecutting and soil sampling, detailed geological mapping and rock sampling. Best intersections of the program returned 22.27 metres at 1.354 g/t gold, 7.594 g/t silver, 0.826% copper and 0.978% zinc. In addition, several narrow intersections returned copper, valued up to 3.00% copper and 6.89% zinc. During the first quarter of 2005, GlobeStar completed a stream sediment sampling program over the whole Maimón concession area to evaluate potential anomalous areas related to unexplored existing airborne geophysical conductors and compared it with previous stream sediments surveys completed by Rosario Dominicana in that part of the concession.

In 2007, GlobeStar commissioned Fugro Airborne Surveys to conduct a 68 square kilometre electromagnetic/magnetic HeliGEOTEM® airborne survey that covered most of the Maimón formation. Subsequent data interpretation has identified over 40 electromagnetic anomalies, at least 10 of which have not been previously identified. GlobeStar has completed ground reconnaissance on the new anomalies and two scout drilling programs were undertaken in 2008.

The highest density of electromagnetic anomalies within the Maimón formation is located in the vicinity of the Cerro de Maimón deposit. The area known as the Maimón Cluster is defined by a 5 kilometre radius around the mine. GlobeStar's curent priority exploration programs for volcanogenic massive sulphide on the Maimón concession are within this area.

The 2009 exploration activities in the Maimón Cluster area included geological mapping, soil sampling and the completion of an IP survey. Three target zones, Las Yagrumas, Barbuito West and Barbuito South, were drilled in the last quarter of 2009.

The selection of these targets was based on geophysics (EM/Mag and IP surveys), geochemistry and alteration mapping. A total of 16 holes were drilled between October and November 2009 (~ 2500 metres). Results for all assays from Las Yagrumas and Barbuito West were received by year end. Results from Barbuito south holes are still pending.

The Las Yagrumas target is located 1.5 km to the northwest of the Cerro de Maimón pit. Las Yagrumas shows the same volcanic stratigraphy as Cerro de Maimón. The area shows intense propylitic alteration and disseminated to semi massive gossan. Mafic schists in Las Yagrumas exhibit three types of alteration: Propylitic (low and high intensity), Quartz/Sericite and Silicification. Drilling identified an intense and volumetrically significant altered package. The silicified zone within the altered metavolcanic rocks is similar in part to the footwall alteration immediately below the main massive sulphide ore in Cerro de Maimón. Las Yagrumas alteration zone most probably represents a distal feeder

of the Cerro the Maimón deposit. The alteration/mineralization gradient was controlled along strike and along dip defining an increase of intensity towards the southeast (Cerro de Maimón Property).

Three DDH holes were drilled in Barbuito West. Holes BW-01 and BW-02 defined a NE trending section that shows continuity along dip of semi massive to disseminated sulphides. Sulphides include pyrite, sphalerite, chalcopyrite (minor) and some secondary Cu sulphides (Chalcocite traces). This mineralization is hosted by felsic schist and is associated with intense quartz sericite alteration. Relevant results include 32 metres averaging 0.35 g/t Au and 2.27 % Zn in hole BW-01. Mineralization is open down dip and along strike towards the northwest and southeast. This area is expected to be further explored in 2010.

A seven DDH (874.47 metres) program was completed in November 2009 in the Barbuito South area. No mineralization was intercepted. Conductivity anomalies proved to be related to a graphite schist horizon intercalated in a volcano-sedimentary unit.

Drilling in 2004 by GlobeStar totalled 890 metres in 10 diamond drill holes on the Loma Barbuito project. The best intersections of the program returned 22.27 metres at 1.354 g/t gold, 7.594 g/t silver, 0.826% copper and 0.978% zinc. In addition, several narrow intersections returned base metals with values up to 3.00% copper and 6.89% zinc.

During the first quarter of 2005, GlobeStar management decided to complete a stream sediment sampling program over the whole Maimón concession area. The objective of the program was to evaluate potential anomalous areas related to unexplored existing DIGHEM conductors and to compare the results with previous stream sediment surveys completed by Rosario Dominicana in various parts of the concession.

The survey consisted of the collection of 450 stream sediment samples. All samples were prepared at the Falcondo laboratory in Bonao and analyzed by Chemex laboratories in Canada for a 32 element ICP package.

Sampling and Analysis

Drill core from all the concessions was collected at the drill site and measured to estimate recovery. Generally, the different drill programs experienced good core recovery and calculations based on data derived from these drill holes are considered to be reliable.

Sampling was conducted in accordance with industry standards. The Datac Report indicated there were no drilling, sampling or recovery issues of any program prior to 2006 that would affect the accuracy and reliability of results.

Gold and silver analyses performed at the Falcondo mine laboratory during the 1990s were analyzed using a fire assay preparation procedure on a 30-gram sample followed by atomic absorption analysis. Copper, lead and zinc were analyzed using a two-acid digestion (nitric and hydrochloric acid) followed by atomic absorption analysis. Gold was analyzed at the ALS laboratories in Toronto, SGS laboratories outside Toronto and SGS outside Toronto using a fire assay preparation procedure on a 30 gram sample followed by atomic absorption analysis. Silver, copper, lead, and zinc were analyzed using aqua regia digestion, followed by inductively coupled plasma – atomic emission spectrography (ICP-AES). Samples that contained over 1% copper, 1% zinc, or 100 ppm silver were submitted for a standard assay procedure consisting of nitric acid and hydrochloric acid digestion followed by atomic absorption analysis. Laboratory certification was in compliance with ISO 9002 standards and procedures.

As previously noted above, the Falcondo mine, where the samples were analysed, produces nickel from laterite ore that, in addition to nickel, contains cobalt, chromium and iron. Contamination of these elements is likely at a mine laboratory that routinely processes ore-grade samples. However, contamination of gold, silver, copper, lead or zinc is not considered likely.

Since the middle of 2008, samples have been prepared in the ACME laboratory in Maimón, Dominican Republic. Samples undergo a primary crushing (jaw crusher to ¼) and later pulverization to -100 mesh. Pulp samples are sent to ACME laboratories in Vancouver or Santiago, Chile where they are assayed by ICP. Over limit of base metals and silver are assayed by atomic absorption; gold over limits are assayed by fire assay.

Security of Samples

Sample security has been assured by close monitoring of drill core during collection, logging, sample preparation and analysis. Core was collected at the drill site by a Company representative and transported to Bayaguana or Maimón for logging and sample selection. The core then went to the Falcondo mine site where it was cut, bagged and delivered to the sample preparation laboratory by a Company representative. Prepared samples were submitted to the Falcondo laboratory or shipped to ALS laboratories in Toronto or to SGS laboratories outside Toronto. Check samples were treated in the same fashion.

The Datac Report endorses the adequacy of the sampling, sample preparation, analytical and security procedures as described above.

Mineral Resource Estimates

Loma Pesada

The following calculation was undertaken to confirm the mineral resource estimate carried out by Datac in 2000. The estimate was done using the lower cutting grade of 1.0% copper. No upper cutting grade was used. The highest value used was 6.52% copper. The density used was 4.5 t/m^3. This density was obtained by laboratory assays, using samples collected by Datac employees during a site visit in the Dominican Republic. No dilution factor was employed in this calculation. The resource of the Loma Pesada deposit is evaluated at 1.1 Mt at 2.22% copper, 0.16 g/t gold and 0.77% zinc. The category of this estimated mineral resource is considered to be inferred.

Exploration and Development

For the Loma Pesada deposit, the Datac Report recommends the possibility of increasing the mineralized zone through the surface with shallow holes. The Datac Report further recommends drilling additional holes in order to have a better control on the south-eastern end of the deposit. Infill drilling with a 50 metre spacing is also recommended to establish an indicated resource on this deposit.

In 2008, GlobeStar conducted a 4,380 metre drillhole program in 34 holes in order to determine the southern and northern continuity of the known mineralized zone at Loma Pesada and to update the mineral resource estimate that was published in 2006.

El Ańon Concession –Dominican Republic

Property Description and Location

The El Ańon concession is located in the northwestern part of the Dominican Republic, approximately 140 kilometres northwest of the town of Bonao and within close proximity to the border of the Dominican Republic and Haiti. CMD has exclusive rights over the El Ańon concession.

The property lies 20 kilometres south of the main paved highway from Santo Domingo to Monte Cristi and is accessed by several minor roads running south from the highway. It is situated along a northwest trending ridge adjacent to a series of north-trending rivers and to the west of a large reservoir. Access to the property is provided by dirt roads.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

As previously noted, the climate of the Dominican Republic is tropical with a temperature range between 18 and 32 degrees centigrade and generally high humidity. The heaviest rainfall period is between May and November with an annual accumulation of approximately 300 millimetres of rain.

The concessions are located in an area of the Central Cordillera mountain range and the terrain consists of rolling, cultivated hills with elevations typically less than 500 metres. There are roads that serve all areas of the concessions but a four-wheel drive vehicle is required.

The nearby town of Dajabon provides mining personnel and support services.

History

Recursos del Caribe explored the property from 1985 to 1987, conducting VLF-EM, and standard electromagnetic surveys on the soil. Two main areas of anomaly were identified: namely the Cerro Verde prospect in the far northwest of the property, Anomaly "A", Anomaly "B", and Elias Gossan, all of which lie along the same faulted horizon.

Geology and Mineralization

Rocks from the Amina/Maimón formation underlie the El Ańon concession. These rocks are a late Cretaceous suite of bimodal metavolcanic rocks consisting of mafic and felsic lavas now represented by chlorite and sericite schists respectively. The rocks are interbedded with minor layers of cherts, and hematitic metasediments, possibly exhalites, together with argillic metasedimentary layers. The rocks exhibit strong foliation along a northwest trend parallel to the stratigraphy. Late dykes intersected in drilling are recognised, though no trends have been identified.

In the northwest of the concession, a sub-horizontal, regional scale synform and adjacent antiform has been identified. The whole area has been uplifted by late block faulting.

All rocks on the concession are metamorphosed to greenschist facies and the felsic members exhibit pre-metamorphic hydrothermal alteration consisting of strong to moderate silicification and sericitisation.

Several areas of gossan have been identified on the property, three of which lie at the same stratigraphic level. Soil sampling and shallow pitting has revealed elevated precious and base metal values, suggesting the presence of a disrupted horizon of felsic schist mineralised in gold-bearing polymetallics. A fourth zone of gossan proved to be enriched in gold with a weak overlay of primary sulphide mineralization.

Deposit Types

Cerro Verde is an oxidized massive sulphide on the El Ańon concession. No significant underlying base metal mineralization was encountered. The Cerro Verde deposit is a supergene gold deposit with a secondary enrichment in gold from an altered sericitic schist with disseminated pyrite. The mineralized zone is subhorizontal with a thickness which varies from 1.5 metres to 94.5 metres with a mean thickness of 23 metres. It is elongated with a south-west north-east axis with a long axis of 170 metres by a short axis of 60 metres.

The area has two anomalies. Anomaly "A" is an area of massive sulphide mineralization underlying the Elias Gossan on the El Ańon concession. Anomaly "B" is a copper massive sulphide type with small amounts of zinc, silver and gold. The zone is stretched by sheer zone and is oriented with a south-west dip. It is followed over 350 metres in direction between 5 metres and 150 metres in depth. The thickness varies from 0.45 to 4.45 metres with a mean thickness of 1.7 metres. The deposit is in a quartz-feldspar schist with chlorite and sericite.

Exploration and Drilling

GlobeStar has not carried out any recent work on this concession except the mineral resource estimates on the Cerro Verde and Anomaly "B" deposit by Chénard in 2000.

Sampling and Analysis

Sampling has been conducted in accordance with industry standards. The Datac Report indicated there were no drilling, sampling or recovery issues that could affect the accuracy and reliability of results. Drill core from all the concessions was collected at the drill site and measured to estimate recovery. Generally the different drill programs experienced good core recovery and calculations based on data derived from these drillholes are considered to be reliable.

As previously noted, the Falcondo mine, where the samples were analysed, produces nickel from laterite ore that, in addition to nickel, contains cobalt, chromium and iron. Contamination of these elements is likely at a mine laboratory

that routinely processes ore-grade samples. However, contamination of gold, silver, copper, lead or zinc is not considered likely.

Security of Samples

Sample security has been, as noted above, assured by close monitoring of drill core during collection, logging, sample preparation and analysis. Core was collected at the drill site by a Company representative and transported to Bayaguana or Maimón for logging and sample selection. The core then went to the Falcondo mine site where it was cut, bagged and delivered to the sample preparation laboratory by a Company representative. Prepared samples were submitted to the Falcondo laboratory at the mine site or shipped to ALS laboratories in Toronto or to SGS laboratories outside Toronto. Check samples were treated in the same fashion.

The Datac Report endorses the adequacy of the sampling, sample preparation, analytical and security procedures as described above.

Mineral Resource Estimates

Cerro Verde

Assay results from 501 samples collected from 47 reverse circulation drill holes were used to establish this resource calculation. An additional 194 assay results from five diamond drill holes were also used. The estimation was done using a lower cut grade at 0.50 g/t, 1.00 g/t and 1.50 g/t gold. No upper cutting grade was used. The highest value used was 26.5 g/t gold. No dilution factor was employed in this calculation. The table below summarizes the results of this calculation:

Deposit	**Cutting Grade**	**Mineral Resource Category**	**Tons** (millions)	**Copper** (%)	**Gold** (g/t)	**Silver** (g/t)
Cerro Verde	0.5 g/t Gold	Indicated	0.515	0.17	1.32	3.09
Cerro Verde	1.0 g/t Gold	Indicated	0.233	0.15	2.18	3.84
Cerro Verde	1.5 g/t Gold	Indicated	0.125	0.15	2.90	4.54

Anomaly "B"

Results from 15 drillholes and 70 assay results were used to establish this resource calculation. The estimation was done using a lower cutting grade at 1.0% copper. No upper cutting grade was used. The highest value used was 16.2% copper. No dilution factor was employed in this calculation. The resource of the Anomaly "B" deposit is evaluated at 0.305 Mt at 1.81% copper, 1.10 g/t gold and 1.34% zinc for a cutting grade of 1.0% copper. This estimated mineral resource, if a 0.5 g/t gold cutting grade is used, is 0.290 Mt at 1.55% copper, 1.34 g/t gold and 1.49% zinc.

Exploration and Development

Cerro Verde

According to the Datac Report, the Cerro Verde deposit is considered to be closed, but some additional drilling is recommended specifically in the western part of the deposit in order to clearly consider it closed. There are some mineralized intersections in drill holes where some resources can be developed (such as for hole CV-70 and hole RCH-10). The Datac Report recommends a re-interpretation of this section with a focus on extension of the mineralization and a preparation of a drilling program to verify them.

Anomaly "B"

The Datac Report recommends that on certain sections of Anomaly "B" the deposit is still open at a depth and/or near the surface. The Datac Report further states that after completion of the drill program, a new calculation by block modelling, which will account for the presence of gold and copper together, is recommended. In order for this deposit

to be economically feasible, a combination of gold and copper extracts will likely be required because certain intersections are not long enough for exploitation of only copper.

Additional Information

For additional information, please refer to the Datac Report. A full copy of the Datac Report is available under the Company's profile on SEDAR at www.sedar.com.

Other Properties

Moblan – Québec

Project Description and Location

The Moblan property is located 112 kilometres north of Chibougamau in the Province of Québec. The property consists of Moblan East and Moblan West. Both properties are accessible from Chibougamau via Route du Nord, an all-weather gravelled road which provides easy access to the property. The north-south Opataca powerline departs from Route du Nord at kilometre 131 and passes less than 20 kilometres west of the Moblan property's claims. The powerline to Troilus mine from Chibougamau follows Route du Nord to kilometre 56 and then north to the mine. There are no known environmental liabilities and all permits for the work that has been completed on the property were obtained.

Moblan East is made up of 11 contiguous staked claims covering 163 hectares owned 100% by GlobeStar. Moblan West is comprised of 14 contiguous staked claims covering 235 hectares. Moblan West was optioned from SOQUEM Inc. ("**SOQUEM**"), an industrial and financial holding corporation which is a wholly owned subsidiary of Société Générale de Financement du Québec. In November 2005, GlobeStar entered into an agreement with SOQUEM pursuant to which GlobeStar was entitled to earn a 60% interest by making $160,000 in exploration expenditures over 33 months, after which SOQUEM was entitled to participate or be diluted to a 2% royalty, half of which to be purchased for $500,000. GlobeStar has earned its 60% interest.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The property is situated in hilly plateau topography, the highest point being a 589 metre hill and minimum lake elevations in the valleys of 477 metres. Overburden cover is generally less than 5m composed of glacial outwash sand and gravel and peat moss. Outcrops are relatively abundant, occupying about 5% in the high country. Lakes and rivers and boggy ground cover 3% and 6%, respectively. The only stands of mature forest occur along rivers and lakeshores. Otherwise, sparse stands of black spruce, jack pine and scrub poplar of no interest to the forest industry are the dominant forest type. About 50% of the area was burned by forest fire in 1971.

History

GlobeStar has been actively exploring the pegmatite swarm in the vicinity of the Moblan Project during the past five years. The Moblan Project is located next to a local highway and the Moblan West deposit is being explored in conjunction with SOQUEM. The Moblan West lithium deposit, located in northern Québec, is currently 60% owned by GlobeStar, with SOQUEM holding 40%, and hosts a NI 43-101 compliant estimated inferred mineral resource of 5.3 million tonnes grading 1.5% lithium oxide at a cut-off grade of 0.43% lithium oxide. GlobeStar is currently determining the most advantageous approach for continuing the development of this lithium mineral resource.

Geology and Mineralization

Regional Geology

The Moblan property occurs in the eastern segment of the Frotet-Evans greenstone belt of Archean age in the Opatica Sub-Province. The greenstone belt is enclosed by a granitic-gneissic complex and has itself been intruded by post-tectonic granodiorite to tonalite plutons. The volcanic and sedimentary package is composed of tholeiitic basalts, ferrotholeiites, transitional flows, calc-alkaline pyroclastic units and sedimentary rocks. Numerous sills and feeder

dykes, undifferentiated to differentiated, and of ultramafic to granophyric composition intruded the sequence and are very abundant in parts of the belt. Calco-alkaline porphyritic dykes are thought to be the feeders for or contemporaneous intrusions of the felsic pyroclastic deposits.

The Frotet anticline divides the belt into two structural domains. The northern part is characterized by prominent NE to NNE regional schistosity truncated by SE trending reverse faults and ENE to EW strike-slip dextral faults. In the southern branch, features are oriented ESE to SE where regional-scale reverse faulting interferes with large synclines. Regional metamorphism is greenschist facies in the core of the belt increasing to lower amphibolite facies at the margins and around felsic intrusions.

The eastern segment of the Frotet-Evans greenstone belt hosts many precious and base metal showings and one mine. The Moblan pegmatite swarm is localized in the nose of the Frotet anticline where confining pressures and incompetent (deforms by plastic flow), impermeable basic volcanics and mafic rocks provided the conditions for containment and crystallization of volatile rare elements that characterize a rare metals pegmatite suite. Rare metals pegmatites are almost universally hosted by such rocks.

Local Geology

Three main zones have been identified in the Moblan property.

The main sill is zoned, generally with an albite-rich (50-90%) wall zone at both contacts with quartz, a few percent dark green mica and with or without appreciable K-feldspar. The albite wall zone is comparatively thin, generally less than one metre except for at hole MS-07-04 where it is 1.3 metres at the top contact and 3.15 metres at the bottom. A K-feldspar zone usually with some quartz bands, green mica and lesser albite contacts the albite wall zones although it isn't present everywhere. These zones enclose a central, banded spodumene-quartz core zone with concordant subzones in the form of feldspar-rich bands, most commonly dominated by albite but generally mixed with K-feldspar, quartz and dark green mica. Chains of coarse K-feldspar crystals also occur in the zone.

The southwest dyke was emplaced into a near vertical mobile zone, which is along a contact between volcanics and gabbro at least to shallow depth. The dyke is in the form of a chain of boudinaged pegmatite bodies that are believed to constitute an important feeder system for the pegmatites of the Moblan West property. This body is largely feldspar zone rocks.

The stacked sills around Moblan Lake appear to represent a splaying of the main sill into narrower sills from less than a metre thick to almost 10 metres thick. These sills display feldspar wall zones generally around 30 centimetres thick but ranging from 10 to 75 centimetres. The spodumene cores are higher in feldspar content than the main sill. No resource estimates of these sections are made although the southwest dyke could possibly be mined for feldspar product.

Sampling and Analysis

Core Sampling

Core was split, using a hand-operated splitter, half for samples and half to be retained as a record. Samples comprised one-metre intervals taken across the entire pegmatite intersections in each hole plus one-metre samples of the wall rock at the contacts. A total of 522 samples were collected, securely bagged and sent directly to SGS for analysis. Except for a few instances of fractured core over a few tens of centimetres, core recovery was almost complete and loss was an insignificant factor in assessing the deposit.

Exploration and Drilling

A 12-hole diamond drilling program totalling 1,245 metres was completed in December 2007 on the Moblan West deposit. The principal objective of the drilling program was to test the continuity, geometry and structural control of the pegmatite bodies. Preliminary metallurgical testing by SGS laboratories outside Toronto on a composite containing both Moblan East and Moblan West deposit samples produced a spodumene concentrate containing 7.2% lithium oxide which meets the specification for high analysis product for ceramics and glass applications.

A technical report in compliance with NI 43-101 on the Moblan West deposit dated December 6, 2008, prepared by Gary Pearse, P.Eng. of Equapolar Resource Consultants (the "**Moblan West Pegmatite Project Technical Report**") incorporates the results of the 2007 drilling program in the Moblan West deposit and metallurgical work, and provides an estimate of mineral resources and a preliminary assessment (scoping study).

There were two main conclusions of the Moblan West Pegmatite Project Technical Report, which focused on the main sill pegmatite body. Drilling confirmed the presence and structure of the main sill underlying the central part of the Moblan West deposit. Defined by holes MS-07-04 to MS-07-09 totaling 747.4 metres and the surface geology, this body is approximately 600 metres long, strikes east-west, dips approximately 30^0 north and averages nearly 40 metres thick.

The main sill is classified as an albite-spodumene pegmatite and has three principal zones. From the contacts inward these are: an albite-rich contact wall zone with quartz, dark green mica and generally minor potassium-feldspar; a potassium-feldspar zone with quartz bands, green mica and lesser albite; and a central quartz-spodumene core which is generally banded with concordant albite-potassium-feldspar-quartz-mica subzones and chains of coarse potassium-feldspar crystals.

The Moblan East deposit is less advanced than the Moblan West deposit and is made up of 11 contiguous staked claims covering 163 hectares that are owned 100% by GlobeStar. A six hole, 631 metre drilling program was carried out in 2002 in the Moblan east property. Drilling encountered pegmatite down to 140 metres in depth, with the best drill holes to date returning 69 metres grading 1.67% lithium oxide

During the third and fourth quarters of 2009, exploration activities were carried out by SOQUEM and included excavation, mapping and sampling of 11 trenches. The deposit is suitable to open pit mining at an estimated stripping ratio of less than one to one. Preliminary metallurgical testing indicates that a high-quality lithium concentrate, containing approximately 91% spodumene and 7.2% lithium oxide, may be produced from the Moblan West lithium deposit and sold to end users in the glass and ceramic sectors or further upgraded to battery-quality lithium carbonate. Based on current estimated grades, Moblan West could be one of the highest-grade undeveloped lithium deposits in the world. The exploration program for 2010 includes infill/scouting diamond drilling (>10,000 metres) and metallurgical testing.

At the end of 2009, external consultants, Scott Wilson Group Plc, prepared a new 3D model of Moblan West pegmatite based on 2007 DDH data and the new data from the summer 2009 trenching program. A total of 9 sections were built, dip of the sill was assumed to be 30 degrees to the north as proposed in the Moblan West Pegmatite Project Technical Report. According to this new model, a 60 DDH (> 7000 m) has been proposed to bring the known estimated mineral resources to an indicated level. A test area in the eastern half of the main sill has been proposed to undertake a tighter spaced drilling in order to test the short range variability and to bring the relative high grade shallow resources to a measured level. An infill drilling program is expected to start in the first quarter of 2010. Assuming relatively constant thickness of the sill, the program should target a solid in excess of 20 Mtons.

Security of Samples

Quality Control measures

Samples were analyzed by ICP-ms method after sodium peroxide fusion. The ICM90A 55 element package was selected, which, in addition to rock forming elements includes rare elements common in pegmatites, viz: Be, Cs, Li, Mo, Nb, Rb, Sn, Ta, W and rare earth elements, base metals and others. Greater variability between certified standard and project results can be expected where an element is in comparatively trace quantities. For this reason, a special standard, MRIMIL06 was added to test tantalum and niobium, which often are difficult elements to assay for.

The following protocol was employed for quality control; IOS Services Géoscientifiques inserted the certified reference standard NCS DC 73327 produced by SKYLAB (SYstèmes de LABoratoires de France) at the beginning of each hole and after some high spodumene bands. The synthetic silicate standard's content is SiO_2 72%, Al_2O_3 15%, Fe_3O_4 4%, $CaMg(CO_3)_2$ (pure dolomite) 4%, Na_2SO_4 2.5% and K_2SO_4 2.5% fired at 950^oC. It contains 0.003% Li. Precision of the Li_2O analyses are within the 10% variance and of acceptable accuracy; IOS also inserted an internal standard reference material, MRIMIL06 at the beginning of each hole and in some horizons suspected of containing Nb-Ta minerals. The

standard is an homogenized natural heavy mineral concentrate to which Niobec pyrochlore (Nb_2O_5 etc.) from St-Honoré-de-Chicoutimi has been added. The standard's main purpose in this series was to measure the accuracy of tantalum and niobium assays. Maximum, minimum and average assays for the project matched the historic results for the standard; insertion of two pure quartz samples at the beginning of each hole and for every 10 samples, plus occasionally, two or three quartz samples were placed after thick spodumene layers to test propagation of contaminants effects and memory effects; insertion by IOS of duplicates, obtained by quarter splitting the half core being duplicated and approximately 8% of the analyses were re-run by SGS. These replicates allow estimation of instrument stability and their comparison revealed good correlation of major elements and Li_2O was within the 10% variance of the method.

Mineral Resource and Reserve Estimates

The Moblan West Pegmatitie ProjectTechnical Report estimated the inferred resources for the full the main sill at 5,340,903 tonnes, averaging 1.51% Li_2O as defined by holes MS-07-04 to MS-07-09 to a depth of 50 m. The geologic cut-off grade used was 2000ppm Li (0.43% Li_2O). There are no measured or indicated resources at this time.

Mineral Resource Estimate Moblan West [(1)]			
Category	**Tonnes**	**Li ppm**	**Grade Li2O (%)**
Inferred	5,340,903	7006	1.51

Notes:

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability.

(2) The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(3) It is uncertain if further exploration will result in upgrading the inferred mineral resource to an indicated or measured mineral resource category or the indicated mineral resource to a measured mineral resource.

(4) Figures have been rounded and this may have resulted in minor discrepancies.

Additional Information

For additional information, please refer to the Moblan West Pegmatite Project Technical Report. A full copy of the Moblan West Pegmatite Project Technical Report is available under the Company's profile on SEDAR at www.sedar.com.

Cuance Joint Venture –Dominican Republic

The Cuance, Los Hojanchos and Loma de Payabo (the "**Cuance Group**") concessions, were optioned in August 2003 to Everton. Everton earned a 50% interest in the properties by spending US$1,170,000 and may earn a further 20% by funding a feasibility study. GlobeStar remains the project operator for the Cuance Group concessions.

The Cuance Group concessions lie 25 kilometres east of the town of Maimón, and approximately ten kilometres southeast of the Cerro de Maimón Property.

The Cuance Group concessions lie at the southern margin of the Los Ranchos formation, which has been overthrust by volcanic units of the Maimón formation. The main rock unit consists of amygdaloidal basalt with local pillow features. Several small dioritic plugs intrude the basalt along the southern edge of the concessions. Rocks to the northeast correspond with brown to black mudstone, conglomerate and limestone blocks intercalated with tuffs of Las Lagunas formation. Extensive zones of argillic alteration and silicification affect the central part of both concessions.

The primary exploration targets on the Cuance Group concessions are massive sulphide deposits within the Los Ranchos and Maimón formations. Detailed mapping and sampling on the Cuance Group concessions has identified a series of "kill zones" where vegetation had not developed due to high sulphide levels in the soil, pointing to the presence of

sulphide minerals in the underlying rock units. These zones are co-incident with prophyllitic and argillitic alteration, and massive to semi massive bands of sulphides seen in modern road cuts and stream profiles. A number of ground geophysical surveys have been carried out across these anomalous zones in order to prioritize drill targets.

Two previous drilling programs in 1999 and 2004 targeted geophysical anomalies identified from ground IP and resistivity surveys across the northern part of the Los Hojanchos concession. This earlier drilling intercepted short intervals of copper mineralization (up to 1.5 metre grading 1.58% copper) and minor gold mineralization, but did not identify a massive sulphide body capable of being economically exploited.

The Cuance Group concessions previously included the 2,700 hectare Loma de Payabo concession. In 2004, GlobeStar carried out a reconnaissance exploration program, and concluded that the potential for economic deposits was low. The Loma de Payabo concession was dropped, and exploration focused on the Cuance and Los Hojanchos areas.

On April 29, 2008, Everton and GlobeStar announced the completion of a nine-hole drill program totaling 1,023.4 metres on the new Loma Lambedera discovery located on the Cuance concession. This new mineralized zone is located in the Maimón polymetallic massive sulphide district that also hosts GlobeStar's Cerro de Maimón deposit (10 kilometres to the west). Highlights of the drill program included hole CUA-04 with 15 metres at 1.22 g/t gold, 2.84 g/t silver, 0.35% copper and 2.42% zinc, and 12.00 metres at 1.31g/t gold, 2.03 g/t silver, and 2.94% zinc.

Exploration on the Cuance and adjacent Los Hojanchos concessions was fully funded by GlobeStar's joint venture partner Everton, who by providing US$1.17 million of funding for these concessions over three years, has earned a 50% interest in these concessions comprising the Cuance joint venture. Everton can earn an additional 20% interest in the Cuance joint venture concessions by funding a feasibility study that results in either of the concessions being converted into a producing property.

Other Nickel Laterite Exploration –Dominican Republic

On January 17, 2008 the Company announced initial exploration results from two new nickel bearing laterite zones at Corozal Ridge and Cuaba Quemada in the Dominican Republic. Results included 21 metres grading 1.85 % nickel from Corozal drilling and 2.2% nickel from a channel sample in a pit at Cuaba Quemada.

Corozal Ridge

The Corozal Ridge nickel laterite zone is located approximately 3.5 kilometres east of Cumpié Hill and 1.5 kilometres west of GlobeStar's Cerro de Maimón Property. GlobeStar first identified nickel laterite at Corozal Ridge from a shallow test pit, which averaged 1.8% nickel concentration. In 2008, a 60 hole drilling program was completed. The known area of laterization extends for more than 500 metres along strike over an average width of ten metres.

RISK FACTORS

The business and operations of GlobeStar are subject to risks. In addition to considering the other information in this Annual Information Form, you should consider carefully the following factors in deciding whether to invest in securities of GlobeStar. If any of these risks occur, or if other risks not currently anticipated or fully appreciated occur, the business and prospects of GlobeStar could be materially adversely affected, which could have a material adverse effect on GlobeStar's valuation and the trading price for its Common Shares. The following is a brief discussion of those distinctive or special characteristics of GlobeStar's operations and industry that may have a material impact on, or constitute risk factors in respect of, GlobeStar's financial and operating performance.

GlobeStar currently has a single producing mineral property.

GlobeStar currently has only one producing mineral property, the Cerro de Maimón Property, which commenced commercial production as of January 1, 2009. Any adverse development affecting the Cerro de Maimón Property would have a material and adverse effect on GlobeStar's mineral production, profitability, financial performance and results of operations.

GlobeStar's cash operating costs and economic returns.

The Cerro de Maimón Property has a limited operating history upon which to base estimates of future cash operating costs. Estimates of cash operating costs are primarily based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, expected extraction rates and other factors, all of which are based primarily upon the interpretation of geological data obtained from various techniques. As a result, it is possible that cash operating costs and economic returns could differ significantly from those currently estimated for the Cerro de Maimón Property.

Mineral prices are volatile and can negatively affect GlobeStar's financial performance.

The profitability of GlobeStar's operations is highly sensitive to changes in the market price of the minerals produced at the Cerro de Maimón Property. Copper, gold and silver prices are volatile and are affected by numerous global economic and political factors, including inflation, currency exchange fluctuations, interest rates, speculative activities, global and regional supply and demand fundamentals and political and economic issues or crises. Such fluctuations are beyond the control of GlobeStar and could have a material effect on GlobeStar's results of operations and cash flows. In addition, GlobeStar has undertaken in the past and may in the future undertake certain hedging activities, which may limit GlobeStar's ability to realize gains from increases in metal prices.

There can be no assurance that GlobeStar will be capable of raising the additional financing that it needs to carry out its exploration and development objectives.

The acquisition, exploration and development of mineral properties is dependent upon GlobeStar's ability to obtain financing through a variety of sources. There can be no assurance that GlobeStar will be successful in obtaining the required financing as and when needed or on commercially reasonably terms. A global financial crisis or depressed markets for GlobeStar's metals may make it difficult or impossible for GlobeStar to obtain financing on favourable terms or at all. The inability of GlobeStar to obtain necessary financing on a timely basis may cause GlobeStar to postpone its exploration plans, forfeit rights in some or all of its properties or joint ventures or reduce or terminate some or all of its operations.

Operating hazards and risks could affect GlobeStar's financial condition.

Mineral exploration, development and production are subject to certain types of risks and hazards that are beyond the control of GlobeStar. These conditions include, but are not limited to, environmental hazards, natural disasters, industrial accidents, unusual geological formations, unexpected equipment malfunctions or replacements, changes in the regulatory environment, cave-ins and flooding and metal losses. Such occurrences could result in damage, delays in mining, monetary losses and possible legal liability, any of which could have a material adverse effect on financial performance and/or results of operations. GlobeStar carries insurance to protect itself against certain risks of mining and processing, to the extent that is economically feasible, but which may not provide adequate coverage in all circumstances.

Calculation of mineral reserves, resources and metal recoveries is only an estimate, and there can be no assurance about the quantity and grade of minerals until reserves or resources are actually mined.

Mineral reserves and mineral resources are estimates of the size and grade of deposits based on limited sampling and on certain assumptions and parameters. There is a degree of uncertainty attributable to the calculation of reserves, resources and corresponding grades being mined or dedicated to future production. Until reserves or resources are actually mined and processed, the quantity of reserves or resources and grades must be considered as estimates only. There can be no assurance that mineral recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. In addition, the quantity of reserves may vary depending on mineral prices. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery of metals will be realized. The ore grade actually recovered by GlobeStar may differ from the estimated grades of the mineral reserves and mineral resources. Prolonged declines in the market prices of metals to be mined may render mineral reserves containing relatively lower grades of metal mineralization uneconomical to exploit and could materially reduce GlobeStar's estimated mineral reserves. Should such reductions occur, GlobeStar could be required to

take a material writedown of its investment in mineral properties or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Market price fluctuations of the metals to be produced by GlobeStar, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and may ultimately result in a restatement of mineral reserves. Mineral reserves are not revised in response to short-term cyclical price variations in metal markets.

Some of GlobeStar's operations involve exploration and development and there is no guarantee that any such activity will result in commercial production of mineral deposits.

Some of the exploration properties in which GlobeStar holds an interest do not host a known body of commercial ore, and proposed programs on such properties are exploratory in nature. Development of these mineral properties is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. There is no assurance that commercial quantities of ore will be discovered on any of GlobeStar's exploration properties, or that GlobeStar's exploration programs will yield new mineral reserves to replace mined reserves or expand current estimated mineral reserves. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, mineral prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. In addition, assuming discovery of a commercial ore body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the control of GlobeStar.

There can be no assurance that the interest held by GlobeStar in its properties is free from defects nor that material contractual arrangements or permits between GlobeStar and entities owned or controlled by foreign governments will not be unilaterally altered or revoked.

Mining exploration and production often requires approvals or permits and certificates of authorization from different government agencies on an ongoing basis. Obtaining the necessary governmental permits, approvals or authorizations is a complex and time-consuming process and may involve public hearings and costly undertakings on the part of GlobeStar. The duration and success of permitting or approval efforts are contingent upon many variables not within GlobeStar's control. There can be no assurance that all necessary permits or approvals will be obtained and, if obtained, that the costs involved will not exceed those previously estimated by GlobeStar. To the extent that such approvals are required and not obtained, GlobeStar may be delayed or prohibited from proceeding with planned exploration or development of its mineral properties.

In addition, GlobeStar attempts to maintain its rights to explore and exploit its various properties in good standing, but no assurance can be given that such rights will not be revoked or significantly altered, to the detriment of GlobeStar. There can also be no assurance that GlobeStar's rights will not be challenged or impugned by third parties.

Lack of infrastructure near mine sites may hinder GlobeStar's production and development capabilities and results from operations.

Mining, processing, development and exploration activities rely on the existence of adequate infrastructure including, but not limited to, reliable roads, bridges, power sources and water supply, each of which affects capital and operating costs at mining sites. GlobeStar's results from operations could be adversely affected by a lack of such infrastructure or any interference with such infrastructure including, but not limited to, strikes, sabotage, terrorism or government interference.

GlobeStar has reclamation obligations for certain of its properties that are subject to change and could negatively impact its results from operations.

GlobeStar's mineral properties are subject to reclamation, site restoration, closure and other similar requirements. GlobeStar estimates its reclamation liability for the Cerro de Maimón Property based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing the mine site. It is possible that GlobeStar's estimate of its ultimate reclamation liability could change over time due to possible changes in laws and regulations and changes in cost estimates. Any significant increases over current estimates of these costs could have a material adverse effect on GlobeStar.

GlobeStar is reliant on management and key personnel for success in its operations.

GlobeStar employs a number of technical and other personnel with specialized skills and a variety of relevant experience, education and professional designations, and acquires other specialized skills and knowledge by engaging, on a contract basis, relevant professionals in the geological, metallurgical, engineering, environmental and other relevant disciplines. GlobeStar endeavors to maintain competitive remuneration and compensation packages in order to attract and retain the required skilled and experienced personnel.

GlobeStar relies heavily on its existing management. Recruiting and retaining qualified personnel is critical to GlobeStar's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. GlobeStar believes that it has been successful in recruiting excellent personnel to meet its corporate objectives but, as GlobeStar's business activities grow, it may require additional key financial, administrative and mining personnel. In the event that GlobeStar is unable to attract additional qualified personnel, its ability to grow its business or develop its existing properties could be materially impaired.

Contractors under the supervision of GlobeStar's staff are engaged to carry out various activities, including construction, mine development and drilling activities. Significant and increasing competition for skilled miners and other skilled personnel exists and the loss of a mining contractor or other key contractor could be challenging for GlobeStar. GlobeStar is dependent upon one mining contractor in connection with the Cerro de Maimón Property, the loss of whom could have a material adverse effect on the business of GlobeStar.

Mineral resources may not be capable of economic development.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. These mineral resources may never be upgraded to proven and probable reserves.

GlobeStar may encounter shortages and price volatility of other commodities and equipment required for production.

GlobeStar is dependent on various supplies and commodities including, but not limited to, fuel, reagents and cyanide to conduct its mining operations. Any potential shortage or price volatility of such supplies and commodities may limit production or significantly increase the cost of production. Market prices of supplies and commodities can be subject to volatile price movements which may be material, occur over a short period of time and can be affected by factors outside of GlobeStar's control. Major price increases for commodities over a sustained period of time may make continued production and exploration of GlobeStar's assets no longer economically feasible and have an adverse impact on GlobeStar's financial performance and results of operations.

Competition for new mining properties by larger, more established companies may prevent GlobeStar from acquiring interests in additional properties or mining operations.

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better-established mining companies with substantial capabilities and greater financial and technical resources than GlobeStar, GlobeStar may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that GlobeStar will acquire any interest in additional operations that would yield reserves or result in commercial mining operations.

Fluctuations in currency exchange rates may adversely affect GlobeStar's financial position.

Fluctuations in currency exchange rates, particularly operating costs denominated in currencies other than United States dollars, may significantly impact GlobeStar's financial position and results. GlobeStar faces risks mainly associated with fluctuations in the Canadian dollar and the Dominican Republic peso relative to the U.S dollar, as a portion of GlobeStar's expenses are incurred in those foreign currencies.

GlobeStar is exposed to risks of changing political stability and government regulation in the Dominican Republic.

GlobeStar holds mineral interests in the Dominican Republic that may be affected in varying degrees by political stability, government regulations relating to the mining industry and foreign investment, and the policies of other nations in respect of the Dominican Republic. Changes in regulations or shifts in political conditions are beyond the control of GlobeStar and may adversely affect its business. GlobeStar's operations may be affected in varying degrees by government regulations, including, but not limited to, those with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, employment, land use, water use, environmental legislation and mine safety. The regulatory environment is in a state of continual change, and new laws, regulations and requirements may be retroactive in their effect and implementation. GlobeStar's operations may also be affected in varying degrees by political and economic instability, economic or other sanctions imposed by other nations, terrorism, military aggression, civil unrest, crime, extreme fluctuations in currency exchange rates and high inflation. Future amendments to the laws of the Dominican Republic or new legislation enacted by the government of the Dominican Republic could affect the existing laws relating to mineral exploration and development, and harm GlobeStar's ability to carry on business in the Dominican Republic.

Amendments to current laws, regulations and permits governing the operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on GlobeStar and may require increased capital expenditures or production costs or reductions in levels of production at producing properties or may require abandonment or delays in development of new mining properties.

GlobeStar is subject to substantial environmental and other regulatory requirements and such regulations are becoming more stringent. Non-compliance with such regulations, either through current or future operations or a pre-existing condition or liability could have a negative material impact on GlobeStar.

All phases of GlobeStar's operations are subject to environmental regulations by the government of the Dominican Republic. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation will not adversely affect GlobeStar's operations. Unknown environmental hazards and pre-existing environmental liabilities may exist on the properties in which GlobeStar currently holds an interest or on properties that may be subsequently acquired by GlobeStar that has been caused by previous or existing owners or operators of the properties. In such event, GlobeStar may be required to remediate these properties and the costs of remediation could be substantial. Further, in such circumstances, GlobeStar may not be able to claim indemnification or contribution from other parties. In the event that GlobeStar is required to undertake and fund significant remediation work, such event could have a material adverse effect on GlobeStar and its financial position.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed, and may require corrective measures be implemented, additional equipment be installed, or other remedial actions be undertaken, any of which could result in material capital expenditures. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

GlobeStar may not be able to control the decisions and strategy of joint ventures to which it is a party.

Some of the properties in which GlobeStar owns interests are operated through joint ventures with other mining companies. The existence or occurrence of one or more of the following circumstances and events could have a material

adverse impact on the viability of GlobeStar's interests held through joint ventures, which could have a material adverse impact on GlobeStar's results of operations and financial conditions: (a) the inability to exert influence over certain strategic decisions made in respect of joint venture properties; (b) disagreement with the partners on how to develop and operate mines efficiently; (c) the inability of partners to meet their obligations to the joint venture or third parties; and (d) litigation between partners regarding joint venture matters.

GlobeStar's liquidity and level of indebtedness could have a significant impact on its operations and financial performance.

Although GlobeStar has been successful in repaying and managing its debt obligations in the past, there can be no assurances that it can continue to do so. GlobeStar's level of indebtedness could have important consequences for its operations and financial position. If GlobeStar is required to pay down its existing indebtedness, it might limit its ability to fund working capital needs, limit the use of operating cash flows in other areas, and limit its ability to capitalize on other business opportunities.

GlobeStar expects to obtain funds to pay its obligations and interest relating to its indebtedness with cash flow from operations. GlobeStar's ability to meet its payment obligations will depend on its future financial performance, which will be affected by financial, business, economic and other factors, many of which are outside of GlobeStar's direct control.

Deterioration of global economic conditions could have a significant impact on GlobeStar's financial performance.

A deterioration of global economic conditions may have a significant impact on GlobeStar's operations. Demand for GlobeStar's primary metal, copper, is heavily dependent upon world economic conditions and activity. Since a major use of copper is in industry, a broad economic recession would necessarily reduce the demand for copper and put further downward pressure on the price of copper. In addition, a recession could lead to tightened credit markets and impair the ability of GlobeStar to obtain external sources of financing. Without such funding being available, GlobeStar is dependent upon production from its Cerro de Maimón Mine to generate sufficient funds to allow GlobeStar to meet obligations as they come due and to fund the continuation of its operating activities and exploration programs. During recessionary times, equity markets in general, and the market for mining and exploration companies in particular, are vulnerable to extreme price and volume fluctuations that are unrelated or disproportionate to the operating results or asset values of those companies. These broad market and industry factors may seriously impact the market price and trading volumes of GlobeStar's common shares, regardless of actual operating performance. Such an impact could either impact GlobeStar's ability to obtain equity financing or cause significant dilution to existing shareholders.

Fluctuations in the price of securities unrelated to GlobeStar's performance.

The Common Shares are listed on the TSX. The price of the Common Shares is likely to be affected by short-term changes in the prices of the minerals that GlobeStar mines. There are other factors unrelated to the performance of GlobeStar that may have an effect on the price of the Common Shares including, but not limited to, the following: a reduction in the analytical coverage of GlobeStar by stock market analysts; a drop in the trading volume and general market interest in the Common Shares, which may impact liquidity; and failure by GlobeStar to uphold reporting obligations under Canadian securities laws or those imposed by the TSX, which could result in the delisting of the Common Shares and a substantial decline in price.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect GlobeStar's long-term value.

DIVIDENDS

The Company has not paid any dividends to date on its Common Shares since incorporation and does not intend to pay dividends on the Common Shares in the foreseeable future. The future payment of dividends will be dependent upon the financial requirements of GlobeStar to fund future growth, the financial condition of GlobeStar and other factors the Board may consider appropriate in the circumstances. During the term of the NEDBANK Financing, any dividend payment would require the prior approval of NEDBANK Capital of South Africa.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares. As at March 30, 2010, there were 105,491,485 Common Shares issued and outstanding.

The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares. Documents affecting the rights of securityholders, including the Company's Articles of Incorporation have been filed in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") and are available on SEDAR at www.sedar.com under the Company's profile.

Common Shares

The holders of Common Shares have the right to one vote for each Common Share on all matters voted on by shareholders of the Company, to receive any dividend declared by the Company, and to receive the remaining property of the Company upon dissolution.

Rights Plan

On May 3, 2007, the Company entered into the Rights Plan with CIBC Mellon Trust Company, as rights agent, which was approved by GlobeStar's shareholders on June 14, 2007, authorizing the issuance of one right (a "**Right**") for each Common Share outstanding. The terms of the Rights Plan are set out in the Rights Plan agreement, a copy of which is available from GlobeStar upon request or on SEDAR at www.sedar.com. All terms not defined in this Annual Information Form and used in this section have the meaning given to them in the Rights Plan agreement.

The Rights will separate and trade separately from the Common Shares after the Separation Time (as defined below). Following the Separation Time, separate certificates evidencing the Rights ("**Rights Certificates**") will be provided to registered shareholders as of the Separation Time and each separate Rights Certificate alone will evidence the Rights.

The "Separation Time" means the close of business on the tenth Business Day after the earlier of:

(a) the date of the first public announcement by GlobeStar or an Acquiring Person (as defined below) that a person has become an Acquiring Person; or

(b) the date of commencement of, or the first public announcement of the intent of any person other than GlobeStar to commence a Take-over Bid (other than a Permitted Bid or Competing Permitted Bid).

The initial exercise price established under the Rights Plan is $50 per Common Share. From and after the Separation Time and prior to the occurrence of a "Flip-in Event" (as described below), each Right entitles the registered holder to purchase one Common Share at the exercise price of $50 per Common Share, subject to certain anti-dilution adjustments and other rights as set out in the Rights Plan.

A "Flip-in Event" occurs when a person becomes an Acquiring Person. Upon the occurrence of a Flip-in Event, each Right shall constitute, effective at the close of business on the tenth Trading Day after the Stock Acquisition Date, the right to purchase from GlobeStar, upon payment of the Exercise Price, that number of Common Shares having an aggregate Market Price on the date of occurrence of the Flip-in Event equal to twice the Exercise Price of the Rights. In such an event, any Rights beneficially owned by an Acquiring Person (including such person's associates and affiliates and any other person acting jointly or in concert with the Acquiring Person and any direct or indirect transferee of such persons) will be void. Rights holders who do not exercise their Rights upon an occurrence of a Flip-in Event may suffer substantial dilution.

An "Acquiring Person" is a person who beneficially owns 20% or more of the outstanding Common Shares. An Acquiring Person does not include: (a) GlobeStar, or any other affiliate controlled by GlobeStar; or (b) any person who becomes the beneficial owner of 20% or more of the Common Shares as a result of certain exempt transactions.

The Rights Plan is similar to other shareholder or unitholder rights plans adopted in the mining sector. The Rights Plan expires at the termination of the annual meeting of shareholders to be held in 2010 if not reaffirmed.

Deferred Share Unit Plan

GlobeStar established its deferred share unit plan (the "**DSU Plan**"), effective on January 1, 2009, to provide non-employee GlobeStar directors (each a "**DSU Participant**") with the opportunity to acquire deferred share units of GlobeStar ("**DSUs**"). The purpose of the DSU Plan is to allow DSU Participants to participate in the long-term success of GlobeStar and promote a greater alignment between the DSU Participants and the shareholders of GlobeStar. All terms not defined in this Annual Information Form and used in this section have the meaning given to them in the DSU Plan.

The DSU Plan is currently administered by the Compensation Committee of the Board. Under the DSU Plan, a DSU Participant will receive 25% of his or her basic annual retainer and Board Chair and committee fees in DSUs with the further option, exercisable prior to the beginning of each calendar year, of electing to receive further DSUs in lieu of cash payments for some or all of his or her Basic Annual Retainer, Annual Chair Fees and any other fees payable in DSUs (in increments of no less than 25%). DSUs are each equivalent to one Common Share and are credited to an account maintained for the DSU Participant on the books of GlobeStar. With respect to the portion of fees such DSU Participant is to be paid in DSUs, GlobeStar will credit to the DSU Participant's account on the last day of each fiscal quarter the number of DSUs equal to the amount of fees received in DSUs, divided by the fair market value of the Common Shares as determined in accordance with the DSU Plan. DSUs are non-transferable, except to a DSU Participant's estate in the event of his or her death, as provided in the DSU Plan.

The DSUs are exercisable by a DSU Participant on the Distribution Date (as defined below) and a lump sum payment in cash equal to the amount of DSUs recorded in the DSU Participants account on the Distribution Date multiplied by the Distribution Value (as defined below), less any withholding taxes, will be paid to the DSU Participant. Upon payment in full of the value of the DSUs, the DSUs shall be cancelled and no further payments will be made to the DSU Participant under the DSU Plan.

The Distribution Date means (i) the date on which the DSU Participant ceases to be a member of the Board and at that date is not an employee or officer of the Company or of any corporation related to the Company within the meaning of the Income Tax Act (Canada) (the "**Separation Date**"); or (ii) such later date as elected by the DSU Participant, provided that in no event will a DSU Participant be permitted to elect a date which is later than the last business day of the calendar year in which the Separation Date occurs. The Distribution Value means the average of the closing prices of the Common Shares on the TSX for the five trading days immediately preceding the Distribution Date.

The Board may determine from time to time, subject to the provisions of the DSU Plan, to grant additional DSUs to any DSU Participant. Any such discretionary grant of DSUs to a DSU Participant will be evidenced in writing from GlobeStar to the DSU Participant.

The Board may also from time to time amend or suspend the DSU Plan in whole or in part and may at any time terminate the DSU Plan without notice. Any such amendment or termination will not affect previously granted DSUs, which will be paid out according to the provisions of the DSU Plan.

MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX under the symbol "GMI". The following table sets out the monthly high and low closing prices and the total monthly trading volumes for 2009:

	High	Low	Volume
2009			
January	$0.51	$0.40	1,388,993
February	$0.48	$0.42	5,789,712
March	$0.67	$0.42	3,449,221
April	$0.78	$0.60	15,508,602
May	$0.87	$0.65	4,081,654
June	$0.93	$0.68	2,557,364
July	$1.08	$0.74	8,631,291
August	$1.20	$0.87	2,145,084
September	$0.92	$0.83	3,196,221
October	$0.95	$0.78	5,127,206
November	$1.14	$0.90	2,666,065
December	$1.08	$0.91	1,506,005

DIRECTORS AND OFFICERS

All directors of the Company were elected to their offices at the 2009 annual meeting of shareholders of the Company held on May 28, 2009, and will continue to hold office until the next annual meeting of the Company in 2010, unless they resign prior to the date of such meeting.

The following chart provides information regarding executive officers and directors of the Company:

Name and Jurisdiction of Residence	Position Held	Year and Month Became Director or Officer	Number of Common Shares Held	Principal Occupation and Positions for the Past Five Years
Larry M. Ciccarelli[(4)(5)(7)] Ontario, Canada	Director and Executive Chairman	September 2002	308,065 (0.003%)	Chairman of the Board of GlobeStar since September 2002 and Vice President of Karr Securities Inc. ("**Karr**"), a private investment firm, since 1990.
John A. Iannozzi[(1)(2)(3)(5)(6)] Ontario, Canada	Director	September 2002	203,024 (0.002%)	Vice President of Finance at Karr since 1994. Chief Financial Officer of GlobeStar from September 2002 to December 2006 and Treasurer of Karmin Exploration (TSX-V) since August 1998.
Terence S. Ortslan[(1)(2)(3)(4)] Québec, Canada	Director	October 2004	200,000 (0.002%)	Managing Director of TSO & Associates, an independent mining research firm since 1995. Prior thereto, a mining engineer with faculty appointments at McGill University and a financial mining analyst.

Name and Jurisdiction of Residence	Position Held	Year and Month Became Director or Officer	Number of Common Shares Held	Principal Occupation and Positions for the Past Five Years
Richard R. Faucher[(1)(2)(3)(4)] Québec, Canada	Director	July 2005	130,000 (0.001%)	Chief Executive Officer of Canadian Royalties Inc. (TSX) from 2005 to 2008; prior thereto, held management positions in several mining companies including Falconbridge and former President and General Manager of Falcondo.
Stuart F. Feiner[(1)(3)] New York City,U.S.A.	Director	May 2007	2,000 (0.000%)	Mr. Feiner currently is a consultant to certain organizations, focusing on the mining industry and related businesses and on business development and other areas. Mr. Feiner was employed by Inco Limited (now Vale Inco) in various capacities over a 30 year career. He retired from Inco Limited in August 2006.
David W. Brace Ontario, Canada	Chief Executive Officer & Director	October 2008	201,000 (0.002%)	Chief Executive Officer of the Corporation. Previously Executive Vice President Business Development of Aur Resources Inc.
David W. Massola Ontario, Canada	Chief Financial Officer	November 2006	2,000 (0.000%)	Senior Vice President Finance and Chief Financial Officer of GlobeStar; prior thereto, Chief Financial Officer of De Beers Canada Inc.; prior thereto, Mr. Massola spent 20 years with BHP-Billiton as Vice President of Finance of BHP-Billiton's Ekati Diamond Mine.
A. Eric Olson Texas,USA	Chief Operating Officer	August 2006	Nil	Senior Vice President and Chief Operating Officer of GlobeStar; prior thereto, VP Projects for GlobeStar; prior thereto, Mr. Olson spent three years as minerals industry consultant and qualified person.
Julio Espaillat Santo Domingo, DR	Vice President, Exploration	January 2010	Nil	Vice President Exploration for GlobeStar and the Country Manager for CMD. He has been in the mining industry for over 20 years. Prior thereto, he was a geology professor and an Exploration Manager for Falcondo.

Notes:

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Member of the Corporate Governance & Nominating Committee

(4) Member of the Technical and Environmental, Health & Safety Committee

(5) Karr holds 13,522,307 Common Shares, representing 12.8% of the issued and outstanding shares of the Company.

(6) Joranco Corporation holds approximately 17% of the securities of Karr and John Iannozzi and Rosanne Iannozzi are the shareholders of Joranco Corporation, holding an undivided 50% interest each therein. Larry Ciccarelli holds 25% of the issued and outstanding shares of Karr. Mr. Robert Ciccarelli, a relative of Larry Ciccarelli, holds the balance of the issued and outstanding shares of Karr.

(7) Mr. Ciccarelli served as interim Chief Executive Officer from February 2, 2008 to October 21, 2008.

As of December 31, 2009, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 14,568,396 Common Shares representing approximately 13.81% of the issued and outstanding Common Shares.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To GlobeStar's knowledge, no director or executive officer of GlobeStar is or has been in the last 10 years a director, chief executive officer, or chief financial officer of any company (including GlobeStar) that: was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer, or chief financial officer; or was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purpose of the foregoing, "order" means: a cease trade order; an order similar to a cease trade order; or an order that denied the relevant company access to any exemption under securities legislation, which was in effect for a period of more than 30 consecutive days.

Personal Bankruptcies

To GlobeStar's knowledge, no director or executive officer of GlobeStar, or a shareholder holding a sufficient number of Common Shares to affect materially the control of GlobeStar: is or has been in the last 10 years a director or executive officer of any company (including GlobeStar) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has in the last 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

Circumstances may arise where members of our Board or our officers are directors or officers of corporations or other entities which are in competition to our interests. No assurances can be given that opportunities identified by such board members or officers will be provided to us. Pursuant to the *Canada Business Corporations Act*, a director or officer of a corporation who is a party to a material contract or proposed material contract with that corporation or is a director or an officer of or has a material interest in any person who is a party to a material contract or proposed material contract with that corporation shall disclose to the corporation the nature and extent of the director's or officer's interest. In addition, a director shall not vote on any resolution to approve a contract of the nature described except in limited circumstances.

The Company's management is not aware of any existing or potential material conflicts of interest between it or a subsidiary and one of its directors or officers or of one of its subsidiaries.

AUDIT COMMITTEE INFORMATION

National Instrument 52-110 - *Audit Committees* requires the Company to disclose annually certain information concerning the composition of its audit committee (the "**Audit Committee**") and certain other matters relating to the Audit Committee and its relationship with the Company's independent auditors.

The Audit Committee was established for the purpose of overseeing the accounting and financial reporting process of the Company and annual external audits of the consolidated financial statements. The Company's Audit Committee consists of Stuart Feiner (Chair), Terence Ortslan, Richard Faucher and John Iannozzi. The Company's Audit Committee has adopted a mandate (the "**Mandate**") that sets out its responsibilities and composition requirements in fulfilling its oversight in relation to the Company's internal accounting standards and practices, financial information, accounting systems and procedures. A copy of the Mandate is attached hereto as Schedule "A" and is available on request made to the Company's Senior Vice President, Finance and Chief Financial Officer.

The Audit Committee carries out a variety of functions, including but not limited to the following: review of all financial statements of the Company prior to publication; review of the audits conducted by the Company's independent auditors; consideration of the adequacy of audit procedures and internal control procedures; recommendations for the appointment of independent auditors, and review and approval of the professional audit and non audit services to be rendered by the Company's independent auditors. Audit Committee meetings with the independent auditors are carried out in private, without Company management present, to avoid potential information bias and conflict over discussions relating to the Company's financial statements and various other matters. The Audit Committee also meets in executive sessions to ensure appropriate disclosure in the Company's financial statements, the staffing of the financial functions of the Company and other internal control procedures.

Each member of the Audit Committee is financially literate and Messrs. Feiner, Ortslan, Faucher and Iannozzi are independent.

Education and Experience

The members of GlobeStar's Audit Committee have education and experience relevant to the performance of their responsibilities as an Audit Committee member, which includes the following:

Stuart Feiner currently is a consultant to certain organizations, focusing on business development and other initiatives. He retired from Inco Limited (now Vale Inco), a leading international metals and mining company, in the summer of 2006 after 30 years of service. Mr. Feiner served as Executive Vice President, General Counsel and Secretary of Inco Limited from August 1993 to March 2006 and held various other positions with Inco Limited during his tenure. His responsibilities during his career with Inco Limited included being a key member of the senior management team and leading or being a member of the multi-disciplinary teams that successfully completed a range of conventional and unique financings for Inco Limited, and that evaluated or completed all of Inco Limited's principal acquisitions and divestitures, as well as having overall corporate responsibility for corporate governance and disclosure matters, and structuring and implementing the arrangements needed to advance the key mining projects Inco Limited pursued. Having headed Inco Limited's successful venture capital unit from 1984 to 1992, Mr. Feiner served on the boards of directors of a number of public and private companies, which had been financed by this Inco Limited unit. Mr Feiner received a B.S. in economics from the Wharton School of the University of Pennsylvania, and also holds an MBA from Columbia University and a law degree from Duke University.

Richard Faucher is a metallurgical engineer and has held senior management positions in several mining companies including Noranda Inc. and was the former President and General Manager of the Falcondo mine and smelter in the Dominican Republic for Falcondo, a subsidiary of Falconbridge. Mr. Faucher was the President and Chief Executive Officer of Canadian Royalties Inc. and has more than 35 years of experience in the mining industry with major and junior companies. His education in corporate matters of public corporations provides invaluable experience in the budgeting review and the internal control processes gained while overseeing the growth and management for both public and private companies throughout the business cycles in the mining and production industry. Mr. Faucher is a member of the Institute of Corporate Directors.

Terence Ortslan is a mining engineer and is the Managing Director of TSO & Associates, an independent research firm. He has had several faculty appointments at McGill University and has been a financial mining analyst with several brokerage firms in North America. He has held senior positions in public companies and has provided advisory services on a wide range of business and financial matters for many private and publicly listed companies. Mr. Ortslan has experience and education in corporate disclosure matters in the public mineral exploration industry. He has experience in the financial analysis review and internal control processes gained while analyzing the growth and management for many years of both public and private companies through the business cycles.

John Iannozzi has been a Chartered Accountant since 1987 after obtaining an Honors Bachelors of Commerce Degree from the University of Windsor in 1985. He became founding Chief Financial Officer and Director for GlobeStar in 2000. He is president of Joranco Corporation and a Director and Treasurer of Karr Securities Inc., both of which are private investment companies where he has served since 1993. Between 1989 and 1994 he served at BDO Dunwoody, Chartered Accountants and between 1985 and 1989 at PricewaterhouseCoopers, Chartered Accountants. Mr. Iannozzi is currently the Chief Financial Officer and director of Toronto Ventures listed Karmin Exploration Inc. He has served as founding director and Chief Financial Officer of both Gastar Exploration Inc. (Amex/TSX listed) and CF Hospitality Inc. and has been a director of publicly listed Canadian companies since 1995.

The Board adopted all of the Audit Committee's recommendations to nominate and compensate an external auditor.

AUDIT SERVICE FEES

The following table discloses fees billed to GlobeStar by its auditors, Deloitte and Touche LLP, for the 2009 audit and by PricewaterhouseCoopers LLP for the 2008 audit. The change in auditors occurred on March 24, 2009. The Audit Committee reviews and pre-approves all non-audit services to be provided to GlobeStar by its auditors. Audit-related fees include the quarterly financial statement reviews, while tax fees relate to the preparation of the income tax returns. Amounts included under all other fees relate to the audit of GlobeStar's schedule of Net Smelter Return Royalty.

Type of Service Provided	2009	2008
Audit Fees:	$214,790	$265,274
Audit-Related Fees:	$63,600	$194,474
Tax Fees:	$23,947	$12,282
All Other Fees:	$2,915	$61,820
Total	**$305,252**	**$533,850**

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

During the year ended December 31, 2009 there were (i) no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; and (iii) no settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority.

In March 2010, the Company received a statement of claim filed in the Ontario Superior Court of Justice against it and one of its subsidiaries by a former employee of the Company for alleged damages in excess of $4 million sustained while in the employment of the Company during 2008. The Company believes that this claim is without merit and intends to vigorously defend the action.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Management of the Company is not aware of any material interests, direct or indirect, of any director or executive officer of the Company, any person or company that is the beneficial owner of, or who exercises control or direction over, directly or indirectly, more than 10% of any class of securities of GlobeStar or any associate or affiliate of any of the foregoing in any transaction within the three most recently completed financial years or during the current financial year that is reasonably expected to materially affect GlobeStar.

TRANSFER AGENT AND REGISTRAR

CIBC Mellon Trust, at its principal offices in Montreal, Québec, is the transfer agent and registrar of the Common Shares of the Company.

MATERIAL CONTRACTS

In 2007 the Company entered into a debt financing facility with NEDBANK Capital of South Africa which, as amended, provided US$45 million in funding. GlobeStar used the proceeds of this facility to partially fund the development the 100% owned Cerro de Maimón project. The term of the facility runs through December 31, 2013 with quarterly repayments which began in June 2009. This facility bears annual interest at a floating rate of LIBOR plus 300 basis points which was approximately 3.28% as of December 31, 2009. Mandatory prepayments are required at 25% of the project's excess available cash flow, as defined under the facility. The facility requires certain commodity hedging covering some of the first three years of production and contains a number of customary terms and conditions applicable to a facility like this one. As of December 31, 2009 the Company's outstanding amount was $37.5 million. No mandatory prepayments were payable to the lender during 2009. See "General Development of the Business - Three Year History".

Other than contracts entered into in the ordinary course of business, as described in this Annual Information Form, the Company is not a party to any material contracts entered into since January 1, 2002.

INTEREST OF EXPERTS

To the knowledge of management of the Company, as of the date hereof, set forth below is the name of each person or company who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or relating to, the Company's most recently completed financial year, and whose profession or business gives authority to the statement, report or valuation made by the person or company.

Deloitte and Touche LLP, Chartered Accountants, have performed the external audit of financial statements of the Company for the year ended December 31, 2009, as set forth in the Company's audited financial statements for 2009. Deloitte and Touche LLP has advised the Company that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Denis Chénard, Datac, is the qualified person within the meaning of NI 43-101 who prepared the Initial Datac Report and the Amended Datac Report.

R.W. Jolk (P.E.) is the qualified person within the meaning of NI 43-101 who prepared the Production Schedule Sensitivity Analysis Report.

Harry Burgess (P. Eng.), Paul Roos (P. Geo.) and Ian Ward (P. Eng.) of Micon are the qualified persons within the meaning of NI 43-101 who prepared the 2007 Maimón Report.

Mr. F. Roger Billington (P. Geo.) and Mr. Alex M. Trueman (P. Geo.), an employee of Snowden, are the qualified persons within the meaning of NI 43-101 who prepared the Cumpié Hill Report and the Cumpié Hill II Report.

Mr. Gary Pearse (P. Eng.), an employee of EQUAPOLAR Resource Consultants, is the qualified person within the meaning of NI 43-101 who prepared the Moblan West Pegmatite Project Technical Report.

The Company has been advised that, at the time of the provision of such services, all of those persons and companies listed above beneficially owned, directly or indirectly, less than one percent of the outstanding Common Shares.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's information circular for the most recent annual meeting of shareholders that involve the election of directors of the Company. Additional financial information is provided in our audited annual financial statements and management's discussion and analysis for the year ended December 31, 2009. Documents affecting the rights of securityholders, along with other information relating to the Company, may be found on SEDAR at www.sedar.com.

GLOSSARY AND TECHNICAL TERMS

The following are definitions of certain geological terms and references contained in this Annual Information Form.

"**alteration**" means any physical or chemical change in a rock or mineral subsequent to its formation, and is conceptually milder and more localized than metamorphism;

"**anomaly**" means any departure from the norm which may indicate the presence of mineralization in the underlying bedrock. In geophysics and geochemistry, an area where the property being measured is significantly higher or lower than the larger, surrounding area;

"**assay**" means a chemical test performed to determine the amount of valuable metals contained within a sample of ores or minerals;

"**breccia**" means a coarse-grained type of rock comprised of angular broken rock fragments held together by a mineral cement or in a fine-grained matrix; distinguishable from a conglomerate by its sharp edges and unworn corners;

"**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum;

"**conglomerate**" means a type of rock with rounded, water-worn fragments of rocks or pebbles, cemented together by another mineral substance;

"**core**" means a long cylindrical shaped piece of rock, usually an inch in diameter, brought to the surface by diamond drilling;

"**cut-off grade**" means the lowest grade of mineral resources considered to be economically viable; used in the calculation of reserves in a given deposit;

"**DIGHEM**" means an airborne electromagnetic/magnetic survey system. DIGHEM uses multiple frequency electromagnetic fields to measure and map the electrical conductivity of the earth in three dimensions. Changes in the conductivity of the earth are caused by changes in geology, such as the presence of base-metal ore deposits, kimberlite pipes, geologic alteration zones or conductive sediment layers; by changes in groundwater location or salinity; or by changes in overburden type or depth. The system uses a magnetometer to measure the earth's magnetic field, which can be interpreted to show changes in bedrock geology to a great depth;

"**dyke**" means a long and relatively thin body of igneous rock that, while in the molten state, intruded a fissure in older rocks;

"**fault**" means a break in the earth's crust caused by tectonic forces which have moved the rock on one side with respect to the other; faults may extend for many kilometres, or be only a few centimetres in length; similarly, the movement or displacement along the fault may vary widely;

"**g/t**" means grams per tonne;

"**gossan**" means the rust-coloured oxidized capping or staining of a mineral deposit, generally formed by the oxidation or alteration of iron sulphides;

"**grade**" means the amount of valuable mineral in each tonne of ore, expressed as troy ounces per ton or grams per tonne for precious metals and as a percentage for other metals;

"**HQ**" means the dimensions of bits, core barrels, and drill rods in the H-size and Q-group wireline diamond drilling system having a core diameter of 63.5 millimetres and a hole diameter of 96 millimetres;

"**intrusive**" means a body of igneous rock formed by the consolidation of magma intruded into other rocks, in contrast to lavas, which are extruded upon the surface;

"**metamorphic rocks**" means rocks which have undergone a change in texture or composition as the result of heat and pressure;

"**metamorphism**" means the process by which the form or structure of rocks is changed by heat and pressure;

"**mineral reserve**" refers to the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. The study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that might occur when the material is mined. Mineral reserves are categorized as follows on the basis of the degree of confidence in the estimate of the quantity and grade of the deposit;

"**proven mineral reserve**" means, in accordance with CIM Standards, for the part of a deposit which is being mined, or which is being developed and for which there is a detailed mining plan, the estimated quantity and grade or quality of that part of a measured mineral resource for which the size, configuration and grade or quality and distribution of values are so well established, and for which economic viability has been demonstrated by adequate information on engineering, operating, economic and other relevant factors, so that there is the highest degree of confidence in the estimate. This definition of proven mineral reserve differs from the standards in the United States, where proven or measured reserves are defined as reserves for which: quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling; and the sites for inspection, sampling and measurement are spaced so closely and the geographic character is so well defined that size, shape, depth and mineral content of reserves are well established.

"**probable mineral reserve**" means, in accordance with CIM Standards, the estimated quantity and grade or quality of that part of an indicated mineral resource for which economic viability has been demonstrated by adequate information on engineering, operating, economic and other relevant factors, at a confidence level which would serve as a basis for decisions on major expenditures. This definition of probable mineral reserves differs from the standards in the United States, where probable mineral reserves are defined as reserves for which quantity and grade and/or quality are computed from information similar to that of proven reserves (under United States standards), but the sites for inspection, sampling, and measurement are further apart or are otherwise less adequately spaced, and the degree of assurance, although lower than that for proven mineral reserves, is high enough to assume continuity between points of observation.

"**mineral resource**" refers to a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. The terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" used in this Annual Information Form are Canadian mining terms as defined in accordance with NI 43-101 under the guidelines set out in the CIM Standards.

"**measured mineral resource**" refers to that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity;

"**indicated mineral resource**" refers to that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed;

"**inferred mineral resource**" refers to that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. Due to the uncertainty which may attach to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to indicated or measured mineral resource as a result of continued exploration;

"**Mt"** is a short-hand symbol for a metric ton, a unit of weight equivalent to 1000 kilograms;

"**mineralization**" means a natural aggregate of one or more metallic minerals;

"**NSR**" means "net smelter royalty" which means the actual proceeds received from any independent custom smelter, mill, refinery, mint or other purchaser for the sale of all sulphides, minerals, metals or concentrates extracted or derived from a property, after deducting, there from, all charges and penalties for smelting and refining including the cost of transportation (to the smelter and thereafter to the mint or other purchaser), insurance premiums, sampling and assaying charges incurred after the minerals, metals or concentrates have left the property and all appropriate refinery, and if applicable, mint charges;

"**NTW**" means a drill bit with a core diameter of 56 millimetres;

"**outcrop**" means an exposure of rock or mineral deposit that can be seen on surface, i.e., that is not covered by overburden or water;

"**porphyry**" means any igneous rock in which relatively large, conspicuous crystals (called phenocrysts) are set in a fine-grained groundmass;

"**ppm**" means parts per million;

"**quartz**" means common rock-forming mineral consisting of silicon and oxygen;

"**reclamation**" means the process by which lands disturbed as a result of mining activity are reclaimed back to a beneficial land use. Reclamation activity includes the removal of buildings, equipment, machinery and other physical remnants of mining, closure of tailings impoundments, leach pads and other mine features, and contouring, covering and revegetation of waste rock piles and other disturbed areas;

"**sample**" means a small portion of rock or a mineral deposit, taken so that the metal content can be determined by assaying;

"**sampling**" means selecting a fractional but representative part of a mineral deposit for analysis;

"**schist**" means a foliated metamorphic rock, the grains of which have a roughly parallel arrangement; generally developed by shearing;

"**sedimentary rocks**" means secondary rocks formed from material derived from other rocks and laid down under water. Examples are limestone, shale and sandstone;

"**shear or shearing**" means the deformation of rocks by lateral movement along innumerable parallel planes, generally resulting from pressure and producing such metamorphic structures as cleavage and schistosity;

"**shear zone**" means a zone in which shearing has occurred on a large scale;

"**siliceous**" means a rock containing an abundance of quartz;

"**stockwork**" means small veins of mineralization that have penetrated a rock mass enough so that the whole rock mass can be mined;

"**tailings**" means the material that remains after all metals considered economic have been removed from ore during milling;

"**trench**" means a long, narrow excavation dug through overburden, or blasted out of rock, to expose a vein or ore structure;

"**tuff**" means rock composed of volcanic ash;

"**vein**" means a fissure, fault or crack in a rock filled by minerals that have traveled upwards from some deep source;

"**volcanic rocks**" means igneous rocks formed from magma that has flowed out or has been violently ejected from a volcano; and

"**volcanogenic**" means formed by processes directly connected with volcanism; specifically said of mineral deposits (such as massive sulphides and banded iron formations) considered to have been produced through volcanic agencies and demonstrably associated with volcanic phenomena.

SCHEDULE "A"

MANDATE OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

GlobeStar Mining Corporation

A. Role and Objective

The Audit Committee (the "Committee") is a committee of the Board of Directors (the "Board") of GlobeStar Mining Corporation (the "Company"), established for the purpose of assisting the Board in the oversight of (a) the quality, integrity and transparency of the Company's accounting and financial reporting processes; (b) the Company's compliance with all legal and regulatory requirements with respect to (i) financial reporting principles, policies, practices and procedures, (ii) the Company's financial statements, and (iii) the duties and responsibilities of the Committee; (c) the adequacy of the systems of internal control throughout the Company; and (d) external audits of the consolidated financial statements of the Company.

In connection therewith, the Committee assists the Board in fulfilling its oversight responsibilities in relation to the Company's internal accounting standards and practices, financial information, accounting systems and procedures, financial reporting and statements and the nature and scope of the annual external audit. The Committee also recommends for Board approval the Company's audited annual consolidated financial statements and other material financial disclosures.

The Company's external auditor is accountable to the Board and the Committee as representatives of shareholders of the Company. The Committee shall be directly responsible for overseeing the relationship of the external auditor. The Committee shall have such access to the external auditor as it considers necessary or desirable in order to perform its duties and responsibilities. The external auditor shall report directly to the Committee.

The objectives of the Committee are as follows:

1. to be satisfied with the credibility and integrity of financial reports by reviewing the financial reports and other financial information as well as any other relevant documents provided by the Company to any governmental body or the public;

2. to support the Board in meeting its oversight responsibilities in respect of the preparation and disclosure of financial reporting, including the consolidated financial statements of the Company, and to serve as an independent and objective party to monitor the Company's financial reporting process, including internal controls in relation thereto;

3. promote continuous improvement of, and fostering adherence to, the Company's policies, procedures and practices concerning financial reporting processes;

4. to facilitate communication between the Board and the external auditor and to receive all reports of the external auditor directly from the external auditor;

5. to be satisfied with the external auditor's independence and objectivity; and

6. to strengthen the role of independent directors by facilitating in-depth discussions between members of the Committee, management and the Company's external auditor.

The Audit Committee will fulfill these objectives by carrying out the responsibilities outlined in Section D of this Charter. The Audit Committee acknowledges that the Company's management is responsible for the preparation, presentation and integrity of the Company's financial statements and for the effectiveness of internal control over

financial reporting. The Company's external auditors are responsible for carrying out proper audits and reviews, including reviews of the Company's quarterly financial statements as required.

B. Composition

The Committee shall be comprised of at least three directors, all of whom shall be "independent" directors, as defined under the Independence Requirement of Multilateral Instrument 52-110, as well as, to the satisfaction of the Board of Directors, being "financially literate", as defined under such Instrument.

- Members of the Committee shall be appointed by the Board. Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of the Company. Any member of the Committee who serves on the audit committee of more than two other public companies shall advise the Board of such duties.

- The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The Committee Chair shall satisfy the financial literacy requirement described above.

- The Committee shall have unrestricted access to management and employees of the Company and to such information respecting the Company as it considers necessary or advisable in order to perform its functions, duties and responsibilities.

C. Meetings

- At all meetings of the Committee, every question shall be decided by a majority of the votes cast.

- A quorum for meetings of the Committee shall be a majority of its members.

- Meetings of the Committee shall be scheduled at least quarterly and at such other times during each year as it deems appropriate. Minutes of all meetings of the Committee shall be taken. The Chief Financial Officer shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Committee Chair. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. The Chair of the Committee shall hold executive sessions of the Committee, without management present, at every meeting.

- The Committee shall report the results of meetings and reviews undertaken and any associated recommendations to the Board.

- The Committee shall meet periodically (at least quarterly) with the Company's external auditor (in connection with the audit of the annual consolidated financial statements, review of the quarterly consolidated financial statements, and otherwise as the Committee may determine), with part or all of each such meeting to be in the absence of management.

D. Responsibilities

As discussed above, the Committee is established to assist the Board in fulfilling its oversight responsibilities with respect to the accounting and financial reporting processes of the Company and external audits of the Company's consolidated financial statements. In that regard, the Committee shall:

1. satisfy itself on behalf of the Board with respect to the adequacy and function of the Company's internal control systems, including identifying, monitoring and mitigating business risks, as well as compliance with all applicable legal, ethical and regulatory requirements in relation thereto. The Committee shall inquire of the Company's Chief Executive Officer and Chief Financial Officer as to the existence of any significant weaknesses in the design or operation of internal controls over financial reporting and as to the existence of any

fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

2. review with management, the external auditor and, if necessary, legal counsel, any litigation, claim or other contingency (including tax assessments) that could have a material effect on the financial position or operating results of the Company (on a consolidated basis), and the manner in which these matters may be, or have been, disclosed in the financial statements;

3. review with management and the external auditor the annual consolidated financial statements of the Company, the reports of the external auditor thereon and related financial reporting, including Management's Discussion and Analysis and earnings press releases (collectively, "Annual Financial Disclosure") prior to their submission to the Board for approval. This process should include, but not be limited to, the following:

    i. reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future year's financial statements;

    ii. reviewing significant accruals, reserves or other estimates;

    iii. reviewing accounting treatment of unusual or non-recurring transactions;

    iv. reviewing disclosure requirements for commitments and contingencies;

    v. reviewing financial statements and all items raised by the external auditor, whether or not included in the financial statements; and

    vi. reviewing unresolved differences between the Company and the external auditor.

    Following such review, the Committee shall recommend to the Board for approval all Annual Financial Disclosure.

4. review with management all interim consolidated financial statements of the Company and related financial reporting, including Management's Discussion and Analysis and earnings press releases (collectively "Quarterly Financial Disclosure") and, if thought fit, approve all Quarterly Financial Disclosure;

5. be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than Annual Financial Disclosure or Quarterly Financial Disclosure, and periodically assess the adequacy of those procedures;

6. review with management and recommend to the Board for approval, any financial statements of the Company which have not previously been approved by the Board and which are to be included in a prospectus of the Company;

7. review with management and recommend to the Board for approval the Company's Annual Information Form;

8. with respect to the external auditor or any other public accounting firm engaged for the purpose of preparing or issuing an audit report or performing audit, review, attestation or similar services:

    i. receive all reports of the external auditor directly from the external auditor;

    ii. review with the external auditor:

        (a) critical accounting policies;

(b) alternative treatments of financial information within applicable Generally Accepted Accounting Principles discussed with management (including the ramifications thereof and the treatment preferred by the external auditor); and

(c) other material, written communication between management and the external auditor;

iii. consider and make a recommendation to the Board as to the appointment or re-appointment of the external auditor, being satisfied that such auditor is in good standing pursuant to applicable securities and other laws;

iv. review the terms of engagement of the external auditor, including the appropriateness and reasonableness of the auditor's fees, and make a recommendation to the Board as to the compensation of the external auditor;

v. when there is to be a replacement of the external auditor, review with management the reasons for such replacement and the information to be included in any required notice to securities regulators and recommend to the Board for approval the replacement of the external auditor along with the content of any such notice;

vi. oversee the work of the external auditor in performing its audit or review services and oversee the resolution of any disagreements between management and the external auditor, including discussing any difficulties the external auditors may have encountered during the course of the audit, such as restrictions on their activities or access to requested information;

vii. review and discuss with the external auditor all significant relationships that the external auditor and its affiliates have with the Company and its affiliates, in order to determine the external auditor's independence, including, without limitation:

(a) requesting, receiving and reviewing, on a periodic basis, written or oral information from the external auditor delineating all relationships that may reasonably be thought to bear on the independence of the external auditor with respect to the Company;

(b) discussing with the external auditor any disclosed relationships or services that the external auditor believes may affect the objectivity and independence of the external auditor; and

(c) recommending that the Board take appropriate action in response to the external auditor's information to satisfy itself of the external auditor's independence;

viii. as may be required by applicable securities laws, rules and guidelines, either:

(a) pre-approve all non-audit services to be provided by the external auditor to the Company (and its subsidiaries, if any), or, in the case of de minimal non-audit services, approve such non-audit services prior to the completion of the audit; or

(b) adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services;

ix. review and approve the hiring policies of the Company regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

9. establish procedures for:

i. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

ii. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and review with the external auditor, as required, its assessment of the internal controls of the Company, its written reports containing recommendations for improvement, and the Company's response and follow-up to any identified weaknesses;

10. with respect to risk management, be satisfied that the Company has in place appropriate guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk, including financial risk exposures, and the steps management has taken to monitor and control such exposures;

11. review annually with management and the external auditor and report to the Board on insurable risks and insurance coverage;

12. review the integrity of the Company's financial reporting processes, both internal and external, including a periodic review of the finance group composition and succession plans;

13. consider and approve, if appropriate, major changes to the Company's accounting principles and practices as suggested by management with the concurrence of the external auditor and ensure that management's reasoning is described in determining the appropriateness of changes in accounting principles and disclosure;

14. engage independent counsel and other advisors as it determines necessary to carry out its duties and set and pay the compensation for any such advisors;

15. delegate, in its discretion, all or a portion of its functions and responsibilities to a subcommittee of the Committee. The Committee may, in its discretion, delegate to one or more of its members the authority to pre-approve any audit or permitted non-audit services to be performed by the external auditors, provided that any such approvals are presented to the Committee for ratification at its next scheduled meeting; and

16. review this Charter at least annually and recommend any changes thereto to the Board.

Adopted by the Board of Directors of GlobeStar Mining Corporation

December 3, 2009