# Vanstar Provides Drilling Update on Nelligan

17.04.2018 | GlobeNewswire

*THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES FOR DISSEMINATION IN THE UNITED STATES*

LA PRAIRIE, Quebec, April 17, 2018 (GLOBE NEWSWIRE) -- The management of Vanstar Mining Resources Inc. (TSX VENTURE:VSR) (FRANKFURT:1V8) wishes to provide an update on current drilling on the Nelligan project. Under the supervision of its joint venture partner IAMGold Corp. Inc (“IAMGOLD”), which recently acquired a 51% interest in the project in exchange for cash payments totaling $2,550,000 and the completion of $4,000,000 in exploration works, the current drilling program is progressing well. Six drill holes have been completed so far and two are in progress for a total of more than 2,600 metres. The 2018 drilling campaign consists of a planned 12,000 metres of drilling to be completed by the end of the summer. No assay results have been received to date.

This drilling program will evaluate the resource potential of the Renard zone as well as evaluate the west extension of this same zone. Drill holes NE-17-61 and NE-17-64 previously intersected a gold structure with similar geology to the Renard zone, which is located 1,300 metres east of drill hole NE-17-61 and 700 metres east of NE-17-64 ( See September 5, 2017 press release ).

The previous data from the Émile and Miron blocks will also be integrated into the Nelligan project during this period.

IAMGOLD has an option to acquire an additional 24% interest by delivering a 43-101 resource estimate before 2022 and by paying the additional sum of $2,750,000, in 3 annual payments of $400,000 and a final amount of $1,550,000 on or before March 2022. Following this option, IAMGOLD can acquire an additional 5% interest by delivering a Feasibility Study. IAMGOLD would then hold an 80% interest in the Nelligan project while Vanstar would retain a net carried interest of 20% of the Nelligan project.

In other news, Vanstar management discussed with the TSX Venture about the conditions and procedure to follow if the Corporation were to choose to change its vocation while keeping its Nelligan project. The Corporation could become, according to our preliminary discussions, a hybrid company holding a majority interest in the technology sector while retaining mining assets (representing less than 20% of its activities). The file is under review by management and no decision has been taken.

Vanstar has a cash position of more than $2.3 million with 40,147,420 shares issued.

This press release was read and approved by Gilles Laverdière, Geologist and Qualified Person under NI-43-101.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Source :
Guy Morissette
CEO Vanstar Mining Resources Inc.
gmvanstar@vanstarmining.com
819-763-5096