LA PRAIRIE, QUÉBEC--(Marketwired - June 28, 2016) - The management of Vanstar Resources Inc. (TSX VENTURE:VSR) announces that it has signed a Letter of Intent with Merrygold Investments Ltd to acquire 100% of the Cristalina project in the province of Goias, Brazil.

Cristalina Project

The Cristalina project contains several gold showings including the Aguas Claras, Metago and Susy showings within an area of ‹ ‹24,000 hectares. The main gold showing, Aguas Clara, contains an anomalous gold zone defined by a soil and rock geochemical survey over a length of over three kilometers by a width of over 500 meters.

Several samples of rocks collected on this showing revealed gold grades in excess of 18 g/t Au. This showing lies in a low-grade saprolite gold environment containing high grade gold-bearing quartz pods. The primary objective of this project is to establish a quartz/saprolite ratio to define higher grade tonnage. A series of trenches reaching 500 meters in length through the surface gold zone will be necessary to establish this ratio. The company will also conduct separate screening tests.

Cristalina is located along one of the main highways leading to the Brazilian capital, Brasilia, in a province favorable to mining development. Easily accessible, the project will enable a very quick assessment of its gold potential.

Paracatu Mine

The Cristalina project presents numerous geological similarities with the Paracatu Mine, belonging to Kinross Inc. which has been operating since 1987. This gold deposit, containing nearly 690 million tons ( over 1 billion tons reserves and resources all categories ) of low grade ore proven and probable reserves according to Kinross' 2015 annual report, is the largest open pit gold deposit in Brazil and has produced more than 475,000 ounces of gold in 2015 with an average grade of approximately 0.42 g/t Au. The Cristalina project is located in the same geological corridor as the Paracatu Mine. According to Kinross' data, the project is also very profitable.

Terms of Acquistion

Vanstar signed a non-binding Letter of Intent to acquire a 100% interest in the property by paying Cristalina expenses incurred to date (45,000$) in the project by Merrygold Investments Ltd., a company belonging to Mr. Charles Beaudry (M .Sc., P.Geo), a geologist with extensive experience in the management of exploration projects in Brazil and who has resided in this country for five years. Also, 250,000 warrants will be granted to the Vendor at a price to be determined at closing date. The Vendor will keep a 2% Net Smelter Royalty (NSR) of which 1% can be bought back at the sole discretion of the Company for CAD 500,000$.

Under the agreement, Vanstar will own 100% of the shares of a Canadian subsidiary, which will own 90% of a Brazilian company to whom the mining rights of the Cristalina project will be transferred. Project management will be assumed by Mr. Beaudry, as President and CEO of the Canadian subsidiary and the Brazilian company.

The transaction is subject to due diligence from Vanstar and should close by September 30, 2016 at the latest.

The press release has been read and approved by Gilles Laverdiere, PGeo and Qualified Person as per 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.

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