LA PRAIRIE, QUEBEC--(Marketwired - Nov 3, 2016) - The management of Vanstar Resources Inc. ("Vanstar") announces the start of a new drilling program on the Nelligan project, which should begin in the coming days.

This 2000-meter program, managed and supervised by its partner IAMGold Corp. ("IAMGOLD"), will primarily verify the lateral extensions of several gold zones of the North area intersected by drilling during winter 2016 (see press release dated June 30, 2016) and to test some structural targets located southwest of the Liam and Dan gold zones.

The drilling in the northern sector of Liam revealed the presence of several interesting mineralized zones, but is insufficient to allow at this time to connect these zones together. A more comprehensive drilling program should enhance the understanding of the gold bearing structures in this new environment. The new mineralization intersected to the north of Liam and Dan areas is different and is hosted in strongly silicified and carbonated fine sediments bearing between 5% up to 30% of disseminated and semi-massive pyrite bands.

IAMGOLD also completed a preliminary geochemical survey in the sector of Liam area. The results of this first test seem to justify extending the survey over a greater portion of the property.

IAMGOLD has also improved the south access to the Nelligan project by restoring the old logging road.

Several geophysical and structural targets, other than those located in the area of Liam Dan and North zones, should also be subject to drilling during the winter of 2017.

"We are pleased that IAMGOLD is resuming drilling. This takes us a step closer towards the development of an advanced exploration project that could lead to a mining project", commented the CEO of the company, Mr. Guy Morissette.

Nelligan Agreement

The Nelligan property is 100 per cent owned by Vanstar. The project totals 84 designated cells for a total surface area of 4,705.4 hectares (or 47.1 square kilometres).

Pursuant to an earn-in option agreement signed on Nov. 12, 2014, IAMGOLD may acquire up to an 80-per-cent interest in the Nelligan project. Terms include a first option to earn a 50-per-cent undivided interest in consideration for staged cash payments totaling $550,000 and the completion of $4-million in exploration expenditures over a period of 4.5 years ending on May 12, 2019.

Following the exercise of the first option, IAMGOLD can elect a second option to earn an additional 25-per-cent interest, in consideration for the delivery of a prefeasibility study and making further annual cash payments totaling $225,000, over a period of 3.5 years.

IAMGOLD can elect a third option to earn an additional 5-per-cent interest in consideration for the delivery of a feasibility study and a cash payment of $275,000.

If IAMGOLD does not exercise the second option and/or the third option, and at such time the Nelligan project does not demonstrate a minimum of one million (1,000,000) ounces of gold, classified as indicated resources as defined in National Instrument 43-101 (Standards of Disclosure for Mineral Projects, of the Canadian Securities Administrators) situated on the Property above a vertical depth of three hundred (300) metres, Vanstar will then have the option to: 1) purchase the then undivided percentage interest of IAMGOLD in the Property for a price equal to one and a half times (1.5x) the then total Expenditures of IAMGOLD invested on the Property or; 2) assume operatorship of the Joint Venture and propose a program that both the parties may participate. If one of the party does not contribute to work expenditures, its interest could be diluted to ten percent (10%) and this party would be entitled to receive a one and a half percent (1.5%) net smelter return royalty ("NSR") from the Property.

About the Nelligan Project

This project is located 45 km to the south of Chapais. Access to the property is easy by the paved highway 113 N that links Chapais to Chibougamau and by forestry gravel roads reaching directly to the center of the property.

The Property is located in the northeastern part of the Abitibi Greenstone Belt of the Superior Province. It contains several interesting gold showings including Liam, Dan, North Sector and Lake Eu. These new gold structures were intersected to date over a length of 400 meters at a depth of over 200 vertical meters. The presence of gold is constant throughout the drilling. These zones remain open along strike and at depth.

Cristalina project

Following due diligence, the management of Vanstar Reosources decided not to proceed further with the Cristalina Project in Brazil. Although this gold project offers great potential, it does not meet the requirements of the company.
As Vanstar's initial hypothesis was to verify the potential for high grade gold at the Cristalina Target area to estimate the potential resource and possibly enter production, the field visit indicated that the mineralization is different from our expectations and therefore the company has chosen to withdraw while the vendor conducts more work to better understand the nature of this 20km long exploration target.

This press release has been read and approved by Gilles Laverdière, geologist and Qualified Person under NI 43-101.

Cautions Regarding Forward-Looking Statements

This news release contains forward-looking statements regarding our intentions and plans. The forward-looking statements that are contained in this news release are based on various assumptions and estimates by the Company and involve a number of risks and uncertainties. As a consequence, actual results may differ materially from results forecasted or suggested in these forward-looking statements and readers should not place undue reliance on forward-looking statements. We caution you that such forward-looking statements involve known and unknown risks and uncertainties, as discussed in the Company's filings with Canadian securities agencies. Various factors may prevent or delay our plans, including but not limited to, contractor availability and performance, weather, access, mineral prices, success and failure of the exploration and development carried out at various stages of the program, and general business, economic, competitive, political and social conditions. The Company expressly disclaims any obligation to update any forward- looking statements, except as required by applicable securities laws.

Contact

Vanstar Mining Resources Inc.
Guy Morissette, CEO Vanstar
gmvanstar@gmail.com
www.vanstarmining.com