LA PRAIRIE, QUEBEC--(Marketwired - Dec 19, 2016) - The management of Vanstar Mining Resources Inc. (TSX VENTURE:VSR) ("Vanstar") announces that its partner IAMGold Corp. ("IAMGOLD") has just completed a program of five (5) drill holes on the Nelligan project for a total of 2,225 metres.

The drill holes completed to evaluate newly discovered mineralized gold zones to the north of the Liam Zone achieved the following objectives: 1) test the western lateral extensions of holes NE12-37, NE16-41 and NE16-44 which identified several gold zones during the winter 2016 drilling program (see press release dated June 30, 2016); 2) test the extensions of these mineralization closer to surface: and 3) verify the continuity of the mineralized system of the North sector to the north of the drilled area.

Similar mineralization to what was previously intercepted in the winter 2016 drilling campaign is observed in the five (5) drill holes with varying alteration intensity and sulphide contents. The drill holes are being processed for sampling and assays are pending.

Further drilling is planned by IAMGOLD in early 2017 and will comprise approximately 6,000 metres of diamond drilling. Validation and compilation of results to support ongoing interpretation and modeling will continue as results are received. This will guide future drilling programs and the property scale exploration program.

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% interest in the Nelligan project. Terms include a first option to earn a 50% undivided interest in consideration for staged cash payments totalling $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% interest, in consideration for the delivery of a prefeasibility study and making further annual cash payments totalling $225,000 over a period of 3.5 years.

IAMGOLD can elect a third option to earn an additional 5% 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 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 time (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 parties does not contribute to work expenditures, its interest could be diluted to 10% and this party would be entitled to receive a one and a half per cent (1.5%) net smelter return (NSR) royalty from the Property.

About the Nelligan project

This project is located 45 kilometres to the south of Chapais. Access to the property is easy by the paved highway Route 113 N that links Chapais to Chibougamau and by forestry gravel roads reaching directly to the centre 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 metres at a depth of over 200 vertical metres. The presence of gold is constant throughout the drilling. These zones remain open along strike and at depth.

New director appointment

Mr. Luc Gervais has been appointed to Vanstar's board of directors in replacement of Richard David. Mr. Gervais has extensive experience as a mining engineer who worked for many mining companies and engineering firms. He currently works for consulting engineering firm BBA and has also supervised national and international mining projects.

Mr. David will remain involved as an external consultant for Vanstar for a period of 12 months following his resignation as a director. We wish to thank Mr. David for his many years of service on the Company's board of directors.

This press release was read and approved by Gilles Laverdière, Geologist and Qualified Person as defined in 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.

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