LA PRAIRIE, QUEBEC--(Marketwired - Jan 26, 2017) - The management of Vanstar Resources Inc. ("Vanstar") (TSX VENTURE:VSR) announces that partner IAMGold Corp. ("IAMGOLD") has started a new drilling program of approximately 6,000 metres on the Nelligan project located in the Chibougamau-Chapais area, in Northwestern Quebec, Canada.

This new drilling program has for main objectives: 1) test the lateral and down-depth extensions of the mineralized zones intersected to the north of the Liam Zone; 2) test some geophysical anomalies (Induced polarization) located east and north of the Liam Zone; and 3) possibly verify the extensions of the Liam and Dan Zones.

Vanstar also completed a 500-metre drill hole on the Emile project located on the east border of Nelligan. The hole intersected many faults as well as some mineralized and silicified zones. Assay results will be announced as soon as they become available.

Fall 2016 Drilling Program on Nelligan

The drilling program completed at the end of November 2016 has achieved its objectives. The company is awaiting the final results.

The following table provides a summary description of the mineralized intervals intersected during this program:

http://media3.marketwire.com/docs/DrillingSummary.pdf

A drill holes location plan on a magnetic background can be found on the following link:

http://media3.marketwire.com/docs/MagneticMap.jpg

« We are very happy with the work executed by our partner up to now and we are confident of the gold potential of the Nelligan area. The presence of gold over multi-tens of metres in the new mineralized area is encouraging and the next drilling results could help to define its economic potential» points out the president of Vanstar Mr. Guy Morissette.

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 d'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.

The corridor of mineralization that is a few kilometres in lenght, includes the main gold zones on widths of many hundreds of metres.

About the Emile Project

The Emile project is located in a favorable geological environment. Some works were done in the past but the chosen targets did not show important gold grades.

Vanstar plans to test many low magnetic targets generated by ground geophysics (mag) and associated with the presumed fault and shearing zones. These zones are possibly the expression of the strong silicification associated to the gold mineralization seen on the Nelligan project.

Many gold showings are present in the immediate environment of the Emile project; namely the Nelligan, Joe Mann and Philibert showings.

About the 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.

Stock Options

Vanstar also announces the grant of a total of 600,000 stock options to 3 recently appointed directors. These stock options are priced at $0.06 and are valid for a period of 5 years.

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.

Contact

Source:
Guy Morissette
CEO
819-763-5096
gmvanstar@gmail.com
www.vanstarmining.com