IAMGOLD Pays $2.35 Million to Vanstar and Gets an Additional 24% Interest in the Nelligan Project

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LA PRAIRIE, Dec. 11, 2019 - Vanstar Mining Resources Inc. (Vanstar) announced that IAMGold Corp. (IAMGOLD), their strategic partner in the development of the Nelligan project, exercised in advance its option to increase its undivided interest in the Nelligan project by 24% to now hold a 75% interest in the property. Vanstar retains a 25% interest and 1% NSR in the original claims.

Under the terms of the amended agreement of February 2018, IAMGOLD has fulfilled all the required conditions by delivering a first NI43-101 estimate of mineral resources and by doing the remaining cash payment of C$ 2.35 million.

IAMGOLD can earn an additional 5% interest by delivering a feasibility study.

"It is reassuring to see that our partner completes all the requirements more than 2 years before the deadline set in the agreement. This confirms well the great potential of the Nelligan project. Nearly 3.2 million ounces of gold inferred have already been delineated with just under 56,000 meters of drilling. If we compare this yield per meter drilled with other current projects, we find that Nelligan offers an unusual homogeneity which can allow to quickly increase additional resources. Everything remains open both laterally and at depth, in a gold corridor of potentially more than 4 kilometers." mentioned Mr. Guy Morissette, CEO and President of the company.

In another press release, Mr. Craig MacDougall, Senior Vice President, Exploration of IAMGOLD, mentioned: "The exercise of the option to increase IAMGOLD’s ownership to 75% consolidates our participation in this new discovery and further supports our view of this favorable exploration potential for the discovery of additional resources. We look forward to continuing to work with Vanstar as we are advance our exploration efforts on the Project."

The Nelligan project is located in the Chapais-Chibougameau region and consists of 158 claims within an area of 8,216 hectares. It is accessible all year long by different forest roads. The project hosts mineral resources consisting of inferred resources limited by a pit, totaling 96,990,000 MT at an average grade of 1.02 grams of gold per ton for 3,193,000 ounces of gold (see press release of October 22, 2019).

Next Step.

In the coming months, additional metallurgical testing will be conducted to provide additional information on metallurgical recoveries of different mineralization zones, including the Nelligan mineral resources, and to help optimizing the process scheme parameters.

Planning for future drilling programs is underway and will include a number of objectives, including: additional infill drilling to improve resources classification and convert inferred resources into an indicated resources category; evaluate the potential resources extensions in the deepest parts of the deposit; and evaluate the expansion of resources along the strike.

Regional exploration will also continue to define and test other priority exploration targets on the property.

The company is also granting to their board members and directors a total of two million stock options that can be exercised on or before December 10, 2024, at a price of $0.35 per share.

The TSX Venture Exchange and its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) assume no responsibility for the adequacy or accuracy of this release.

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