Sparton Increases Interest in Vanadium Subsidiary Through Share Exchange

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TORONTO, ONTARIO -- (Marketwire - May 18, 2012) - Sparton Resources Inc. (TSX VENTURE: SRI) (the "Company") announced that Alpha Prime Investments Ltd. ("Alpha Prime"), a private BVI registered company, has exercised its option to exchange its 6,057,534 shares in Company subsidiary VanSpar Mining Inc. ("VanSpar") into 12,619,863 common shares of the Company at a deemed conversion price of $0.12 per share. (Please see Sparton news release dated March 10, 2011).

As a result of the conversion, Alpha Prime has become an insider (greater than 10% shareholder) of the Company.

Following the conversion Sparton will now hold (through its subsidiary Sparton International Holdings Inc.) an approximate 93% interest in VanSpar. This increased interest will provide the Company with more flexibility in arranging new financing for VanSpar and its programs in Jiangxi China. Discussions are currently underway with several private investment groups and vanadium end product users for senior financing of the vanadium programs.

Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors" in the Company's filings with Canadian securities regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The Company does not assume any obligation to update any forward-looking statements, save and except as may be required by applicable securities laws.

This news release and the information contained herein does not constitute an offer of securities for sale in the United States and securities may not be offered or sold in the United States absent registration or exemption from registration.

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