

# Sparton Resources Inc. Agreement to Purchase Vanadium Mining License

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TORONTO, April 16, 2019 - Sparton Resources Inc. (TSXV:SRI) ("Sparton" or the "Company") is pleased to announce that its 90% owned subsidiary VStar Industries Inc. ("VSI"), has signed a binding term sheet to acquire 100% of the Bei An Mining License ("BAML") in Jiangxi Province China.

The BAML is a fully permitted 1.8 sq. kilometre vanadium mining license located in the Xiushui area of Jiangxi where the Company has been developing and evaluating vanadium opportunities for over 10 years.

## TERM SHEET AGREEMENT

Under the terms of the agreement VSI will purchase 100% of the Xiushui Bei An Mining Company ("XBAC") which in turn owns 100% of the BAML. The purchase price will be finalized after technical and commercial due diligence is completed by VSI and will be within the range of RMB 14-22 million (CDN\$2.78-\$4.37 million). Payment is contemplated to be in a series of tranches related to milestones in the reactivation of mining at Bei An, including full government approvals for the proposed operations. The binding term sheet will be replaced with a binding share purchase agreement subject to final due diligence and any necessary approvals which will be generated as due diligence proceeds.

## ABOUT THE BEI AN LICENSE

BAML comprises a 1.8 km square area and covers a 1.3 km strike length of the lower Cambrian black shale (stone coal) horizon hosting vanadium mineralization in the area. It was developed by a series of eight surface trenches (total 570 cubic metres excavated) and five underground tunnels (total 254 metres length) which latter intersected the vanadium horizon 40-50 metres below surface. Underground mining in 2009-10 from three tunnels produced approximately 30,000 tonnes of mineralized material which was trucked to the nearby Rentian processing plant for vanadium recovery. No data is available for average grade of this material or amount of V<sub>2</sub>O<sub>5</sub> produced but full sampling data (over 300 samples) from surface trenches and the underground workings are available. No surface or underground exploration drilling has been done on the property.

Total Historical Estimates of resources calculated in 2005 by Jiangxi Provincial Bureau of Geology and Mineral Resources, Northwestern Brigade, on the BAML from surface to a 60 metre depth are 1,962,000 tonnes grading 0.87% V<sub>2</sub>O<sub>5</sub> in China categories 122b and 333 using a cut off grade of 0.50% V<sub>2</sub>O<sub>5</sub>. Thickness of the vanadium horizon varies from 1-12.7 metres and averages 8.9 metres. The vanadium horizon strikes east-west and dips southerly from 20-85 degrees averaging about 60 degrees. Mineralisation is low in iron and sulphur and no uranium is present.

It should be noted that these estimates do not include any more recent estimates or data available to the Company or its subsidiaries, and more work needs to be done to upgrade or verify these Historical Estimates. Further, a qualified person under NI 43-101 has not done sufficient work to classify the Historical Estimates as current mineral resources or mineral reserves; and the Company and its subsidiaries are not treating the Historical Estimates as current mineral resources or mineral reserves.

## DISCUSSION

"Sparton sees this transaction as the initial stepping stone to additional vanadium mining or exploration license acquisitions in the Xiushui area, and the introduction of cost-effective, environmentally-friendly vanadium production there. We believe that exploration drilling can significantly

increase the vanadium endowment at Bei An. Additional negotiations with various license owners are underway, and detailed BAML due diligence work will begin shortly," stated A. Lee Barker Company CEO.

Samples from Bei An have been submitted to the Central America Nickel Inc. ("CAN") metallurgical laboratory in Thetford, Quebec, for ultrasound-assisted vanadium extraction tests ("UAE") and results will be reported when available. See Sparton news release dated February 27, 2019.

## CHANGE OF AUDITORS

Effective March 15, 2019 the Company has engaged NVS Chartered Accountants Professional Corporation as its auditors with agreement from its previous auditors, RSM Canada LLP under National Instrument 51-102 of the Canadian Securities Administrators.

A. L. Barker M.A.Sc., P.Eng., P.Geol. is the Qualified Person under NI 43-101 for the technical information in this news release and has visited and reviewed all available data for the Bei An Mining License and approved the contents of this news release.

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## Forward-Looking Statements

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## We Seek Safe Harbour

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