TORONTO, ONTARIO--(Marketwired - Jan 26, 2016) - Sparton Resources Inc. (TSX VENTURE:SRI) ("Sparton" or the "Company") is pleased to announce that the commissioning of the Zhangbei Project's 8 Megawatt Hour Vanadium Flow Battery was successfully completed on January 23, 2016. (Please see Sparton News Releases dated November 12, November 23, 2015 and January 6, 2016).

Commissioning Completion

The battery was operated continuously for 10 days (240) hours at 100 % of its design capacity. It was shown to be capable of actually exceeding specifications by approximately 10%. The final phase involved State Grid North China Company Limited's ("State Grid") smoothing test using States Grid's proprietary software program and this was completed satisfactorily. The 240 hour test involved daily charging and discharging of the entire unit with 2 megawatts of power and 8 megawatt hours of energy released in each cycle. Power was harnessed from the Zhangbei Project's 200 square kilometer wind and solar renewable energy installations. The performance tests were monitored on a 24 hour basis by the Company engineers and technicians from State Grid to ensure that the battery met design protocols. This work completed the final phase of the commissioning program.

Both State Grid and the Company technicians have indicated they are extremely pleased with the program and will prepare comprehensive reports on the test procedures and results. These will be submitted shortly to State Grid for acceptance. After acceptance State Grid will be invoiced for the next payment.

Subsidiary Funding

Funding for this commissioning project has been carried out by VanSpar Mining Inc. ("VanSpar"), a 90.4% owned Sparton subsidiary. In the past two months, VanSpar has raised C$205,000 in convertible debt which could, if the conversion feature is exercised by all of the current debt holders, reduce Sparton's ownership in VanSpar to approximately 85% fully diluted. Funds raised by VanSpar have been advanced to Jiujiang Sparton Vanadium Trade and Tech Co. Ltd. ("JJSP"), a Sino Foreign Chinese joint venture company 90% owned by VanSpar. JJSP has the commissioning contract with the builder of the battery. Additional financing efforts by VanSpar are continuing.

With the test period now successfully completed, once acceptance is received from State Grid, a payment, which is expected to be up to RMB 16.44 million (approximately US$2.64 million), will become payable by State Grid to JJSP's client, the battery builder, under a court-supervised payment process. After certain deductions are approved by the court for payment, expected to be in the range of RMB10.56 million, (approximately US$1.70 million), the balance will be available for payment to JJSP by its client and JJSP will then repay VanSpar. The amounts payable at each step of this process are subject to change and the exact timing for each step is not fixed.

The commissioning contract further provides for JJSP to continue the service obligations of its client for this battery by providing 3 years of maintenance on the installation. For this ongoing program, JJSP is to receive from its client annual payments of RMB5.5 million (approximately US $880,000) that are required to be paid by State Grid.

About the Zhangbei Project

The Zhangbei Project, jointly launched in May 2010 by the Ministry of Finance, the Ministry of Science and Technology, and the National Energy Bureau is operated by State Grid. It is located approximately 180 km north of downtown Beijing near Zhangjiakou, in Hebei Province. It integrates wind power, solar power, energy storage, and smart grid transmission technologies. Clean power generated by this project supplies a portion of north China's energy needs. The energy storage equipment currently installed and being tested on site includes the 8 Megawatt Hour Vanadium Flow Battery commissioned by VanSpar.

Zhangbei is China's largest wind and solar energy electricity generation and storage installation.

It currently includes 500 megawatts of wind power and 100 megawatts of solar power as well as the world's largest chemical energy storage station. It covers a total land area of 200 square kilometres and is a key component of China's Golden Sun Photovoltaic Solar Pilot Project.

The project represents state of art installations for all its various components and will integrate a large number of different operational technologies in a single new energy project. The successful commissioning and operation of the 8 Megawatt Hour Vanadium Flow Battery is a milestone for the Zhangbei Project and the Company. It supports the viability of vanadium flow batteries as a potentially significant component to increase efficiencies in Zhangbei's wind and solar power generation and distribution.

Because the renewable energy generated and stored by this project supplies a portion of north China's energy needs, it will play an important role in China's "clean, green" 2022 Winter Olympics which are based nearby. The 8 Megawatt Hour Vanadium Flow Battery is a key element in the storage and release of clean electricity into the north China power grid.

Currently about 25 megawatt hours of energy storage capacity is installed at Zhangbei and project planning forecasts this to increase to approximately 100 megawatt hours.

Company President Lee Barker commented:

"Since initiating the Commissioning Project last fall, we have learned a lot about vanadium battery technology. We are very pleased to be working with a very professional and motivated team who successfully executed a difficult and challenging program under fixed time constraints and difficult weather conditions. Outside temperatures in the area dropped to as low as -40 C. during the work and the staff maintained an around the clock monitoring program in the battery building to ensure that the work went well. We look forward to cooperating with them on future programs.

We thank the team for their hard work and dedication.

During the commissioning we also received excellent cooperation from State Grid, the largest utility in the world. We believe that we have successfully demonstrated the benefits of the vanadium flow battery system for large scale energy storage and distribution and have contributed to China's national goal of reducing pollution and establishing significantly more renewable energy electricity production."

Forward-Looking Statements

Information set forth in this news release involves forward-looking statements under applicable securities laws. The forward-looking statements contained herein include, but are not limited to, financings, equipment commissioning processes and other transactions being pursued, and all such forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this news release are made as of the date hereof and the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation. Although the Company believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct and, accordingly, undue reliance should not be put on such forward-looking statements. This news release does not constitute an offer to sell or solicitation of an offer to buy any of the securities described herein.

We Seek Safe Harbour

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