TORONTO, ONTARIO--(Marketwired - Feb 25, 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 has been officially approved and an acceptance letter was received on February 22, 2016 from the battery's owner, State Grid North China Company Limited ("State Grid"). (Please see Sparton news release dated January 26, 2016).

Commissioning Acceptance

The battery acceptance was received following preparation of performance reports by engineers and technicians from both State Grid and the Company's subsidiary, JJSP (see below), confirming that the battery met all design and performance protocols. This work completed the final phase of the commissioning program.

Representatives of both State Grid and JJSP indicated they are extremely pleased with the battery performance and State Grid has put the unit into operation at the Zhangbei Project. The commissioning contract further provides for JJSP to continue to provide and fund the service obligations for this battery by providing three years of maintenance at the installation.

A proposal for the three-year monitoring and maintenance program is currently being prepared. This proposal will be submitted shortly to State Grid for acceptance. After acceptance of the proposal, State Grid will be invoiced for the next payment.

Subsidiary Funding

Funding for this commissioning effort has been carried out by VanSpar Mining Inc. ("VanSpar"), a 90.4% owned Sparton subsidiary. In the past two months, VanSpar has raised C$215,000 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 which is 90% owned by VanSpar. JJSP has the commissioning contract with the builder of the battery. Additional financing efforts by VanSpar are continuing to support the ongoing monitoring and maintenance of the battery.

With the battery now accepted by State Grid, the payment for the commissioning, which is expected to be up to RMB 16.44 million (equal to 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, expected to be in the range of RMB13 million (approximately US$2.0 million), are approved by the court for payment, the balance will be available for payment to JJSP by its client and JJSP will then repay VanSpar. For the ongoing maintenance program, JJSP is to receive from its client annual payments of RMB5.5 million (approximately US $880,000) which are required to be paid by State Grid to the client.

The amounts payable at each step of this process are subject to change and the exact timing for each step is not yet fixed.

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. The Zhangbei Project 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 includes the 8 Megawatt Hour Vanadium Flow Battery commissioned through the efforts of VanSpar's subsidiary, JJSP.

The Zhangbei Project 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 is in Phase 2 of development and proposals for up to 80 megawatt hours of additional energy storage may be forthcoming. A Phase 3 is also planned.

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, acceptance and operation of the 8 Megawatt Hour Vanadium Flow Battery is a positive development for the Zhangbei Project and the Company. It supports the viability of vanadium flow batteries as a potentially significant component to increase efficiencies in the Zhangbei Project's wind and solar power generation and distribution activities. As well, it highlights the application of vanadium flow battery technologies as a significant contribution to the efficiency of renewable electricity production through integration of these types of batteries with wind and solar systems.

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: "Acceptance of the battery by State Grid after a rigorous commissioning program is a significant milestone for the Company. The ongoing successful operation of the battery and additional energy storage planned at Zhangbei are positive elements for new opportunities here and elsewhere. The experience in the commissioning of this battery has confirmed our belief that vanadium flow batteries are currently the most practical solution for large scale electricity storage. As an extension to our subsidiary's success in assisting with the commissioning program, we are pursuing the opportunity to become directly involved in this industry. Advanced due diligence and negotiations are underway, related to the possible acquisition of an international vanadium battery manufacturing group in association with strategic partners. Both of these opportunities arose out of our activities in pursuing vanadium exploration and mining opportunities in China. Those vanadium exploration and mining objectives continue to be part of Sparton's long-term plans."

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, payment procedures, additional phases and other transactions being pursued or contemplated, 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

Contact

Sparton Resources Inc.
A. Lee Barker, M.A. Sc., P. Eng
President and CEO
647 344 7734 or Mobile: 416-716-5762
647 344 7734
info@spartonres.ca
www.spartonres.ca