

TORONTO, ONTARIO--(Marketwired - Dec 21, 2016) - Sparton Resources Inc. (TSX VENTURE:SRI) ("Sparton" or the "Company") is pleased to report that the two transactions approved by the Corporation's shareholders on November 3, 2016 that relate to the purchase of a group of vanadium battery companies have now closed effective as of December 15, 2016. See Sparton news releases dated September 27, and November 7, 2016 for further background.

Transaction Closings

With shareholder approvals received, the Company and its 89.8% owned subsidiary, VanSpar Mining Inc. ("VMI") have now completed the closing of both the Share Purchase Agreement ("SPA") to acquire a 100% interest in JD Holding Inc, and the Share Acquisition Agreement ("SAA") funding transaction. The closings of the SPA and SAA took place concurrently.

Under the previously announced SAA, HPX TechCo Inc. a North American private investment company with strong financial resources and world class technical expertise has directly funded the acquisition by VMI of 100% of the shares of JD Holding Inc. ("JDH") for US\$3.3 million. The required payments to be made to the JDH eligible shareholders have been expedited according to the terms of the SPA.

At the closing, VMI caused 82% of the JDH shares to be transferred to the North American private investor, with the remaining 18% of JDH shares being retained by VMI.

Further, the North American private investor is required to contribute US\$2.0 million of working capital to JDH within 20 days of the closing date. JDH is the parent company to an international group of vanadium battery manufacturing and distribution companies.

The required transaction payment of US\$605,000 from the North American private investment company to VMI has been received.

JDH Investment

Sparton and VMI look forward to the success of JDH under its new ownership and operation. The reactivation of JDH's Prudent Energy vanadium flow battery ("VRB") manufacturing businesses present a strong opportunity in the energy storage sector. The success of the 8 megawatt hour VRB installation at the Zhangbei Project in China, which was constructed by Prudent Energy and commissioned by staff engaged by VMI, has successfully operated now for over 11 months since commissioning, and is clearly a showpiece for large scale energy storage systems and the recognition of VRB electricity technology applications in an international arena.

VRB is the ideal solution to increase renewable energy power generation efficiencies through electricity storage and has multiple other applications. Prudent has installed batteries in 12 different countries and has over 800,000 hours of testing and quality assurance development already completed. It has a large portfolio of intellectual property registrations supporting its existing and new technology development.

As a minority investor in JDH the Company and its subsidiaries are confident that its investment in JDH will provide significant value appreciation for the Company's stakeholders going forward.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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 and 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.

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