

Sparton Resources Inc. Announces Advanced Negotiations for New Bruell Gold Project Partner

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TORONTO, Nov. 11, 2019 - [Sparton Resources Inc.](#) (TSXV: SRI) ("Sparton" or the "Company") announced today that it has executed a Term Sheet (the "TS") with an international mid-tier gold and base metals producer (the "Producer") by which the Producer will, subject to certain terms and conditions, acquire an option to earn up to an initial 75% interest ("Option") in the expanded Bruell Project in Vauquelin Township, Quebec ("Property").

The non-binding TS (which grants binding exclusivity rights in favour of the Producer) contemplates execution of a definitive option agreement between Sparton and the Producer by which the Producer will make all future cash payments and fund all the future expenditure requirements under the existing Property Option Agreement (the "Underlying Option Agreement") between the Company and the original optionor (see Sparton News release dated August 11, 2017). The Producer will also pay the Company a cash amount as partial compensation for past expenditures funded by the Company under the Underlying Option Agreement.

If the Producer makes all future cash payments and funds all the future expenditure requirements under the Underlying Option Agreement, then upon the exercise of the Option, the Producer will have the right to grant Sparton a 25% participating interest in a new joint venture for further development of the Property, or buy-out Sparton's 25% interest in the Property for an amount equal to all past expenditures on the Property by the Company and the Producer, adjusted for the Consumer Price Index ("CPI") at the time the Producer makes its election.

In addition, if the Producer elects to buy out Sparton's 25% interest in the Property, then upon a decision to place any mining project on the Property into commercial production, Sparton will be granted a 2% Net Smelter Return Production Royalty ("NSR") in respect of the Property. Fifty percent (50%) of the NSR, can, at any time, be purchased by the Producer for the sum of CAD \$2.5 million.

The Producer has essentially completed to its satisfaction, its technical and commercial due diligence on the Property. Its technical staff are familiar with the Val D'Or East area and have reviewed all data generated by Sparton in its past work programs.

On October 11, 2019, the Company announced that it had increased the size of the Property, by approximately thirty (30) percent. Fifteen (15) additional mining claims (the "New Claims") were acquired from a private prospector (the "Prospector") and these represent an approximate four (4) kilometre easterly extension of the original 36 claim Bruell claim group which hosts newly discovered gold mineralization contained in a number of shear zones and related quartz vein systems located in the east central part of the original Bruell claim area. All 51 claims at Bruell will be subject to the new option agreement with the Producer.

During its 2018-2019 2,000 meter drill program, Sparton located (in only one area tested) continuous gold mineralization along a 250 metre strike length and to a vertical depth of about 125 metres. This work tested the "Vein Zone" area on the east central part of the claims (See Sparton News Release dated April 25, 2019).

"We are very pleased to have attracted the interest of a significant gold producer in the Val D'Or Area for the Bruell Project," stated A. Lee Barker, Company CEO. "Recognition of Sparton's accomplishments in identifying new mineralization at Bruell and of its exploration potential is very rewarding to the Company, its management and consultants."

Final closing of the transaction is subject to any required corporate and regulatory approvals. The identity of the Producer and amount of the cash consideration will be news released upon execution of the definitive option agreement.

ACCESS AND INFRASTRUCTURE

All of the 51 Bruell claims in the property package are accessible from Val d'Or and Senneterre by paved Highways 117 and 113, and local forestry roads and logging trails. The Property contains a number of structurally hosted vein and shear zone type gold occurrences. Two (2) shallow, vertical shafts, the Bruell 1 and Bruell 2, and one inclined shaft, the Avocalon/Aurora, were excavated on the claims in the 1930s during past exploration programs.

Three other areas on the claims were identified for future testing in addition to the extensions of the current Vein Zone mineralized area. Each of these has encouraging gold values in past drilling and associated geophysical targets that have not been comprehensively evaluated. The future exploration will be managed by the Producer and its technical staff.

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 reviewed all available data for the Bruell Property and approved the contents of this news release.

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