

Sparton Announces Final approval of Private Placement Offering for its Critical Metals Exploration Programs

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TORONTO, Jan. 30, 2024 - [Sparton Resources Inc.](#) (TSXV-SRI) ("Sparton" or the "Company") is pleased to announce it has received final approval from the TMX Venture Exchange (the "Exchange") of the non-brokered private placement (the "Offering") announced on December 8th, 2023.

This financing was fully closed effective December 31st, 2023, with conditional approval from the Exchange.

Sparton has issued a total of 11,500,000 Flow-Through Share ("FTS") Units of the Company (each, a FTS Unit") at a price of C\$0.05 per FTS Unit. Each FTS Unit consists of one common share of the Company and a ½ (one half) non-flow through Share Purchase Warrant ("SPW") for a total of 5,500,000 Full SPWs. These include the Finder Warrants mentioned below.

Each FTS will consist of one common share of the Company to be issued as a Critical Metals "flow-through share" within the meaning of the *Income Tax Act* (Canada).

Each full SPW issued with the FTS Units will entitle the holder thereof to purchase one common share of the Company (each, a "Warrant Share") at a price of C\$0.08 for a period of 24 months following the effective issue date, or December 29th, 2025.

The Company has also issued 3,250,000 Non-Flow Through Share Units (NFTSUs) at a price of \$0.04 for each NFTSU for proceeds of C\$130,000. Each NTFSU consists of one Common Share of the Company and ½ (one half) SPW for a total of 1,625,000 Full SPWs.

Each full SPW issued with the NFTSUs will entitle the holder thereof to purchase one common share of the Company (each, a "Warrant Share") at a price of C\$0.06 for a period of 24 months following the effective issue date, or December 29th, 2025.

For the Second Closing announced on January 2nd, 2024, a total of 1,000,000 FTSUs were issued to an Insider of the Company, which participation constitutes a "related party transaction" for the purposes of Multilateral Instrument 61-101, *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company is relying upon exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 in completing the Offering with the Insider on the basis that the fair market value of such participation is less than 25% of Sparton's current market capitalization.

A total of 500,000 Full Finder Warrants were issued for this Financing in connection with the issuance of the FTSUs. These may be exercised on or before December 29th, 2025.

The Company intends to use the proceeds of the offering for general corporate purposes and the exploration of the Company's Critical Metals projects in Ontario and Quebec. These include the Pense-Montreuil polymetallic metals project east of Englehart, Ontario, and straddling the Ontario-Quebec border where historical work has identified zinc-copper-nickel mineralization with minor cobalt values, and little work has been done for over 20 years. The Oakes gold and related copper mineralization project near Matachewan, Ontario, has over 5 untested drill targets in close proximity to the former producing Ryan Lake copper and molybdenum mine, and the current Young Davidson gold producer. Work will consist of airborne electromagnetic surveys, follow up ground truthing of anomalies and diamond core drilling. The Oakes project has a number of untested Induced Polarization zones outlined by the

Company that have never been tested and some of these are related to rock units similar to those hosting the nearby copper and molybdenum mineralization.

The gross proceeds from the issuance of the FTS will be used to incur resource exploration expenses which will constitute "Canadian exploration expenses" as defined in subsection 66.1(6) of the Income Tax Act and "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act (the "Qualifying Expenditures"), which will be renounced with an effective date no later than December 31st, 2023, to the purchasers of the FTS Units in an aggregate amount not less than the gross proceeds raised from the issue of the FT Shares. If the Qualifying Expenditures are reduced by the Canada Revenue Agency, the Company will indemnify each subscriber of FTS Units for any additional taxes payable by such subscriber as a result of the Company's failure to renounce the Qualifying Expenditures.

The closing of the Offering has now received all necessary regulatory approvals including those from the TSX Venture Exchange.

The FTS, NFTS shares and Warrant Shares, and any common shares of the Company that are issuable from exercising any warrants, will be subject to a hold period ending on the date that is four months plus one day following the issue date of December 29th, 2023, in accordance with applicable securities laws.

The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor in any other jurisdiction.

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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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