



Sparton Announces Private Placement of up to C\$500,000

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TORONTO, December 1, 2022 – **Sparton Resources Inc. (TSXV-SRI)** ("**Sparton**" or the "**Company**") is pleased to announce a non-brokered private placement (the "**Offering**") for gross proceeds of up to C\$500,000 from the sale of up to 6,250,000 flow-through units of the Company (each, a "**FT Unit**") at a price of C\$0.08 per FT Unit. Red Cloud Securities Inc. will be acting as a finder in connection with the Offering.

Each FT Unit will consist of one common share of the Company to be issued as a "flow-through share" within the meaning of the *Income Tax Act* (Canada) (each, a "**FT Share**") and one half of one common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one common share of the Company (each, a "**Warrant Share**") at a price of C\$0.12 for a period of 24 months following the issue date.

The Company intends to use the proceeds of the Offering for the exploration of the Company's projects in Ontario and elsewhere in Canada as necessary. The gross proceeds from the issuance of the FT Shares 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 31, 2022 to the purchasers of the FT 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 FT 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 is subject to receipt of all necessary regulatory approvals including the TSX Venture Exchange. Finder's fees will be payable in accordance with the policies of the TSX Venture Exchange. The FT Shares, Warrant Shares and any common shares of the Company that are issuable from any finder's warrants will be subject to a hold period ending on the date that is four months plus one day following the issue date 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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