
SPARTON RESOURCES INC.
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three-month periods ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102 if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of Sparton Resources Inc. ("the Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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For the three-month periods ended March 31, 2025 and 2024
(Expressed in Canadian dollars)

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SPARTON RESOURCES INC.

Unaudited Condensed Interim Consolidated Statements of Financial Position

As at

(Expressed in Canadian dollars)

	Notes	March 31, 2025	December 31, 2024
Assets			
Current assets			
Cash		50,577	5,253
Amounts receivable		31,243	192,892
Prepaid expenses		5,123	9,623
Total current assets		86,943	207,768
Property, plant and equipment	5	16,630	21,751
Long-term investment	11	1,683,513	1,683,513
Total assets		1,787,086	1,913,032

See accompanying notes to the unaudited condensed interim consolidated financial statements.

SPARTON RESOURCES INC.

Unaudited Condensed Interim Consolidated Statements of Financial Position

As at

(Expressed in Canadian dollars)

	Notes	March 31, 2025	December 31, 2024
Liabilities			
Current liabilities			
Bank indebtedness	6	50,813	50,000
Accounts payable and accrued liabilities		135,135	149,530
Due to related parties	8	123,156	132,156
Loans payable	6	232,857	231,702
Total liabilities		541,961	563,388
Equity			
Common shares	7(a)	20,375,387	20,375,387
Warrants	7(c)	205,334	205,334
Contributed surplus	7(a)	354,018	354,018
Share-based payment reserve	7(b)	15,337	15,337
Accumulated other comprehensive income		760,617	760,617
Deficit		(20,822,466)	(20,717,947)
Equity attributable to shareholders		888,227	992,746
Non-controlling interests		356,898	356,898
Total equity		1,245,125	1,349,644
Total liabilities and equity		1,787,086	1,913,032

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 9)

Subsequent event (Note 12)

Signed: "Richard Williams", Director

Signed: "A. Lee Barker", Director

See accompanying notes to the unaudited condensed interim consolidated financial statements.

SPARTON RESOURCES INC.

Unaudited Condensed Interim Consolidated Statement of Loss For the period ended March 31, 2025 and 2024

(Expressed in Canadian dollars, except for per share amount)

	Notes	2025	2024
		\$	\$
Expenses			
Exploring and evaluating expenditures	5	33,419	227,948
General and administrative expenses	8	32,367	53,927
Investor relations		789	213
Management and consultant fees	8	14,460	12,960
Professional fees		-	6,524
Occupancy costs	8	4,500	4,500
Transfer agent, filing and listing fees		11,651	14,140
Depreciation expenses		5,121	10,639
Interest expense and financing costs		2,212	1,080
		104,519	331,931
Net loss		(104,519)	(331,931)
Net loss per share, basic and diluted		(0.00)	(0.00)
Weighted average number of shares outstanding			
Basic and diluted		169,941,537	163,391,537
Net loss attributed to			
Non-controlling interests		-	(282)
Shareholders of the Company		(104,519)	(331,649)
		(104,519)	(331,931)

See accompanying notes to the unaudited condensed interim consolidated financial statements.

SPARTON RESOURCES INC.

Unaudited Condensed Interim Consolidated Statements of Comprehensive Loss For the period ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

	Notes	2024	2023
		\$	\$
Net loss		(104,519)	(331,931)
Other comprehensive income loss			
Gain (loss) on translation of foreign operations		-	-
		(104,519)	(331,931)
Comprehensive loss attributed to			
Non-controlling interests		-	(282)
Shareholders of the Company		(104,519)	(331,649)
		(104,519)	(331,931)

See accompanying notes to the unaudited condensed interim consolidated financial statements.

SPARTON RESOURCES INC.

Unaudited Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars, except shares)

	Common shares			Contributed	Share-based	Accumulated other comprehensive		Subtotal	Non-controlling	Total
	Shares	Amount	Warrants	surplus	payment reserve	Income (loss)	Deficit	shareholders' equity	interests	equity
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at December 31, 2023	163,391,537	20,157,047	207,798	354,018	248,355	634,184	(20,279,074)	1,322,328	348,070	1,670,398
Net loss	-	-	-	-	-	-	(331,649)	(331,649)	(282)	(331,931)
Balance at March 31, 2024	163,391,537	20,157,047	207,798	354,018	248,355	634,184	(20,610,723)	990,679	347,788	1,338,467
Balance at December 31, 2024	169,941,537	20,375,387	205,334	354,018	15,337	760,617	(20,717,947)	992,746	356,898	1,349,644
Net loss	-	-	-	-	-	-	(104,519)	(104,519)	-	(104,519)
Balance at March 31, 2025	169,941,537	20,375,387	205,334	354,018	15,337	760,617	(20,822,466)	888,227	356,898	1,245,125

See accompanying notes to the unaudited condensed interim consolidated financial statements.

SPARTON RESOURCES INC.

Unaudited Condensed Interim Consolidated Statements of Cash Flows

For the period ended March 31, 2025 and 2024

(Expressed in Canadian dollars)

	Notes	2025	2024
		\$	\$
Operating activities			
Net loss		(104,519)	(331,931)
Items not involving cash			
Depreciation of property, plant and equipment		5,121	10,639
Accrued interest expense		1,968	1,080
		(97,430)	(320,212)
Changes in non-cash working capital		(29,348)	86,161
		(126,778)	(234,051)
(Decrease) increase in cash		(126,778)	(234,051)
Cash, beginning of period		177,355	411,406
Cash, end of period		50,577	177,355

See accompanying notes to the unaudited condensed interim consolidated financial statements.

SPARTON RESOURCES INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended March 31, 2025 and 2024

(Unless otherwise stated, all amounts are in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Sparton Resources Inc. (the "Company" or "Sparton") was incorporated in Ontario, Canada, pursuant to the Business Corporation Act (Ontario). Its common shares are listed on the TSX Venture Exchange ("TSX-V"). The Company's registered head office address is 81A Front Street East, Unit 216, Toronto, Ontario, M5E 1Z7. It is an exploration and development stage company and has interests in exploration properties in Canada.

The majority of the Company's efforts were devoted to financing exploration for a number of resource projects, seeking new business for the drilling operation and assisting in the development of the vanadium redox flow battery business. The Company has completed initial exploration drilling programs on its Ontario and Quebec, Canada, gold projects. The Company continues to evaluate and seek new domestic and international exploration opportunities.

These unaudited condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and have to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying unaudited condensed interim consolidated financial statements. These adjustments could be material.

Management is pursuing initiatives intended to address the current working capital deficiency. As at March 31, 2025, the Company had a working capital deficiency of \$455,018 (December 31, 2024 – \$355,620) and a deficit of \$20,822,466 (December 31, 2024 - \$20,717,947). Due to the continuing operating losses, the Company's ability to continue as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. The Company has an available investment that is carried on the books at a value of \$1,683,513 as of March 31, 2025. Should the Company be able to liquidate this investment at the carried value or more, the Company should be able to meet its financial obligations and continue operations in the near future. Management believes it will be successful in obtaining the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Statement of Compliance:

These unaudited condensed interim consolidated financial statements of the Company and its subsidiaries were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standard Board ("IASB"), and the IFRS Interpretations Committee (formerly "IFRIC"). They were also prepared in accordance with IAS34, Interim Financial Reporting. These accounting policies are based on the IFRS standards and IFRIC interpretations that are expected to be applicable at December 31, 2025. These unaudited condensed interim consolidated financial statements were approved by the board of directors of the Company on May 28, 2025.

The policies used for preparation of these unaudited interim condensed consolidated financial statements were the same accounting policies and methods of application as the audited consolidated financial statements of the Company for the year ended December 31, 2024, and were consistently applied to all the periods presented unless otherwise noted below. They do not include all of the information and disclosures required for annual financial statements. For further information, see the Company's audited consolidated financial statements for the year ended December 31, 2024.

These unaudited condensed interim consolidated financial statements were prepared on a going concern basis, under the historical cost convention. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

SPARTON RESOURCES INC.**Notes to the Unaudited Condensed Interim Consolidated Financial Statements****For the periods ended March 31, 2025 and 2024****(Unless otherwise stated, all amounts are in Canadian dollars)**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)**Basis of Consolidation:**

The unaudited condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries and joint operations, as noted below.

Entity	Incorporation	Ownership	
		March 31, 2025	December 31, 2024
EDCOR Drilling Services Inc.	Canada	100.00%	100.00%
Sparton International Holdings Inc.	BVI	100.00%	100.00%
VanSpar Mining Inc.	BVI	90.00%	90.00%

As at March 31, 2025, and December 31, 2024, the Company wholly owned EDCOR Drilling Services Inc. ("EDCOR") and Sparton International Holdings Inc. ("SIH"). SIH owned an 90% interest in VanSpar Mining Inc. ("VanSpar").

Subsidiaries are entities over which the Company has control, where control is determined based on whether the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The effects of potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated when control is transferred to the Company and become unconsolidated when control ceases.

Intercompany transactions and balances between subsidiaries are eliminated upon consolidation.

The Company has assessed the nature of its joint arrangement and determined it to be classified as a joint operation. The Company's subsidiary EDCOR has a joint operation with a joint operation partner. In 2017, the Company's subsidiary VanSpar entered into a profit-sharing agreement with a private investor. The Company has determined this profit-sharing agreement is a joint operation.

IFRS 11 "Joint Arrangements" requires an entity to consider whether a joint arrangement is structured through a separate vehicle, as well as the terms of the contractual arrangement and other relevant facts and circumstances, to assess whether the parties are entitled to the net assets of the joint arrangement (a "joint venture") or to a share of the assets and liabilities of the joint arrangement (a "joint operation"). Joint ventures are accounted for using the equity method, whereas joint operations are accounted for by recognizing the parties' right to the assets and obligations for the liabilities.

Recently Issued Accounting Pronouncements

The Company has determined that new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are either not applicable to the Company or that no material effect is expected on the financial statements as a result of adoption.

SPARTON RESOURCES INC.**Notes to the Unaudited Condensed Interim Consolidated Financial Statements****For the periods ended March 31, 2025 and 2024****(Unless otherwise stated, all amounts are in Canadian dollars)****3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements requires management to make estimates and judgments about the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. The following discussion sets forth management's:

- most critical estimates and assumptions in determining the value of assets and liabilities; and
- most critical judgments in applying accounting policies.

The critical accounting estimates and judgements used for preparation of these unaudited interim condensed consolidated financial statements were the same as the audited consolidated financial statements of the Company for the year ended December 31, 2024.

4. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT**Financial Instruments**

Financial instruments measured at fair value on the statement of financial position require classification into one of the following levels of the fair value hierarchy:

Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2—Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3—Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As at March 31, 2025				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	50,577	-	-	50,577
Investment available for sale	-	-	1,683,513	1,683,513
	50,577	-	1,683,513	1,734,090
As at December 31, 2024				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	5,253	-	-	5,253
Long term investment	-	-	1,683,513	1,683,513
	5,253	-	1,683,513	1,688,766

SPARTON RESOURCES INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended March 31, 2025 and 2024

(Unless otherwise stated, all amounts are in Canadian dollars)

4. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT (Continued)

The carrying value of cash approximate their fair value because of the short-term maturity of these instruments.

The Company's subsidiary, VanSpar Mining Inc., has an investment in a private company: VRB Energy Inc. This investment has been classified as a financial asset of fair value through other comprehensive income ("FVTOCI"). At March 31, 2025, the fair value of the long-term investment was revalued to be \$1,683,513 (2024 - \$1,683,513), based on the private placement price of the original 18,000,000 shares of VRB of US\$0.065 per share in July 2019 (Note 12) and the most recent estimate of fair value. The fair value of this investment and the 18,000,000 VRB Energy shares has not changed significantly during 2025.

The loans payable and the due to related parties are interest-bearing loans and borrowings valued at amortized cost using the effective interest rates of the loans.

Risk factors and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous year.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with reputable Canadian chartered banks and Chinese banks which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and accounts receivable.

Liquidity Risk

The Company has a liquidity concern. As at March 31, 2025, the Company had a cash balance of \$50,577 and amounts receivable of \$31,243 to settle current liabilities of \$541,961. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The bank indebtedness of \$50,813 and loans payable plus interest of \$232,857 are payable on demand. The Company will continue its efforts to obtain adequate financing and reach profitable levels of operations or liquidate the assets for sale.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices. The impact of currency risk is noted below.

Interest Rate Risk

The Company subsidiary Edcor Drilling Services Inc. currently has a line of credit carrying interest at a floating rate.

Foreign Currency Risk

The Company is exposed to foreign exchange rate risk, as a portion of the Company's business is carried out in US dollars ("USD") and one of the Company subsidiaries maintains a USD denominated bank accounts. Unfavorable changes in the applicable exchange rate between USD and the Canadian dollar may result in a change in foreign exchange gain or loss. The Company and its subsidiaries do not use derivative instruments to reduce the exposure to foreign currency risk.

The Company's activities that result in exposure to fluctuations in foreign currency exchange rates consist of the purchase of properties and the purchase of services, materials and equipment from suppliers invoiced in foreign currencies. As at December 31, 2024, approximately 69% of its assets were carried in foreign currencies, and approximately 0% of expenses in 2024 and in the reporting period in 2025 were incurred in foreign currencies.

SPARTON RESOURCES INC.**Notes to the Unaudited Condensed Interim Consolidated Financial Statements****For the periods ended March 31, 2025 and 2024****(Unless otherwise stated, all amounts are in Canadian dollars)**

4. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT (Continued)

The Company is exposed to currency risk through the following assets and liabilities denominated in currencies other than the Canadian dollar:

Balances as at March 31, 2025	US\$
Investment held for sale	1,170,000
Net exposure	1,170,000

Securities Price Risk

The Company's subsidiary VanSpar has investment in a private company VRB Energy Inc. (Note 11). This investment has been classified as financial assets measured at fair value, with any resultant gain or loss being recognized directly under other comprehensive income (loss). Unfavorable changes in the price of the VRB Energy shares may result in a material change in the value of the investment and in other comprehensive income or loss.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" in the year:

- (i) Interest rate risk is remote as the Company's line of credit that is subject to floating interest rate is of small balance.
- (ii) As at March 31, 2025, a 10% fluctuation in the exchange rate from US\$ to CDN\$ will have an impact of about \$117,000 on its comprehensive loss.
- (iii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of vanadium. Commodity prices have fluctuated widely in recent periods. There is no assurance that commercial quantities of commodities may be produced in the future, or that a profitable market will exist for them. A decline in the market price of the commodities may affect the completion of future equity transactions and may also affect the Company's liquidity and its ability to meet its ongoing obligations.

5. EXPLORATION AND EVALUATION PROJECTS**Sir Harry Oakes Gold Property, Canada**

On Sept. 25, 2019, the Company announced that it secured an option to purchase a strategic gold prospect, comprising 3 Mining Leases (the "Leases") and 2 Mining Claims adjacent to the mining Leases in the Matachewan gold mining area of northern Ontario; in addition, the Company also acquired a 50% interest in additional 16 Mining Claim Units (approximately 384 hectares) in the area of the Mining Leases, (collectively the "Claims").

Sparton has completed a 4-year Option to Purchase Agreement with the private owner of the Leases whereunder it has the right to purchase a 100% interest in the Leases.

On July 6, 2020, the Company announced that it acquired 18 additional mining claim units adjacent to or nearby to the Oakes Mining Leases for a cash consideration of \$6,000. On September 4, 2020, the Company received a work permit for the project and commenced a drill program on the project on October 19, 2020.

SPARTON RESOURCES INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended March 31, 2025 and 2024

(Unless otherwise stated, all amounts are in Canadian dollars)

6. EXPLORATION AND EVALUATION PROJECTS (continued)

On November 25, 2020, the Company announced that it signed, effective November 17, 2020, a Memorandum of Understanding ("MOU") with the Matachewan First Nation ("MFN") related to its exploration activities on the Sir Harry Oakes Gold Project, near Matachewan, Ontario. MFN is a signatory to Treaty No. 9 and holds inherent aboriginal and treaty rights to and over their traditional territory, which includes the Mining Leases and claims held by Sparton and referred to as the Sir Harry Oakes Project. The MOU recognizes these rights and provides for a mutually beneficial and cooperative relationship between the parties. The MOU, among other things, contemplates the possibility of an Investment Benefit Agreement ("IBA") in the future if the project is successful in advancing the project to advanced exploration and development stages and completion of a positive feasibility study. Additionally, the Company will compensate MFN for its exploration activities in the MFN area by issuing to MFN 50,000 Sparton common shares with a deemed value of \$0.06 each, and 50,000 Share Purchase Warrants ("SPW"s). The SPWs are valid for a period of three years from November 17, 2020, and entitled MFN to purchase up to 50,000 additional common shares of the Company at a price of \$0.10 per share. As further compensation Sparton will pay MFN on an annual basis, 2% (percent) of its audited exploration costs directly related to the expenses on the Oakes Project. The MOU is valid and in effect until Sparton has either ceased its activities on the Project or an IBA agreement is concluded. 50,000 warrants issued by the Company to MFN on December 1, 2020, expired in 2023.

Bruell Property, Canada

On August 11, 2017, the Company entered into an option agreement with two independent prospectors (the "Vendors") to explore the 20 claim Bruell Property ("the Property") in Vauquelin Township, Quebec.

Under the terms of the 5-year option agreement Sparton issued a total of 1,500,000 Common Shares, incurred a total of \$1,500,000 in exploration expenditures on the claims, and made cash payments totaling \$300,000 to earn a 100% interest in the Property, all of which the Company completed in 2023.

Production Royalty: If commercial production takes place on the Bruell property, the Vendors collectively, will be entitled to receive an annual production royalty (the "Royalty") equal to 2% of Net Smelter Returns as customarily defined. At any time after a feasibility study is completed for development of any part of the Property ½ of this Royalty (or 1%) may be purchased by the Company for the sum of \$1,000,000. All cash payments share issuances, and royalty payments if any, will be paid or issued as to 50% of the totals to each prospector.

On October 21, 2019, the Company announced 15 additional mining claims have been acquired from a private prospector extending the original 36 Bruell mining claims.

On December 16, 2019, Sparton announced that it had executed definitive agreements including an Option Agreement with Eldorado Gold Corporation ("Eldorado") to grant an option to Eldorado to earn up to an initial 75% interest ("Option") in the Bruell Project. Under the Option Agreement Eldorado made all cash payments and funded all the expenditures required under the existing Property Option Agreement between the Company and the original optionors. Sparton received a cash payment of \$150,000 as partial compensation for past expenditures that was recorded as a recovery of exploration expenses in the consolidated statements of (loss). Eldorado, having made all cash payments and funded all expenditures required now has the right to have Sparton participate in a new joint-venture in which Sparton will hold a 25% interest, or buy-out Sparton's 25% interest for \$1.8 million adjusted for the Consumer Price Index at the time Eldorado makes the election, in which case Sparton will be granted a 2% Net Smelter Return Production Royalty ("NSR"), and 50% of the NSR can be purchased by Eldorado for \$2.5 million at any time.

The Company has completed the earn-in and exercised its option to acquire 100% of the 51-claim Bruell Property. It did so by issuing a total of 1.5 million common shares of the Company, making \$300,000 in cash payments to the vendors, and incurring \$1.5 million in exploration expenditures on the claims.

In 2022, Eldorado completed 11 diamond drill holes totaling 4,745 meters. In 2023 Eldorado planned approximately 8000 meters of additional drilling at Bruell in 21 holes and completed an additional 9,430 meters of drilling in 18 holes in the first quarter of 2023 with some positive results. On February 13, 2024 the Company and Eldorado executed an agreement extending the Option Agreement decision date for the Bruell gold project until April 19, 2024.

SPARTON RESOURCES INC.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the periods ended March 31, 2025 and 2024

(Unless otherwise stated, all amounts are in Canadian dollars)

5. EXPLORATION AND EVALUATION PROJECTS (Continued)

On April 22, 2024, the Company announced that Eldorado Gold Corporation ("Eldorado") has, effective April 18, 2024, exercised its option to acquire from Sparton an initial 75% (seventy five percent) interest in the Bruell gold project, east of Val D'Or, Québec.

Sparton and Eldorado also executed, effective April 18, 2024, a further amendment to the original Option Agreement to delete the twenty (20) business day further option period and replace it with a seventy-five (75) business day option period for Eldorado to implement the joint venture or decide if it wishes to acquire all of the remaining Sparton 25% interest for a combination of a \$1.8 million cash payment (adjusted for CPI) and a residual 2% Net Smelter Return ("NSR") royalty. Fifty percent (50%) of the NSR can be purchased by Eldorado for \$2.5 million at any time. This extension will enable transferring of the Bruell claim titles to Eldorado, preparation of joint venture documents and the efficient implementation of other things necessary for the property ownership change.

See Note 12.

Pense Property, Canada

On November 3, 2022, the Company announced that it entered into an option agreement with three independent prospectors (collectively, the "Vendors") to explore the 39 claim (865 hectare) Pense Property ("the Property") in Pense Township, Ontario. The claims are located near the Quebec provincial border, approximately 25 kilometers east of Englehart, Ontario, in the Larder Lake Mining Division.

Under the terms of the 3-year option agreement, Sparton will issue a total of 400,000 common shares, incur a total of \$250,000 in exploration expenditures on the Property, and make cash payments totaling \$175,000 over the 3- year period, to earn a 100% interest in the Property, detailed as follows:

Upon Receipt of Regulatory Approval: a cash payment of \$25,000, issuance of a total of 100,000 common shares to the Vendors, and a commitment to incur exploration expenditures of \$50,000 in first year. (Completed)

In Year 2: Cash payment of \$50,000, 150,000 common shares to be issued to the Vendors (issued in October 2023 valued at \$4,500), and exploration expenditures of \$100,000. (Completed).

In Year 3: Cash payment of \$100,000, 150,000 common shares to be issued to the Vendors (issued October 2024 valued at \$7,500), and exploration expenditures of \$100,000. (completed in October 2024)

Production Royalty: If commercial production takes place on the Pense Property, the Vendors, will be entitled to receive an annual production royalty (the "Royalty") equal to 2% of Net Smelter Returns, as customarily defined. At any time after a feasibility study is completed for development of any part of the Property, ½ of this Royalty (or 1%) may be purchased by the Company for the sum of \$2,000,000. The Company will also have a right of first refusal to purchase the remaining 1% NSR Royalty. All cash payments, share issuances and royalty payments, if any, will be paid or issued as to 33.333% of the totals to each vendor. On December 17, 2024, the Company has exercised option to acquire 100% interest in the Pense Property.

SPARTON RESOURCES INC.**Notes to the Unaudited Condensed Interim Consolidated Financial Statements****For the periods ended March 31, 2025 and 2024****(Unless otherwise stated, all amounts are in Canadian dollars)****6. LOANS PAYABLE**

- 1) As of March 31, 2025, the Company had a bank indebtedness of \$50,000 line of credit, that bears annual interest rate of prime plus 1.3% (6.5% as at December 31, 2024), unsecured and due on demand. Interest accrued was \$813 for the period ended March 31, 2025 (2024 - \$nil).
- 2) As at March 31, 2025, there was a short-term loan of \$52,000 (December 31, 2023 - \$52,000) bearing an annual interest of 6% payable on a quarterly basis in arrears, unsecured, and due on demand. As at March 31, 2025, there was \$149,055 (December 31, 2024 - \$148,275) interest payable accrued for this loan.
- 3) The Company had a non-interest government loan payable as to \$30,000 as of December 31, 2023. Effective January 18, 2024, any outstanding balance on the term loan shall bear interest at a rate of 5% per annum and is due on demand as of December 31, 2024. As of December 31, 2025, interest payable was \$1,801. Five thousand (\$5000) of the loan was repaid in the reporting period reducing the outstanding amount to \$25,000.

7. CAPITAL STOCK**(a) Common Shares**

Authorized: Unlimited common shares
 Issued: 169,791,537 common shares

Date	Description	No. of shares	Amount
December 31, 2023		163,391,537	\$20,157,047
	Shares issued in private placement (1)	6,400,000	256,000
	Share issuance costs (1)	-	(45,160)
December 31, 2024, and March 31, 2025		169,791,537	\$20,367,887

- 1) On June 20, 2024, the Company closed the first tranche of a private placement financing through the sale of 2,400,000 Flow Through Shares ("FTS") at a price of \$0.05 per FTS. On June 26, 2024, the Company closed the second tranche of the private placement financing through the sale of 4,000,000 Flow Through Shares at a price of \$0.05. The fair value of the common share price was \$0.04 on the date. The Company paid \$28,000 cash finders fees, and issued 560,000 finders warrants, each entitles the holder to purchase one common share of the Company at a price of \$0.05 within 24 months from closing. The proceeds of \$320,000 were allocated \$256,000 to shares and \$64,000 as flow through share premium. The finder's warrants were valued at grant date at June 26, 2024, as \$17,160 using a Black-Scholes model. Assumptions used to determine the value of the options using the Black-Scholes model were stock price \$0.04; dividend yield 0%; risk-free interest rate 4.07%; expected annual volatility 174%; and expected life of 2 years. \$45,160 were recorded as share issue costs. The \$64,000 flow through share premium was recorded as deferred tax recovery on the renunciation of the flow through expenditures.

(b) Share-based payment reserve

The Company, under its shareholder approved stock-option plan, has granted options for the purchase of common shares to employees, directors, officers and other service providers. The aggregate number of common shares reserved for issuance under this plan is limited to 10% of the aggregate number of common shares outstanding. The plan provides that the exercise price of an option granted under the plan shall not be less than the market price at the time of granting the option. Options have a maximum term of 5 years, vest immediately upon issue, unless otherwise stated, and terminate on the 90th day after the optionee ceases to be any employee, director or consultant of the Company.

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7. CAPITAL STOCK (continued)

On May 9, 2023, the Company granted 300,000 stock options to a director; each option entitles the holder to acquire one common share of the Company at an exercise price of \$0.05 before May 8, 2026. The option vested immediately on the grant date. The options were valued at grant at May 9, 2023 for \$15,337 using a Black-Scholes model. Assumptions used to determine the value of the options using the Black-Scholes model were stock price \$0.05; dividend yield 0%; risk-free interest rate 4.07%; expected annual volatility 157%; and expected life of 3 years. \$15,337 stock-based compensation expenses were recognized on the statement of loss for the year 2024 (2023 - \$49,648).

2,700,000 options issued in 2021 with a grant value of \$248,355 expired in August 2024. On March 31, 2025 there were 300,000 (December 31, 2024 - 300,000) options outstanding and exercisable.

(c) Warrants

Pursuant to the MOU, as disclosed in Note 6, 50,000 warrants were issued. Each warrant entitled the holder to purchase one common share of the Company at an exercise price of \$0.10 until December 1, 2023. These 50,000 warrants expired December 1, 2023.

Pursuant to the December 2022 private placement, 550,000 warrants were issued. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.12 until December 30, 2024. Such warrants expired unexercised on December 30, 2024.

Pursuant to the December 2023 private placement as described in Note 8(a), 7,900,000 warrants were issued. Each of the 6,250,000 warrants entitles the holder to purchase one common share of the Company at an exercise price of \$0.08 until December 29, 2025. Each of the 1,650,000 warrants entitles the holder to purchase one common share of the Company at an exercise price of \$0.06 until December 29, 2025.

Pursuant to the June 2024 private placement as described in Note 8(a), 560,000 finder's warrants were issued, each entitles the holder to purchase one common share of the Company at an exercise price of \$0.05 until June 26, 2026.

As of March 31, 2025, there were 8,460,000 (December 31, 2024 - \$8,460,000) warrants outstanding.

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The Company's related parties consist of the following:

Related parties	Relationship
A. Lee Barker	CEO and President; minority shareholder of VanSpar
Wes Roberts	Director
Richard D. Williams	Director; minority shareholder of VanSpar
Oriental Sources Inc.	A company controlled by the Company's CFO

	March 31, 2025	December 31, 2024
Due to related parties	\$	\$
Consulting fees payable to Oriental Sources Inc. (i)	32,864	32,864
Rent and fees payable to Lee Barker (i)	90,292	99,292
Total	123,156	132,156

- (i) During the period in 2025, \$4,500 (2024 - \$4,500) office space rent expenses were accrued for property owned by the President of the Company. The Company was also billed and paid \$10,500 plus HST (2024 - \$9,000) by a company controlled by the CFO of the Company for consulting fees which were recorded as management and consulting fees on the consolidated statement of loss.
- (ii) In 2023 an officer of the Company subscribed for 1,000,000 FTSU and 1,250,000 NFTSU in the financing as described in Note 7(a)(2). The \$100,000 proceeds were accounts receivable received in 2024.

The compensation expense associated with key management and directors for employment services or similar during the three months in 2025 and 2024 are as the follows:

	2025	2024
Salaries, consultant fees and other benefits	\$ 10,500	\$ 9,000
Stock-based payments	-	-
	\$ 10,500	\$ 9,000

9. COMMITMENTS AND CONTINGENCIES

- (a) The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.
- (b) See Note 11 the Company's commitment on profit sharing with the private investor upon the sale of the additional Shares in VRB.
- (c) See Note 5 on the commitment on acquisition of Sir Harry Oakes property.

SPARTON RESOURCES INC.

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10. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of common shares and share-based payment reserve. The Company manages its capital based on the acquisition and investment opportunities in the course of its business to support the on-going operations of the business. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's primary sources of capital were funds generated from the issuance of common shares, debentures and debts, and the exercise of stock options and warrants, and revenues provided by the drilling business.

There were no changes in the Company's approach to capital management during the periods presented. The Company and its subsidiaries are not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company.

11. THE VANSPAR VRB ENERGY INVESTMENT

The Company's 90% owned subsidiary, VanSpar Mining Inc. ("**VanSpar**") in 2016 received 18,000,000 common shares of VRB Energy Inc. ("VRB Energy") a Cayman Islands company and manufacturer of vanadium flow batteries with a factory in Tongzhou (Beijing) China.

In 2017, VanSpar executed a profit-sharing agreement with a private investor to acquire Additional Shares in VRB Energy. Under the profit-sharing agreement, the private investor will provide funds required for VanSpar to participate and acquire more shares ("Additional Shares") in VRB Energy's future financing, to maintain VanSpar's percentage of interest in VRB. Once the Additional Shares are sold in a liquidation event, the investor will be entitled to 80% of the profit (calculated as proceeds of sales minus transaction costs minus the principal fund provided by the private investor plus 7% annual interest) and VanSpar will be entitled to 20% of the profit. In case there is no profit or even a loss, VanSpar will not be responsible for repayment of the principal funds provided by the investor. In 2017, VanSpar received a total of US\$900,000 from the private investor to participate in the acquisition of an additional 13,953,488 VRB Energy shares. The Company has determined this profit-sharing agreement is a joint operation. There is no downside risk to the Company as VanSpar does not have an obligation to repay the full principal fund, therefore the Company has not recorded the funding provided by the private investor as a financial liability and has not recorded the Additional Shares as a financial asset.

VanSpar's total of 31,953,482 VRB shares in VRB Energy represent about 9.98% share interest in VRB Energy. Ivanhoe Electric Inc., a company listing in New York Stock Exchange, owns the other 90.02% of VRB Energy. The Company valued the 18,000,000 VRB Energy shares it owned in the original transaction as of December 31, 2024, to be \$1,547,442 (US\$1,170,000) (December 31, 2023 - \$1,547,442, US\$1,170,000).

On August 16, 2024, the United States Department of Energy ("DOE") released the results of a 3-year study of 10 various energy storage options. Part of this work involved a study of various battery technologies for large grid style applications and the DOE concluded that Flow Batteries rated the highest in terms of overall cost and efficiency for lifetime cost of service in large scale electricity storage applications. Sparton Management regards this, when coupled with the various testing and safety features of the VRB Energy battery systems, as a significant endorsement of Vanadium Flow Batteries, which could translate into future product sales.

On September 23, 2024, Ivanhoe Electric Inc. announced that VRB Energy is planning to expand vanadium flow battery manufacturing into the United States and that its existing operations in China will become subject to a 51/49 Joint-Venture following an investment from Shanxi Red Sun Co., Ltd. ("Red Sun"), a leading Asian new energy group. On October 15, 2024, Ivanhoe Electric Inc. announced that definitive agreements have been signed between VRB Energy and a subsidiary of privately held Red Sun and certain other affiliates, finalizing the terms of the transaction. Also announced, was the investment by Red Sun of US\$55 Million, of which US\$35 Million is towards a 51% participation in the existing VRB Energy operations in China. The Joint-Venture has

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been formed to manufacture and sell vanadium redox flow battery systems with a market focus in Asia, the Middle East and Africa.

US\$20 Million of the transaction proceeds will support the establishment of the VRB USA operations VRB Energy will establish VRB USA, located in Arizona, to pursue domestic manufacturing of vanadium redox flow battery systems. The domestic facility will be capable of producing 50 megawatts per year of VRB-Energy vanadium flow batteries.

A Cooperation Agreement will ensure patent protection and will allow VRB USA to maintain access to intellectual property and associated rights as well as obtain the benefits of product improvements. The Chinese operations will also become a preferred supplier of certain key components.

The VRB Energy battery system cell stacks have received an Underwriters Laboratories 1973 safety certificate which is recognized as a global standard for commercially available battery energy storage.

12. EVENTS AFTER THE REPORTING PERIOD

On November 20, 2024, the Company executed a further amendment to the agreement with Eldorado for the Bruell Property, where Eldorado has an additional option to acquire the Company's 25% beneficial interest in the Bruell Property free and clear of all Encumbrances for a price of \$275,000 (inclusive of all applicable tax). On January 15, 2025, Eldorado exercised this option to acquire from the Company 25% of Bruell Property for \$275,000. \$20,000 legal fees were incurred for the transaction by the Company. The transaction closed after March 31, 2025.