

SPARTON

VanSpar
斯帕顿钒业


胜星实业
V Star Industries

Sparton Annual General
Shareholder Meeting
June 28 - 2019



FORWARD LOOKING STATEMENTS

This presentation contains “forward-looking statements”, within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation, concerning the business, operations and financial performance and condition of Sparton Resources Inc. (“Sparton”). Forward-looking statements include, but are not limited to, statements with respect to the future price and estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting timelines, hedging practices, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, timing and possible outcome of pending litigation, title disputes or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Sparton to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the integration of acquisitions; risks related to international operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes; delays in obtaining governmental approvals or financing or in the completion of development or construction activities and other risks of the mining industry. Although Sparton has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Sparton does not undertake to update any forward-looking statements that are included in this document, except in accordance with applicable securities laws. All amounts are in U.S. dollars, unless otherwise stated.

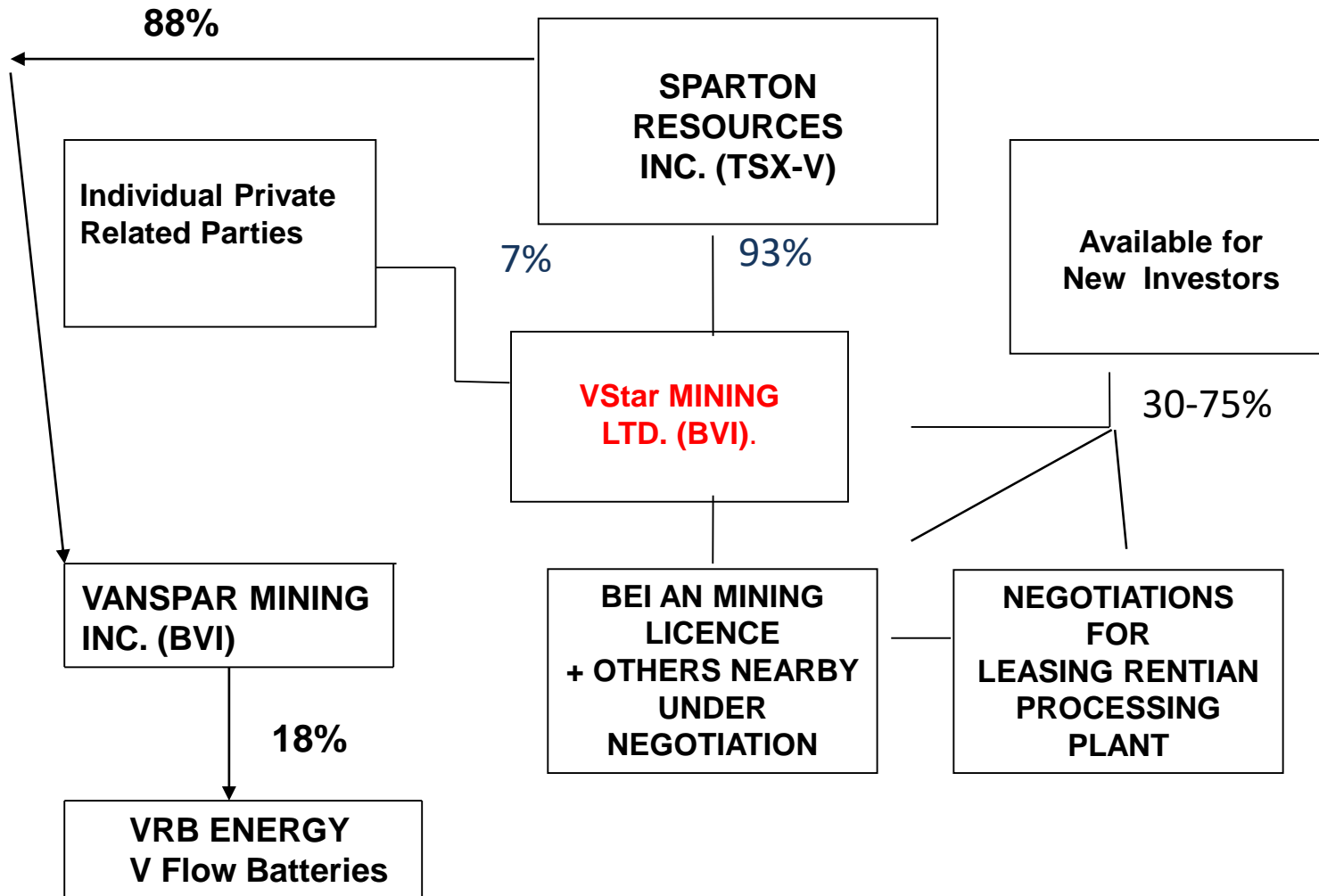
VStar Industries Inc.

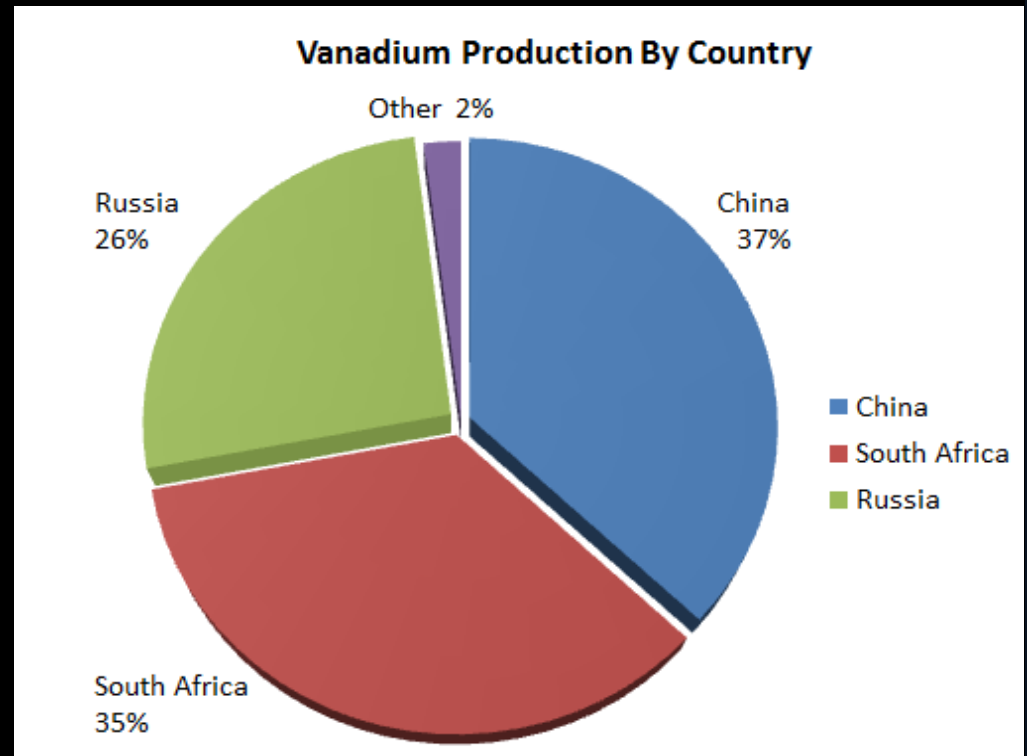
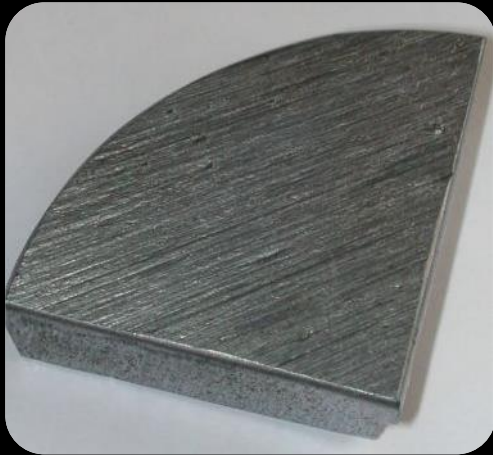


**BUILDING A MAJOR
CHINA VANADIUM
COMPANY**



CORPORATE STRUCTURE





PRICING Vanadium Pentoxide (V_2O_5) ~ US\$8- 9.50 /lb June 2019

- Post Financial Crisis - pricing has been volatile.
- China imports 1/4 of its annual demand. ◦
- China Policy stated that Vanadium development is one of China's priorities and VRB batteries mandated for new renewable energy storage projects.
- With steel production in China increasing by , and increased demand from VRB development, demand is on the rise.

VStar MINING LTD. (BVI)

DEVELOPMENT OF ADVANCED-STAGE VANADIUM MINE AND PRODUCTION FACILITY IN CHINA

ACQUISITION AGREEMENT TO PURCHASE AND DEVELOP ONE V MINING LICENSE WITH APPROVED HIGH GRADE V RESOURCES

- **NEGOTIATIONS UNDERWAY** TO LEASE OR ACQUIRE NEARBY V₂O₅ PRODUCTION PLANT AND RELATED INFRASTRUCTURE AND ACQUIRE ADDITIONAL MINING LICENSE
- AREA HAS DOCUMENTED IN EXCESS OF 700,000 METRIC TONNES OF HIGH GRADE VANADIUM PENTOXIDE (V₂O₅) WITH AN IN GROUND VALUE OF >USD6 BILLION
- COMPANY HAS DEVELOPED ADVANCED, PATENTED CLEAN TECHNOLOGY FOR VANADIUM EXTRACTION FROM SHALE HOSTED VANADIUM DEPOSITS AND A LEASING ARRANGMENT FOR CUTTING EDGE ULTRASOUND ENHANCED LEACHING TECHNOLOGY (UEAx)

VStar CHINA VANADIUM OBJECTIVES

- SUSTAINED DEVELOPMENT PROGRAMME OVER THE NEXT 5 YEARS CAN CREATE ONE OF THE STRONGEST VANADIUM COMPANYS IN THE WORLD.
- High-value product with demand increasing annually.
- Close proximity to the World's major markets.
- V Mining License Acquisition at Low Cost, Proven Vanadium Resources
- Proven Effective Patented Metallurgical V Recovery Process.
- New Breakthrough UAEx Technology May Significantly Lower Production Costs
- Established infrastructure.
- Low environmental impact.
- Low capital cost and low operating costs. Strong IRR and Fast Payback
- VStar can be a near-term producer of Vanadium (last quarter of 2021).

VANADIUM PROJECT LOCATION

Jiangxi Province



PROJECT STATUS

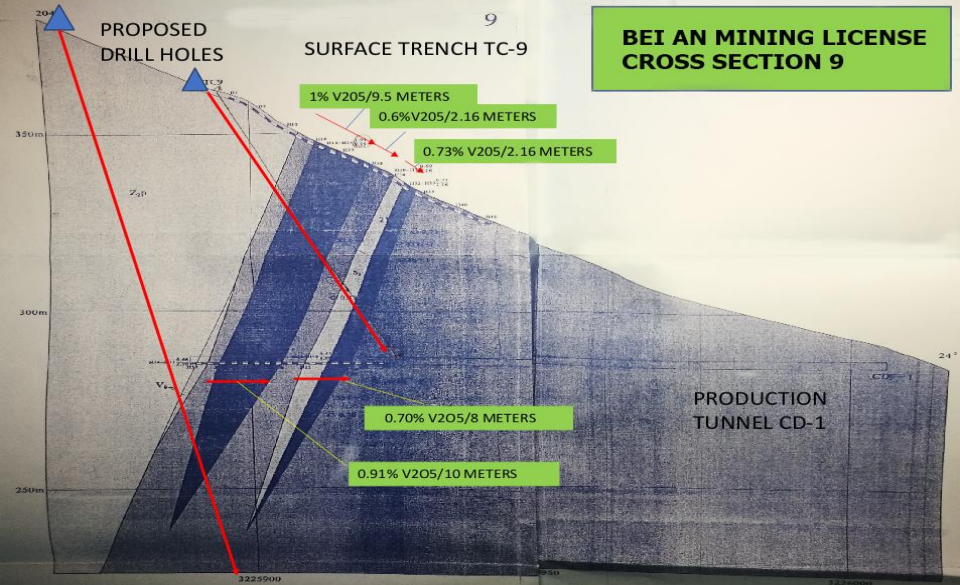
项目状态

AGREEMENT IN PLACE TO ACQUIRE MAJOR VANADIUM PROJECT

BEI AN MINING LICENCE + QUANKENG LICENSE

- 100% purchase agreements signed for Bei An and negotiated for Quankeng.
- **Mining Licenses in Good Standing** : projected over 100,000 tonnes (> 200 Million lbs) of contained V₂O₅ with 2000 metres drilling planned to increase resources to this level.
- **Grade 0.9% V₂O₅** , partially developed underground to 50 meter depth only, open pit mining possible, engineering studies to begin.
- Advanced metallurgical testing on typical ore completed with 78-97% recoveries – will refine flow sheet and test leading edge Ultrasound Assisted Extraction (UAEx) technology to reduce costs.
- **Indicated IRR of 72%** , payback <1.5 years and **NPV of \$152M @ 10%** discount rate with capital cost of \$35.6 M maximum .
- Acquisition of another nearby Mining License will increase resources and critical mass of project overall.

BEI AN MINE AREA AND VERTICAL CROSS SECTION WITH RENTIAN VANADIUM PROCESSING PLANT

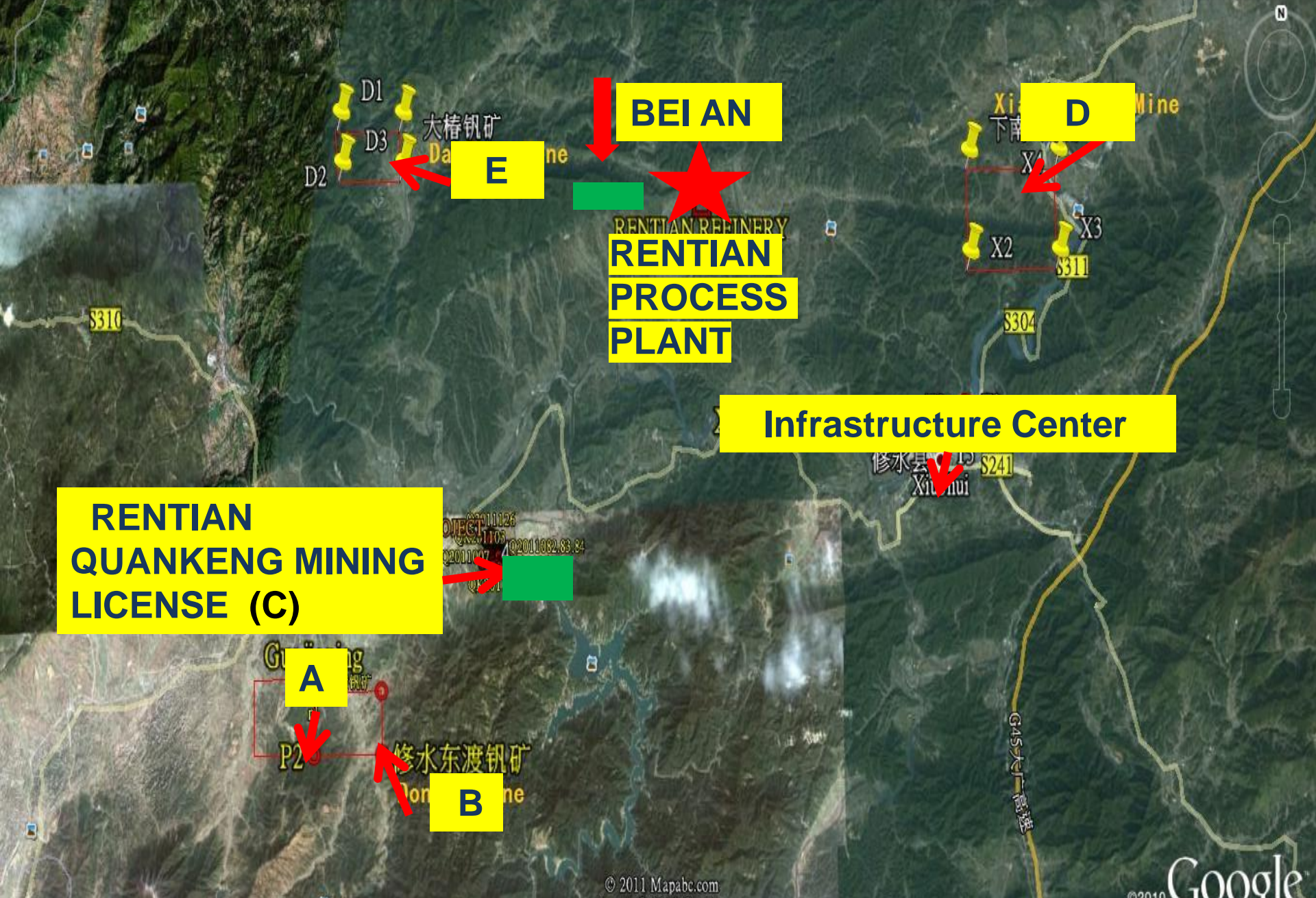


BEI AN SUMMARY

Established Infrastructure:

Bei An Vanadium Mining License Permitted for Production

- Partially developed underground
- Processing Facility Available
- Infrastructure in place - Highway and Road and Rail access.
- All Utilities in place – Electricity / Water
- Low Capital development costs (<\$35M) & predicted short payback period(1.5 yrs) Low Opex projected at < \$4/lb V2O5



BEI AN

D

E

**RENTIAN REFINERY
PROCESS
PLANT**

Infrastructure Center

**RENTIAN
QUANKENG MINING
LICENSE (C)**

A

B

**GENERAL AREA V DEPOSITS –A+B+C= 670,000 TONNES V2O5
Government Mandate to Consolidate Vanadium Production in Area**



RENTIAN
“STONE COAL” VANADIUM MINERALIZATION

0.93% V₂O₅ / 10 METRES
15% FREE CARBON

RENTIAN DRILL RESULTS

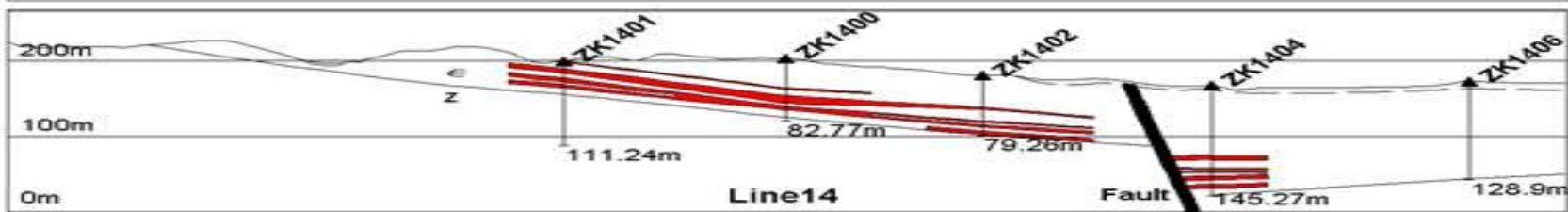
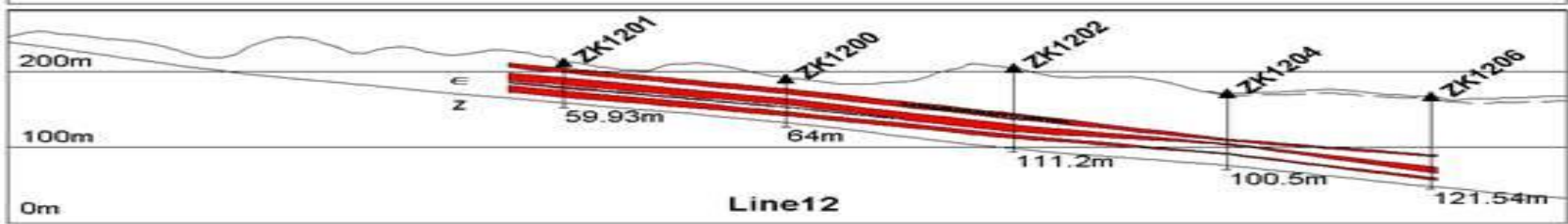
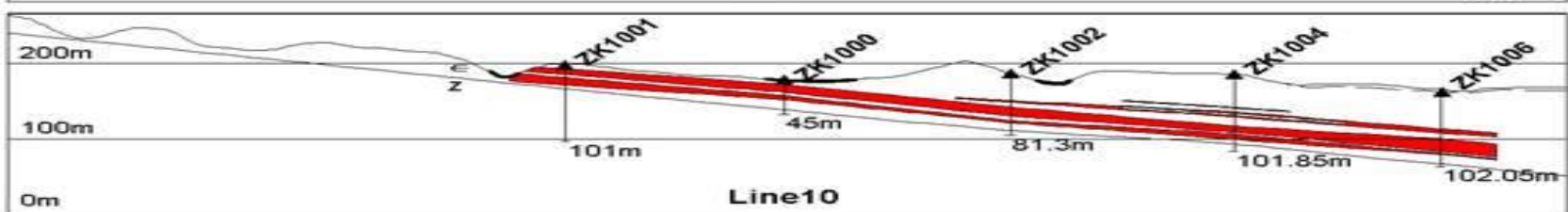
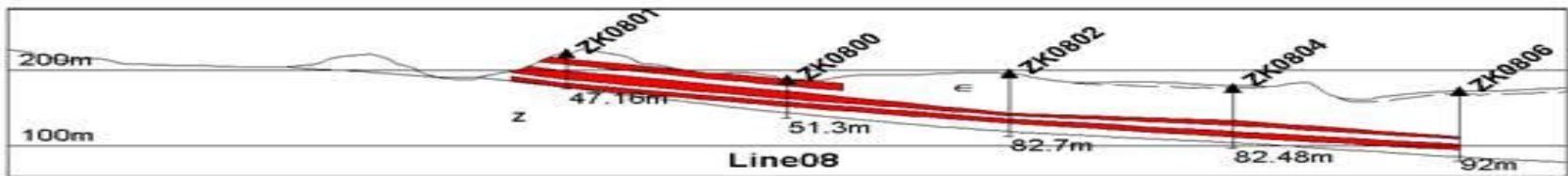
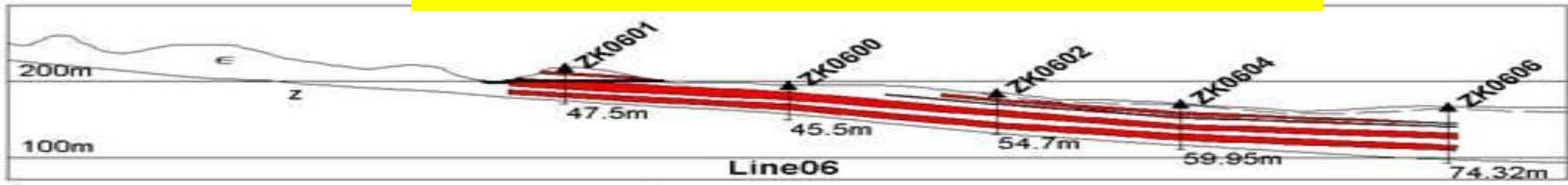
Depth (m)	Value 1	Value 2	Value 3	Value 4	Value 5
36	0.080			0.38	0.0037
37	1.210		<2	0.38	0.1369
38	1.334		<2	0.4222	0.0589
39	1.287		<2	0.3683	0.0679
40	1.184		<2	0.263	0.1007
41	1.262		<2	0.3709	0.129
42	1.126		<2	0.2884	0.063
43	1.093	1.1% V2O5 OVER 28 METRES	<2	0.3812	0.0615
44	1.128	1.178%/19.95	<2	0.3636	0.0605
45	1.080		<2	0.3478	0.0568
46	1.073		<2	0.3011	0.0653
47	0.878		<2	0.2413	0.0453
48	1.034		<2	0.3109	0.0343
49	0.810		<2	0.2444	0.0289
50	0.016		<2	0.0072	0.003

1.1% V2O5
OVER 28
METRES

1.178%/19.95

0.32% Zn
OVER 28
METRES

FLAT LYING, EASILY MINED ZONES



View to the northwest - all sections

- E Cambrian sediments
- Z Proterozoic sediments

- Industrial vanadium orebody, V₂O₅ ≥ 0.7%
- Team 267 drill hole



Sep. 2011

PARTIAL “RESOURCES” SUMMARY XIUSHUI AREA VANADIUM

NON- NI 43-101 COMPLIANT

Over 150 drill holes!

A 18.2M tonnes @ 0.820% V_2O_5 , (0.5% V_2O_5 cut off)
 170,000 tonnes V_2O_5

+

B 35.7M tonnes @0.91% V_2O_5 , (0.7% V_2O_5 cut off)
 350,000 tonnes V_2O_5

+

RENTIAN ~15M tonnes @ 0.90% V_2O_5 , (0.5% V_2O_5 cut off)
 150,000 tonnes V_2O_5

=

TOTAL + 670,000 TONNES V_2O_5 !

Several Other Areas with Significant Additional Resources

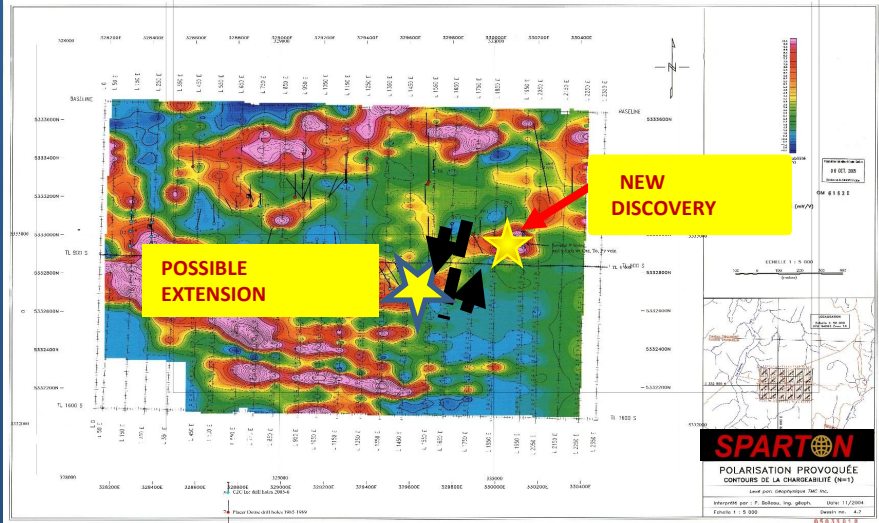
WHY VStar & CHINA VANADIUM?

General

- Project has both National and Local Government support –
- Project Location: On the doorstep of the world's largest consumer of Vanadium (importer of 1/4 of its annual consumption).
- Low Open Pit Mining Costs: (est. US\$2.50/t) Ore bodies can be mined by underground and open cut methods and are both high grade and have a low strip ratio.
- Environmentally friendly patented processing: Local market for waste from production plant to cement plants. No tailings disposal.

Simple Metallurgical Characteristics:

- Ore is relatively soft and requires minimal grinding.
- Simple low cost mineral beneficiation/extraction process.
- Low Production Cost: projected at <USD\$4.00/lb.V₂O₅ (mining and extraction)
- High Purity Product >99.5% V₂O₅
- New UAEx technology may lower processing costs significantly.
- Can produce Vanadium Redox Battery core fluids from new extractive flow sheet



★ CURRENT DRILLING

FOR MORE INFORMATION:

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 Telephone/Fax : 647 344 7734

Website: www.spartonres.ca



Drill Core from Bruell Property

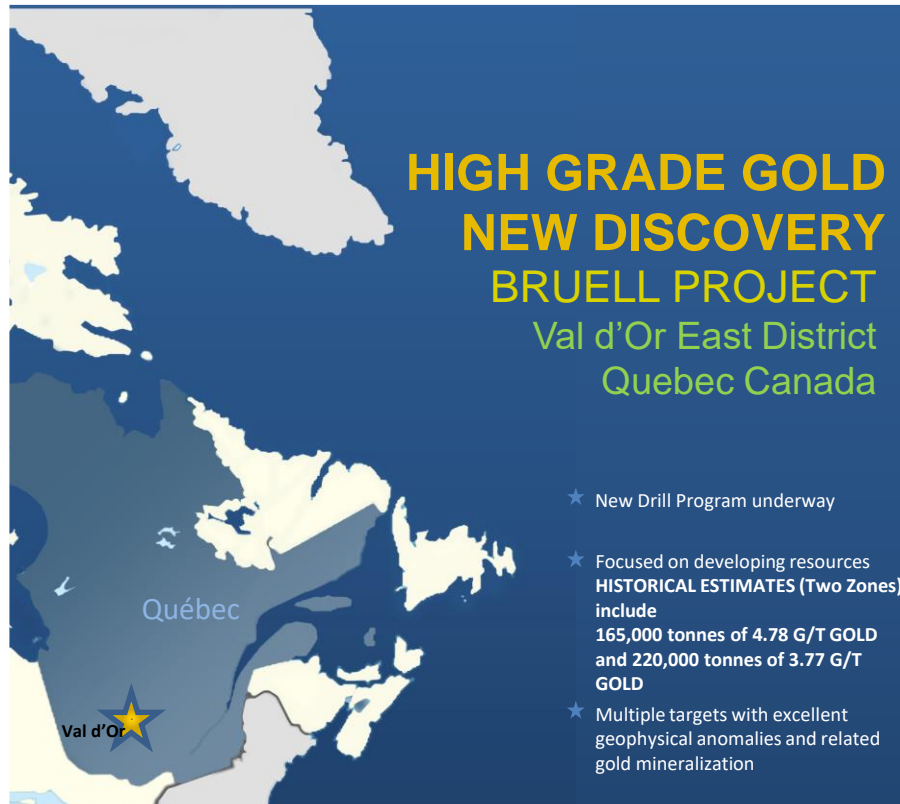
Cautionary Statement

It should be noted that these Historical Estimates do not include any more recent estimates or data available to Sparton, and more work needs to be done to upgrade or verify these Historical Estimates. Further, a qualified person under NI 43-101 has not done sufficient work to classify the Historical Estimates as current mineral resources or mineral reserves; and Sparton is not treating the Historical Estimates as current mineral resources or mineral reserves.

May 2018



SRI – TSX Venture
 SPNRF:PK
 WKN:727532 - Frankfurt



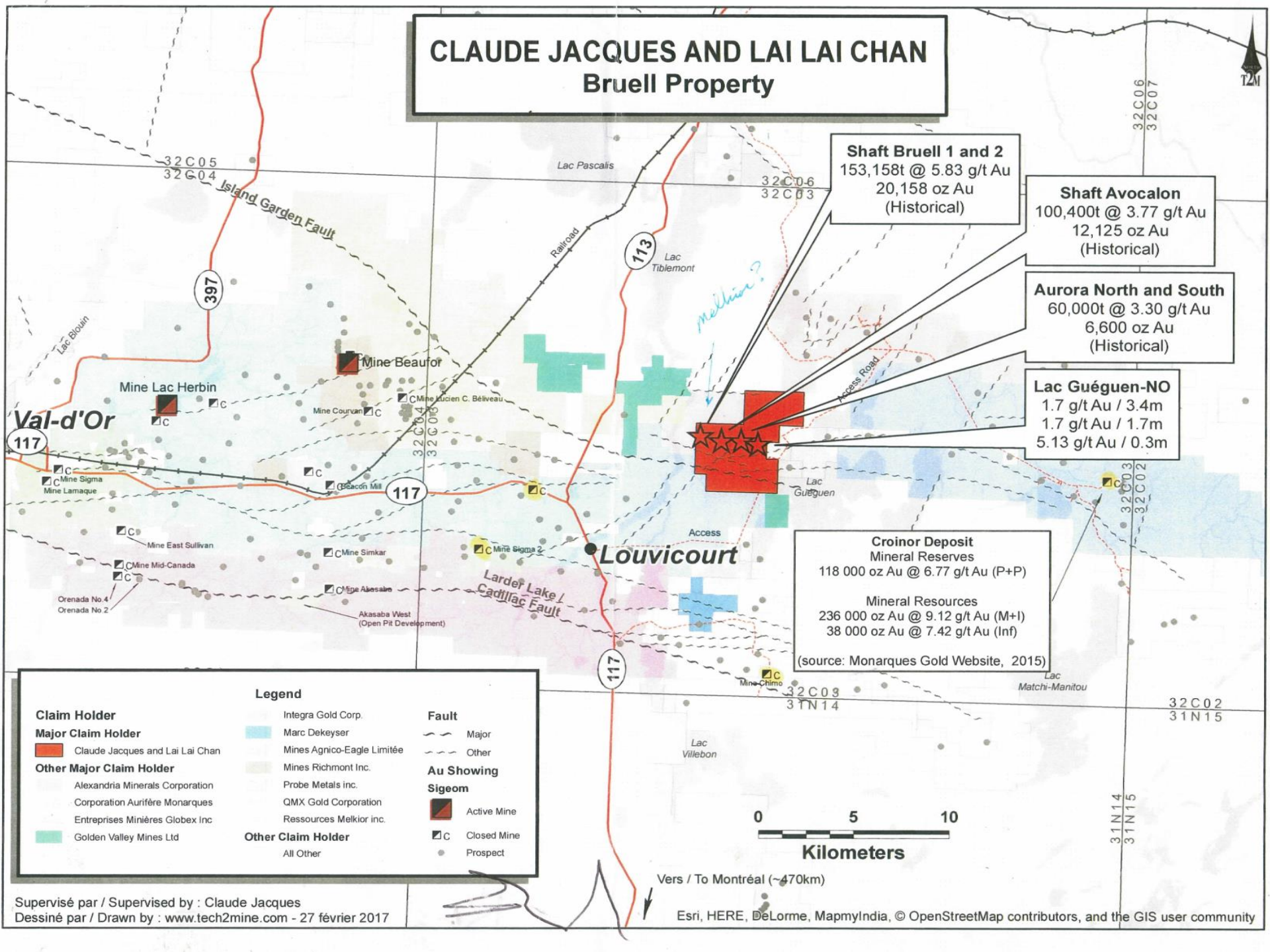
**HIGH GRADE GOLD
 NEW DISCOVERY
 BRUELL PROJECT
 Val d'Or East District
 Quebec Canada**

- ★ New Drill Program underway
- ★ Focused on developing resources
HISTORICAL ESTIMATES (Two Zones) include
 165,000 tonnes of 4.78 G/T GOLD
 and 220,000 tonnes of 3.77 G/T GOLD
- ★ Multiple targets with excellent geophysical anomalies and related gold mineralization
- ★ History of current and past producing mines in region
Over 30 million oz. produced.
- ★ Located in Quebec, a mining friendly jurisdiction
- ★ Good access and infrastructure in Val d'Or region



SRI – TSX Venture
 SPNRF:PK
 WKN:727532 - Frankfurt

CLAUDE JACQUES AND LAI LAI CHAN Bruell Property



Shaft Bruell 1 and 2
153,158t @ 5.83 g/t Au
20,158 oz Au
(Historical)

Shaft Avocalon
100,400t @ 3.77 g/t Au
12,125 oz Au
(Historical)

Aurora North and South
60,000t @ 3.30 g/t Au
6,600 oz Au
(Historical)

Lac Guéguen-NO
1.7 g/t Au / 3.4m
1.7 g/t Au / 1.7m
5.13 g/t Au / 0.3m

Croinor Deposit
Mineral Reserves
118 000 oz Au @ 6.77 g/t Au (P+P)

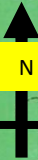
Mineral Resources
236 000 oz Au @ 9.12 g/t Au (M+I)
38 000 oz Au @ 7.42 g/t Au (Inf)

(source: Monarques Gold Website, 2015)

Legend		
Claim Holder	Integra Gold Corp.	Fault
Major Claim Holder	Marc Dekeyser	Major
Other Major Claim Holder	Mines Agnico-Eagle Limitée	Other
Alexandria Minerals Corporation	Mines Richmond Inc.	Au Showing
Corporation Aurifère Monarques	Probe Metals inc.	Active Mine
Entreprises Minières Globex Inc	QMX Gold Corporation	Closed Mine
Golden Valley Mines Ltd	Ressources Melkior inc.	Prospect
Other Claim Holder	All Other	



Vers / To Montréal (~470km)



0 100 200m

Mafic Intrusive -Diorite

Mine Shaft

2018-2019 Drilling

4.56g/6.4m

3.36g/2.5m,

9.05g/0.34m,

6.51g/4.11m

Intermediate Volcanics

5.15g/0.87m

Bruell Pluton
Granodiorite, Quartz Diorite

3.7g/2.00
m

5.49g/0.85
m

Mine Shaft

5.14g/0.4
m

5.22g/2.44m,
6.51g/2.13m

Diorite

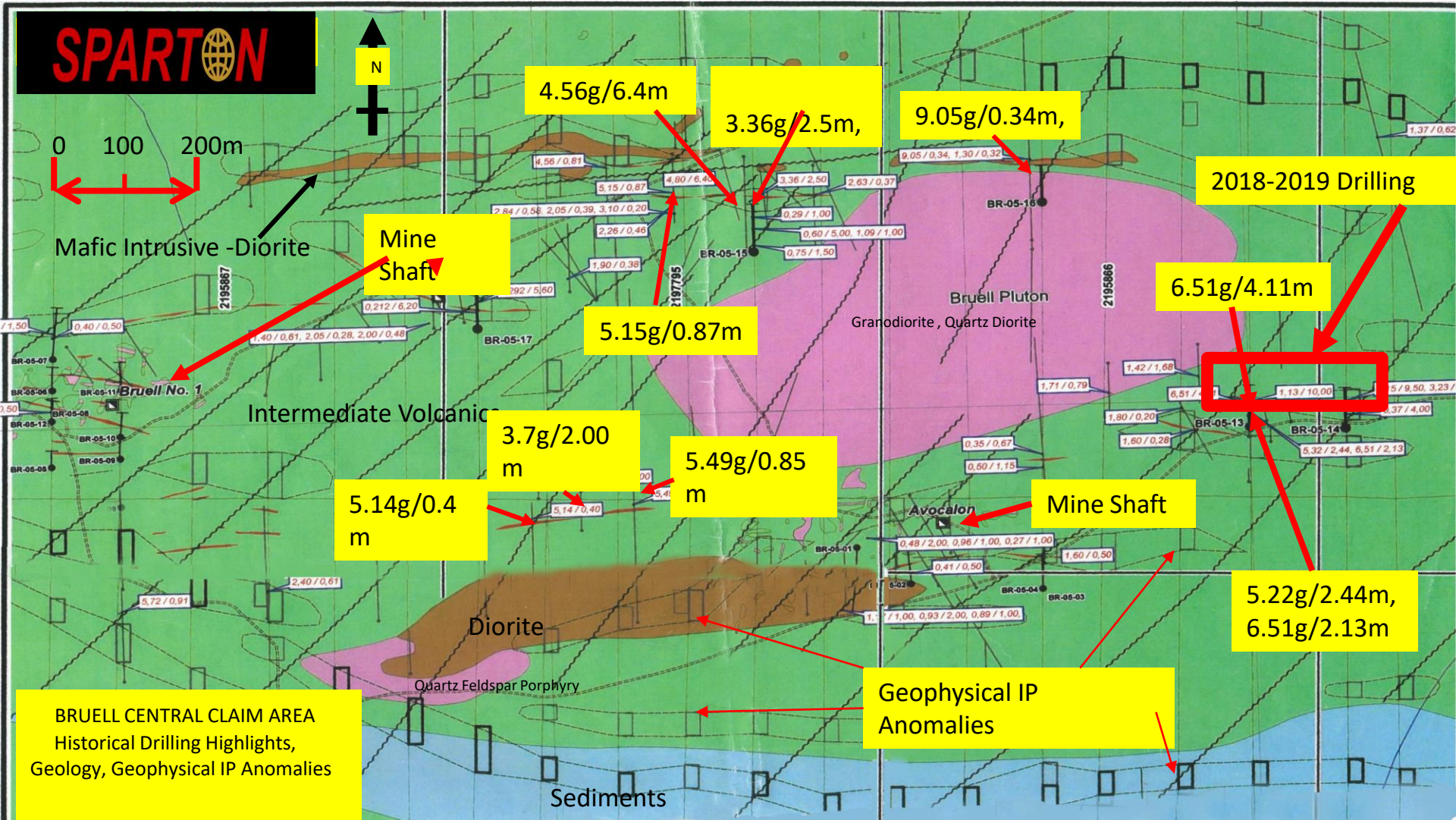
Avacalon

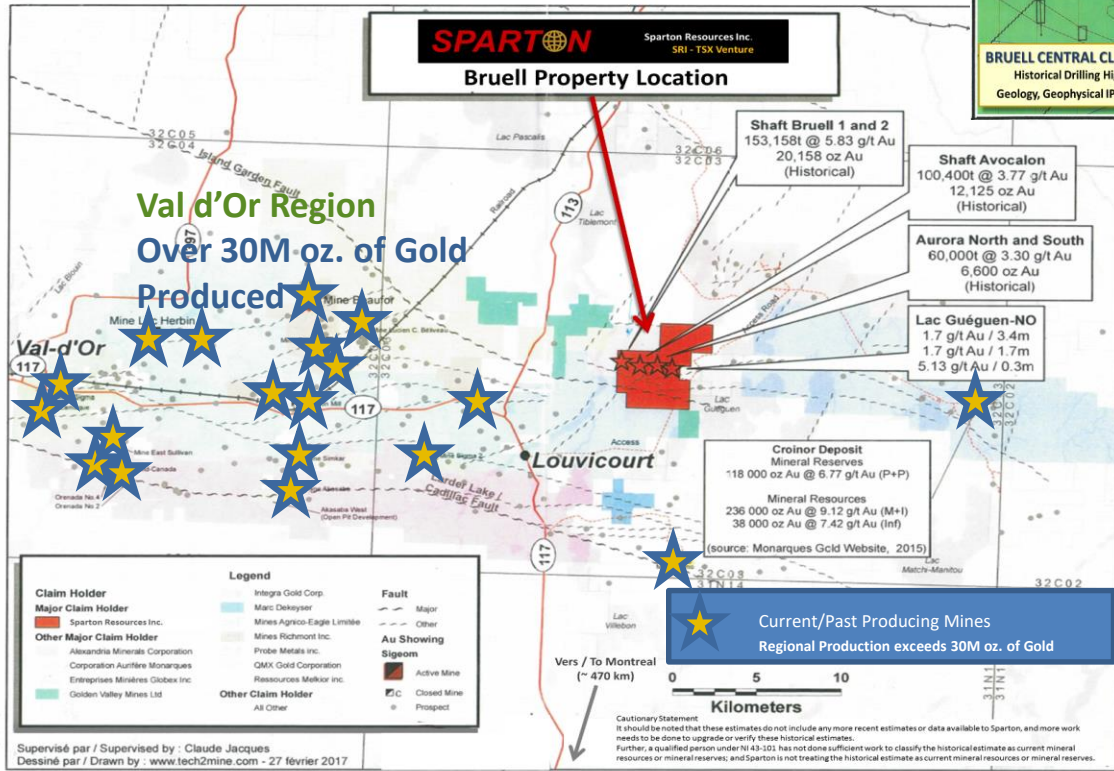
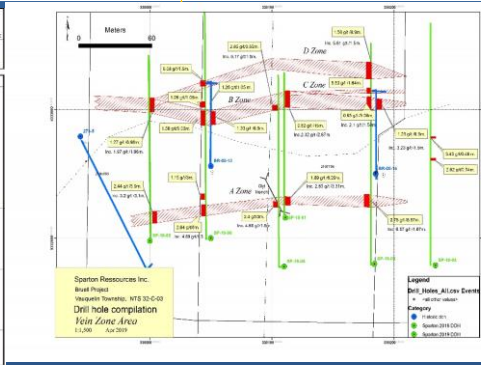
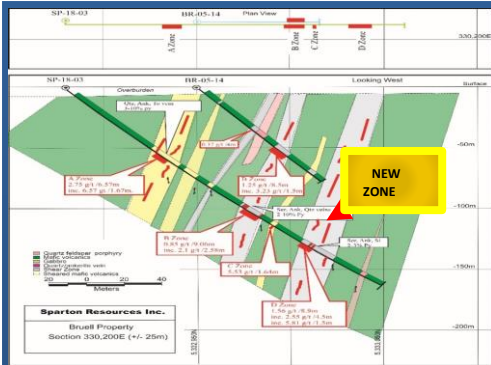
Quartz Feldspar Porphyry

Sediments

BRUELL CENTRAL CLAIM AREA
Historical Drilling Highlights,
Geology, Geophysical IP Anomalies

Geophysical IP
Anomalies

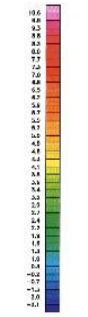
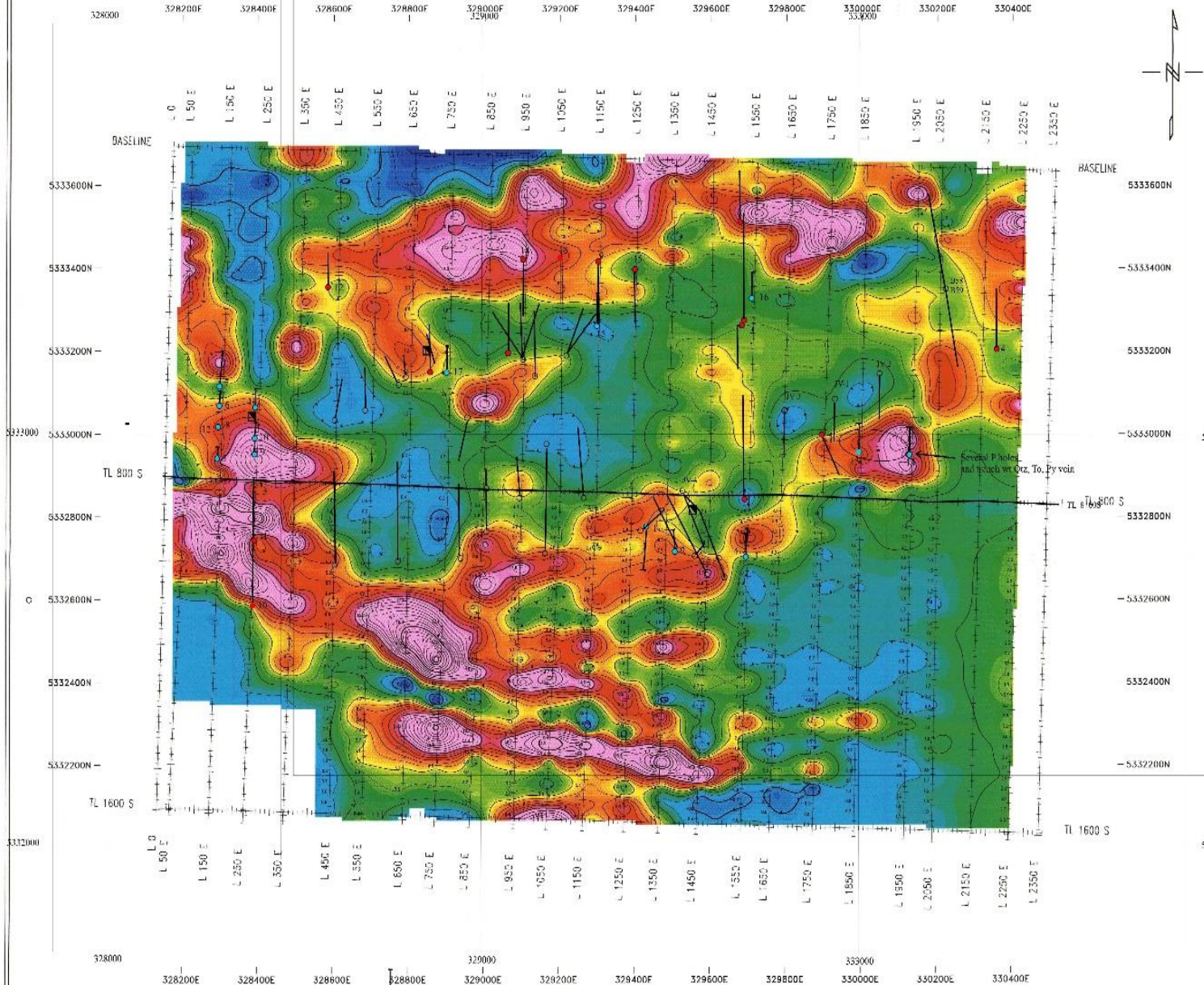




★ CURRENT DRILLING



Drilling March 2019



Chargeabilité (mV/V)

Projet de loi de l'Etat
 06 OCT. 2005
 Réseau de Géophysique

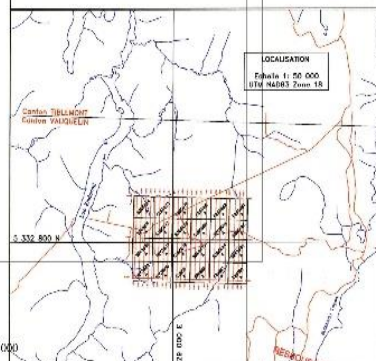
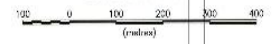
GM 61620

LÉGENDE

INTERVALLES DE CONTOURS (mV/V)

Contours linéaires
 1
 10

ECHELLE 1 : 5 000



C2C INC.
PROJET BRUELL

POLARISATION PROVOQUÉE
CONTOURS DE LA CHARGEABILITÉ (N=1)

Levé par: Géophysique TMC Inc.

Interprété par : P. Boileau, ing. géoph. Date: 11/2004

Echelle 1 : 5 000 Dessin no. 4.2

05033018





**SHEARED ALTERED
DIORITE WITH
ALTERED QUARTZ
PORPHYRY**



**5.17 g/t gold
over 1.5
meters**

THANK YOU