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NEWS RELEASE
October 6, 2008

SPARTON RESOURCES INC.

SPARTON CLOSES $2 MILLION BRIDGE FINANCING TO COMPLETE INITIAL ACQUISITION OF PROFITABLE COAL / GERMANIUM / URANIUM OPPORTUNITY

CLARIFICATION / CORRECTION

Sparton Resources Inc. (SRI:TSX-V) (the **"**Company**")** is pleased to announce that its subsidiary, Sparton Energy Inc. ("SEI") has closed a US$2 million bridge loan (the "Loan") provided by a Quam Limited ("Quam") subsidiary company, Quam Ventures BVI Ltd. The proceeds of the Loan will be used to complete SEI's previously announced acquisition of an initial 60% share interest in Linxing 306 Huajun Coal Co. Ltd. Lincang City (" Huajun "), which owns the Huajun coal and germanium producing operations in Yunnan, China. This will result in SEI taking over control of the operations and the cash flow at Huajun, which latter is currently estimated to be approximately US$ 125,000 per month based on recent concentrate sales. SEI has completed the sourcing of experienced technical and financial staff to effect transition of the operational and management changes.

As previously announced (see news release dated June 24, 2008), Quam Securities Company Limited ("Quam Securities") of Hong Kong a Quam subsidiary, has entered into an engagement letter with SEI to raise up to US$10 million in convertible debentures of SEI (the "Convertible Debentures") on a "best efforts", private placement basis (the "Financing"). Quam Securities through a subsidiary intends to subscribe for US$ 2 million of the Convertible Debenture on closing of a minimum of US$5 million in Convertible Debenture sales. The proceeds from the sale of a full US$10 million of Convertible Debentures will be partially used for purchase of an additional 25% share interest in Huajun and for technical upgrades to those operations. (See news release dated April 17, 2008 for details of this transaction).

The Financing proceeds will also provide capital for the final design, permitting and construction of a pilot plant and uranium extraction testing facility in the Lincang area, which will be built at the Huajun site. Following final testing, commercial plant design and feasibility work, these funds will then support the construction of a commercial uranium extraction plant for Lincang area waste coal ash, and support SEI's ongoing international secondary uranium recovery programs.

Various conditions precedent, including receipt of all required regulatory and corporate approvals, and completion of independent due diligence reviews have now been met or completed, allowing the closing of the Loan part of this transaction.

BRIDGE LOAN TERMS

The Loan is for a principal amount of $US2 million, will carry interest at 10% annually and is repayable on or before maturity on March 31, 2009. The maturity date may be extended to May 31, 2009 under certain conditions. The loan will be repaid out of proceeds of funds from the Convertible Debenture sales as long as a minimum of US$ 5 million in Convertible Debentures are sold by Quam Securities or SEI alternately raises a similar minimum amount. SEI intends to repay the Loan when US$ 5 million in

Convertible Debentures are sold. Quam has indicated it intends to subscribe for US$2 million of the Financing for its subsidiary's account, subject to an additional US$3 million being raised under the Financing.

In addition to the interest payable on the principle amount of the Loan, SEI has issued up to 2,648,700 SEI preference shares (the Preference Shares"), representing a 7.7 % fully diluted interest in SEI, which will be reduced on a scaled basis, if the aggregate gross proceeds of the Financing do not meet or exceed $US 10 million. If no Convertible Debentures are sold the interest in SEI will be reduced to 5%. Quam may elect to convert these Preference Shares into common shares of SEI, or, Quam may elect to convert the full number of Preference Shares into 3,555,000 Bonus Common Shares of the Company at a value of C$0.11 per Bonus Common Share.

SEI and the Company are providing security for the Convertible Debentures to both Quam and any debenture holders in the form of a guarantee backed by the Huajun shares, SEI's interest in the agreements and operating vehicles related to the secondary uranium recovery programs in Yunnan, and the Company's estimated 6% working interest in the Chebucto gas field offshore of Nova Scotia, Canada. This security will be removed under certain terms and conditions related to repayment of the Loan and financial performance of SEI's operations in China.

QUAM LIMITED

Quam Limited is a listed Hong Kong (952 SEHK) based financial services group comprised of several renowned Hong Kong businesses, including Quam Securities, Quam Capital, Quam Asset Management, Quam Wealth Management, Quamnet.com and Quam Investor Relations. Utilizing both its online and offline resources, Quam offers one-stop financial services in Hong Kong and China for corporations and individual investors alike. It also provides capital markets assistance in Tokyo, Bangkok, Dubai, Hong Kong and through its representative offices or wholly-owned foreign enterprises in Shenzhen, Shanghai, Shenyang of China. The Company has been associated with Quam as its financial advisor in Hong Kong for more than two years.

DISCUSSION

The proceeds of the Financing will further the Company's goal of becoming a profitable operating company through its subsidiaries, and provide immediate cash flow to the Company through SEI. The medium term objectives are to upgrade the Huajun operations and enhance their profitability by increasing output and upgrading the current production of germanium concentrate to pure germanium metal. Additionally, utilizing its proprietary technology, the Company will move forward with its uranium extraction program from Lincang coal ash, through its joint venture with China National Nuclear Corporation ("CNNC") and plans to complete a bulk test plant, feasibility study, and ongoing construction of a commercial production facility in the Lincang area.

Experienced SEI operating staff will now oversee the Lincang operations and organize the design and implementation of the new germanium metal production plant. Engineering design and permitting for this work are in the final stages. Lyntek Inc., the Company's process engineering consultant, has completed an initial design for the uranium extraction bulk test plant and this has been submitted for review to the PRC environmental permitting authorities in cooperation with the Number 4 Production and Research Institute of CNNC.

Sparton's international exploration, development, and evaluation programs are being carried out under the direct supervision of A. Lee Barker, P. Eng., P Geol., the Company's President and CEO who is a Qualified Person under National Instrument 43-101.

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Listed:TSX Venture Exchange
Trading Symbol: SRI

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Although the Company 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. The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws. Further information on Sparton Resources Inc. is available at www.sedar.com.

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