

SPARROW VENTURES CORP.

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SPARROW ANNOUNCES PARTIAL REVOCATION OF CEASE TRADE ORDER

August 17, 2016

TSXV: SPW.H

Vancouver, B.C., August 17, 2016 – Sparrow Ventures Corp. (NEX: SPW.H) (“Sparrow” or the “Company”) announces that on August 15, 2016, the British Columbia Securities Commission issued a partial revocation order (the “**Partial Revocation Order**”) in respect of its cease trade order dated October 6, 2015 (the “Cease Trade Order”) issued for the failure of the Company to file certain of its periodic continuous disclosure filings including its interim and annual financial statements and *Management’s Discussion and Analysis* from and after the period ended July 31, 2015, as required by National Instrument 51-102 *Continuous Disclosure Obligations*.

Pursuant to the Partial Revocation Order, the Company proposes to undertake a non-brokered private placement of secured convertible debentures (the “**Debentures**”) to B.C. or offshore subscribers only, for gross proceeds of up to \$250,000 (the “**Private Placement**”) in order to hold its annual general meeting, effect a 10-to-1 consolidation of the common shares of the Company, prepare and file all outstanding continuous disclosure records, and provide sufficient working capital to continue its operations until it can apply for a full revocation of the Cease Trade Order. Subject to approval from the NEX board of the TSX Venture Exchange, the Debentures are expected to mature 24 month from the date of issue, accrue interest at a rate of 11% per year and are convertible into units of the Company (each, a “**Unit**”) at a per Unit conversion price equal to the 10-day post-consolidated average trading price of the common shares of the Company on the NEX (the “**Conversion Price**”). Each Unit is comprised of one common share and one common share purchase warrant (each, a “**Warrant**”) of the Company. Each Warrant entitles the holder to acquire one additional common share of the Company at an exercise price equal to the Conversion Price. The Company shall rely on exemptions contained in National Instrument 45-106 *Prospectus Exemptions* in order to complete the Private Placement.

Prior to completion of the Private Placement, each Potential Investor will: receive a copy of each Cease Trade Order; receive a copy of each Partial Revocation Order; and acknowledge to the Company that all of the Company's securities, including the securities issued in connection with the Private Placement, will remain subject to the Cease Trade Orders until such orders are revoked, and that the granting of the Partial Revocation Orders does not guarantee the issuance of a full revocation order in the future.

On behalf of the Board of Directors,
SPARROW VENTURES CORP.

“Marc Morin”
Director

For more information, please contact the Company at:
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The information contained herein contains "forward-looking statements" within the meaning of applicable securities legislation. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be "forward-looking statements."

Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation: risks related to failure to obtain adequate financing on a timely basis and on acceptable terms; risks related to the outcome of legal proceedings; political and regulatory risks associated with mining and exploration; risks related to the maintenance of stock exchange listings; risks related to environmental regulation and liability; the potential for delays in exploration or development activities or the completion of feasibility studies; the uncertainty of profitability; risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; results of prefeasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; risks related to gold price and other commodity price fluctuations; and other risks and uncertainties related to the Company's prospects, properties and business detailed elsewhere in the Company's disclosure record. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Investors are cautioned against attributing undue certainty to forward-looking statements. These forward looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances. Actual events or results could differ materially from the Company's expectations or projections

None of the securities issued in connection with the Private Placement will be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.