

SPARC AI INC.
NEWS RELEASE

SPARC AI Non-Brokered Private Placement Offering

January 23, 2025 – Toronto, Canada – SPARC AI INC. (CSE: SPAI) (OTCQB: SPAIF) (Frankfurt: SOV0) (“SPAI” or the “Company”) is pleased to provide an update on its private placement announced previously. Due to oversubscription and support from investors, it now intends to undertake a non-brokered private placement offering of 1,505,000 units ("Units") at \$0.20 per Unit for gross proceeds of \$301,000 (the "Offering").

Each Unit consists of one common share ("Common Share") of the Company and one common share purchase warrant ("Warrant"), with each Warrant entitling the holder thereof, to purchase one additional Common Share of the Company at a price of \$0.30 for a period of twelve (12) months.

All securities issued under the Offering are subject to a four-month and one day statutory hold period.

The net proceeds from the sale of the Units will be used to fund sales and marketing activities and general working capital.

Finder's fees may be payable to qualified individuals (the "Finder") pursuant to which the Finder may receive a finder fee equal to up to 8% of the gross proceeds received by the Company from purchasers under the Offering who were introduced to the Company by such Finder and finder warrants ("Finder Warrants") entitling the Finder to purchase that number of common shares of the Company equal to up to 8% of the aggregate number of Units sold by such Finder under the Offering.

The Company will issue a further news release in five days to close the placement.

About SPARC AI

SPARC AI designs and develops high tech solutions for GPS denied environments that enhance perception and awareness. The Company has developed an innovative Target Acquisition System and Autonomous Flight solution for drones without requiring GPS, satellite, lidar, radar, image recognition or any other complex hardware or software solution.

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FORWARD LOOKING INFORMATION

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information.

The Company provides forward-looking statements for the purpose of conveying information about current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. These risks and uncertainties include but are not limited to those identified and reported in the Company's public filings under the Company's SEDAR profile at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.

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