

SPARC AI INC.

NEWS RELEASE

SPARC AI Closes Non-Brokered Private Placement Offering

January 30, 2025 – Toronto, Canada – SPARC AI INC. (CSE: SPAI) (OTCQB: SPAIF) (Frankfurt: 5OV0) (“SPAI” or the “Company”) is pleased to announce it has closed 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") and net proceeds of \$296,200.

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 expiring on May 31, 2025.

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

All directors of the Company have supported the private placement by taking 69% of the allocation. Anoosh Manzoori subscribed to 850,000 shares, Justin Hanka subscribed to 100,000 shares and Anthony Haberfield subscribed to 50,000 shares and Chief Financial Officer John Dinan subscribed to 45,000 shares.

A cash finder's fee of \$4,800 was paid and 24,000 broker Warrants were issue to Haywood Securities Inc. The Warrants issued to Haywood Securities Inc. are exercisable on the same terms as the Warrants issued to close the Offering.

The Company would also like to advise, Anthony Haberfield has exercised 50,000 options at \$0.15 raising \$7,500 for the Company.

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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Regarding “Forward-Looking” Information Some of the statements contained in this news release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as “expects”, “intends”, “is expected”, “potential”, “suggests” or variations of such words or phrases, or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. This forward-looking information is provided as of the date of this news release. The forward-looking information reflects our current expectations and assumptions and is subject to a number of known and unknown risks, uncertainties and other factors, which may cause actual results, performance, or achievements to be materially different from any anticipated future results, performance or expectations expressed or implied by the forward-looking information. No assurance can be given that these assumptions will prove correct. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company’s control. Investors are advised to consider the risk factors under the heading “Risks and Uncertainties” in the Company’s Form 2A, available at www.sedar.com for a discussion of the factors that could cause the Company’s actual results, performance and achievements to be materially different from any anticipated future results, performance, or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by law.