

**Form 51-102F3  
Material Change Report**

**PART 2          CONTENT OF MATERIAL CHANGE REPORT**

**Item 1          Name and Address of Company**

SPARC AI INC  
Level 8, 90 Collins Street, Melbourne VIC 3000.

**Item 2          Date of Material Change**

October 25, 2023

**Item 3          News Release**

October 25, 2023  
Filed on Sedar

**Item 4          Summary of Material Change**

SPARC AI INC intends to undertake a private placement at \$0.1125 per share.

**Item 5          Full Description of Material Change**

Company intends to complete a Private Placement for gross proceeds of up to \$250,000 through the issuance of up to 2,222,222 shares at a price of \$0.1125 per share. All securities issued in respect of the Private Placement will be subject to a hold period of four months and a day from closing of the Private Placement in accordance with securities laws. The proceeds from the Private Placement will be used for working capital and the development of a mobile application and microchip with embedded SPARC AI patented code and algorithms. The development will take approximately four months to complete and will result in the Company launching powerful products for security, surveillance, search and rescue and reconnaissance activities.

No finder's fees and commissions are payable for this Private Placement.

**Item 6          Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

N/A

**Item 7          Omitted Information**

No information has been omitted on the basis that it is confidential information.

**Item 8**



Approval by:  
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**Item 9          Date of Report**

October 25, 2023