

SPARC AI INC.**NEWS RELEASE**

**SPARC AI CLOSES PRIVATE PLACEMENT TO DEVELOP
AN AI MICROCHIP**

December 8, 2023 – Toronto, Canada – SPARC AI INC. (CSE: SPAI) (OTC: EGTTF) (Frankfurt: 5OV0) (“SPAI” or the “Company”) is pleased to announce it had received oversubscribed demand and closed its private placement offering of 3,389,777 common shares of the Company (“Shares”) for gross proceeds of Canadian \$371,875. The Offering was completed at \$0.11 per share. All securities issued pursuant to the private placement will be subject to a hold period of four-months and one day from the date of issuance under applicable securities laws, April 9, 2024. No finder’s fees were paid with connection to this non-broker private placement.

The private placement was oversubscribed with strong demand from accredited investors. All directors of the Company have supported the private placement by taking 44% of the allocation. Anoosh Manzoori subscribed to 1,000,000 shares, Justin Hanka subscribed to 72,727 shares and Anthony Haberfield subscribed to 403,927 shares.

The funds raised will be used to embed the SPARC patented code and algorithms into a microchip. The development will take approximately four months to complete and result in the Company launching a powerful geospatial AI microchip that can be easily installed on drones for security, surveillance, search and rescue and reconnaissance activities. The development of the AI microchip will be carried out by a highly experienced engineering firm and SPARC AI will retain all intellectual property rights to all existing and new code, systems, processes, and knowhow.

The Company will provide progress updates and host a launch event in the first quarter of 2024.

For more information contact:

Website: <https://www.sparcai.co>

Investor Presentation: [Click Here](#)

Anoosh Manzoori, CEO
SPARC AI INC.

Email: anoosh@sparcai.net

Phone: +61.3.9666338

THE CANADIAN SECURITIES EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ACCURACY OR ADEQUACY OF THIS RELEASE. NO SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE INFORMATION CONTAINED HEREIN.

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 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.

Accordingly, readers should not place undue reliance on the forward-looking statements, timelines and information contained in this news release. Readers are cautioned that the foregoing list of factors, assumptions and exclusions is not exhaustive.

The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Canadian Securities Exchange. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.