

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, Victoria, Australia 3000

Item 2 Date of Material Change
May 17, 2024

Item 3 News Release
May 17, 2024 Filed on Sedar and published news release.

Item 4 Summary of Material Change

The Company announces plans to expand into the United States with a OTCQB listing. CEO exercises options and warrants to fund expansion activities.

Item 5 Full Description of Material Change

Company has accepted a proposal from a US based financial institution to act as sponsor and advisor for an OTCQB listing in the United States.

The Company's existing EGTTF listing will be upgraded, and a new ticker code issued to better reflect the Company's name. Over the past couple of months there has been increasing activity and interest from investors and market makers from the United States. The OTCQB listing will make the SPARC AI securities available to a broader market of investors and financial institutions.

The OTCQB listing is expected to take around 5 weeks. To support the launch of the OTCQB listing, the Company is planning to hire an investor relations firm.

The integration of the SPARC AI microchip has been completed. Engineers are conducting extensive testing in preparation for installing the microchip onto a drone. The Company is also working to file a new patent in autonomous drones. More details will be provided to the market after the patent has been filed.

Management is preparing to travel to the United States to roadshow the technology to entities involved in defence and national security.

To support the above-mentioned activities, Chief Executive Director, Anoosh Manzoori, will invest CAD\$84,000 into the Company by exercising 260,000 warrants and 300,000 options at CAD\$0.15.

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 **Executive Officer**
Anoosh Manzoori– CEO
Telephone: +61.409 252 088
Email: anoosh@sparcai.net

Item 9 **Date of Report**
May 17, 2024