

**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
December 5, 2023

Item 3 News Release
December 5, 2023
Filed on Sedar and with Stockwatch and Baystreet news.

Item 4 Summary of Material Change

The Company intends to close a private placement of 3,397,449 shares ("Shares") at a price of \$0.11 per share.

Item 5 Full Description of Material Change

The Company intends to close its private placement offering of 3,397,449 Shares for gross proceeds of Canadian \$373,719 on 8th of December 2023. The Offering was \$0.11 per Share. All Shares 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 11, 2024. No finder's fees were paid with connection to this non-broker private placement. 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 409,000 shares.

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@shape.capital

Item 9 Date of Report
December 5, 2023