

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

PART 2 CONTENT OF MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

SPARC AI INC.
Suite 2200, RBC Place, 885 West Georgia St. Vancouver, BC V6C 3E8 Canada

Item 2 Date of Material Change

November 21, 2025

Item 3 News Release

November 21, 2025, Filed on Sedar and published news release.

Item 4 Summary of Material Change

SPARC AI Non-Brokered Private Placement Offering

Item 5 Full Description of Material Change

Company announce it will conduct a non-brokered private placement (the “Offering”) of up to 1,428,571 units (each, a “Unit”), at a price of \$0.70 per Unit, for gross proceeds of up to \$1,000,000.

Each Unit will consist of one common share of the Company and one common share purchase warrant (each, a “Warrant”). Each Warrant will entitle the holder to purchase one common share of the Company at a price of \$0.90 at any time on or before that date which is twelve months after the closing date of the Offering. If the closing price of the common shares of the Company on the Canadian Securities Exchange exceeds \$1.30 for a period of ten consecutive trading days, the Company may elect to accelerate the expiry date of the Warrants.

The Company has existing cash reserves and working capital for 12 months. The proceeds from this private placement will be directed toward key commercialization initiatives, including establishing a dedicated sales presence in the United States, hiring business development personnel with deep defence and aerospace experience, and accelerating market outreach for the SPARC AI product suite. These activities will focus on engaging defense departments, drone manufacturers, robotics and unmanned systems developers, engineering firms, integrators, and technology partners that can embed SPARC AI’s autonomous geolocation and targeting capabilities into next-generation platforms.

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: (213) 459-3994
Email: anoosh@sparcai.net

Item 9 **Date of Report**
November 21, 2025