Resignation of Director

VANCOUVER, British Columbia — July 16, 2026 — SPARC AI Inc. (CSE: SPAI; OTCQB: SPAIF; Frankfurt: 5OV0) ("SPARC AI" or the "Company"), advises that Mr Justin Hanka has resigned as a Non-Executive Director of the Company, effective July 16, 2026.

About SPARC AI Inc.

SPARC AI develops software that delivers precision target acquisition and navigation for defence drones and autonomous systems operating in GPS-denied environments. Software-only and hardware-agnostic, its passive with no radar, lidar, or emissions that can be detected or jammed. SPARC AI's flagship platform, Overwatch, provides detection, tracking, and multi-drone coordination across the connected fleet, giving operators and commanders decisive situational awareness on the modern battlefield.

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Cautionary Statement Regarding Forward-Looking Statements

This news release contains “forward-looking statements” or “forward-looking information” (collectively, “forward-looking statements”) within the meaning of applicable securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as of the date of this news release.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by forward-looking statements contained herein. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Certain important factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements are highlighted in the “Risks and Uncertainties” in the Company’s management discussion and analysis.

Forward-looking statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company’s actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation: the failure to complete the Offering; reliance on key management and other personnel; potential downturns in economic conditions; competition from others; market factors, including future demand products developed by the Company; the policies and actions of foreign governments, which could impact the ability of the Company to successfully market its products; the Company’s expectations in connection with the development of the Target Acquisition System; the effectiveness of the Target Acquisition System; changes in national and local government legislation, taxation, controls or regulations and/or changes in the administration or laws, policies and practices; the impact of general business and economic conditions; currency exchange rates; and the impact of inflation.

The forward-looking statements contained in this news release are expressly qualified by this cautionary statement. Any forward-looking statements and the assumptions made with respect thereto are made as of the date of this news release and, accordingly, are subject to change after such date. The Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.