

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: **SPARC AI Inc.** (the "Issuer").

Trading Symbol: **SPAI**

Number of Outstanding Listed Securities: **25,775,564**

Date: **May 5, 2026**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**Company continued to develop the SPARC AI platform and is working on several commercial opportunities. In this month:**

1. **Signed test and evaluation agreement with Ukraine Drone Company.**
2. **Working on export control licenses**
3. **Continued to develop and enhance the Overwatch platform**

Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**The company upgraded its Overwatch platform with new features and functionality.**

2. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**None**

3. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship

**Agreement with Drone Company and Agent in Ukraine for drone testing in country.**

4. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**None**

5. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**None**

6. Describe the acquisition of new customers or loss of customers.

**None**

7. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**The Company continues to expand its intellectual property through R&D and development of its software products.**

8. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

9. **None**

10. Report on any labour disputes and resolutions of those disputes if applicable.

**None**

11. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**None**

12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**None**

13. Provide details of any securities issued and options or warrants granted.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance (1)</b>	<b>Use of Proceeds<sup>(1)</sup></b>
Options	500,000	500,000 options: 125,000 options vest quarterly for first 12-month service. Exercise price \$1.50, March 2, 2029	
Options	1,000,000	1,000,000 options: vests when \$1M in cash collected and \$2M+ in qualified pipeline or other mutual agreement, for first 18-month service; Exercise price \$1.50, March 2, 2029	
Options	300,000	Exercise price \$1.50, March 2, 2029	

(1) *State aggregate proceeds and intended allocation of proceeds.*

	<b>Position (Director/ Officer/</b>					
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<b>Name of Optionee</b>	<b>Employee/ Consultant/ Management Company</b>	<b>Insider Yes or No?</b>	<b>No. of Optioned Shares</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>No. of Options Granted in Past 12 Months</b>
Matt McCrann	Consultant	Y	1,500,000	\$1.50	2 March 2029	None
Adam Worsley	Consultant	N	150,000	\$1.50	2 March 2029	150,000
Greg Daly	Employee	Y	150,000	\$1.50	2 March 2029	150,000

14. Provide details of any loans to or by Related Persons.

**None**

15. Provide details of any changes in directors, officers or committee members.

**None**

16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**The trends and risks which are likely to impact the Issuer are detailed in the Issuer's Management Discussion and Analysis for the year ended December 31, 2025 (the "MD&A") under the headings "Financial Instruments and Risk Factors" and "Risks and Uncertainties". The MD&A is available on the Issuer's SEDAR profile at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Issuer's disclosure hall with the CSE at [www.thecse.com](http://www.thecse.com).**

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated **May 5, 2026**.

**Anoosh Manzoori**  
Name of Director or Senior  
Officer

**"Anoosh Manzoori"**  
Signature

**CEO**  
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Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer <b>SPARC AI Inc.</b>	For Month End <b>April 30, 2026</b>	Date of Report YY/MM/D <b>2026/05/05</b>
Issuer Address <b>Level 8, 90 Collins Street</b>		
City/Province/Postal Code <b>Melbourne, Victoria 3000 Australia</b>	Issuer Fax No. ( )	Issuer Telephone No. (613) <b>(213) 459-3994</b>
Contact Name <b>Anoosh Manzoori</b>	Contact Position <b>CEO</b>	Contact Telephone No. <b>(213) 459-3994</b>
Contact Email Address <b>anoosh@sparcai.net</b>	Web Site Address <b>www.sparcai.co</b>	