

SPARQ Enters into Manufacturing Memorandum of Understanding with Ti-Lane Precision Electronic Company

Toronto, Ontario--(Newsfile Corp. - March 24, 2022) - SPARQ Corp. (TSXV: SPRQ) (formerly MJ Innovation Capital Corp.) (the "**Company**") is pleased to announce that its wholly-owned subsidiary, SPARQ Systems Inc. ("**SPARQ**"), has entered into a memorandum of understanding dated March 23, 2022 (the "**MOU**"), with Ti-Lane Precision Electronic Company Limited ("**Ti-Lane**") for the high-volume manufacturing of inverters. Ti-Lane is a global leader in providing connector and cable assembly products for communications, computer, medical, automotive and clean energy applications.

The terms of the MOU contemplate that Ti-Lane will construct, at its own cost, a manufacturing facility in GuangDong Province, China. The facility is expected to be completed by July 2022, and producing for the Company 5,000 to 10,000 units per month on a cost-effective basis by Q4 2022. The facility's initial capacity is expected to be 200 MW per annum with expansion potential to 1 GW as demand grows.

The additional capacity to be provided by Ti-Lane is expected to be a critical supplement to the Company's existing manufacturing capacity in Canada, which has been impacted by an acute chip shortage. As the Company's current manufacturing partner in Canada will not be able to produce inverters for the Company in sufficient quantities for this fiscal year, the Company does not foresee the generation of any material revenue until 2023.

Praveen Jain, the Company's Chief Executive Officer, commented, "The partnership with Ti-Lane is key to significantly increase our manufacturing capacity and we look forward to enjoying a long-lasting relationship together. As a major supplier of balance-of-system photovoltaic ("**PV**") components and strong supply chain management, Ti-Lane will manage the entire supply-chain for products manufactured for us, which will help us overcoming current challenges of semiconductor chips shortage."

Robbie Luo, the President of Ti-Lane and a director of the Company, commented, "We are excited to strengthen our alliance with the SPARQ team and grow our collective businesses. We strongly believe in SPARQ's technology and ability to become a major player in the PV solar renewable energy market."

The MOU contemplates that the parties shall negotiate a formal binding manufacturing agreement within 90 days of the MOU. The MOU constitutes a "related party transaction", as such term is defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") as Robbie Luo is an officer and shareholder of Ti-Lane and a director of the Company. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under MI 61-101.

ABOUT SPARQ

SPARQ's head office is located at 945 Princess Street, Kingston, Ontario, K7L 0E9. SPARQ originated from the advanced research conducted at ePOWER, the Centre for Energy and Power Electronics Research at Queen's University in Kingston, Ontario, Canada. SPARQ was founded at Queen's University in 2009 by Canada Research Chair in Power Electronics, Dr. Praveen Jain, Fellow of the Institute of Electrical and Electronics Engineers and the Royal Society of Canada.

SPARQ designs and manufactures next generation single-phase microinverters for residential and commercial solar electric applications. SPARQ has developed a proprietary PV solution called the Quad; the Quad inverter optimizes four PV modules with a single microinverter, simplifying design and installation, and lowering cost for solar power installations when compared to existing market offerings.

Cautionary Note

Certain statements contained in this press release constitute "forward-looking statements". All statements other than statements of historical fact contained in this press release, including, without limitation, those regarding the expected completion of Ti-Lane's manufacturing facility, the quantity of units to be manufactured for SPARQ on a monthly basis, and technical, financial and business prospects of the Company, future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to the risk factors discussed in the Company's filing statement dated December 23, 2021. Management provides forward-looking statements because it believes they provide useful information to investors when considering their investment objectives and cautions investors not to place undue reliance on forward-looking information. Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

Neither the TSXV nor its regulation services provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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