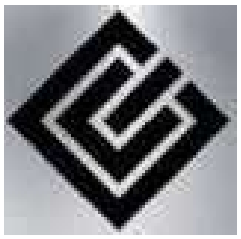

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

OF

PRINCIPAL TECHNOLOGIES INC.

TO BE HELD ON

JUNE 27, 2025

DATED: MAY 9, 2025

Principal Technologies Inc.
Suite 2500, 700 West Georgia Street
Vancouver, British Columbia, V7Y 1B3
Tel: 604-609-6110

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the **Annual General and Special Meeting** (the "**Meeting**") of the holders of common shares ("**Shareholders**") of **PRINCIPAL TECHNOLOGIES INC.** (the "**Company**") will be held on **Friday, June 27, 2025,** at **9:30 a.m. (Pacific Time)** at **Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, Canada, V7Y 1B3**, for the following purposes:

1. to receive the audited financial statements of the Company for the financial years ended July 31, 2024, and July 31, 2023, and the auditor's reports thereon;

2. to fix the number of directors to be elected at the Meeting at three (3);

3. to elect three directors to the board of directors of the Company to hold office until the next annual general meeting of Shareholders;

4. to appoint Manning Elliott LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the directors of the Company to fix the remuneration to be paid to the auditor;

5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested Shareholders (the "**Amended Option Plan Resolution**") approving the amended "fixed up to 20%" stock option plan of the Company, inclusive of amendments which, among other items, increase the number of common shares of the Company ("**Shares**") reserved for issuance thereunder from 4,575,092 to 9,160,000 Shares, as more particularly described in the accompanying management information circular of the Company dated May 9, 2025 (the "**Circular**");

6. subject to the approval of the Amended Option Plan Resolution, to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested Shareholders ratifying and approving the previous grant of 2,425,000 conditional stock options on September 16, 2024, at an exercise price of $0.16 per Share (the "**September 2024 Conditional Options Resolution**"), under the Company's amended stock option Plan, as more particularly described in the Circular;

7. subject to the approval of the Amended Option Plan Resolution, to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested Shareholders ratifying and approving the previous grant of 2,350,000 conditional incentive stock options on May 1, 2025, at an exercise price of $0.20 per Share (the "**May 2025 Conditional Options Resolutions**"), under the Company's amended stock option Plan, as more particularly described in the Circular;

8. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution authorizing the alteration of the Articles of the Company, in accordance with the *Business Corporations Act* (British Columbia), to include new Article 14.12 – Advance Notice Provisions (the "**Advance Notice Provisions Resolution**") as more particularly described in the Circular; and

9. to transact such other business as may be properly brought before the Meeting or any adjournment(s) thereof.

Although no other matters are contemplated, the Meeting may also consider the transaction of such other business, and any permitted amendment to or variation of any matter identified in this Notice, as may properly come before the Meeting or any adjournment(s) thereof.

YOUR VOTE IS IMPORTANT

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice is a form of proxy for registered Shareholders or a voting instruction form for beneficial (i.e. non-registered) Shareholders, and a financial statements request form.

The Circular contains important information about the Meeting, who can vote and how to vote. **Shareholders are advised to review the Circular carefully before voting.**

The board of directors of the Company (the "**Board**") has fixed Friday, May 9, 2025, as the record date (the **"Record Date"**) for determining Shareholders who are entitled to receive notice and to vote at the Meeting. Only Shareholders of record at the close of business on the Record Date and duly appointed proxyholders thereof will be entitled to vote at the Meeting.

Registered Shareholders unable to attend the Meeting in person and who wish to ensure that their Shares will be voted at the Meeting are requested to complete, date and sign a form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular **no later than June 25, 2025, at 9:30 a.m. (Pacific Time), the cut-off time for the deposit of proxies prior to the Meeting.**

Beneficial (i.e. non-registered) Shareholders who plan to attend the Meeting must **follow the instructions set out in the voting instruction form**. If you hold your Shares in a brokerage account, you are a non-registered (or beneficial) Shareholder. If voting by proxy, please **carefully follow the instructions of your broker or intermediary in order to ensure your Shares are voted at the Meeting**.

DATED at Vancouver, British Columbia, this **9th** day of **May, 2025.**

BY ORDER OF THE BOARD:

/s/ *Gerald Trent*
Chief Executive Officer, President,
and Director

Principal Technologies Inc.
Suite 2500, 700 West Georgia Street
Vancouver, British Columbia, V7Y 1B3
Tel: 604-609-6110

MANAGEMENT INFORMATION CIRCULAR

SECTION 1 – INTRODUCTION

This management information circular (the "**Circular**") accompanies the notice of annual general and special meeting (the "**Notice**") and is furnished to the holders (the "**Shareholders**" and each, a "**Shareholder**") of common shares (the "**Shares**") in the capital of Principal Technologies Inc. (the "**Company**") in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the "**Meeting**") of Shareholders to be held on **Friday, June 27, 2025,** at **9:30 a.m. (Pacific Time)** at **Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3 Canada,** and any adjournment thereof, for the purposes set forth in the Notice.

SECTION 2 – INFORMATION CONTAINED IN THIS CIRCULAR

The Circular contains details of matters to be considered at the Meeting. **Please review the Circular before voting.**

In this Circular, references to:

(a) "Registered Shareholders" means persons who hold Shares directly in their own name on the Share register of the Company;

(b) "Beneficial Shareholders" means non-registered Shareholders who do not hold Shares in their own name; and

(c) "intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

Information contained in this Circular should not be construed as legal, tax or financial advice and Shareholders are urged to consult their own professional advisers in connection therewith.

DATE AND CURRENCY

Unless otherwise indicated, all information in this Circular is given as at **May 9, 2025**, and all dollar amounts referenced herein are in Canadian dollars ("$").

NOTICE-AND-ACCESS

The Company is not relying on the "Notice and Access" delivery procedures outlined in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") to distribute copies of proxy-related materials in connection with the Meeting. However, the Company is electronically delivering proxy-related materials to Shareholders who have requested such delivery method and encourages Shareholders to sign up for electronic delivery (e-Delivery) of future proxy materials. The proxy materials for the Meeting can be found under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at https://www.principal-technologies.com/#meeting.

SECTION 3 – PROXIES AND VOTING RIGHTS

MANAGEMENT SOLICITATION

The solicitation of proxies by the management of the Company will be primarily conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors,

officers and employees of the Company. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

The Company has requested intermediaries furnish proxy-related material to Beneficial Shareholders and the Company may reimburse such intermediaries for their reasonable fees and disbursements in that regard.

Intermediaries are required to forward the proxy-related material to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The solicitation of proxies from Beneficial Shareholders will be carried out by the intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by intermediaries.

The Company does not reimburse Shareholders or intermediaries for costs incurred in obtaining from their principals authorization to execute forms of proxy. The Company does not intend to pay for intermediaries to forward to objecting Beneficial Shareholders under NI 54-101 the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary*. An objecting Beneficial Shareholder will not receive the proxy-related materials unless the objecting Beneficial Shareholder's intermediary assumes the cost of delivery.

These proxy-related materials are being sent to both Registered and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name and address and information about your Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

APPOINTMENT OF PROXY

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons named as proxyholders (the "**Management Nominees**") in the enclosed form of proxy are directors, officers, or consultants of the Company.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE MANAGEMENT NOMINEES NAMED IN THE ENCLOSED FORM OF PROXY.

TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

Those Shareholders desiring to be represented at the Meeting by proxy – either by a Management Nominee or another person - must deposit their respective forms of proxy with the Company's registrar and transfer agent, **TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Attention: Proxy Department**, by mail, facsimile transmission, telephone voting system or via the Internet at least two business days (excluding Saturdays, Sundays and holidays) prior to the scheduled time of the Meeting, or any adjournment(s) thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact

for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

The Company may refuse to recognize any instrument of proxy deposited in writing or by the internet received later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in British Columbia) prior to the Meeting or any adjournment thereof.

VOTING OF SHARES AND PROXIES AND EXERCISE OF DISCRETION

Only Registered Shareholders and duly appointed proxyholders are permitted to vote at the Meeting.

A Shareholder may indicate the manner in which the Management Nominees are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Shares represented will be voted or withheld from the vote on that matter accordingly. The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE MANAGEMENT NOMINEES NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE MANAGEMENT NOMINEES WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.

The enclosed form of proxy confers discretionary authority upon the Management Nominees with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting. In the case of abstentions from, or withholding of, the voting of the Shares on any matter, the Shares that are the subject of the abstention or withholding will be counted for determination of a quorum but will not be counted as affirmative or negative on the matter to be voted upon.

REGISTERED SHAREHOLDERS

Registered Shareholders wishing to vote by proxy may choose one of the following options to submit their proxy:

(a) complete, date and sign the proxy form and return it to the Proxy Department of the Company's transfer agent, TSX Trust Company, by fax to 416-595-9593, or by mail or hand delivery to 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Canada; or

(b) use the Internet through the website of the Company's transfer agent at www.voteproxyonline.com, and enter the 12 digit control number found on the proxy form.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or adjournment thereof at which the proxy is to be used.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those Shareholders who do not hold Shares in their own name. Beneficial Shareholders do not hold Shares in their own name and should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting.

If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Shareholder's name on the records of the Company. Such Shares will more likely be

registered under the names of the Shareholder's intermediary. In Canada, the vast majority of such common shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and, in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks). **Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by intermediary is similar to the form of proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (the intermediary) how to vote on behalf of the Beneficial Shareholder. The majority of intermediaries delegate responsibility for obtaining instructions from clients to an investor communication service, such as Broadridge Financial Solutions, Inc. ("**Broadridge**"), in Canada and the United States. Broadridge, or such other investor communication service, typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge, or such other investor communication service, by mail or facsimile. Alternatively, Beneficial Shareholders may be able to call a toll-free number and access Broadridge's dedicated voting website (as may be noted on the voting instruction form) to deliver their voting instructions and to vote the Shares held by them. Broadridge, or such other investor communication service, then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge, or such other investor communication service, cannot use that form as a proxy to vote Shares directly at the Meeting – the voting instruction form must be returned to Broadridge, or such other investor communication service, well in advance of the Meeting in order to have Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for a Registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the proxy well in advance of the Meeting to their intermediary in accordance with the instructions provided by such intermediary. Alternatively, a Beneficial Shareholder may request in writing that such intermediary send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend and vote at the Meeting.

These securityholder materials are being sent to both Registered and Beneficial Shareholders. There are two types of Beneficial Shareholders, as follows:

(i) those who object to their identity being made known to the issuers of securities which they own ("**Objecting Beneficial Owners**" or "**OBOs**"); and

(ii) those who do not object to their identity being made known to the issuers of securities which they own ("**Non-Objecting Beneficial Owners"** or "**NOBOs**").

Subject to the provisions of NI 54-101, issuers may deliver proxy-related materials directly to NOBOs.

The Company is sending these Meeting Materials directly to Registered Shareholders and NOBOs. If you are a NOBO, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Shares on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

REVOCATION OF PROXY

A Registered Shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing:

(a) executed by that Registered Shareholder or by that Registered Shareholder's attorney-in-fact authorized in writing or, where the Registered Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and

(b) delivered either to:

(i) TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Canada (Attention: Proxy Department), at any time up to and including the last business day preceding the day of the Meeting or, if adjourned, any reconvening thereof, or

(ii) the Chair of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either:

(a) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or

(b) submission of a subsequent proxy in accordance with the foregoing procedures.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

A Beneficial Shareholder wishing to revoke a proxy should contact the respective intermediary.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The solicitation of proxies in connection with the Meeting described in this Circular involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada, and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended, its directors and officers are not residents of the United States, and its assets, or a substantial portion thereof, are located outside the United States. Shareholders may not be able to sue the Company or its directors or officers in a Canadian court for violations of United States securities laws. It may be difficult to compel a Canadian company and its affiliates to subject themselves to a judgement by a United States court.

SECTION 4 – VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

RECORD DATE

The board of directors of the Company (the "**Board**") has set the close of business on Friday, May 9, 2025, as the record date (the "**Record Date**") for the Meeting. Only Shareholders of record (i.e. Registered Shareholders") as at the Record Date are entitled to receive notice of and to attend and vote at the Meeting or any adjournment(s) thereof. Proxyholders duly appointed by Registered Shareholders may also attend and vote at the Meeting.

VOTING RIGHTS

The Company is authorized to issue an unlimited number of Shares. The Company's Shares are common shares without par value and without special rights and restrictions attached. As at the Record Date, there were 45,800,007 Shares issued and outstanding. Each Share carries the right to one vote. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Shares.

Persons who are Beneficial Shareholders as at the Record Date will be entitled to exercise their voting rights in accordance with the procedures established under NI 54-101. See *"Section 3 – Proxies and Voting Rights – Advice to Beneficial Shareholders"*.

PRINCIPAL HOLDERS OF SHARES

To the knowledge of the directors and senior officers of the Company, as at the Record Date, there are no persons or corporations that beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company other than:

NAME	NUMBER OF SHARES (1)	PERCENTAGE OF OUTSTANDING SHARES
Greenlands Global Opportunities Fund	12,500,000	27.29%
Markus Mair	9,027,168 (2)	19.71%
Roman Leydolf	6,151,561	13.43%

Notes:
(1) Data from disclosure found on the System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca
(2) Held through MRPT Invest UG and MRX Invest UG, corporations of Markus Mair

QUORUM

Pursuant to the Articles of the Company, subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

SECTION 5 – PARTICULARS OF MATTERS TO BE ACTED UPON

MANAGEMENT OF THE COMPANY KNOWS OF NO OTHER MATTERS TO COME BEFORE THE MEETING OTHER THAN THOSE REFERRED TO IN THE NOTICE OF MEETING. HOWEVER, IF ANY OTHER MATTERS THAT ARE NOT KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING FORM OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE ON SUCH MATTERS IN ACCORDANCE WITH THEIR BEST JUDGEMENT.

In order to approve a motion proposed at this Meeting a majority of greater than 50% of the votes cast will be required for an ordinary resolution. In addition, for items 5, 6, and 7 below, the approval of disinterested Shareholders ("**Disinterested Shareholders**") is required; therefore, approval by a majority of the votes cast by Shareholders, **excluding** votes attached to Shares beneficially owned by Insiders (including the Associates and Affiliates thereof) to whom stock options may be granted and persons (including the Associates and Affiliates thereof) that hold or will hold the described security-based compensation, will be necessary in order for a resolution to pass. Capitalized terms in this paragraph, not previously defined, shall have the meanings ascribed thereto in the policies of the TSX Venture Exchange.

Additional details regarding each of the matters to be acted upon at the Meeting is set forth below.

1. PRESENTATION OF FINANCIAL STATEMENTS

The audited financial statements of the Company for the financial years ended July 31, 2024, and July 31, 2023 (together, the "**Financial Statements**"), with the Auditor's Reports thereon, will be presented to Shareholders at the Meeting. The Financial Statements, the Auditor's Reports thereon, and the related Management's Discussion and Analyses are available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Copies of these documents will be available at the Meeting and may also be obtained by a Shareholder upon request without charge from the Company, Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3, Canada, or via email to Office@principal-technologies.com.

Management will review the Company's financial results at the Meeting and Shareholders and proxyholders will be given an opportunity to discuss these results with management. **No approval or other action needs to be taken at the Meeting in respect of the Financial Statements**.

2. FIXING OF THE NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors to be elected to hold office until the next annual general meeting of Shareholders or until their successors are elected or appointed at three (3). The text of such ordinary resolution is as follows:

> "**BE IT RESOLVED**, as an ordinary resolution of Shareholders, that the number of directors elected to hold office until the close of the next annual general meeting of Shareholders or until their successors are duly elected or appointed pursuant to the constating documents of the Company, unless their offices are earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) or the Company's constating documents, be and is hereby fixed at three (3)."

Management believes the passing of the above resolution is in the best interests of the Company and recommends Shareholders vote in favour of the ordinary resolutions fixing the number of directors to be elected at the Meeting as set out above. Unless directed to the contrary, it is the intention of the Management Nominees, if named as proxy, to vote proxies FOR fixing the number of directors of the Company at three (3).

3. ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of Shareholders or until their successors are elected or until such director's earlier death, resignation or removal.

Proposed Management Nominees for Election to the Board

Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. All of the nominees are current members of the Board and each has agreed to stand for election. Management of the Company does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, or any adjournment thereof, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote any proxy for the election of the remaining nominees and any other person or persons in place of any nominee or nominees who is or are unable to serve.

The following disclosure sets out the names of management's three nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date:

Name, Province or State and Country of Residence, and Position with the Company [(1)]	**Present Principal Occupation, Business or Employment** [(1)]	**Date Served as Director Since**	**No. of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly** [(1)]
Gerald Trent [(2)] *Vienna, Austria* Chief Executive Officer, President, and Director	Founder of Trent Investments (January 2009 to present); Head of Global Markets & Investment Banking, Sberbank Europe AG (February 2017 to December 2018);	August 4, 2021	180,000

Name, Province or State and Country of Residence, and Position with the Company (1)	Present Principal Occupation, Business or Employment (1)	Date Served as Director Since	No. of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly (1)
	Head of M&A, PwC Austria (January 2013 to January 2017)		
His Serene Highness Prince Alfred of Liechtenstein (2) *Liechtenstein* Director	His Serene Highness Prince Alfred of Liechtenstein (Current)	August 4, 2021	270,000
Dr. Leopold Specht (2) *Vienna, Austria* Director	Attorney at Law	August 4, 2021	180,000

Notes:
(1) The information as to the location of residence, principal occupation and Shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective nominees.
(2) Member of the Audit Committee

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

Other than as disclosed in this Circular, to the knowledge of the management of the Company, no proposed nominee for election as a director of the Company:

(a) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,

(i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**Order**") that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer; or

(ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,

(b) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets,

(c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director, or

(d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

On December 2, 2022, a cease trade order (the "**Order**") was issued against the Company under Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* due to the delayed filing of its consolidated financial statements for the year ended July 31, 2022. The Order was revoked on March 1, 2023, after the filing of the Company's annual consolidated and other continuous disclosure documents. Each of the proposed directors was a director of the Company at the time of the Order.

A Shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. Management recommends Shareholders vote in favour of the election of each of the nominees listed above for election as a director of the Company for the ensuing year. Unless directed to the contrary, it is the intention of the Management Nominees named in the enclosed instrument of proxy to vote proxies FOR each of the nominees.

4. APPOINTMENT OF AUDITOR AND APPROVAL OF REMUNERATION

Shareholders will be asked to vote for the appointment of Manning Elliott, LLP, Chartered Professional Accountants, of 17th Floor, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, as auditor of the Company to hold office until the next annual general meeting of Shareholders, or until a successor is appointed, and to authorize the directors of the Company to fix the remuneration of the auditor.

On August 1, 2024, DMCL LLP, Chartered Professional Accountants, resigned as Auditor. The Board appointed Manning Elliott LLP, Chartered Professional Accountants, as the auditor of the Company by resolution dated effective August 1, 2024. The previously filed Notice of Change of Auditor in accordance with National Instrument 51-102 *Continuous Disclosure Obligations* is appended hereto as Appendix "A" together with a letter from Manning Elliott LLP, Chartered Professional Accountants, and DMCL LLP, Chartered Professional Accountants, in respect of the change of auditor.

At the Meeting, Shareholders will be asked to pass an ordinary resolution, the text of which is as follows:

> "**BE IT RESOLVED**, as an ordinary resolution of Shareholders, that Manning Elliott LLP, Chartered Professional Accountants, be and is hereby appointed as auditor of the Company at a remuneration to be fixed by the directors of the Company."

Management recommends Shareholders vote in favour of the appointment of Manning Elliott LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the Board to fix the auditor's remuneration. Unless directed to the contrary, it is the intention of the Management Nominees named in the enclosed instrument of proxy to vote proxies FOR the appointment of Manning Elliott LLP, Chartered Professional Accountants, as auditor of the Company until the close of its next annual meeting and to authorize the Board to fix the remuneration to be paid to the auditor.

5. APPROVAL OF AMENDMENT OF STOCK OPTION PLAN

The Company's "fixed up to 20%" stock option plan (the "**Option Plan**"), in its current form, was approved by Disinterested Shareholders on December 12, 2023, and the total number of Shares issuable pursuant to the Option Plan is set from time to time by vote of Disinterested Shareholders.

The approval of Disinterested Shareholders is required pursuant to section 5.3(a) *Disinterested Shareholder Approval for Plans, Grants and Amendments* of policy 4.4 *Security Based Compensation* of the TSX Venture Exchange in order to provide the Company with flexibility to grant incentive stock options. For a summary of the material terms of the Option Plan, see *"Section 6 – Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans – Material Terms of Option Plan."* The description thereunder in subsection *"Limitation on Grants and Exercises"* details the carve-out in place in the Option Plan for the CEO of the Company not being subject to the limitations in respect of Shares issued and stock option grants to Insiders (as a group) and to any one person.

At the Meeting, Disinterested Shareholders will be asked to vote for ratification and approval of the combined amendments, previously adopted by the Board on September 16, 2024, and May 1, 2025, to the Option Plan to make the changes summarized under the heading "Option Plan Amendments" below (the "**Option Plan Amendments**"). For reference, a blackline copy of the amended stock option plan (the "**Amended Option Plan**") reflecting the Option Plan Amendments as described herein is appended to this Circular as Appendix "B".

In order for the resolution described herein to pass, a simple majority of affirmative votes cast at the Meeting by Disinterested Shareholders is required.

Option Plan Amendments

The principal change between the Option Plan and the Amended Option Plan is an increase to the number of stock options available to be granted from 4,575,092 stock options (being a fixed amount equal to 9.97% of the outstanding Shares as at the Record Date) to 9,160,000 stock options (being a fixed amount equal to 20.00% of the outstanding Shares as at the Record Date) under the Amended Option Plan. In addition, the definition of "CEO" in the Amended Option Plan has been broadened to include corporations wholly-held by the CEO of the Company.

The foregoing information is intended to be a brief description of the changes between the Option Plan and the Amended Option Plan and is qualified in its entirety by the full text of the Amended Option Plan, a blackline copy of which is appended as Appendix "B" to this Circular.

The full text of the Amended Option Plan is also available from the Company upon request and will be available at the Meeting.

Stock Option Plan Resolution

At the Meeting, Disinterested Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution ratifying and approving the Amended Option Plan (the "**Option Plan Resolution**"). Based on the present shareholdings of the Insiders to whom stock options may be granted under the Amended Option Plan and their associates, a total of up to 9,757,168 Shares will be excluded from voting on the resolution to approve the Amended Option Plan, representing 21.30% of the issued and outstanding Shares as at the Record Date.

The text of the resolution is set out below:

> "**BE IT RESOLVED**, as an ordinary resolution of Disinterested Shareholders, that:
>
> 1. the amended option plan (the "**Amended Option Plan**") of Principal Technologies Inc. (the "**Company**") in substantially the form described in, and blackline copy of which is appended as Appendix "B" to, the management information circular of the Company dated May 9, 2025, be and is hereby ratified, confirmed and approved, subject to acceptance by the TSX Venture Exchange, and shall thereafter continue and remain in effect until further ratification is required pursuant to the rules of the TSX Venture Exchange or other applicable regulatory requirements;
>
> 2. the number of common shares of the Company reserved for issuance under the Amended Option Plan be and is hereby fixed at 9,160,000;
>
> 3. all unallocated stock options to acquire common shares of the Company, rights or other entitlements available under the Amended Option Plan be and are hereby approved and authorized;
>
> 4. the board of directors of the Company is authorized and directed to make any changes to the Amended Option Plan, if required by the TSX Venture Exchange; and
>
> 5. any director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to do all things and execute, deliver and file all such agreements, documents and instruments, and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions.

Should the Option Plan Resolution not receive the required Disinterested Shareholder approval at the Meeting, the Amended Option Plan will not be adopted, and the existing Option Plan will remain in place unamended. In addition, should the Option Plan Resolution receive the requisite approval of Disinterested Shareholders, the Amended Option

Plan will remain subject to acceptance by the TSX Venture Exchange. **If the TSX Venture Exchange deems the disclosure to Shareholders in this Circular to be inadequate, Disinterested Shareholder approval may not be accepted by the TSX Venture Exchange.** In such case, the existing Stock Option Plan will continue in effect unamended.

Management recommends Shareholders vote in favour of the Option Plan Resolution. Unless directed to the contrary, it is the intention of the Management Nominees named in the enclosed instrument of proxy to vote proxies FOR the ratification, confirmation, and approval of the Amended Option Plan.

6. APPROVAL OF GRANT OF SEPTEMBER 2024 CONDITIONAL OPTIONS

On September 16, 2024, the Company granted 2,425,000 conditional stock options under the proposed Amended Option Plan at an exercise price of $0.16 per Share (the "**September 2024 Conditional Options**"). The closing price of the Company's Shares on the TSX Venture Exchange on September 16, 2024, was $0.16.

The September 2024 Conditional Options will fully vest upon receipt of approval by Disinterested Shareholders and subsequent acceptance by the TSX Venture Exchange and will be exercisable for a term expiring on September 16, 2034.

Particulars of the grant of September 2024 Conditional Options are as follows:

Name of Optionee	Position	Date of Grant	No. of Optioned Shares	Exercise Price	Expiry Date
Gerald Trent	CEO, President, and Director	September 16, 2024	1,500,000	$0.16	September 16, 2034
Peter McKeown	CFO and Corporate Secretary	September 16, 2024	375,000	$0.16	September 16, 2034
Consultants	N/A	September 16, 2024	550,000	$0.16	September 16, 2034
			2,425,000		

September 2024 Conditional Options Resolution

At the Meeting, subject to the approval of the Amended Option Plan, Disinterested Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution ratifying and approving the September 2024 Conditional Options (the "**September 2024 Conditional Options Resolution**"). The recipients of the September 2024 Conditional Options are ineligible to vote on the September 2024 Conditional Options Resolution. Therefore, a total of up to 280,000 Shares, representing 0.61% of the issued and outstanding Shares as at the Record Date, will be excluded from voting.

The text of the resolution is set out below:

"**BE IT RESOLVED**, as an ordinary resolution of Disinterested Shareholders, that:

1. the granting of an aggregate of 2,425,000 stock options effective September 16, 2024 (the "**September 2024 Conditional Options**"), at an exercise price of $0.16 per common share of Principal Technologies Inc. (the "**Company**"), which includes the grant of stock options to insiders of the Company resulting in insiders collectively holding stock options in excess of 10% and an insider individually holding stock options in excess of 5% of the Company's issued share capital, be and is hereby ratified and approved, subject to any change(s) as may be required by the TSX Venture Exchange; and

2. the directors of the Company be and are hereby authorized to perform all such other acts and things as may be necessary or desirable to effect the granting of the September 2024 Conditional Options; and

3. the directors of the Company be and are hereby authorized to implement or abandon these resolutions in whole or in part, at any time and from time to time in their sole discretion, all without further approval, ratification or confirmation by the shareholders of the Company."

Should the September 2024 Conditional Options Resolution not receive the required Disinterested Shareholder approval at the Meeting, the September 2024 Conditional Options will be cancelled in their entirety. In addition, should the September 2024 Conditional Options Resolution receive the requisite approval of Disinterested Shareholders, the September 2024 Conditional Options will remain subject to acceptance by the TSX Venture Exchange. **If the TSX Venture Exchange deems the disclosure to Shareholders in this Circular to be inadequate, Disinterested Shareholder approval may not be accepted by the TSX Venture Exchange.** In such case, the September 2024 Conditional Options will be cancelled in their entirety.

Management recommends Shareholders vote in favour of the September 2024 Conditional Options Resolution. Unless directed to the contrary, it is the intention of the Management Nominees named in the enclosed instrument of proxy to vote proxies FOR the ratification and approval of the September 2024 Conditional Options.

7. APPROVAL OF GRANT OF MAY 2025 CONDITIONAL OPTIONS

On May 1, 2025, the Company granted a further 2,350,000 conditional stock options under the proposed Amended Option Plan at an exercise price of $0.20 per Share (the "**May 2025 Conditional Options**"). The closing price of the Company's Shares on the TSX Venture Exchange on May 1, 2025, was $0.20.

The May 2025 Conditional Options will fully vest upon receipt of approval by Disinterested Shareholders and subsequent acceptance by the TSX Venture Exchange and will be exercisable for a term expiring on May 1, 2025.

Particulars of the grant of May 2025 Conditional Options are as follows:

Name of Optionee	Position	Date of Grant	No. of Optioned Shares	Exercise Price	Expiry Date
Gerald Trent	CEO, President, and Director	May 1, 2025	1,175,000	$0.20	May 1, 2035
Peter McKeown	CFO and Corporate Secretary	May 1, 2025	125,000	$0.20	May 1, 2035
Consultants	N/A	May 1, 2025	1,050,000	$0.20	May 1, 2035
			2,350,000		

May 2025 Conditional Options Resolution

At the Meeting, subject to the approval of the Amended Option Plan, Disinterested Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution ratifying and approving the May 2025 Conditional Options (the "**May 2025 Conditional Options Resolution**"). The recipients of the May 2025 Conditional Options are ineligible to vote on the May 2025 Conditional Options Resolution. Therefore, a total of up to 280,000 Shares, representing 0.61% of the issued and outstanding Shares as at the Record Date, will be excluded from voting.

The text of the resolution is set out below:

"**BE IT RESOLVED**, as an ordinary resolution of Disinterested Shareholders, that:

1. the granting of an aggregate of 2,350,000 stock options effective May 1, 2025 (the "**May 2025 Conditional Options**"), at an exercise price of $0.20 per common share of Principal Technologies Inc. (the "**Company**"), which includes the grant of stock options to insiders of the Company resulting in insiders collectively holding stock options in excess of 10% and an insider individually holding stock options in excess of 5% of the Company's issued share capital, be and is hereby ratified and approved, subject to any change(s) as may be required by the TSX Venture Exchange; and

2. the directors of the Company be and are hereby authorized to perform all such other acts and things as may be necessary or desirable to effect the granting of the May 2025 Conditional Options; and

3. the directors of the Company be and are hereby authorized to implement or abandon these resolutions in whole or in part, at any time and from time to time in their sole discretion, all without further approval, ratification or confirmation by the shareholders of the Company."

Should the May 2025 Conditional Options Resolution not receive the required Disinterested Shareholder approval at the Meeting, the May 2025 Conditional Options will be cancelled in their entirety. In addition, should the May 2025 Conditional Options Resolution receive the requisite approval of Disinterested Shareholders, the May 2025 Conditional Options will remain subject to acceptance by the TSX Venture Exchange. **If the TSX Venture Exchange deems the disclosure to Shareholders in this Circular to be inadequate, Disinterested Shareholder approval may not be accepted by the TSX Venture Exchange.** In such case, the May 2025 Conditional Options will be cancelled in their entirety.

Management recommends Shareholders vote in favour of the May 2025 Conditional Options Resolution. Unless directed to the contrary, it is the intention of the Management Nominees named in the enclosed instrument of proxy to vote proxies FOR the ratification and approval of the May 2025 Conditional Options.

8. APPROVAL OF ALTERATION OF ARTICLES – ADVANCE NOTICE PROVISIONS

Introduction

The Company is proposing that the Articles of the Company be amended to include advance notice provisions (the "**Advance Notice Provisions**"), which set out procedures for any Shareholder who intends to nominate any person for election as a director of the Company other than pursuant to shareholder rights instilled within the Company's governing statute (i.e. *Business Corporations Act* (British Columbia)) or via Shareholder proposal. The requirement stipulates a deadline by which Shareholders must notify the Company of their intention to nominate directors and also sets out the information that Shareholders must provide regarding each director nominee and the nominating Shareholder in order for the advance notice requirement to be met.

The alteration of the Articles of the Company is subject to acceptance by the TSX Venture Exchange.

Purpose of the Advance Notice Provisions

The Advance Notice Provisions are intended to: (i) facilitate an orderly and efficient annual general or, where the need arises, special, meeting; (ii) ensure that all Shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation. In addition, the Advance Notice Provisions provide Shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Provisions fix a deadline by which Shareholders of record must submit director nominations to the Company prior to any annual or special meeting of Shareholders and set forth the information that a Shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of Shareholders.

Effect of the Advance Notice Provisions

It is proposed an additional article – Article 14.12 – Advance Notice Provisions be added to Article 14 – Election and Removal of Directors of the current Articles of the Company, as shown below:

14.12 Advance Notice Provisions

(1) Subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

(a) by or at the direction of the board of directors, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a "proposal" made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders

made in accordance with the provisions of the *Business Corporations Act*; or

(c) by any shareholder of the Company (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 14.12 and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 14.12.

(2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Corporate Secretary of the Company at the head office of the Company.

(3) To be timely, a Nominating Shareholder's notice must be received by the Corporate Secretary of the Company:

(a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that if (i) an annual meeting of shareholders is called for a date that is less than 50 days after the date on which the first public announcement (as defined below) of the date of the annual meeting was made, notice must be received not later than the close of business on the 10th day following the date on which the public announcement of the date of the annual meeting is first made by the Company, and (ii) if the Company uses "notice-and-access" (as defined in National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer) to send proxy-related materials to shareholders in connection with an annual meeting, notice must be received not less than 40 days prior to the date of the annual meeting; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder's notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of such notice.

(4) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the present principal occupation, business or employment of the person within the preceding five years, as well as the name and principal business of any company in which such employment is carried on; (C) the citizenship of such person; (D) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (E) confirmation that the person meets the qualifications of directors set out in the *Business Corporations Act*; and (F) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below);

(b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right

to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and

(c) whether, in the opinion of the Nominating Shareholder and the proposed nominee, the proposed nominee would qualify to serve as an independent director of the Company under sections 1.4 and 1.5 of National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (together with any successor or supplemental instrument thereto, "NI 52-110"), and whether with respect to the Company, the proposed nominee has one or more of the relationships described in section 1.4(3), 1.4(8) or 1.5 of NI 52-110.

The Nominating Shareholder's notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

(5) No person shall be eligible for election as a director of the Company unless nominated in accordance with these Articles; provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(6) In addition to the provisions of this Section 14.12, a Nominating Shareholder and any individual nominated by the Nominating Shareholder shall also comply with all the applicable requirements of the *Business Corporations Act*, Applicable Securities Laws and applicable stock exchange rules regarding the matters set forth in this Section 14.12;

(7) For purposes of this Policy:

(a) "**Applicable Securities Laws**" means the applicable securities legislation of each province and territory of Canada in which the Company is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada; and

(b) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the SEDAR+ at www.sedarplus.ca.

(8) Notwithstanding any other provision of this Article 14.12, notice given to the Corporate Secretary of the Company pursuant to this Article 14.12 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the head office of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

(9) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 14.12.

Advance Notice Provisions Resolution

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution authorizing the alteration of the Articles of the Company to include Advance Notice Provisions as set out above in Article 14.12 – Advance Notice Provisions (the "**Advance Notice Provisions Resolution**").

The text of the resolution is set out below:

"**BE IT RESOLVED**, as an ordinary resolution of Shareholders, that:

1. subject to acceptance by the TSX Venture Exchange, an alteration of the Articles of Principal Technologies Inc. (the "Company") to include Advance Notice Provisions in Article 14 – Election and Removal of Directors of the current Articles of the Company by adding new Article 14.12 – Advance Notice Provisions, substantially in the form set forth in the management information circular of the Company dated May 9, 2025, be and is hereby authorized and approved; and

2. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolution.

In order for the foregoing Advance Notice Provisions Resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders in person or by proxy at the Meeting. If the Advance Notice Provisions Resolution is not approved at the Meeting, the Articles of the Company will not be altered to include the Advance Notice Provisions.

Management of the Company believes the Advance Notice Provisions will provide a clear framework for the nomination of directors by Shareholders and recommends Shareholders vote in favour of approving the Advance Notice Provisions. Unless directed to the contrary, it is the intention of the Management Proxyholders named in the enclosed instrument of proxy to vote proxies IN FAVOUR of the Advance Notice Provisions Resolution.

9. OTHER MATTERS

As of the date of this Circular, management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by proxy.

SECTION 6 – STATEMENT OF EXECUTIVE COMPENSATION

OBJECTIVE:

The objective of this disclosure is to communicate the compensation the Company paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year, and the decision-making process relating to compensation. This disclosure provides insight into executive compensation as a key aspect of the overall stewardship and governance of the Company and will help investors understand how decisions about executive compensation are made.

DEFINITIONS:

For the purpose of this Statement of Executive Compensation, in this form:

(a) "**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

(b) "**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

(c) "**named executive officer**" or "**NEO**" means each of the following individuals:

(i) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;

(ii) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;

(iii) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000 for that financial year;

(iv) each individual who would be a named executive officer under paragraph (iii) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

(d) "**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

(e) "**underlying securities**" means any securities issuable on conversion, exchange or exercise of compensation securities.

EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

Through its executive compensation practices, the Company seeks to provide value to its Shareholders through strong executive leadership. Specifically, the Company's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Company's strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Company's success, and align the interests of the Company's executives and Shareholders by motivating executives to increase Shareholder value.

Compensation to named executive officers currently is based on a number of factors including the Company's executive performance during the fiscal year, the roles and responsibilities of the Company's executives, the individual experience and skills of, and expected contributions from, the Company's executives, the Company's executives' historical compensation and performance within the Company, and any contractual commitments the Company has made to its executives regarding compensation. See "*Employment Consulting and Management Contracts"* below for further details on consulting arrangements currently in place with the Company's CEO and CFO.

Risk management is a consideration of the Board when implementing its compensation policies and the Board does not believe that the Company's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

During the financial years ended July 31, 2024, and 2024, based on the definition above, the NEOs of the Company were (a) Gerald Trent, who has served as CEO, President, and Director of the Company since August 4, 2021, and (b) Peter McKeown, who has served as CFO of the Company since March 6, 2023. Individuals serving as Directors of the Company who were not NEOs during the financial years ended July 31, 2024, and 2023, were His Serene Highness Prince Alfred of Liechtenstein and Dr. Leopold Specht, each of whom has served as Director of the Company since August 4, 2021.

Director and NEO compensation, excluding compensation securities

The following table sets forth all compensation, excluding compensation securities, paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, for the two most recently completed financial years, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or a subsidiary of the Company.

Table of Compensation Excluding Compensation Securities							
Name and Position	**Year ended (July 31)**	**Salary, director's fee, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Gerald Trent (1) CEO, President, and Director	2024	161,915	146,610	5,876	Nil	Nil	314,401
	2023	176,506	Nil	Nil	Nil	Nil	176,506
Peter McKeown (2) CFO and Corporate Secretary	2024	155,451 (3)	Nil	Nil	Nil	Nil	155,451 (3)
	2023	36,325 (3)	Nil	Nil	Nil	Nil	36,325 (3)
His Serene Highness Prince Alfred von Liechtenstein (4) Director	2024	Nil	Nil	4,407	Nil	Nil	4,407
	2023	Nil	Nil	9,933	Nil	Nil	9,933
Dr. Leopold Specht (4) Director	2024	Nil	Nil	4,407	Nil	Nil	4,407
	2023	Nil	Nil	6,622	Nil	Nil	6,622

Notes:
(1) Gerald Trent was appointed CEO, President, and Director of the Company on August 4, 2021.
(2) Peter McKeown was appointed CFO and Corporate Secretary of the Company on March 6, 2023.
(3) Financial services fees paid to Player Capital Corporation of which Peter McKeown is an officer.
(4) Appointed as Director of the Company on August 4, 2021.

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

No compensation securities were granted or issued to any NEO or director by the Company or any subsidiary thereof during the financial year ended July 31, 2024, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof.
From grants issued in prior financial years, the NEOs and directors of the Company held the following stock options as at July 31, 2024:

(a) Gerald Trent (CEO, President, and Director) held an aggregate of 2,325,000 stock options to acquire 2,325,000 Shares, as follows:

(i) 200,000 stock options, each exercisable at $0.16 into a Share until December 3, 2031; and

(ii) 2,125,000 stock options, each exercisable at $0.12 into a Share until July 10, 2033.
The above stock options represented approximately 54.20% of the outstanding stock options of the Company as at July 31, 2024. Subsequent to the financial year ended July 31, 2024, Mr. Trent was granted an additional 1,500,000 of the September 2024 Conditional Options and 1,175,000 of the May 2025 Conditional Options. See *"Section 5 – Particulars of Matters to be Acted Upon – 6. Approval of Grant of September 2024 Conditional Options" and "Section 5 – Particulars of Matters to be Acted Upon – 7. Approval of Grant of May 2025 Conditional Options"*, respectively.

(b) Peter McKeown (CFO and Corporate Secretary) held 500,000 stock options, each exercisable at $0.12 into a Share until July 10, 2033. These stock options represented approximately 11.66% of the outstanding stock options of the Company as at July 31, 2024. Subsequent to the financial year ended

July 31, 2024, Mr. McKeown was granted an additional 375,000 of the September 2024 Conditional Options and 125,000 of the May 2025 Conditional Options. See *"Section 5 – Particulars of Matters to be Acted Upon – 6. Approval of Grant of September 2024 Conditional Options" and "Section 5 – Particulars of Matters to be Acted Upon – 7. Approval of Grant of May 2025 Conditional Options"*, respectively.

(c) Prince Alfred of Liechtenstein (Director) held 200,000 stock options, each exercisable at $0.16 into a Share until December 3, 2031. These stock options represented approximately 4.66% of the outstanding stock options of the Company as at July 31, 2024.

(d) Dr. Leopold Specht (Director) held 200,000 stock options, each exercisable at $0.16 into a Share until December 3, 2031. These stock options represented approximately 4.66% of the outstanding stock options of the Company as at July 31, 2024.

EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NEOS

There were no exercises of compensation securities by any NEO or director of the Company during the financial years ended July 31, 2024, and July 21, 2023.

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

The purpose of Option Plan is to advance the interests of the Company, through the granting of stock options, by:

(a) providing an incentive mechanism to foster the interest of Directors, Officers, Employees, and Consultants of the Company in the success of the Company, its affiliates and subsidiaries;

(b) encouraging such persons to remain with the Company, its affiliates or its subsidiaries; and

(c) attracting new directors, officers, employees and consultants.

The Board adopted the Option Plan on October 20, 2023, and it was subsequently approved by Shareholders on December 12, 2023. Pursuant to the policies of the TSX Venture Exchange, the Option Plan is categorized as a "fixed up to 20%" security-based compensation plan, under which the number of Shares that are issuable pursuant to all such security-based compensation plan(s) in aggregate is a fixed specified number of Shares up to a maximum of 20% of the issued Shares as at the date of implementation of the most recent of such security-based compensation plan(s). Except as specifically provided otherwise in the policies of the TSX Venture Exchange, a "fixed" security-based compensation plan must receive Shareholder approval at the time the "fixed" security-based compensation plan is to be implemented, and at such time as the number of Shares issuable under the security-based compensation plan is amended.

The Option Plan was the only security-based compensation plan the Company had in place during the financial year ended July 31, 2024, and remains the only security-based compensation plan in place for the Company as at the date hereof. The Company shall, at all times while the Option Plan is in effect, reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Option Plan.

This Option Plan is administered by the Board or any committee established by the Board for the purpose of administering the Option Plan and has the authority to determine the Eligible Persons to whom stock options are granted, to grant such stock options, and to determine any terms and conditions, limitations and restrictions in respect of any particular stock option grant. For stock options granted to Directors, Officers, Employees, Consultants or Management Company Employees, the Company and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Director, Officer, Employee, Consultant or Management Company Employee, as the case may be.

Material Terms of Option Plan

A summary of the material terms of the Option Plan, dated for reference October 30, 2023, is as follows:

(a) the Option Plan is a "fixed up to 20%" stock option plan, whereby the aggregate number of Shares reserved for issuance pursuant to stock options under the Option Plan, together with all other Security Based Compensation Plan(s), shall not exceed 20% of the issued and outstanding Shares as at the date of the Option Plan being 4,575,092 Shares as of October 30, 2023;

NOTE: At the Meeting, Disinterested Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution ratifying and approving the Amended Option Plan to both increase the aggregate number of Shares reserved for issuance pursuant to stock options, together with all other Security Based Compensation Plan(s), from 4,575,092 Shares to 9,160,000 Shares (being a fixed amount equal to 20.00% of the outstanding Shares as at the Record Date), and to broaden the definition of "CEO" to include corporations wholly-held by the CEO of the Company (see *"Section 5 – Particulars of Matters to be Acted Upon – 5. Approval of Amendment of Stock Option Plan").*

(b) if a stock option is surrendered, terminated or expires without being exercised, the Shares reserved for issuance pursuant to such stock option shall be available for new stock options granted under the Option Plan;

(c) an Optionee must be a Director, Officer, Employee, Consultant, or Management Company Employee of the Company or its subsidiaries at the time the stock option is granted, or a company that is wholly owned by such persons, or an Eligible Charitable Organization at the time the stock option is granted;

(d) all stock options are non-assignable and non-transferable;

(e) subject to a minimum of $0.05 per Share, the exercise price per Share for a stock option will in no event be less than the Market Price for the Sharees at the date of grant;

(f) stock options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months such that:

(i) no more than 1/4 of the stock options vest no sooner than three months after the stock options were granted;

(ii) no more than another 1/4 of the stock options vest no sooner than six months after the stock options were granted;

(iii) no more than another 1/4 of the stock options vest no sooner than nine months after the stock options were granted; and

(iv) the remainder of the stock options vest no sooner than 12 months after the stock options were granted.

(g) Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of a stock option, or the extension of the term of a stock option, if the Optionee is an Insider of the Company at the time of the proposed amendment;

(h) the Option Plan contains provisions for adjustment in the number of Shares or other property issuable on exercise of a stock option in the event of a Share capital adjustment (e.g. adjustments related to a consolidation, split, amalgamation, merger, arrangement, reorganization, spin-off, dividend, recapitalization, etc.) with all such adjustments subject to prior approval of the TSX Venture Exchange, except where they relate to consolidations or splits;

(i) in connection with the exercise of a stock option, as a condition to such exercise the Company shall require the Optionee to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such stock option;

(j) subject to the provisions of the Option Plan and Board approval, once a stock option has vested and become exercisable, an Optionee may elect to exercise such stock option way of cashless exercise by either:

(i) excluding stock options granted to Investor Relations Service Providers, a "net exercise" procedure in which the Company issues to the Optionee, Shares equal to the number determined by dividing i. the product of the number of stock options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject stock options by ii. the VWAP of the underlying; or

(ii) a broker assisted "cashless exercise" in which the Company delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Company to sell the Shares otherwise deliverable upon the exercise of the stock options and to deliver promptly to the Company an amount equal to the aggregate exercise price for the number of Shares with respect to which the stock option is being exercised, together with the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable laws, against delivery of the Shares to settle the applicable trade;

(k) upon the occurrence of an Accelerated Vesting Event, the Board will have the power, subject to the prior acceptance of the TSX Venture Exchange, to make such changes to the terms of stock options as it considers fair and appropriate in the circumstances, including but not limited to accelerating the vesting of stock options, terminating every stock option under certain conditions, otherwise modifying the terms of any stock option;

(l) every stock option granted shall, unless sooner terminated, have a term not exceeding 10 years from the date of grant (subject to extension where the expiry date falls within a "blackout period"); and

(m) a stock option will be automatically extended past its expiry date if such expiry date falls within a period (a "**blackout period**") during which the Company prohibits Optionees from exercising stock options, provided the following requirements are satisfied:

(i) the blackout period must be formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information;

1. the blackout period must expire following the general disclosure of the undisclosed Material Information and the expiry date of the affected stock options can be extended to no later than 10 business days after the expiry of the blackout period;

2. the automatic extension of an Optionee's stock options will not be permitted where the Optionee or the Company is subject to a cease trade order (or similar order under Securities Laws) in respect of the Company's securities; and

3. the automatic extension is available to all Eligible Persons under the same terms and conditions.

Limitation on Grants and Exercises

(a) **To Insiders.** The maximum aggregate number of Shares issued pursuant to stock options and all other Security Based Compensation, granted or issued in any 12-month period to Insiders (as a group), excluding the CEO, pursuant to the Option Plan and any other Security Based Compensation Plan must not exceed 10% of the issued shares of the Company, calculated as at the date of grant (unless the Company has obtained the requisite Disinterested Shareholder Approval). In addition, the maximum aggregate number of Shares issuable pursuant to stock options and all other Security Based Compensation under the Option Plan and any other Security Based Compensation Plan granted or issued to Insiders (as a group), excluding the CEO, must not exceed 10% of the issued Shares at any point in time (unless the Company has obtained the requisite Disinterested Shareholder Approval).

For certainty, the CEO of the Company is not subject to the limitations set forth above in respect of Shares issued and stock option grants set out above to Insiders (as a group).

(b) **To any one Person.** The maximum aggregate number of stock options granted or issued in any 12-month period to any one Person (and companies wholly owned by that Person), excluding the CEO, pursuant to the Option Plan and any other Security Based Compensation Plan must not exceed 5% of the issued Shares, calculated as at the date of grant (unless the Company has obtained the requisite Disinterested Shareholder Approval).

For certainty, the CEO of the Company is not subject to the limitations set forth above in respect of Shares issued and stock option grants set out above to any one Person.

(c) **To Consultants.** The maximum aggregate number of Shares issuable pursuant to stock options granted or issued in any 12-month period to any one Consultant pursuant to the Option Plan and any other Security Based Compensation Plan must not exceed 2% of the issued Shares, calculated as at the date of grant.

(d) **To Investor Relations Service Providers.** The maximum aggregate number of Shares issuable pursuant to stock options granted or issued in any 12-month period to all Investor Relations Service Providers must not exceed 2% of the issued Shares, calculated as at the date of grant.

(e) **To Eligible Charitable Organizations.** The maximum aggregate number of Shares that are issuable pursuant to all outstanding Charitable Stock Options must not exceed 1% of the issued Shares, calculated as at the date the Charitable Stock Option is granted to the Eligible Charitable Organization.

NOTE: At the Meeting, Disinterested Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution ratifying and approving the Amended Option Plan to both increase the aggregate number of Shares reserved for issuance pursuant to stock options, together with all other Security Based Compensation Plan(s), from 4,575,092 Shares to 9,160,000 Shares (being a fixed amount equal to 20.00% of the outstanding Shares as at the Record Date), and to broaden the definition of "CEO" to include corporations wholly-held by the CEO of the Company (see *"Section 5 – Particulars of Matters to be Acted Upon – 5. Approval of Amendment of Stock Option Plan").*

Ceasing to be Eligible Person

(a) If an Optionee who is a Director, Officer, Employee, Consultant or Management Company Employee is terminated for cause, each stock option held by such Optionee shall terminate and therefore cease to be exercisable upon such termination for cause.

(b) If an Optionee dies prior to otherwise ceasing to be an Eligible Person, each stock option held by such Optionee shall be exercisable by the heirs or administrators of such Optionee and shall terminate and therefore cease to be exercisable no later than the earlier of the expiry date and the date which is twelve months from the date of the Optionee's death.

(c) Unless a stock option agreement specifies otherwise, if an Optionee ceases to be an Eligible Person for any reason other than death or termination for cause, each stock option held by the Optionee other than an Investor Relations Service Provider will cease to be exercisable 90 days after the Termination Date or for a "reasonable period" after the Optionee ceases to serve in such capacity, as determined by the Board, with such "reasonable period" not exceeding 12 months following the Termination Date. For Investor Relations Service Providers, Options shall cease to be exercisable 30 days after the Termination Date.

(d) If any portion of a stock option is not vested at the time an Optionee ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the stock option may not be thereafter exercised by the Optionee or its legal representative, as the case may be, provided that the Board

may, in its discretion, thereafter permit the Optionee or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the stock option that would have vested prior to the time such Option otherwise terminates.

The above summary is qualified in its entirety by the full text of the Option Plan, which will be available at the Meeting for review by Shareholders and is also available under the Company's profile on SEDAR+ at www.sedarplus.ca. Capitalized terms not defined in the summary above shall have the meanings ascribed to them in the Option Plan.

A blackline copy of the proposed Amended Option Plan (see *"Section 5 – Particulars of Matters to be Acted Upon – 5. Approval of Amendment of Stock Option Plan")* is appended hereto as Appendix "B". Such blackline copy reflects proposed amendments to the Option Plan for consideration by Shareholders at the Meeting.

Stock Option Grants Made Outside the Option Plan

On September 16, 2024, the Company granted the September 2024 Conditional Options, as follows:

Name of Optionee	Position	Date of Grant	No. of Optioned Shares	Exercise Price	Expiry Date
Gerald Trent	CEO, President, and Director	September 16, 2024	1,500,000	$0.16	September 16, 2034
Peter McKeown	CFO and Corporate Secretary	September 16, 2024	375,000	$0.16	September 16, 2034
Consultants	N/A	September 16, 2024	550,000	$0.16	September 16, 2034
			2,425,000		

The closing price of the Company's Shares on the TSX Venture Exchange on September 16, 2024, was $0.16.

Provided Disinterested Shareholders approve the proposed amendments to the Option Plan, Disinterested Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution ratifying and approving the September 2024 Conditional Options (see *"Section 5 – Particulars of Matters to be Acted Upon – 6. Approval of Grant of September 2024 Conditional Options")*.

On May 1, 2025, the Company granted the May 2025 Conditional Options, as follows:

Name of Optionee	Position	Date of Grant	No. of Optioned Shares	Exercise Price	Expiry Date
Gerald Trent	CEO, President, and Director	May 1, 2025	1,175,000	$0.20	May 1, 2035
Peter McKeown	CFO and Corporate Secretary	May 1, 2025	125,000	$0.20	May 1, 2035
Consultants	N/A	May 1, 2025	1,050,000	$0.20	May 1, 2035
			2,350,000		

The closing price of the Company's Shares on the TSX Venture Exchange on September 16, 2024, was $0.20.

Provided Disinterested Shareholders approve the proposed amendments to the Option Plan, Disinterested Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution ratifying and approving the September 2024 Conditional Options (see *"Section 5 – Particulars of Matters to be Acted Upon – 7. Approval of Grant of May 2025 Conditional Options")*.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

Except as disclosed herein, the Company did not have any employment, consulting or management agreements or any formal arrangements with the Company's current NEOs or directors regarding compensation during the financial years ended July 31, 2024, and July 31, 2023, in respect of services provided to the Company or subsidiaries thereof.

Consulting Agreements

The Company and its wholly-owned subsidiary, Principal Technologies Capital Management GmbH, that exists pursuant to the laws of Austria, entered into a consulting agreement with a consulting company owned and controlled

by Gerald Trent for his CEO services on June 11, 2021. In accordance with the consulting agreement, the Company paid consulting fees in the amount of €10,000 per month for the financial years ended July 31, 2023, and 2024. Effective January 1, 2025, the consulting fee was increased to €15,000 per month.

The Company appointed Peter McKeown as CFO and Corporate Secretary on March 6, 2023. During the period from March 6, 2023, to December 31, 2024, Player Capital Corporation, a company of which Mr. McKeown is an officer, billed the Company for financial services rendered at the rate of $125 per hour. Effective January 1, 2025, the financial services fee was increased to $150 per hour.

TERMINATION AND CHANGE OF CONTROL BENEFITS

During the financial years ended July 31, 2024, and July 31, 2023, the Company did not have any contract, agreement, plan, or arrangement that provides for payment to any NEOs, executive officers, or directors at, following or in connection with any termination (whether voluntary, involuntary, or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's, executive officer's or director's responsibilities.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NEO COMPENSATION

The Board has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the Board when implementing its compensation policies and the Board does not believe that the Company's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

Base Salary

The Company has entered into management agreements with its executive officers and currently has agreed to pay its CEO's consulting company a fixed amount per month. See *"Employment, Consulting and Management Agreements"* for further details on consulting arrangements currently in place with the Company's CEO.

Profits-Based Awards

The Company has also adopted a profit-sharing plan whereby the executive officers, employees and other key members of the Company can share 15% of the pre-tax profits generated by the Company during a financial year. The profits are allocated among the team members based on an individual's role at the Company and also length of service to the organization. The profit share is calculated based on the audited financial results of the most recently completed financial year, and the cash allocations of any net profits distributed among the team is approved by the independent members of the Board.

Option-Based Awards

The only equity-based award program that the Company currently operates with, is its Option Plan. The purpose of the Option Plan is to advance the interests of the Company, through the grant of stock options, by (i) providing an incentive mechanism to foster the interest of directors, officers, employees and consultants in the success of the Company; (ii) encouraging directors, officers, employees and consultants to remain with the Company; and (iii) attracting new directors, officers, employees and consultants.

The Board administers the Option Plan and stock option grants are approved by the Board. For details of the Option Plan, please refer to *"Section 6 – Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans – Material Terms of Option Plan"*. For proposed amendments to the Option Plan being tabled for approval by Disinterested Shareholders at the Meeting, see *"Section 5 – Particulars of Matters to be Acted Upon – 5. Approval of Amendment of Stock Option Plan"*.

Director Compensation

Effective November 1, 2022, Directors of the Company earn a per meeting fee of €750 and the Chair of the Board, if any, earns a per meeting fee of €1,000. Directors are also eligible to receive grants of stock options pursuant to the Option Plan.

Use of Financial Instruments

The Company does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the named executive officer or director. However, management is not aware of any named executive officer or director purchasing such an instrument.

PENSION AND OTHER BENEFIT PLANS

The Company does not have any pension, retirement, defined benefit, defined contribution, or deferred compensation plans that provides for payments or benefits to its directors and NEOs at, following, or in connection with retirement and none are proposed at this time.

SECTION 7 – AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. Such disclosure is set forth below.

AUDIT COMMITTEE CHARTER

The charter of the Company's Audit Committee is appended hereto as Appendix "C".

COMPOSITION OF AUDIT COMMITTEE

The following are the current members of the Audit Committee:

NAME	INDEPENDENCE	FINANCIAL LITERACY
Prince Alfred von Liechtenstein	Independent	Financially Literate
Dr. Leopold Specht (1)	Independent	Financially Literate
Gerald Trent	Non-Independent (2)	Financially Literate

Note:
(1) Chair of the Audit Committee

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. As the Company is a venture issuer, the Company is exempt from the Audit Committee composition requirements in NI 52-110 which require all Audit Committee members to be independent. Mr. Trent is not considered to be independent as he also serves in the capacity as an executive officer of the Company.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Company's Audit Committee are financially literate as that term is defined.

RELEVANT EDUCATION AND EXPERIENCE

Each member of the Company's Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

All of the Audit Committee members are senior-level businesspeople with experience in financial matters. Each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour.

Prince Alfred von Liechtenstein – His Serene Highness Prince Alfred von Liechtenstein is a member of the Princely Family of Liechtenstein. He conducted his studies at the University of Vienna in economics and information technology, as well as politics. Since 1976, Prince Alfred von Liechtenstein has been managing director and board and supervisory board member of several international enterprises operating in multiple areas, such as trade, business advisory, and financial services. He is, among other engagements, also owner and executive director of the supervisory board of a five-star chalet hotel in Corinthia, Austria.

Dr. Leopold Specht – Dr. Specht is an international legal expert in the areas of international taxation, project financing, cross-boarder mergers and acquisitions, and corporate law, and has taught at Harvard Law School, University of Naples, Northeastern University School of Law, to name a few. He conducted his studies at Harvard Law School, University of Rome, and University of Vienna. Dr. Specht is the founder and managing partner of the international law firm Specht & Partner, with offices in Vienna, Moscow, Prague, Budapest, Belgrade, and Zagreb and is fluent in five languages (German, English, Russian, Italian, and French). He is also Managing Director of Dr. Leopold Specht Beteiligungs-und Vermoegensverwaltung GmbH since 1996 and of Specht Asset Management Services GmbH since 2007. Dr. Specht is also Director of Drazenowitsch-Hering-Privatstiftung (since 2000) and Supervisory Board Member of Amalgaro Investment SE (since 2019) and of ALMDORF 'Seinerzeit' Touristik Aktiengesellschaft (since 1994).

Gerald Trent – Mr. Trent has held multiple senior positions in various companies. He is the founder and managing director of Trent Investments, a direct investment multi-family office for ultra-high net worth individuals in Europe. Formerly he worked as Head of Global Markets & Investment Banking at Sberbank Europe AG and Head of M&A of PwC Austria (Pricewaterhouse Coopers).

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company's most recently completed financial year ended July 31, 2024, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Company's most recently completed financial year ended July 31, 2024, has the Company relied on the exemption in section 2.4 of NI 52-110 *Audit Committees* (*De Minimis Non-audit Services*), the exemption in section 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*), the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption, in whole or in part, granted under Part 8 of NI 52-110.
As the Company is a "Venture Issuer" pursuant to relevant securities legislation, the Company is relying on the exemption in section 6.1 of NI 52-110 *Audit Committees*, from the requirement of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee must pre-approve all non-audit services to be provided to the Company or any subsidiary entities thereof by the external auditor of the Company and, to the extent considered appropriate, (i) adopt specific policies and procedures in accordance with applicable laws for the engagement of such non-audit services; and/or (ii) delegate to one or more independent members of the Audit Committee the authority to pre-approve all non-audit services to be

provided to the Company or any subsidiary entities thereof by the external auditor of the Company provided that the other members of the Audit Committee are informed of each such non-audit service.

EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees billed by the Company's external auditor in each of the last two financial years with respect to the Company, by category, are as follows:

Financial Year Ended July 31	Audit Fees [1] ($)	Audit Related Fees [2] ($)	Tax Fees [3] ($)	All Other Fees [4] ($)
2024	69,828	4,250	8,500	Nil
2023	70,000	Nil	2,000	Nil

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

SECTION 8 – CORPORATE GOVERNANCE

GENERAL

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Company is required to disclose its corporate governance practices. Corporate governance relates to the policies, structure and activities of a board of directors of a corporation, the members of which are elected by and are accountable to the Shareholders of the corporation and takes into account the role of the individual members of management who are appointed by the board of directors and who are charged with the day-to-day management of the corporation.

National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**") establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices.

Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of Shareholders and help to contribute to effective and efficient decision-making and believes the Company's corporate governance practices are appropriate and effective for the Company given its current size.

BOARD OF DIRECTORS

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

The Board facilitates its exercise of independent supervision over management by ensuring that the Board is composed of a majority of directors independent of management. In determining whether a director is independent, the Board considers whether the director has a relationship which could, or could be perceived to, interfere with the director's ability to objectively assess the performance of management. The Board, at present, is composed of three directors, the majority of whom are considered "independent" as that term is defined in applicable securities legislation. Gerald Trent is not considered independent for the purposes of NI 58-101 *Disclosure of Corporate Governance Practices* by reason of his offices as Chief Executive Officer and President.

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

DIRECTORSHIPS IN OTHER REPORTING ISSUERS

None of the directors of the Company are also directors of other reporting issuers (or the equivalent) in a jurisdiction or a foreign jurisdiction.

ORIENTATION AND CONTINUING EDUCATION

The Board is responsible for providing orientation for all new recruits to the Board. New directors are briefed on strategic plans, short-, medium- and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing Company policies. However, there is no formal orientation for new members of the Board and this is considered appropriate given the Company's size and current level of operations. Each new director brings a different skill set and professional background and, with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director. New directors also have the opportunity to become familiar with the Company and its business by meeting with the other directors and with officers and employees. A formal orientation process will be implemented when growth of the Company's operations warrants such implementation.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Company provides continuing education for its directors as the need arises in respect of issues that are necessary for them to understand and meet their obligations as directors.

Board members are encouraged to communicate with management, auditors and technical consultants in order to keep current with industry trends and developments and changes in legislation. Board members have full access to the Company's records. In addition, all of the directors of the Company are actively involved in their respective areas of expertise.

ETHICAL BUSINESS CONDUCT

The Board relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board has found that these, combined with the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest, have been sufficient.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to

the Company and the contract or transaction be approved by the Shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

NOMINATION OF DIRECTORS

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual general meeting of the Shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

COMPENSATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Board sets the level of compensation for directors. The Board reviews compensation for the directors and CEO as needed, taking into account time commitment, comparative fees, risks and responsibilities, to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director and makes adjustments as deemed necessary.

COMMITTEES OF THE BOARD OF DIRECTORS

There are currently no other committees of the Board other than the Audit Committee.

ASSESSMENTS

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions as necessary. Neither the Company nor the Board has adopted formal procedures to regularly assess the Board, the Audit Committee or the individual directors as to their effectiveness and contribution. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by the other board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board. The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practice allows the Company to operate efficiently, with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

SECTION 9 – OTHER INFORMATION

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has a "fixed up to 20%" Option Plan and it is the Company's only security-based compensation plan in effect - please refer to *"Section 6 – Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans – Material Terms of Option Plan."*

The following table sets forth information as at July 31, 2024, with respect to all compensation plans under which equity securities were authorized for issuance:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	**(a)**	**(b)**	**(c)**
Equity compensation plans approved by securityholders	4,290,000 (1)	$0.13	285,092
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total			

(1) Subsequent to the year ended July 31, 2024, the Board adopted amendments to the Option Plan, increasing the number of options available for grant initially from 4,575,092 Shares to 7,373,725 Shares, and subsequently from 7,373,725 Shares to 9,160,000 Shares. The Stock Option Plan, as amended, is subject to disinterested Shareholder approval at this Meeting - See *"Section 5 – Particulars of Matters to be Acted Upon – 5. Approval of Amendment of Stock Option Plan"*.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than "routine indebtedness" as defined in applicable securities legislation, since the beginning of the financial year ended July 31, 2024, none of:

(a) the executive officers, directors, employees and former executive officers, directors and employees of the Company or any of its subsidiaries;

(b) the proposed nominees for election as a director of the Company; or

(c) any associates of the foregoing persons;

is or has been indebted to the Company or any of its subsidiaries or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, and which was not entirely repaid on or before the date of this Circular.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and approvals of the Amended Option Plan, September 2024 Conditional Options, and May 2025 Conditional Options.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Circular or as disclosed in the Company's financial statements, no informed person of the Company, or proposed director of the Company, or any associate or affiliate of any informed person or proposed director, had any material interest, direct or indirect, in any transaction since the commencement of the Company's financial years ended July 31, 2024, and 2023, or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

An "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its Shares.

MANAGEMENT CONTRACTS

Since the beginning of the Company's most recently completed financial years ended July 31, 2024, and 2023, management functions of the Company are not, and have not been, to any substantial degree performed by any person other than the executive officers and directors of the Company. See *"Section 6 – Statement of Executive Compensation – Employment, Consulting and Management Agreements."*

REQUEST FOR FINANCIAL STATEMENTS

National Instrument 51-102 *Continuous Disclosure Obligations* sets out the procedures for a Shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format.

SECTION 10 – BOARD APPROVAL

APPROVAL OF THE BOARD

The contents of this Circular have been approved and the delivery thereof to each Shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Vancouver, British Columbia, this 9th day of May, 2025.

ON BEHALF OF THE BOARD

PRINCIPAL TECHNOLOGIES INC.

/s/ Gerald Trent
Gerald Trent
Chief Executive Officer, President,
and Director

APPENDIX "A"

CHANGE OF AUDITOR PACKAGE

PRINCIPAL TECHNOLOGIES INC.
Suite 2500, 700 West Georgia Street
Vancouver, BC V7Y 1B3

NOTICE OF CHANGE OF AUDITOR

To: **British Columbia Securities Commission**
Alberta Securities Commission

AND TO: DMCL LLP, Chartered Professional Accountants ("**DMCL**")
Manning Elliott LLP ("**Manning**")

RE: Notice Regarding Change of Auditor Pursuant to Section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**")

Notice is hereby given of a change of the auditor of Principal Technologies Inc. (the "**Company**") pursuant to section 4.11 of NI 51-102 as follows:

1. The Company has requested and has accepted the resignation of its auditor, DMCL, effective August 1, 2024 and Manning has been appointed as auditor of the Company, to hold office until the next annual general meeting of the Company.

2. The determination to accept the resignation of DMCL and the determination to appoint Manning, in each case as the Company's auditor, were considered and approved by both the Company's board of directors and its Audit Committee.

3. DMCL did not express a modified opinion for any of its reports on the financial statements of the Company for: (a) the two most recently completed fiscal years preceding the date of this Notice; or (b) any period subsequent to the two most recently completed fiscal years and ending on the date of this Notice.

4. No "reportable events" (as defined in section 4.11(1) of NI 51-102) have occurred.

DATED the 1st day of August, 2024.

PRINCIPAL TECHNOLOGIES INC.

Per: /s/ Gerald Trent
Gerald Trent
Chief Executive Officer

dmcl.ca

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

August 1, 2024

BRITISH COLUMBIA SECURITIES COMMISSION	ALBERTA SECURITIES COMMISSION
P.O. Box 10142, Pacific Centre	Suite 600, 250-5th Street S.W.
9th Floor – 701 West Georgia Street	Calgary, Alberta T2P 0R4
Vancouver, B.C. V7Y 1L2	

Dear Sirs:

Re: Principal Technologies Inc. (the "Company")
Notice Pursuant to National Instrument 51-102 - Change of Auditor

As required by the National Instrument 51-102 and in connection with our resignation as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated August 1, 2024 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours truly,

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver
1500 - 1140 West Pender St.
Vancouver, BC V6E 4G1
604.687.4747

Surrey
200 - 1688 152 St.
Surrey, BC V4A 4N2
604.531.1154

Tri-Cities
700 - 2755 Lougheed Hwy
Port Coquitlam, BC V3B 5Y9
604.941.8266

Victoria
320 - 730 View St.
Victoria, BC V8W 3Y7
250.800.4694

manning elliott

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 **Fax:** 604. 714. 3669 **Web:** manningelliott.com

August 1, 2024

To: British Columbia Securities Commission
Alberta Securities Commission

Dear Sirs/Mesdames:

Re: Principal Technologies Inc. (the "Company")

Notice of Change of Auditor

We have read the Notice of Change of Auditor from the Company (the "Notice"), dated August 1, 2024 delivered to us pursuant to Part 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations.*

In this regard, we confirm that we are in agreement with the statements with respect to Manning Elliott LLP as set out in the Notice, and for other statements, we have no basis to agree or disagree.

Yours truly,

Manning Elliott LLP

MANNING ELLIOTT LLP

Chartered Professional Accountants

APPENDIX "B"

BLACKLINE COPY OF AMENDED STOCK OPTION PLAN

PRINCIPAL TECHNOLOGIES INC.

INCENTIVE STOCK OPTION PLAN

Dated: October 30, 2023
As Amended: September 16, 2024
As Further Amended: May 9, 2025

TABLE OF CONTENTS

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

For the purposes of this Plan, the following terms shall have the following meanings:

(a) "**Accelerated Vesting Event**" means the occurrence of any one of the following events:

(i) a take-over bid (as defined under applicable Securities Laws) is made for Common Shares or Convertible Securities which, if successful would result (assuming the conversion, exchange or exercise of the Convertible Securities, if any, that are the subject of the take-over bid) in any Person or Persons acting jointly or in concert (as determined under applicable Securities Laws) or Persons associated or affiliated with such Person or Persons (as determined under applicable Securities Laws) beneficially, directly or indirectly, owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors;

(ii) the acquisition or continuing ownership by any Person or Persons acting jointly or in concert (as determined under applicable Securities Laws), directly or indirectly, of Common Shares or of Convertible Securities, which, when added to all other securities of the Corporation at the time held by such Person or Persons, Persons associated with such person or persons, or persons affiliated with such Person or Persons (as determined under applicable Securities Laws) (collectively, the "**Acquirors**"), and assuming the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, results in the Acquirors beneficially owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors;

(iii) an amalgamation, merger, arrangement or other business combination (a "**Business Combination**") involving the Corporation receives the approval of, or is accepted by, the securityholders of the Corporation (or all classes of securityholders whose approval or acceptance is required) or, if their approval or acceptance is not required in the circumstances, is approved or accepted by the Corporation and as a result of that Business Combination, parties to the Business Combination or securityholders of the parties to the Business Combination, other than the securityholders of the Corporation, own, directly or indirectly, shares of the continuing entity that entitle the holders thereof to cast at least 50% of the votes attaching to all shares in the capital of the continuing entity that may be cast to elect Directors;

(b) "**Affiliate**" shall have the meaning ascribed thereto by the TSX Venture Exchange in Policy 1.1 – Interpretation;

(c) "**Associate**" shall have the meaning ascribed thereto by the TSX Venture Exchange in Policy 1.1 – Interpretation;

(d) "**Board**" means the board of directors of the Corporation or, as applicable, a committee consisting of not less than 3 directors of the Corporation duly appointed to administer this Plan;

(e) "**CEO**" means Chief Executive Officer of the Corporation, or any Person wholly-owned by the Chief Executive Officer of the Corporation;

(f) "**Charitable Stock Option**" means an Option under this Plan granted by the Corporation to an Eligible Charitable Organization;

(g) "Charitable Organization" means "charitable organization" as defined in the Income Tax Act (Canada) from time to time;

(h) "**Common Shares**" means the common shares in the capital of the Corporation that are listed on the Exchange;

(i) "**Consultant**" means, in relation to the Corporation, an individual (other than a Director, Officer, or Employee of the Corporation or of any of its subsidiaries) or Company that:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its subsidiaries, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Corporation or any of its subsidiaries and the individual or the Company, as the case may be; and

(iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or of any of its subsidiaries.

(j) "**Consultant Company**" means a Consultant that is a Company;

(k) "**Convertible Securities**" means any security of the Corporation which is convertible into Common Shares;

(l) "**Corporation**" means Principal Technologies Inc. and its successor entities;

(m) "**Director**" means a director (as defined under Securities Laws) of the Corporation or of any of its subsidiaries;

(n) "**Disinterested Shareholder Approval**" means approval by a majority of the votes cast by shareholders of the Corporation at the shareholders' meeting excluding those votes attaching to voting shares of the Corporation beneficially owned by:

(i) the Persons that hold or will hold the Security Based Compensation in question; and

(ii) Associates and Affiliates of those Persons.

(o) "**Distribution**" has the meaning ascribed thereto by the Exchange;

(p) "**Eligible Charitable Organization**" means:

(i) any Charitable Organization or Public Foundation which is a Registered Charity, but is not a Private Foundation; or

(ii) a Registered National Arts Service Organization;

(q) "**Eligible Person**" means

(i) a Director, Officer, Employee, Consultant, or Management Company Employee of the Corporation or its subsidiaries, if any, at the time the option is granted, and includes companies that are wholly owned by Eligible Persons; or

(ii) an Eligible Charitable Organization at the time the Option is granted;

(r) "**Employee**" means:

(i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;

(ii) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation, as the case may be, but for whom income tax deductions are not made at source.

(s) "**Exchange**" means the TSX Venture Exchange or the NEX board of the TSX Venture Exchange, as the context requires, and any successor entity or the Toronto Stock Exchange if the Corporation is listed thereon;

(t) **Exchange Hold Period**" has the meaning ascribed thereto in the TSX Venture Exchange's Corporate Finance Manual;

(u) "**Expiry Date**" means the last day of the term for an Option, as set by the Board at the time of grant in accordance with section 5.2 and, if applicable, as amended from time to time;

(v) "**Governmental Authorities**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation making organizations or entities:

(i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or

(ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

(w) "**Insider**" means

(i) a director or senior officer of the Corporation;

(ii) a director or senior officer of a Company that is itself an Insider or subsidiary of the Corporation;

(iii) a Person that has

(A) beneficial ownership of, or control or direction over, directly or indirectly, or

(B) a combination of beneficial ownership of, and control or direction over, directly or indirectly,

securities of the Corporation carrying more than 10% of the voting rights attached to all the Corporation's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the Person as underwriter in the course of a distribution; or

(iv) the Corporation if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security.

(x) "**Investor Relations Activities**" has the meaning ascribed thereto in the TSX Venture Exchange's Corporate Finance Manual;

(y) "**Investor Relations Service Provider**" includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company
Employee whose role and duties primarily consist of Investor Relations Activities;

(z) "**Listed Shares**" are defined in section 1.1(h);

(aa) "**Management Company Employee**" means an individual employed by a Company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation;

(bb) "**Market Price**" shall have the meaning ascribed thereto by the TSX Venture Exchange in Policy 1.1 – Interpretation;

(cc) "**Material Information**" has the meaning ascribed thereto in the TSX Venture Exchange's Corporate Finance Manual;

(dd) "**Officer**" means an officer (as defined under Securities Laws) of the Corporation or of any of its subsidiaries;

(ee) "**Option**" means a non-transferable and non-assignable option to purchase Common Shares granted to an Eligible Person pursuant to the terms of this Plan;

(ff) "**Optionee**" means an Eligible Person of an Option granted by the Corporation;

(gg) "**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

(hh) "**Plan**" means this incentive stock option plan;

(ii) "**Private Foundation**" means "private foundation" as defined in the *Income Tax Act* (Canada) as amended from time to time;

(jj) "**Public Foundation**" means "public foundation" as defined in the *Income Tax Act* (Canada) as amended from time to time;

(kk) "**Registered Charity**" means "registered charity" as defined in the *Income Tax Act* (Canada) as amended from time to time;

(ll) "**Registered National Arts Service Organization**" means "registered national arts service organization" as defined in the *Income Tax Act* (Canada) as amended from time to time;

(mm) "**Securities Laws**" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Corporation;

(nn) "**Security Based Compensation Plan**" has the meaning ascribed thereto by the TSX Venture Exchange's Corporate Finance Manual;

(oo) "**Termination Date**" means the date on which an Optionee ceases to be an Eligible Person; and

(pp) "**VWAP**" means the volume weighted average trading price of the Corporation's Common Shares listed on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the exercise of the subject Option.

1.2 Interpretation

(a) References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.

(b) If the Corporation is listed on the Toronto Stock Exchange, the Company will have to amend the Plan to meet TSX policies.

ARTICLE 2
ESTABLISHMENT OF PLAN

2.1 Purpose

The purpose of this Plan is to advance the interests of the Corporation, through the grant of Options, by:

(a) providing an incentive mechanism to foster the interest of Eligible Persons in the success of the Corporation, its Affiliates and its subsidiaries, if any;

(b) encouraging Eligible Persons to remain with the Corporation, its Affiliates or its subsidiaries, if any; and

(c) attracting new Directors, Officers, Employees and Consultants.

2.2 Shares Reserved

(a) The aggregate number of Common Shares that may be reserved for issuance pursuant to Options under this Plan, together with all other Security Based Compensation Plan(s) shall not exceed 20% of the issued and outstanding Common Shares as at the date of this Plan being ~~4,575,092~~9,160,000 common shares as of ~~October 30, 2023~~May 9, 2025. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.

(b) If there is a change in the issued and outstanding Common Shares by reason of any adjustment, other than in connection with a share consolidation or split, the Board shall make, as it shall deem advisable and subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization, appropriate substitution and/or adjustment in:

(i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;

(ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and

(iii) accelerated vesting related to Investor Relations vesting provisions are subject to the prior approval of the Exchange, and if the Corporation undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Optionees as it shall deem advisable.

(c) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.

(d) The Corporation shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

(e) Share capital adjustments are subject to prior approval of the Exchange, except where they relate to consolidations or splits.

2.3 Non-Exclusivity

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

2.4 Effective Date

This Plan shall be subject to the approval of any regulatory authority whose approval is required and any required shareholder approval. Any Options granted under this Plan prior to such approvals being given shall be conditional upon such approvals being given, and no such Options may be exercised unless and until such approvals are given.

ARTICLE 3
ADMINISTRATION OF PLAN

3.1 Administration

(a) This Plan shall be administered by the Board or any committee established by the Board for the purpose of administering this Plan. Subject to the provisions of this Plan, the Board shall have the authority:

(i) to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Optionee's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited; and

(ii) to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section 3.3 and 3.4 hereof.

(b) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Corporation, Eligible Persons, Optionees and all other Persons.

(c) For stock options granted to Directors, Officers, Employees, Consultants or Management Company Employees, the Corporation and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Director, Officer, Employee, Consultant or Management Company Employee, as the case may be.

3.2 Amendment, Suspension and Termination

The Board may amend, subject to the approvals of any regulatory authority, Exchange and shareholders whose approvals are required, suspend or terminate this Plan or any provision herein. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Options or any rights without the consent of such Optionee. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

3.3 Compliance with Laws

(a) This Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any Governmental Authority as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Common Shares upon exercise of Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals.

(b) No Option shall be granted and no Common Shares sold, issued or delivered hereunder where such grant, sale, issue or delivery would require registration or other qualification of this Plan or of the Common Shares under the applicable Securities Laws of any foreign jurisdiction, and any purported grant of any Option or any sale, issue and delivery of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to sell, issue or deliver any Common Shares hereunder unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading.

(c) Common Shares sold, issued and delivered to Optionees pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable Securities Laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.

(d) All Options granted to Insiders and Consultants of the Corporation, and all Options granted with an exercise price that is less than the applicable Market Price for the Common Shares

(as defined by the policies of the Exchange) at the date of grant, to the extent permitted by this Plan, will be subject to the Exchange Hold Period, and will bear a legend indicating such hold period.

3.4 Tax Withholdings

Notwithstanding any other provision contained herein, in connection with the exercise of an Option by an Optionee from time to time, as a condition to such exercise the Corporation shall require such Optionee to pay to the Corporation or the relevant Affiliate an amount as necessary so as to ensure that the Corporation or such Affiliate, as applicable, is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Options. In addition, the Corporation or the relevant Affiliate, as applicable shall be entitled to withhold from any amount payable to an Optionee, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Corporation or the relevant Affiliate is in compliance with the applicable provisions of any federal, provincial, local or foreign laws relating to the withholding of tax or other required deductions relating to the exercise of such Options. The Corporation may also satisfy any liability for any such withholding obligations, on such terms and conditions as the Corporation may determine in its discretion, by (a) requiring an Optionee, as a condition to the exercise of any Options, to make such arrangements as the Corporation may require so that the Corporation can satisfy such withholding obligations including, without limitation, requiring the Optionee to remit to the Corporation in advance, or reimburse the Corporation for, any such withholding obligations or (b) selling on the Optionee's behalf, or requiring the Optionee to sell, any Shares acquired by the Optionee under the Plan, or retaining any amount which would otherwise be payable to the Optionee in connection with any such sale.

ARTICLE 4
OPTION GRANTS

4.1 Eligibility and Multiple Grants

Options shall only be granted to Eligible Persons. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions, subject to the limitations set forth herein.

4.2 Option Agreement

Every Option shall be evidenced by an option agreement executed by the Corporation and the Optionee. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

4.3 Limitation on Grants and Exercises

(a) **To Insiders.** The maximum aggregate number of Common Shares issued pursuant to Options and all other Security Based Compensation, granted or issued in any 12 month period to Insiders (as a group), excluding the CEO, pursuant to this Plan and any other Security Based Compensation Plan must not exceed 10% of the issued shares of the Corporation, calculated as at the date of grant (unless the Corporation has obtained the requisite Disinterested Shareholder Approval). In addition, the maximum aggregate number of Common Shares issuable pursuant to Options and all other Security Based Compensation under this Plan and any other Security Based Compensation Plan granted or issued to Insiders (as a group), excluding the CEO, must not exceed 10% of the issued shares of the Corporation at any point in time (unless the Corporation has obtained the requisite Disinterested Shareholder Approval).

(b) **To any one Person.** The maximum aggregate number of Options granted or issued in any 12 month period to any one Person (and companies wholly owned by that Person), excluding

the CEO, pursuant to this Plan and any other Security Based Compensation Plan must not exceed 5% of the issued shares of the Corporation, calculated as at the date any Security Based Compensation is granted or issued to the Person (unless the Corporation has obtained the requisite Disinterested Shareholder Approval).

(c) **To Consultants.** The maximum aggregate number of Common Shares issuable pursuant to Options granted or issued in any 12 month period to any one Consultant pursuant to this Plan and any other Security Based Compensation Plan must not exceed 2% of the issued shares of the Corporation, calculated as at the date any Security Based Compensation is granted or issued to the Consultant.

(d) **To Investor Relations Service Providers.** Investor Relations Service Providers may not receive any Security Based Compensation other than Stock Options. The maximum aggregate number of Common Shares issuable pursuant to Options granted or issued in any 12 month period to all Investor Relations Service Providers pursuant to this Plan must not exceed 2% of the issued shares of the Corporation, calculated as at the date of grant. If the Corporation is listed on the NEX board of the TSX Venture Exchange, no Options are permitted to be granted to Investor Relations Service Providers.

(e) **To Eligible Charitable Organizations.** The maximum aggregate number of Common Shares of the Corporation that are issuable pursuant to all outstanding Charitable Stock Options must not exceed 1% of the Issued Shares of the Corporation, calculated as at the date the Charitable Stock Option is granted to the Eligible Charitable Organization.

ARTICLE 5
OPTION TERMS

5.1 Exercise Price

(a) Subject to a minimum exercise price of $0.05 per Common Share, the exercise price per Common Share for an Option shall be determined by the Directors or their delegates if any, but will in no event be less than Market Price for the Common Shares at the date of grant.

(b) A minimum exercise price cannot be established unless the Options are allocated to particular Persons.

(c) The Corporation may settle stock options through:

(i) In cash or by cash equivalent acceptable to the Board, including cashless exercise; or

(ii) by a net exercise arrangement, as defined in section 6.2

provided that the net exercise alternative for payment may only be permitted in accordance with the procedures contemplated by the policies of the TSXV so long as the shares of Common Stock are listed on the TSXV.

5.2 Expiry Date; Additional Terms

(a) Every Option granted shall, unless sooner terminated, have a term not exceeding and shall therefore expire no later than 10 years after the date of grant (subject to extension where the expiry date falls within a "blackout period", pursuant to section 5.7) hereof.

(b) A Charitable Stock Option must expire on or before the earlier of:

(i) the date that is 10 years from the date of grant of the Charitable Stock Option; and

(ii) the 90th day following the date that the holder of the Charitable Stock Option ceases to be an Eligible Organization.

(c) Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of Options, or the extension of the term of an Option, if the Optionee is an Insider of the Corporation at the time of the proposed amendment.

5.3 Vesting

(a) Subject to section 5.3(b) herein and otherwise in compliance with the policies of the Exchange, the Board shall determine the manner in which an Option shall vest and become exercisable.

(b) Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months such that:

(i) no more than 1/4 of the Options vest no sooner than three months after the Options were granted;

(ii) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted;

(iii) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and

(iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.

5.4 Accelerated Vesting Event

Subject to section 2.2(b) and in compliance with the policies of the Exchange, upon the occurrence of an Accelerated Vesting Event, the Board will have the power, at its sole discretion and subject to the prior acceptance of the Exchange, to make such changes to the terms of Options as it considers fair and appropriate in the circumstances, including but not limited to:

(a) accelerating the vesting of Options, conditionally or unconditionally;

(b) terminating every Option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the Options are proposed to be granted to or exchanged with the holders of Options, which replacement options treat the holders of Options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of Shares under such transaction;

(c) otherwise modifying the terms of any Option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or

(d) following the successful completion of such Accelerated Vesting Event, terminating any Option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event shall for the purposes of this Plan be final, conclusive and binding.

5.5 Non-Assignability

Options may not be assigned or transferred.

5.6 Ceasing to be Eligible Person

(a) If an Optionee who is a Director, Officer, Employee, Consultant or Management Company Employee is terminated for cause, each Option held by such Optionee shall terminate and therefore cease to be exercisable upon such termination for cause.

(b) If an Optionee dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Optionee shall be exercisable by the heirs or administrators of such Optionee and shall terminate and therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is twelve months from the date of the Optionee's death.

(c) Unless an option agreement specifies otherwise, if an Optionee ceases to be an Eligible Person for any reason other than death or termination for cause, each Option held by the Optionee other than an Investor Relations Service Provider will cease to be exercisable 90 days after the Termination Date or for a "reasonable period" after the Optionee ceases to serve in such capacity, as determined by the Board, with such “reasonable period” not exceeding 12 months following the Termination Date. For Investor Relations Service Providers, Options shall cease to be exercisable 30 days after the Termination Date.

(d) If any portion of an Option is not vested at the time an Optionee ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option may not be thereafter exercised by the Optionee or its legal representative, as the case may be, provided that the Board may, in its discretion, thereafter permit the Optionee or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the Option that would have vested prior to the time such Option otherwise terminates.

5.7 Blackout Periods

An Option will be automatically extended past the expiry date of an Option governed by the Plan if such expiry date falls within a period (a “**blackout period**”) during which the Corporation prohibits Optionees from exercising their Options provided that the following requirements are satisfied:

(a) The blackout period must be formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information. For greater certainty, in the absence of the Corporation formally imposing a blackout period, the expiry date of any Options will not be automatically extended in any circumstances.

(b) The blackout period must expire following the general disclosure of the undisclosed Material Information. The expiry date of the affected Options can be extended to no later than ten (10) business days after the expiry of the blackout period.

(c) The automatic extension of an Optionee’s Options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation’s securities.

(d) The automatic extension is available to all Eligible Persons under the Plan under the same terms and conditions.

ARTICLE 6
EXERCISE PROCEDURE

6.1 Exercise Procedure

An Option may be exercised from time to time, and shall be deemed to be validly exercised by the Optionee only upon the Optionee's delivery to the Corporation at its head office of:

(a) a written notice of exercise addressed to the Corporate Secretary of the Corporation, specifying the number of Common Shares with respect to which the Option is being exercised;

(b) a signed option agreement with respect to the Option being exercised;

(c) a certified cheque or bank draft made payable to the Corporation for the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised, together with the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable Securities Laws; and

(d) documents containing such representations, warranties, agreements and undertakings, including such as to the Optionee's future dealings in such Common Shares, as counsel to the Corporation reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of Securities Laws of any jurisdiction;

and on the business day following, the Optionee shall be deemed to be a holder of record of the Common Shares with respect to which the Option is being exercised, and thereafter the Corporation shall, within a reasonable amount of time, cause certificates for such Common Shares to be issued and delivered to the Optionee.

6.2 Cashless Exercise

Subject to the provisions of this Plan (including, without limitation, Section 3.4) and Board approval, once an Option has vested and become exercisable, an Optionee may elect to exercise such Option by either:

(a) excluding Options granted to Investor Relations Service Providers, a "**net exercise**" procedure in which the Corporation issues to the Optionee, Common Shares equal to the number determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options by (ii) the VWAP of the underlying Common Shares; or

(b) a broker assisted "**cashless exercise**" in which the Corporation delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Corporation to sell the Common Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Corporation an amount equal to the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised, together with the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable laws, against delivery of the Common Shares to settle the applicable trade.

An Option may be exercised pursuant to this Section 6.2 from time to time by delivery to the Corporation, at its head office or such other place as may be specified by the Corporation of (i) written notice of exercise specifying that the Optionee has elected to effect such a cashless exercise of the Option, the method of cashless exercise, and the number of Options to be exercised and (ii) payment of the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable Laws, as verified by the Corporation to its satisfaction (or by entering into some other arrangement acceptable to the Corporation in its discretion). The Optionee shall comply with Section 3.4 hereof with regard to any applicable required

withholding obligations and with such other procedures and policies as the Corporation may prescribe or determine to be necessary or advisable from time to time, including the prior written consent of the Board in connection with such exercise.

ARTICLE 7
AMENDMENT OF OPTIONS

7.1 Consent to Amend

The Board may amend any Option with the consent of the affected Optionee and the Exchange, including any shareholder approval required by the Exchange. For greater certainty, Disinterested Shareholder Approval is required for any reduction in the exercise price of an Option or the extension of the term of an Option if the Optionee is an Insider at the time of the proposed amendment.

7.2 Amendment Subject to Approval

If the amendment of an Option requires Exchange and shareholder approvals, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

ARTICLE 8
MISCELLANEOUS

8.1 No Rights as Shareholder

Nothing in this Plan or any Option shall confer upon an Optionee any rights as a shareholder of the Corporation with respect to any of the Common Shares underlying an Option unless and until such Optionee shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

8.2 No Right to Employment

Nothing in this Plan or any Option shall confer upon an Optionee any right to continue in the employ of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate the Optionee's employment, with or without cause, at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment of any Optionee beyond the time which the Optionee would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Affiliate.

8.3 Governing Law

This Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.

APPENDIX "C"

AUDIT COMMITTEE CHARTER

PRINCIPAL TECHNOLOGIES INC.
(the "Company")

2. OVERALL PURPOSE AND OBJECTIVES

The Audit Committee will assist the directors (the "**Directors**") of the Company in fulfilling their responsibilities under applicable legal and regulatory requirements. To the extent considered appropriate by the Audit Committee or as required by applicable legal or regulatory requirements, the Audit Committee will review the financial reporting process of the Company, the system of internal controls and management of the financial risks of the Company and the audit process of the financial information of the Company. In fulfilling its responsibilities, the Audit Committee should maintain an effective working relationship with the Directors, management of the Company and the external auditor of the Company as well as monitor the independence of the external auditor.

2. AUTHORITY

(a) The Audit Committee shall have the authority to:

(i) engage independent counsel and other advisors as the Audit Committee determines necessary to carry out its duties;

(ii) set and pay the compensation for any advisors employed by the Audit Committee;

(iii) communicate directly with the internal and external auditor of the Audit Company and require that the external auditor of the Company report directly to the Audit Committee; and

(iv) seek any information considered appropriate by the Audit Committee from any employee of the Company.

(b) The Audit Committee shall have unrestricted and unfettered access to all personnel and documents of the Company and shall be provided with the resources reasonably necessary to fulfill its responsibilities.

3. MEMBERSHIP AND ORGANIZATION

(a) The Audit Committee will be composed of at least three members. The members of the Audit Committee shall be appointed by the Directors to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. The majority of the members of the Audit Committee must be Directors who are independent and financially literate to the extent required by (and subject to the exemptions and other provisions set out in) applicable laws, rules and regulations, and stock exchange requirements ("**Applicable Laws**"). In this Charter, the terms "independent" and "financially literate" have the meaning ascribed to such terms by Applicable Laws, and include the meanings given to similar terms by Applicable Laws, including in the case of the term "independent" the terms "outside" and "unrelated" to the extent such latter terms are applicable under Applicable Laws.

(b) The chairman of the Audit Committee will be an independent Director and will be appointed by the Audit Committee from time to time and must have such accounting or related financial management expertise as the Directors may determine in their business judgment.

(c) The secretary of the Audit Committee will be the chosen by the Audit Committee.

(d) The Audit Committee may invite such persons to meetings of the Audit Committee as the Audit Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this Charter or Applicable Laws.

(e) The Audit Committee may invite the external auditor of the Company to be present at any meeting of the Audit Committee and to comment on any financial statements, or on any of the financial aspects, of the Company.

(f) The Audit Committee will meet as considered appropriate or desirable by the Audit Committee. Any member of the Audit Committee or the external auditor of the Company may call a meeting of the Audit Committee at any time upon 48 hours' prior written notice.

(g) All decisions of the Audit Committee shall be by simple majority and the chairman of the Audit Committee shall not have a deciding or casting vote.

(h) Minutes shall be kept in respect of the proceedings of all meetings of the Audit Committee.

(i) No business shall be transacted by the Audit Committee except at a meeting of the members thereof at which a majority of the members thereof is present.

(j) The Audit Committee may transact its business by a resolution in writing signed by all the members of the Audit Committee in lieu of a meeting of the Audit Committee.

4. ROLE AND RESPONSIBILITIES

To the extent considered appropriate or desirable or required by applicable legal or regulatory requirements, the Audit Committee shall:

(a) recommend to the Directors

(i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Company or performing other audit, review or attest services for the Company, and

(ii) the compensation to be paid to the external auditor of the Company;

(b) review the proposed audit scope and approach of the external auditor of the Company and ensure no unjustifiable restriction or limitations have been placed on the scope of the proposed audit;

(c) meet separately and periodically with the management of the Company, the external auditor of the Company and the internal auditor (or other personnel responsible for the internal audit function of the Company) of the Company to discuss any matters that the Audit Committee, the external auditor of the Company or the internal auditor of the Company, respectively, believes should be discussed privately;

(d) be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Company or performing other audit, review or attest services for the Company, including the resolution of disagreements between management of the Company and the external auditor of the Company regarding any financial reporting matter and review the performance of the external auditor of the Company;

(e) review judgmental areas, for example those involving a valuation of the assets and liabilities and other commitments and contingencies of the Company;

(f) review audit issues related to the material associated and affiliated entities of the Company that may have a significant impact on the equity investment therein of the Company;

(g) meet with management and the external auditor of the Company to review the annual financial statements of the Company and the results of the audit thereof;

(h) review and determine if internal control recommendations made by the external auditor of the Company have been implemented by management of the Company;

(i) pre-approve all non-audit services to be provided to the Company or any subsidiary entities thereof by the external auditor of the Company and, to the extent considered appropriate:

(i) adopt specific policies and procedures in accordance with Applicable Laws for the engagement of such non-audit services; and/or

(ii) delegate to one or more independent members of the Audit Committee the authority to pre-approve all non-audit services to be provided to the Company or any subsidiary entities thereof by the external auditor of the Company provided that the other members of the Audit Committee are informed of each such non-audit service;

(j) consider the qualification and independence of the external auditor of the Company, including reviewing the range of services provided by the external auditor of the Company in the context of all consulting services obtained by the Company;

(k) consider the fairness of the Interim Financial Report and financial disclosure of the Company and review with management of the Company whether,

(i) actual financial results for the interim period varied significantly from budgeted or projected results,

(ii) generally accepted accounting principles have been consistently applied,

(iii) there are any actual or proposed changes in accounting or financial reporting practices of the Company, and

(iv) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure;

(l) review the financial statements of the Company, management's discussion and analysis and any annual and interim earnings press releases of the Company before the Company publicly discloses such information and discuss these documents with the external auditor and with management of the Company, as appropriate;

(m) review and be satisfied that adequate procedures are in place for the review of the public disclosure of the Company of financial information extracted or derived from the financial statements of the Company, other than the public disclosure referred to in paragraph 4(l) above, and periodically assess the adequacy of those procedures;

(n) establish procedures for,

(i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and

(ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters relating to the Company;

(o) review and approve the hiring policies of the Company regarding partners, employees and former partners and employees of the present and any former external auditor of the Company;

(p) review the areas of greatest financial risk to the Company and whether management of the Company is managing these risks effectively;

(q) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and consider their impact on the financial statements of the Company;

(r) review any legal matters which could significantly impact the financial statements of the Company as reported on by counsel and meet with counsel to the Company whenever deemed appropriate;

(s) institute special investigations and, if appropriate, hire special counsel or experts to assist in such special investigations;

(t) at least annually, obtain and review a report prepared by the external auditor of the Company describing:

(i) the firm's quality-control procedures;

(ii) any material issues raised by the most recent internal quality-control review or peer review of the firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, in respect of one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and

(iii) to assess the auditor's independence) all relationships between the independent auditor and the Company;

(u) review with the external auditor of the Company any audit problems or difficulties and management's response to such problems or difficulties;

(v) discuss the Company's earnings press releases, as well as financial information and earning guidance provided to analysts and rating agencies, if applicable; and

(w) review this charter and recommend changes to this charter to the Directors from time to time.

5. COMMUNICATION WITH THE DIRECTORS

(a) The Audit Committee shall produce and provide the Directors with a written summary of all actions taken at each Audit Committee meeting or by written resolution.

(b) The Audit Committee shall produce and provide the Directors with all reports or other information required to be prepared under Applicable Laws.