

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1: Name and Address of Company

Principal Technologies Inc. (“Company”)
2500 - 700 West Georgia Street
Vancouver, British Columbia
Canada V7Y 1B3

Item 2: Date of Material Change

December 21, 2023

Item 3: News Release

The news release was disseminated on December 21, 2023 through the news dissemination services of Canada NewsWire and a copy was subsequently filed on SEDAR⁺ at [sedarplus.ca](https://www.sedarplus.ca).

Item 4: Summary of Material Change

The Company announced the closing of the second tranche (“**Tranche 2**”) of its previously announced non-brokered private placement (the “**Offering**”) issuing a total of 6,823,333 common shares (the “**Shares**”) at \$0.15 per common share for gross proceeds of \$1,023,500. The Company paid cash finder's fees and issued finder's warrants in connection with Tranche 2 of the private placement.

The Company also announces it has received approval from the TSX Venture Exchange (“**TSXV**”) for an extension to close the Offering on, or before, January 17, 2024.

Item 5: Full Description of Material Change

5.1 Full Description of Material Change

The Company announced the closing of Tranche 2 of the Offering issuing a total of 6,823,333 Shares at \$0.15 per Share for gross proceeds of \$1,023,500. The Company closed the first tranche of the Offering on November 20, 2023 issuing 2,336,500 Shares for a gross proceeds of \$350,475. The total raised under the Offering to date is \$1,373,975.

The Company also announces that it has increased the size of the Offering, as previously described in the Company's news releases dated October 6, 2023 and November 21, 2023. The Company now intends to issue up to 10,700,000 Shares at a price of \$0.15 per Share for total gross proceeds of approximately \$1,600,000 subject to final approval from TSXV. The Company first announced the Offering for up to 6,000,000 common shares of the Company for aggregate gross proceeds of up to \$900,000.

The Company has received approval from the TSXV for an extension and intends to close a third and final tranche of the Offering on or before January 17, 2024. The Company has now received additional offers to participate in the third tranche of the Offering.

Finder's fees in connection with the Offering, include two components, namely cash finder's fees (the “**Cash Finder's Fees**”) and finder's warrants (the “**Finder's Warrants**”). The Cash Finder's Fee shall be equal to eight percent (8%) of the amount provided to the Company pursuant to a financing or investment agreement entered into between the Company and a Designated Investor for financing or an investment in exchange for securities or other equity in the Company (the “**Investment Agreement**”). The Finder's Warrants shall be equal to eight percent (8%) of the number of securities received by the Designated Investor. Each non-

transferable Finder's Warrant entitles the holder to purchase one common share (a "Share") of the Company for a period of twenty-four (24) months from the date of issuance at a price of CAD\$0.20 per Share. In connection with the closing of Tranche 2, finder's fees of \$33,720 were paid in cash and a total of 224,800 Finder's Warrants are issuable.

The Company intends to use the net proceeds of the Offering for working capital in order to secure a major asset and for general corporate purposes.

All securities issued pursuant to Tranche 2 of the Offering, and any Shares that may be issuable on exercise of any such securities, will be subject to a statutory hold period expiring four months and one day from the date of issuance of such securities. The Offering remains subject to final approval of the TSXV.

5.2 Disclosure for Restructuring Transactions

Not applicable

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

Jerry Trent, CEO

Item 9: Date of Report

December 29, 2023