



## **Trail Blazing Ventures Ltd.**

**(A Capital Pool Company)**

**Management Discussion & Analysis**

**For the three and nine months ended June 30, 2022**

**(In Canadian Dollars)**

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The following management discussion and analysis (“MD&A”) of the results of the operations and financial position of Trail Blazing Ventures Ltd. (the “Corporation”) should be read in conjunction with the interim condensed financial statements of the Corporation for the three and nine months ended June 30, 2022 (the “Financial Statements”) and the audited financial statements of the Corporation for the period ended September 30, 2021. The Financial Statements, including the comparative figures, were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. Unless otherwise noted, all dollar amounts are in Canadian dollars.

The information in this MD&A is current as of August 29, 2022, unless otherwise noted.

Additional information regarding the Corporation, including the Financial Statements, news releases, and other disclosure items, is available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Forward-Looking Statements**

Certain statements and information contained in this MD&A may constitute forward-looking information under applicable securities laws. All statements and information other than statements of historical fact or historical information may be forward-looking information. Forward-looking information typically contains statements with words such as “expect”, “intend”, “estimate”, “will”, “anticipated”, or similar words, including negatives thereof, suggesting future outcomes or statements regarding an outlook. The forward-looking information is based on a number of factors, expectations and assumptions which have been used to develop such information, and which may prove to be incorrect. Although the Corporation believes that the factors, expectations and assumptions on which the forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Corporation can give no assurances that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent known and unknown risks and uncertainties which are beyond the control of the Corporation. The Corporation’s actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information due to a number of factors and risks, and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that the Corporation will derive therefrom. The forward-looking information included in this MD&A is made as of the date hereof and the Corporation does not undertake an obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise, except as required by applicable law.

### **The Corporation**

The Corporation was incorporated under the *Business Corporations Act* (Alberta) on August 30, 2021 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the “Exchange”) Corporate Finance Manual (the “Manual”), and trades under the symbol TSXV: BLAZ.P.

The head office and the registered office of the Corporation is located at Suite 800, 333-7 Avenue SW, Calgary, Alberta T2P 2Z1.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (“QT”) as such term is defined in the Manual. The Corporation has not commenced operations other than actively looking for a QT, and has no assets other than cash and other financial instruments. The Corporation’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm’s length transaction, of the majority of the minority shareholders.

Pursuant to the Manual, the proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT.

During the period ended December 31, 2021, the Corporation filed a prospectus to offer to sell and issue a minimum

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of 10,000,000 common shares in the capital of the Corporation ("Common Shares") and a maximum of 20,000,000 Common Shares at a price of \$0.10 per share for total gross proceeds of a minimum of \$1,000,000 and a maximum of \$2,000,000 (collectively, the "Offering"). On January 21, 2022 the Corporation completed the Offering whereby it issued 20,000,000 Common Shares at a price of \$0.10 per share for aggregate gross proceeds of \$2,000,000. The Offering was completed pursuant to an agency agreement dated December 6, 2021 between the Corporation and Research Capital Corporation (the "Agent"), the agent for the Offering. In consideration for its services, the Agent received a cash commission of \$160,000 (representing 8% of the gross proceeds of the Offering), a corporate finance fee in the amount of \$21,000 (inclusive of GST), reimbursement of its reasonable legal fees and related expenses, and a non-transferable option to purchase up to 1,600,000 Common Shares (representing 8% of the total number of Common Shares issued under the Offering) at a price of \$0.10 per share until January 21, 2024.

On January 21, 2022 the Corporation granted 2,000,000 incentive stock options to its directors and officers which are exercisable for a period of ten years from the date of the grant at an exercise price of \$0.10 per Common Share.

### **Subsequent Events and Proposed Transaction**

Subsequent to the period ended June 30, 2022, the Corporation announced its proposed arm's length qualifying transaction (the "Transaction") involving a proposed business combination with Ecologist Outfitters Inc. ("Ecologist"), a private company incorporated under the laws of British Columbia.

Ecologist is a company with a goal of disrupting the legacy clothing industry by producing and selling sustainably and ethically produced fashion through its manufacturer-to-consumer ("M2C") business model using 100% natural biodegradable materials. Its mission is to create the world's most sustainable clothing supply chain. Founded in 2019 in Victoria, British Columbia, Ecologist combines technology and in-house ethical production to eliminate waste and reduce inventory, while maintaining high quality standards. Ecologist is expanding their M2C model to bring their locally produced production practices to more cities across North America. Ecologist believes that the future is circular, where the solution to ending the environmental degradation associated with the existing clothing industry lies with owning fewer, higher quality and ethically produced garments. For more information, visit [www.Ecologist.com](http://www.Ecologist.com).

Prior to the completion of the Transaction, Ecologist intends to complete a brokered private placement offering of up to \$4,000,000 (the "Subscription Receipt Private Placement"). The Private Placement shall be in the form of subscription receipts of Ecologist ("Subscription Receipts") at a price of \$0.20 per Subscription Receipt. The Private Placement is expected to be completed prior to the closing of the Transaction. In connection with the completion of the Transaction, the Subscription Receipts shall automatically convert into Newco Common Shares (as defined below). Additionally, Ecologist is currently in the process of completing a non-brokered private placement of common shares for up to \$3,000,000 (the "Initial Private Placement"). The Initial Private Placement is in the form of common shares of Ecologist ("Ecologist Common Shares") at a price of \$0.20 per Ecologist Common Share. The Initial Private Placement is expected to be completed in September 2022.

The Corporation has entered into a non-binding letter of intent with Ecologist dated August 4, 2022 (the "LOI") pursuant to which the Corporation and Ecologist intend to complete the Transaction by way of share purchase, plan of arrangement, amalgamation, three-cornered amalgamation or alternate structure to be determined, having regard to relevant tax, securities and other factors and potentially including a pre-closing reorganization of Ecologist, to form the resulting issuer ("Newco") to be named "Ecologist Outfitters Inc." or such other names as may be determined by Ecologist. Pursuant to the proposed Transaction, each issued and outstanding Ecologist Common Share and Subscription Receipt will be exchanged into one common share of Newco ("Newco Common Share") on a 1:1 basis so that all of the issued and outstanding Ecologist Common Shares will be exchanged for approximately 80,513,934 Newco Common Shares (not including Ecologist Common Shares issued pursuant to the Initial Private Placement, the Subscription Receipts issued pursuant to the Subscription Receipt Private Placement or other Ecologist Common Shares reserved for issuance), and each unexercised incentive stock option of Ecologist shall be exchanged for a replacement option issued by Newco with the same terms as the option exchanged therefor. Additionally, it is expected that the outstanding common shares and options of the Corporation will be consolidated on a 2:1 basis.

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It is intended that the Transaction, when completed, will constitute the Corporation's "Qualifying Transaction" in accordance with Policy 2.4 of the TSX Venture Exchange ("the "Exchange") Corporate Finance Manual. A more comprehensive news release will be issued by the Corporation disclosing details of the Transaction, including financial information respecting Ecologyst, further details regarding the Private Placement, the names and backgrounds of all persons who will constitute insiders of Newco, and information respecting sponsorship, once an agreement has been finalized and certain conditions have been met, including:

- i) approval of the Transaction by the boards of directors of the Corporation and Ecologyst;
- ii) satisfactory completion of due diligence; and
- iii) execution of the definitive agreement.

The Corporation does not anticipate that Shareholder approval will be required with respect to the Transaction under the rules of the Exchange. However, the structure of the Transaction has not yet been finalized so shareholder approval under corporate law may be required. In the event a final agreement is not reached, the Corporation will notify shareholders. Trading in the common shares of the Corporation will remain halted and is not expected to resume trading until the Transaction is completed or until the Exchange receives the requisite documentation to resume trading.

### **Summary of Quarterly Results**

The Corporation was incorporated on August 30, 2021, and as such there are only four quarters of operating results, as outlined below.

Quarter ended	30-Jun-22	31-Mar-22	31-Dec-21	30-Sep-21
Total Assets	\$ 2,656,797	\$ 2,683,470	\$ 1,007,216	\$ 1,000,000
Revenue	\$ -	\$ -	\$ -	\$ -
Net loss and comprehensive loss	\$ 25,300	\$ 353,712	\$ 34,733	\$ 9,723
Basic and diluted, loss per share	\$ 0.00	\$ (0.01)	\$ (0.00)	\$ (0.01)

The Corporation has incurred losses in the above noted quarters mainly as a result of professional fees and filing fees related to the completion of the prospectus discussed in the above section.

The higher loss in the quarter ended December 31, 2021 related mainly to the listing and filing fees for the prospectus and professional fees for completing the audited financial statements.

The higher loss in the quarter ended March 31, 2022 was mainly the result of the share based compensation expense on the issuance of options, which was \$332,514 for the period ended.

The lower loss in the quarter ended June 30, 2022 was mainly the result of no share-based compensation expense and lower professional and listing fees for the period ended.

### **Results of Operations**

#### *Period Ended September 30, 2021*

The Corporation recorded a net loss of \$9,723 for the period from the date of incorporation (August 30, 2021) to September 30, 2021. The net loss for the period ended is entirely due professional fees for setting up the Corporation and auditing the quarterly financial statements.

#### *Three Months Ended December 31, 2021*

The Corporation recorded a net loss of \$34,733 for the three months ended December 31, 2021. The net loss is due to costs in relation to filing fees for the IPO prospectus (\$16,731), audit fees for the audited financial statements (\$12,000), share based compensation for the issuance of options (\$4,624), and other general and administrative expenses (\$1,378).

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*Three Months Ended March 31, 2022*

The Corporation recorded a net loss of \$353,712 for the three months ended March 31, 2022. The net loss is due to share based compensation for the issuance of options (\$332,514), costs in relation to listing and filing fees for the initial public offering (\$10,202), professional fees for the financial statements and prospectus (\$10,118), and other general and administrative expenses (\$878).

*Six Months Ended March 31, 2022*

The Corporation recorded a net loss of \$383,821 for the six months ended March 31, 2022. The net loss is due to share based compensation for the issuance of options (\$332,514), costs in relation to listing and filing fees for the initial public offering (\$26,933), professional fees for the prospectus and financial statements (\$22,118), and other general and administrative expenses (\$2,256).

*Three Months Ended June 30, 2022*

The Corporation recorded a net loss of \$25,300 for the three months ended June 30, 2022. The net loss is due to listing and filing fees (\$645), professional fees (\$24,489), and other general and administrative expenses (\$166).

*Nine Months Ended June 30, 2022*

The Corporation recorded a net loss of \$409,121 for the nine months ended June 30, 2022. The net loss is due to share based compensation for the issuance of options (\$332,514), costs in relation to listing and filing fees for the initial public offering (\$27,578), professional fees for the prospectus and financial statements (\$46,607), and other general and administrative expenses (\$2,422).

**Additional Disclosure for Venture Issuers without Significant Revenue**

Since the Corporation has no revenue from operations, the following is a breakdown of the material costs incurred for the nine months ended June 30, 2022:

<b>Material Costs</b>	<b>Nine months ended June 30, 2022</b>
Listing fees	\$27,578
Professional fees	\$46,607
Share based compensation	\$332,514
General and administrative expenses	\$2,422
Total expenses	\$409,121

**Liquidity and Capital Resources**

As at June 30, 2022, the Corporation had cash of \$2,655,331 and accounts receivable (from Input tax credits receivable) of \$1,466. As at June 30, 2022, the Corporation had working capital of \$2,653,111.

The Corporation has incurred losses since incorporation, and as of June 30, 2022, had an accumulated deficit of \$418,844.

The Corporation does not currently have any commitments for capital expenditures.

**Statement of Cash Flow**

*Operating Activities*

For the nine months ended June 30, 2022, cash used in operating activities was \$86,712, which was mainly the result of the payment of expenses and accounts payable and accrued liabilities related to professional fees, listing and filing fees, professional fees and other general and administrative costs.

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*Financing Activities*

For the nine months ended June 30, 2022, cash provided by financing activities was \$1,742,043 from funds received net of issuance costs from the closing of the initial public offering.

*Investing Activities*

For the nine months ended June 30, 2022, there was no cash used nor provided by investing activities.

**Statement of Financial Position**

As at June 30, 2022, the Corporation had total assets of \$2,656,797 (September 30, 2021 - \$1,000,207), an increase of \$1,656,590. The increase in total assets resulted primarily from the closing of the initial public offering less cash disbursements for listing and filing fees, professional fees and other general and administrative costs.

As at June 30, 2022, the Corporation had total liabilities of \$3,686 (September 30, 2021 - \$12,532), a decrease of \$8,846. The decrease in total liabilities resulted from payment of accounts payable and accrued liabilities for professional fees for the initial public offering.

**Off-Balance Sheet Arrangements**

The Corporation has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

**Critical Accounting Estimates**

The Corporation's significant accounting policies are summarized in Note 2 of the audited financial statements for the period ended September 30, 2021.

**Outstanding Share Data**

During the period ended September 30, 2021, gross proceeds of \$1,000,000 were collected for 20,000,000 Common Shares subscribed for at a price of \$0.05 per share. Share issuance costs of \$2,602 were associated with these subscriptions.

As at December 31, 2021, 20,000,000 Common Shares were issued and outstanding, all of which are being held in escrow in accordance with the Manual. In addition, during the period ended December 31, 2021, the Corporation granted 2,000,000 stock options to directors and officers, which are exercisable within 10 years from the date of grant at an exercise price of \$0.05 per Common Share, and which are also being held in escrow in accordance with the Manual. The options vested immediately.

During the period ended March 31, 2022, the Corporation completed the Offering whereby it issued 20,000,000 Common Shares at a price of \$0.10 per share for aggregate gross proceeds of \$2,000,000. In connection with the Offering, the Agent received a cash commission of \$160,000 (representing 8% of the gross proceeds of the Offering), a corporate finance fee in the amount of \$21,000 (inclusive of GST), reimbursement of its reasonable legal fees and related expenses, and a non-transferable option to purchase up to 1,600,000 Common Shares (representing 8% of the total number of Common Shares issued under the Offering) at a price of \$0.10 per share until January 21, 2024. Insiders of the Corporation acquired an aggregate of 2,071,000 Common Shares under the Offering. As at the date hereof, the Corporation has 40,000,000 Common Shares issued and outstanding, with the directors, officers and seed shareholders of the Corporation, in the aggregate, holding 22,071,000 Common Shares which are subject to escrow restrictions.

During the period ended March 31, 2022, the Corporation granted 2,000,000 incentive stock options to its directors and officers which are exercisable for a period of ten years from the date of the grant at an exercise price of \$0.10 per Common Share. The options vested immediately.

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The table below outlines the securities outstanding as of the date of this MD&A.

Securities	Number		Expiry Date	Exercise Price
	Outstanding			
Common shares	40,000,000			
Stock options	2,000,000	September 30, 2031	\$	0.05
Stock options	2,000,000	January 21, 2032	\$	0.10
Agent's options	1,600,000	January 21, 2024	\$	0.10
Fully diluted	45,600,000			

### Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of share capital, shares to be issued and deficit in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation.

### Related Party Transactions

#### Key management

The Company's key management personnel have authority and responsibility for overseeing, planning, directing, and controlling the activities of the Company. Key management personnel include members of the board of directors and officers. Under the Exchange policies, compensation of key management personnel may not include short-term benefits but may include long-term benefits. Short-term benefits include salaries and consulting fees. Long-term benefits include stock options.

Compensation provided to current key management and directors are as follows.

For the nine months ended	June 30, 2022
Short-term benefits	\$ -
Long-term benefits (*)	332,514
	\$ 332,514

(\*) Consists of share-based payments as the fair value of options granted to directors and officers of the Corporation under the Corporation's stock option plan.

As at June 30, 2022, the Vice-President, Legal of the Corporation and the Corporate Secretary of the Corporation, are Partners of DS Burstall LLP, the Corporation's legal counsel. For the nine months ending June 30, 2022, a total of \$64,845 in legal fees for DS Burstall LLP were expensed as professional fees or capitalized in share capital as share issuance costs, and a total of \$3,686 was outstanding in accounts payable as at June 30, 2022. A total of 400,000 options at a price of \$0.05 and a total of 400,000 options at a price of \$0.10 were issued to partners of the law firm and were expensed as share based compensation totaling \$66,503.

### **Risks and Uncertainties**

The following describes certain risks, events and uncertainties that could affect the Corporation and that each reader should carefully consider.

The Corporation is a Capital Pool Corporation as that term is defined in Policy 2.4 of the Exchange. Following completion of the Offering, the Corporation is actively working to identify assets or businesses in order to complete a QT. During this time, the Corporation will have no source of recurring income.

Although management of the Corporation will be working to identify a Qualifying Transaction, there is no assurance that a QT will be entered into or be completed within the specified time, or at all. Nor can there be an assurance that the Corporation will be able to obtain additional financing in the future on terms acceptable to the Corporation or at all.

External financing may be required to fund the Corporation's activities primarily through the issuance of Common Shares. There can be no assurance that the Corporation will be able to obtain adequate financing. The securities of the Corporation should be considered a highly speculative investment.

The Corporation has not generated significant revenues and does not expect to generate significant revenues in the near future. In the event that the Corporation generates significant revenues in the future, the Corporation intends to retain its earnings in order to finance further growth. Furthermore, the Corporation has not paid any dividends in the past and does not expect to pay any dividends in the foreseeable future.

The Corporation faces risks related to health epidemics, pandemics, and other outbreaks of communicable diseases, which could significantly disrupt its ability to complete a QT on a timely basis, or at all, and adversely affect its financial conditions. The Corporation's business could be adversely impacted by the effects of the COVID-19 pandemic or other epidemics and/or pandemics. The outbreak of COVID-19 has led governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include, among other things, the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. The extent to which COVID-19 impacts the Corporation's ability to complete a QT on a timely basis, or at all, and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the pandemic and the actions taken to contain or treat the COVID-19 pandemic (including recommendations from public health officials). In addition, the COVID-19 pandemic represents a widespread global health crisis that has adversely affected global economies and financial markets resulting in economic swings and uncertainties that could have an adverse effect on the Corporation and its ability to complete a QT in a timely manner, or at all.

### **Risk Disclosures and Fair Values**

The Corporation's financial instruments, consisting of cash held in trust and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

### **Additional Information**

Additional information about the Corporation can also be found on SEDAR.