



Trail Blazing Ventures Ltd.
(A Capital Pool Company)

Interim Condensed Financial Statements

(Unaudited)

For the three and nine months ended June 30, 2022

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL RESULTS

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim condensed financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying interim condensed financial statements of the company have been prepared in accordance with IFRS and are the responsibility of the company's management. The interim condensed financial statements and related financial reporting matters have been reviewed and approved by the audit committee.

The company's independent auditor has not performed a review of these interim condensed financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim condensed financial statements by an entity's auditor.

Trail Blazing Ventures Ltd.
Interim Condensed Statements of Financial Position
(Unaudited)

As at	June 30, 2022	September 30, 2021
Short-Term Assets		
Cash	\$ 2,655,331	\$ 1,000,000
GST receivable	1,466	207
	\$ 2,656,797	\$ 1,000,207
Short-Term Liabilities		
Accounts payable	\$ 3,686	\$ 4,532
Accrued liabilities	-	8,000
	3,686	12,532
Shareholders' Equity		
Share capital, net of share issuance costs (Note 3)	2,681,856	997,398
Contributed surplus (Note 3)	390,099	-
Deficit	(418,844)	(9,723)
	2,653,111	987,675
	\$ 2,656,797	\$ 1,000,207

The accompanying notes are an integral part of these interim condensed financial statements.

Trail Blazing Ventures Ltd.
Interim Condensed Statement of Loss and Comprehensive Loss
(Unaudited)
For the Three and Nine Months Ended June 30, 2022

	Three months ended June 30, 2022	Nine months ended June 30, 2022
Expenses		
Listing fees	\$ 645	\$ 27,578
Professional fees	24,489	46,607
General and administrative expenses	166	2,422
Share based compensation	-	332,514
Net loss and comprehensive loss for the period	\$ 25,300	\$ 409,121
Net loss per share – basic and diluted	\$ (0.00)	\$ (0.01)
Weighted average shares outstanding - basic and diluted	31,678,832	31,678,832

The accompanying notes are an integral part of these interim condensed financial statements.

Trail Blazing Ventures Ltd.
Interim Condensed Statement of Changes in Shareholders' Equity
(Unaudited)
For the Nine Months Ended June 30, 2022

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Balance, September 30, 2021	20,000,000	\$ 997,398	\$ -	\$ (9,723)	\$ 987,675
Initial public offering	20,000,000	1,684,458	-	-	1,684,458
Issuance of agent's options	-	-	57,585	-	57,585
Share based compensation	-	-	332,514	-	332,514
Net loss for the period	-	-	-	(409,121)	(409,121)
Balance, June 30, 2022	40,000,000	\$ 2,681,856	\$ 390,099	\$ (418,844)	\$ 2,653,111

The accompanying notes are an integral part of these interim condensed financial statements.

Trail Blazing Ventures Ltd.
Interim Condensed Statement of Changes in Cash Flows
(Unaudited)
For the Nine Months Ended June 30, 2022

	Nine months ended June 30, 2022
Cash provided by (used in):	
Operating	
Net loss for the period	\$ (409,121)
Non-cash adjustments to net loss	
Share based compensation	332,514
Changes in non-cash working capital balances	
GST receivable	(1,259)
Accounts payable	(846)
Accrued liabilities	(8,000)
Cash used in operating activities	(86,712)
Financing	
Initial public offering, net of issuance costs	1,742,043
Cash provided by financing activities	1,742,043
Net change in cash	1,655,331
Cash, beginning of period	1,000,000
Cash, end of period	\$ 2,655,331

The accompanying notes are an integral part of these interim condensed financial statements.

1. INCORPORATION AND NATURE OF BUSINESS

Trail Blazing Ventures Ltd. (the "Corporation") was incorporated under the *Business Corporations Act* (Alberta) on August 30, 2021 and is a Capital Pool Company as defined in Policy 2.4 (the "Policy") of the TSX Venture Exchange (the "Exchange"), and trades under the symbol TSXV: BLAZ.P. The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT") as defined in the Policy. The Corporation has not commenced commercial operations and has no assets other than cash held in trust and other financial instruments. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

Pursuant to the Policy, 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.

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

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These interim condensed financial statements for the three and nine months ended June 30, 2022, ("Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards 34, "Interim Financial Reporting" ("IAS34") as issued by the International Accounting Standards Board ("IASB"), and interpretations of the IFRS Interpretations Committee ("IFRIC"). These Financial Statements are prepared in accordance with the same accounting policies, critical estimates and methods described in the Corporation's audited financial statements. Given that certain information and note disclosures, which are included in the audited financial statements, have been condensed or excluded in accordance with IAS 34, these Financial Statements should be read in conjunction with the audited financial statements as at and for the period ended September 30, 2021, including the accompanying notes thereto, which are available on SEDAR at www.sedar.com.

These Financial Statements were approved and authorized by the Board of Directors on August 29, 2022.

Basis of Presentation

The financial statements are presented in Canadian dollars ("CAD"), which is the Corporation's functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVPTL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

Trail Blazing Ventures Ltd.
Notes to the Interim Condensed Financial Statements
(Unaudited)
For the Three and Nine Months Ended June 30, 2022

3. SHARE CAPITAL

Authorized - Unlimited common shares

Balance, August 30, 2021	\$	-
20,000,000 common shares issued		1,000,000
Cost of issuance		(2,602)
Balance, September 30, 2021	\$	997,398
20,000,000 common shares issued		2,000,000
Cost of issuance		(315,542)
Balance, June 30, 2022	\$	2,681,856

Escrowed Shares

During the period ended September 30, 2021, the Corporation issued 20,000,000 common shares ("Common Shares") at \$0.05 per share for gross proceeds of \$1,000,000, all of which are held in escrow pursuant to the requirements of the Exchange.

All Common Shares: (a) issued at a price below the price of the Common Shares issued in the Corporation's initial public offering (the "IPO"); and (b) acquired from treasury after the IPO but before the date of the Final QT Exchange Bulletin (as defined in the Policy) which are, directly or indirectly, beneficially owned or controlled by Non-Arm's Length Parties (as defined in the Policy) to the Corporation, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

Filing of Prospectus and Initial Public Offering

On January 21, 2022, the Corporation completed its prospectus 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"). The Offering constituted the IPO of the Corporation and 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. Insiders of the Corporation acquired an aggregate of 2,071,000 Common Shares under the Offering.

Options

The Corporation has adopted an incentive stock option plan which provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and technical consultants to the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares as at the date of grant of any such option, and that the exercise period does not exceed 10 years from the date of grant.

The number of Common Shares issuable to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares of the Corporation as at the date of grant of such option. The number of Common Shares issuable at any given time to all technical consultants in aggregate will not exceed 2% of the issued and outstanding Common Shares of the Corporation as at the date of grant of such option.

Trail Blazing Ventures Ltd.
Notes to the Interim Condensed Financial Statements
(Unaudited)
For the Three and Nine Months Ended June 30, 2022

3. SHARE CAPITAL – continued

Any options granted, and any shares issued upon exercise of options, prior to the Corporation's completion of a QT will be subject to escrow restrictions. In addition to the foregoing, any options with an exercise price less than the offering price per Common Share in the IPO will be subject to the same escrow release schedule as the Common Shares issued for a price less than the offering price per Common Share in the IPO.

On October 1, 2021, the Corporation granted 2,000,000 stock options to directors and officers, which are exercisable within ten years from the date of grant at an exercise price of \$0.05 per share. The options vested immediately.

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. The options vested immediately.

The below table outlines the issuance of options during the period.

	Number of options	Weighted average exercise price
Balance, September 30, 2021	-	\$ -
Issued during period	2,000,000	\$ 0.05
Issued during period	2,000,000	\$ 0.10
Issued during period	1,600,000	\$ 0.10
Balance, June 30, 2022	5,600,000	\$ 0.08
Exercisable, June 30, 2022	5,600,000	\$ 0.08

The below table outlines the weighted average life of the options.

Options outstanding	Weighted average exercise price	Weighted average remaining term (years)	Options exercisable
2,000,000	\$0.05	9.25	2,000,000
2,000,000	\$0.10	9.57	2,000,000
1,600,000	\$0.10	1.56	1,600,000
5,600,000	\$0.08	7.17	5,600,000

The options issued during the nine months ended June 30, 2022 were valued at \$390,098, and \$57,584 was recorded as contributed surplus, and \$332,514 was expensed as share based compensation expense for the nine months ended June 30, 2022.

The below table outlines the variables used in the valuation of the options by the Black Scholes model.

	Three months ended March 31, 2022	Three months ended December 31, 2021
Risk free interest rate (%)	2.27% - 2.40%	1.71%
Expected life (years)	1.81 to 9.82	9.75
Volatility rate (%)	66.70%	100.00%
Dividend yield (%)	0.00%	0.00%
Forfeiture rate (%)	0.00%	0.00%

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 and accumulated 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 as defined under the policies of the Exchange.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash 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.

5. 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
	<u>\$ 332,514</u>

(*) 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.

6. SUBSEQUENT EVENTS

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.

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.

6. SUBSEQUENT EVENTS - continued

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.