

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Hempalta Corp. (the "**Company**")
1560 Hastings Crescent SE
Calgary, AB T2G 4E1

Item 2 Date of Material Change

March 19, 2024

Item 3 News Releases

A news release was issued by the Company on March 19, 2024 in respect of the material changes and was disseminated through the facilities of Newsfile Corp. and filed on SEDAR+.

Item 4 Summary of Material Change

On March 19, 2024, the Company (formerly capital pool company Trail Blazing Ventures Ltd.) completed the acquisition (the "**Transaction**") of all of the issued and outstanding securities of Hempalta Inc. (the "**Target**"), constituting its "Qualifying Transaction" (as defined by Policy 2.4 – Capital Pool Companies of the TSX Venture Exchange). Prior to the completion of the Transaction, the Company changed its name from "Trail Blazing Ventures Ltd." to "Hempalta Corp." and completed a consolidation on the basis of one (1) post-consolidation common share of the Company ("**Company Share**") for every 1.7 pre-consolidation Company Shares (the "**Consolidation**").

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On March 19, 2024, the Company (formerly capital pool company Trail Blazing Ventures Ltd.) completed the acquisition of all of the issued and outstanding securities of the Target, a private company incorporated under the *Business Corporations Act* (Alberta) (the "**ABCA**").

The Transaction constitutes the Company's "Qualifying Transaction" (as defined by Policy 2.4 – *Capital Pool Companies* of the TSXV) and was completed according to the terms of an amalgamation agreement dated November 15, 2023 (the "**Amalgamation Agreement**"), pursuant to which, among other things, the Company acquired all of the issued and outstanding securities of the Target by way of a three-cornered amalgamation with a wholly-owned subsidiary of the Company under the ABCA. In connection with the completion of the Transaction, the TSXV approved the listing of the issued and outstanding post-Consolidation Company Shares.

Prior to the completion of the Transaction, the Company: (i) completed the Consolidation on the basis of one (1) post-consolidation Company Share for every 1.7 pre-consolidation Company Shares; and (ii) changed its name from "Trail Blazing Ventures Ltd." to "Hempalta Corp."

Pursuant to the Amalgamation Agreement, the issued and outstanding common shares of the Target ("**Target Shares**") were exchanged for Company Shares on a 1:1 basis in connection with the Transaction. Pursuant to the Transaction: (i) an aggregate of 58,914,763 Company Shares were issued in exchange for the outstanding Target Shares, which included the Target Shares issued upon the conversion of Subscription Receipts (as defined herein), as well as 3,531,250 Target Shares issued upon the conversion of the \$565,000 outstanding principal amount of convertible debentures of the Target ("**Target Debentures**") and 223,732 Target Shares issued in payment of interest accrued and payable on the Target Debentures; (ii) warrants exercisable to acquire 2,629,964 Company Shares were issued in exchange for the outstanding Target Share purchase warrants of the Target; (iii) broker warrants exercisable to acquire 154,859 Company Shares were issued in exchange for the outstanding broker warrants of the Target ("**Broker Warrants**") which were issued in connection with the Subscription Receipt Financing (as defined herein); and (iv) stock options ("**Company Options**") exercisable to acquire 4,700,000 Company Shares were issued in exchange for the outstanding stock options of the Target ("**Target Options**").

As disclosed in the Company's press release dated January 22, 2024, the Company and the Target completed a brokered private placement (the "**Subscription Receipt Financing**") led by Canaccord Genuity Corp. (the "**Agent**"), pursuant to which the Target issued and sold 6,473,351 subscription receipts of the Target ("**Subscription Receipts**"). Additionally, the Target issued to the Agent: (i) 176,470 Subscription Receipts in connection with the corporate finance fee payable by the Target to the Agent; and (ii) 154,859 Broker Warrants exercisable into Target Shares at an exercise price of \$0.17 per share.

Prior to the completion of the Transaction, each of the 6,649,821 Subscription Receipts were automatically converted into one Target Share. Each such Target Share was exchanged pursuant to the Transaction for one Company Share. The escrowed proceeds derived from the Subscription Receipt Financing, less the fees paid to the Agents in connection with the Agents' services rendered in connection with the Subscription Receipt Financing and other applicable deductions, were released in accordance with the provisions of the subscription receipt agreement that governed the Subscription Receipts.

Following the Transaction, the leadership team of the Company is as follows:

- Darren Bondar – President, Chief Executive Officer and Director
- Candace Ryan – Chief Financial Officer
- Liam Russell Wilson – Director
- Craig Steinberg – Director
- Adrian Stokes – Director
- Dan Balaban – Director
- Michael Ginevsky – Corporate Secretary

Immediately prior to the completion of the Transaction: (a) Darren Bondar, the President, Chief Executive Officer, (former) Chief Financial Officer, and a director of the Company, and the President, Chief Executive Officer and a director of the Target, beneficially owned, or controlled or directed, 4,124,117 post-Consolidation Company Shares (representing 17.53% of the Company Shares issued and outstanding at such time), 941,176 post-Consolidation Company Options (representing 40.00% of the Company Options issued and outstanding at such time), 10,666,667 Target Shares, and 1,200,000 Target Options; (b) Craig Steinberg, a director of the Company, beneficially owned, or controlled or directed, 1,764,706 post-Consolidation Common

Shares (representing 7.50% of the Company Shares issued and outstanding at such time), 470,588 post-Consolidation Company Options (representing 20.00% of the Company Options issued and outstanding at such time), and 101,000 Target Shares (issued pursuant to the automatic conversion of 101,000 Subscription Receipts purchased by Craig Steinberg under the Subscription Receipt Financing); and (c) Liam Russell Wilson, a director of the Company, beneficially owned, or controlled or directed, 1,176,471 post-Consolidation Company Shares (representing 5.00% of the Company Shares issued and outstanding at such time), 470,588 post-Consolidation Company Options (representing 20.00% of the Company Options issued and outstanding at such time), and 330,123 Target Shares.

Pursuant to the Transaction, the securities of the Target beneficially owned, or controlled or directed, by each of Darren Bondar, Craig Steinberg and Liam Russell Wilson were exchanged for post-Consolidation securities of the Company. The exchange of securities of the Target held by each of the aforementioned directors and/or officers of the Company for securities of the Company constituted a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transaction* ("**MI 61-101**"), and accordingly, the Transaction was a "related party transaction" within the meaning of MI 61-101.

Immediately following the completion of the Transaction: (a) Darren Bondar beneficially owned, or controlled or directed, 14,790,784 Company Shares (representing 17.94% of the Company Shares issued and outstanding at such time) and 2,141,176 Company Options (representing 30.36% of the Company Options issued and outstanding at such time); (b) Craig Steinberg beneficially owned, or controlled or directed, 1,865,706 Company Shares (representing 2.26% of the Company Shares issued and outstanding at such time) and 470,588 Company Options (representing 6.67% of the Company Options issued and outstanding at such time); and (c) Liam Russell Wilson beneficially owned, or controlled or directed, 1,506,594 Company Shares (representing 1.83% of the Company Shares issued and outstanding at such time) and 470,588 Company Options (representing 6.67% of the Company Options issued and outstanding at such time).

The Company did not obtain a "formal valuation" (as defined in MI 61-101) under MI 61-101 as the Company was exempt from the formal valuation requirements of MI 61-101 pursuant to subsection 5.5(b) of MI 61-101 on the basis that the Company Shares were listed on the TSX Venture Exchange. The Company obtained "minority approval" (as defined in MI 61-101) under MI 61-101 for the Transaction at the annual general and special meeting of the shareholders of the Company held on March 15, 2024.

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

No information has been omitted from this report on the basis that it is confidential information.

Item 8 Executive Officer

Darren Bondar
President, Chief Executive Officer and Director
Telephone: 1-800-503-1875

Item 9 Date of Report

March 28, 2024