

SLEEPING GIANT CAPITAL CORP.
(A Capital Pool Corporation)
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(Expressed in Canadian Dollars)

SLEEPING GIANT CAPITAL CORP

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102- Continuous Disclosure Obligations, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared by management and approved by the Audit Committee and the Board of Directors of the Corporation (the "Board").

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

May 30th, 2023

SLEEPING GIANT CAPITAL CORP.
Statement of Financial Position
(All Amounts are in Canadian Dollars)

As at		March 31, 2023	December 31, 2022
	Notes	\$	\$
ASSETS			
CURRENT			
Cash	5	410,216	431,910
Accounts receivable		-	-
TOTAL ASSETS		410,216	431,910
LIABILITIES			
Accounts payable and accrued liabilities		21,335	24,040
SHAREHOLDERS' EQUITY			
Share capital	6	443,314	443,314
Contributed surplus	6	110,581	123,280
Deficit		(165,014)	(158,724)
TOTAL SHAREHOLDERS' EQUITY		388,881	407,870
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		410,216	431,910

See the accompanying notes to the financial statements.

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

Signed "Terence S. Meek"

Terence S. Meek, Director and Chief Executive
Officer

Signed "Gregory G. Turnbull"

Gregory G. Turnbull, Director

SLEEPING GIANT CAPITAL CORP.
Statement of Loss and Comprehensive Loss
(All Amounts are in Canadian Dollars)

For the three months ended March 31,

		2023	2022
	Notes	\$	\$
EXPENSES			
Professional fees		13,076	3,235
Listing fees		5,852	5,460
General and administrative		62	1,004
Net loss before tax		(18,989)	(9,699)
Income tax expense		-	-
NET LOSS AND COMPREHENSIVE LOSS		(18,989)	(9,699)
NET LOSS PER SHARE – Basic and diluted		(0.0024)	(0.0012)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – Basic and diluted	6	7,800,000	7,800,000

See the accompanying notes to the financial statements.

SLEEPING GIANT CAPITAL CORP.
Statement of Changes in Shareholders Equity
(All Amounts are in Canadian Dollars)

		Three Months Ended March 31,	
		2023	2022
	Notes	\$	\$
SHARE CAPITAL			
Balance, beginning of period		443,314	443,314
Issuance of common shares	6	-	-
Balance, end of period		443,314	443,314
CONTRIBUTED SURPLUS			
Balance, beginning of period		110,581	110,581
Reclassified pursuant to stock-based compensation		-	-
Stock-based compensation expense		-	-
Balance, end of period		110,581	110,581
DEFICIT			
Balance, beginning of period		(146,025)	(87,070)
Net loss and comprehensive loss		(18,989)	(9,699)
Balance, end of period		(165,014)	(96,769)
SHAREHOLDER'S EQUITY			
Balance, beginning of period		407,870	466,825
Issuance of common shares		-	-
Net loss and comprehensive loss		(18,989)	(9,699)
Balance, end of period		388,881	457,126

See the accompanying notes to the financial statements.

SLEEPING GIANT CAPITAL CORP.
Statement of Cash Flows
(All Amounts are in Canadian Dollars)

For the three months ended March 31,

2022

2021

CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:

	Notes	\$	\$
OPERATING			
Net Loss		(18,989)	(9,699)
Add items not affecting cash			
Share based compensation		-	-
Cash used in operating activities before changes in non-cash working capital		(18,989)	(9,699)
Change in non-cash working capital			
Accounts receivable		-	-
Accounts payable		(2,705)	1,921
Cash used in operating activities		(21,694)	(7,778)
FINANCING			
Issuance of common shares, net of issue costs		-	-
Deferred financing costs paid		-	-
Cash provided by financing activities		-	-
Cash, beginning of period		431,910	463,954
Cash, end of period		410,216	456,176

See the accompanying notes to the financial statements

SLEEPING GIANT CAPITAL CORP.
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
March 31, 2023
(All Amounts are in Canadian Dollars)

1. NATURE OF ORGANIZATION

Description of the Business

Sleeping Giant Capital Corp. (the "**Corporation**") was incorporated under the *Business Corporations Act* (Alberta) on January 18, 2021. The Corporation was formed to complete an Initial Public Offering ("**IPO**") and become classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "**Exchange**"). 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 under Exchange Policy 2.4. The Corporation has not commenced commercial operations and has no business assets. 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 secure equity financing with which it intends 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.

The address of the Corporation's registered office is 4000, 421 – 7th Avenue S.W., Calgary, AB T2P 4K9.

2. BASIS OF PREPARATION

Statement of Compliance

The financial statements for the three months ended March 31, 2023 have been prepared in accordance with International Accounting Standard ("IAS") 34, "*Interim Financial Reporting*". These condensed financial statements include all necessary disclosures required for interim financial statements but do not include all disclosures required for annual financial statements. Therefore, these condensed financial statements should be read in conjunction with the most recent audited annual financial statements and the notes thereto for the year ended December 31, 2022. On May 30th, 2023, the Board of Directors of the Corporation approved and authorized for issue the Financial Statements for the period ended March 31, 2023.

Basis of Measurement

These financial statements were prepared on a historical cost basis. The Corporation does not have any financial instruments measured at fair value.

Functional and Presentation Currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

3. USE OF ESTIMATES AND JUDGEMENT

The preparation of the financial statements in conformity with IFRS requires management to make estimates and judgements regarding the reported amounts of assets, liabilities and disclosures and the reported amounts of expenses during the reporting period.

Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes can differ from these estimates.

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
March 31, 2023
(All Amounts are in Canadian Dollars)

Key Sources of Estimation Uncertainty

The following are the key estimates and related assumptions concerning the sources of estimation uncertainty that have a significant risk of causing adjustments to the carrying amount of assets and liabilities:

Stock options and agents' options

In estimating the fair value of stock options and agents' options using the Black-Scholes option pricing model, the Corporation uses assumptions related to the risk-free interest rate, expected option life, estimated forfeitures, estimated market price of the Corporation's shares, and estimated future volatility of the Corporation's share price.

Income taxes

The Corporation recognizes deferred tax assets (if any) to the extent that it is probable that future taxable profits will be available to utilize the Corporation's deductible temporary differences which are based on management's judgment on the degree of future taxable profits. To the extent that assumptions regarding future profitability change, there can be an adjustment in the deferred tax assets as well as an income impact in the period in which the change occurs.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation have been prepared in accordance with IFRS within the framework of the significant policies described below:

Share Issuance Costs

Costs and share-based payments directly related to issuance of share capital are charged as a reduction against share capital.

Income Taxes

Current income tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive loss.

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

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Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Share-based Payments

Stock-options granted to directors and officers and agents' options are accounted for using the fair value method. Equity-settled awards granted to non-employees for services rendered are recorded at the fair value of the good or the service received, unless the value of these services cannot be reliably measured. If the value of these services cannot be reliably measured the Corporation uses the fair value of the equity instruments issued.

The Corporation uses the Black-Scholes pricing model to estimate the fair value of equity-settled awards at the grant date. The expense or issue cost is recognized over the vesting period, which is the period over which all of the specified vesting conditions are satisfied. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. When recognizing the fair value of each tranche over its respective vesting period, the Corporation incorporates an estimate of the number of options expected to vest and revises that estimate when subsequent information indicates that the number of options expected to vest differs from previous estimates. No expense or issue cost is recognized for awards that do not ultimately vest, except for equity-settled awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting provided that all other performance conditions are satisfied.

Loss per share

The Corporation presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the year. Diluted earnings or loss per share is calculated by adjusting the number of common shares for the effects of dilutive options and other dilutive potential units. Diluted loss per share does not adjust the loss attributable to common shareholders on the weighted average number of common shares outstanding when the effect is antidilutive.

Shares held in escrow that are only released upon contingent events are not included in the calculation of the weighted average number of common shares.

Financial Instruments

The Corporation classifies its financial assets and financial liabilities in the following measurement categories 1) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and 2) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

The Corporation reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

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The Corporation's cash is a financial asset measured at amortized cost. Accounts payable is measured at amortized cost.

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit and loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets are measured at their fair values at the end of the subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income. Fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

The Corporation assesses all information available, including on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The Corporation will apply the simplified approach which requires expected lifetime credit losses to be recognized from initial recognition of any accounts receivables.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

Impairment of Financial Assets

Financial assets are assessed at each reporting date in order to determine whether objective evidence exists that the assets are impaired as a result of one or more events which have had a negative effect on the estimated future cash flows of the asset.

If there is objective evidence that a financial asset has become impaired, the amount of the impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows from the asset discounted at its original effective interest rate. Impairment losses are recorded in earnings. If the amount of the impairment loss decreases in a subsequent period and the decrease can be objectively related to an event occurring after the impairment was recognized, the impairment loss is reversed up to the original carrying value of the asset. Any reversal is recognized in operations.

Fair Value Hierarchy

The Corporation classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation technique use to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

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Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

5. CASH

The Corporation has \$410,216 held in its Canadian dollar business bank account. The proceeds raised from the issuance of common shares 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.

6. SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of common shares and unlimited number of preferred shares (issuable in series) and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. A summary of the issued and outstanding common shares is presented below:

	Number of shares	\$
Issued seed shares at \$0.05 per share	2,800,000	140,000
Issued IPO shares at \$0.10 per share	5,000,000	500,000
Share issuance costs	-	(196,686)
Balance as at March 31, 2023	7,800,000	443,314

On January 28, 2021, the directors, officers and other non-arm's length parties of the Corporation subscribed for 2,800,000 common shares at a price of \$0.05 per common share for gross proceeds of \$140,000.

All 2,800,000 issued and outstanding common shares issued of the Corporation, and all common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT, will be held in escrow pursuant to the requirements of the Exchange. These shares will be released from escrow over a period of 18 months following the completion of the QT.

On June 15, 2021, the Corporation issued 5,000,000 common shares at \$0.10 per share for aggregate gross proceeds of \$500,000 pursuant to a prospectus dated May 20, 2021 (the "**Offering**"). The Corporation entered into an agreement with Richardson Wealth Limited (the "**Agent**") to raise the gross proceeds of \$500,000 in connection with the Corporation's IPO. The Corporation paid a commission of 10% of gross proceeds to the Agent amounting to \$50,000 and a corporate finance fee of \$15,000. In addition, the Agent was granted non-transferable options to purchase an aggregate of 500,000 Common Shares at \$0.10 per share, valid for five years following the closing of the Offering. The Corporation reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering, in respect of the Offering the Corporation incurred costs of \$13,753, in combination with the above costs for a total issuance cost of \$78,753.

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No additional common shares of the Corporation were issued during the three months ended March 31, 2023.

Stock options

The Corporation has established a stock option plan for its directors, officers and consultants under which the Corporation may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and are exercisable as determined by the Directors when the option is granted. Options expire one year after the death of a director or officer and in the event of termination of employment or holding office as director or officer of the Corporation, subject to the expiry date of the option. The number of common shares issued to any individual director or senior officer in a 12 month period cannot exceed 5% of the issued and outstanding common shares, on a non-diluted basis, as at the date of grant of the stock option.

No additional stock options were granted during the three months ended March 31, 2023.

The summary of outstanding stock options is as follows:

Three Months Ended March 31, 2023		
	Stock Options	Average Price
Balance, beginning of period	1,280,000	\$ 0.10
Granted during the period	-	-
Vested during the period	-	-
Forfeited during the period	-	-
Balance, end of period	1,280,000	\$ 0.10

As at March 31, 2023, all options granted are exercisable and are held in escrow until a QT has occurred.

Agent options

On June 15, 2021, the Corporation granted stock option to the Agents in relation to the Offering. The options are equal to 10% of the aggregated number of common shares sold in the Offering at a price of \$0.10 per share expiring 5 years from the date of the grant. Not more than 50% of the Common Shares received on the exercise of the Agents' Options may be sold prior to the completion of QT.

No additional agent options were granted during the three months ended March 31, 2023.

The summary of outstanding agent options is as follows:

Three Months Ended March 31, 2023		
	Stock Options	Average Price
Balance, beginning of period	500,000	\$ 0.10
Granted during the period	-	-
Vested during the period	-	-
Forfeited during the period	-	-
Balance, end of period	500,000	\$ 0.10

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Net loss per share

In calculating the basic net loss per share for three months ended March 31, 2023, the weighted average number of shares used in the calculation is shown in the table below:

	For the three months ended March 31,	
	2023	2022
Net loss	\$ (18,989)	\$ (9,686)
Weighted average number of shares outstanding	7,800,000	7,800,000
Net loss per share	\$ (0.0024)	\$ (0.0012)

7. CAPITAL RISK MANAGEMENT

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue to operate and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new common shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Corporation may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Corporation is not subject to any externally or internally imposed capital requirements as at March, 2023 other than already disclosed in Note 5.

The Corporation's capital under management consists of shareholders' equity and is 388,881 as at March 31, 2023.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risk Management

The Corporation does not manage risk through the use of hedging transactions. As a part of the overall operation of the Corporation, management takes steps to avoid undue concentrations of risk. The Corporation manages the risks, as follows:

Liquidity Risk

Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is equity financing, which is used to finance working capital requirements, and to meet the Corporation's financial obligations associated with financial liabilities. The Corporation's trade payables and accrued liabilities generally have contracted maturities of less than 30

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days and are subject to normal trade terms. As at March 31, 2023, the Corporation has a cash balance of \$410,217 to pay liabilities of \$21,335.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

The Corporation does not trade in financial instruments and is not exposed to significant interest rate price risk as at March 31, 2023.

Credit Risk

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Corporation's credit risk is on its funds held in its Canadian dollar business bank account. Management assesses credit risk related to funds held in trust as remote as it is held with a reputable Canadian bank.

9. RELATED PARTY TRANSACTIONS

There were not related party transactions or remuneration paid to management personnel during the three month's ended March 31, 2023. According to the Exchange, compensation to management, board members, or other non-arm's length parties is prohibited.

Transactions involving related parties are in the normal course of business.