

**SLEEPING GIANT CAPITAL CORP.**

**(A Capital Pool Corporation)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021 AND THE PERIOD FROM JANUARY 18,  
2021 (DATE OF INCORPORATION) TO SEPTEMBER 30, 2021**

**(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.

November 16, 2021

**SLEEPING GIANT CAPITAL CORP.  
STATEMENT OF FINANCIAL POSITION  
(All Amounts are in Canadian Dollars)**

**As at**

**September 30, 2021**

	<b>Notes</b>	<b>\$</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	5	466,347
Accounts receivable		7,804
<b>TOTAL ASSETS</b>		<b>474,151</b>
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities		2,667
 <b>SHAREHOLDERS' EQUITY</b>		
Share capital	6	640,000
Deficit		(168,516)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>471,484</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>474,151</b>

*See the accompanying notes to the financial statements.*

**APPROVED ON BEHALF OF THE BOARD OF DIRECTORS**

*Signed "Terence S. Meek"*

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Terence S. Meek, Director and Chief Executive Officer

*Signed "Gregory G. Turnbull"*

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Gregory G. Turnbull, Director

**SLEEPING GIANT CAPITAL CORP.**  
**Statement of Loss and Comprehensive Loss**  
**(All Amounts are in Canadian Dollars, except share amounts)**

		<b>Three Months Ended September 30, 2021</b>	<b>Period from January 18, 2021 to September 30, 2021</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>			
Professional fees		5,661	138,323
Listing Fees		1,176	29,991
Bank fees		54	202
		<hr/>	<hr/>
<b>NET LOSS AND COMPREHENSIVE LOSS</b>		6,891	168,516
<b>NET LOSS PER SHARE – Basic and diluted</b>	6	<hr/> <hr/> 0.0009	<hr/> <hr/> 0.0352

*See the accompanying notes to the financial statements.*

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

**For the Period from January 18, 2021 (Date of Incorporation) to September 30, 2021**

		Share Capital	Deficit	Shareholders' Equity
	Note	\$	\$	\$
Balance, January 18, 2021		-	-	-
Issuance of common shares	6	640,000	-	640,000
Net loss and comprehensive loss		-	(168,516)	(168,516)
Balance, September 30, 2021		640,000	(168,516)	471,484

***See the accompanying notes to the financial statements.***

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

**CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:**

	<b>Three Months Ended September 30, 2021</b>	<b>Period from January 18, 2021 to September 30, 2021</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING</b>		
Net Loss	(6,891)	(168,516)
Change in accounts receivable	(7,804)	(7,804)
Change in accounts payable and accrued liabilities	(76,724)	2,667
Cash flows used in operating activities	(91,419)	(173,653)
<b>FINANCING</b>		
Issuance of common shares	-	640,000
Cash flows provided by financing activities	-	640,000
Increase (decrease) in cash	(91,419)	466,347
Cash, beginning of period	557,766	-
Cash, end of period	466,347	466,347

*See the accompanying notes to the financial statements.*

**SLEEPING GIANT CAPITAL CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**(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 and 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 assets other than cash and accounts receivable with respect to GST amounts to be refunded to the Corporation. 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.

On November 16, 2021, the Board of Directors of the Corporation approved and authorized for issue the Financial Statements for the period ended September 30, 2021.

**Going Concern**

These condensed interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2021, the Company has not generated any revenues, has negative cash flows from operations, and has an accumulated deficit of \$168,516. The Company’s continuing operations are dependent upon its ability to identify, evaluate, and negotiate a QT. If the QT is identified or completed, additional funding may be required and there is no assurance that the Company will be able to obtain such financing, if any, on terms that are acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These condensed interim financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

**2. BASIS OF PREPARATION**

**Statement of Compliance**

The financial statements for the period from January 18, 2021 (date of incorporation) to September 30, 2021, have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”), as issued by the International Accounting Standards Board (“**IASB**”).

**Basis of Measurement**

These financial statements were prepared on a going concern basis 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.

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**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.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied by the Corporation in these unaudited condensed interim financial statements are the same as those applied by the Corporation in the audited financial statements for the period from the date of incorporation (January 18, 2021) to February 28, 2021.

**5. CASH**

The Corporation has \$466,347 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
Balance as at September 30, 2021	7,800,000	640,000

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.

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 June 15, 2020 (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

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\$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 \$16,557, in combination with the above costs a total issuance cost of \$81,557.

**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.

On June 15, 2021, the Corporation entered into stock option agreements, granting stock options to officers and directors to acquire up to an aggregate of 780,000 common shares of the Corporation, at an exercise price of \$0.10 per share any time prior to June 15, 2031.

**Net loss per share**

In calculating the basic net loss per share for the three months ended September 30, 2021 and the period from January 18, 2021 to September 30, 2021, the weighted average number of shares used in the calculation is shown in the table below:

	<b>Three Months Ended September 30, 2021</b>	<b>Period from January 18, 2021 to September 30, 2021</b>
Net loss	\$ (6,891)	\$ (168,516)
Weighted average number of shares outstanding	7,800,000	4,788,235
Net loss per share	\$ 0.0009	\$ 0.0352

**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.

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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 September 30, 2021.

The Corporation's capital under management consists of shareholders' equity and is \$471,484 as at September 30, 2021.

**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 days and are subject to normal trade terms. As at September 30, 2021, the Corporation has a cash balance of \$466,347 to pay liabilities of \$2,667.

***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 September 30, 2021.

***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 law firm.