

**EVERYDAY PEOPLE FINANCIAL CORP.
(FORMERLY “JUSTIFY CAPITAL CORP.”)**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JULY 31, 2022 AND 2021

(Expressed in Canadian Dollars)



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Everyday People Financial Corp. (formerly "Justify Capital Corp.")

Opinion

We have audited the financial statements of Everyday People Financial Corp. (formerly "Justify Capital Corp.") (the "Company"), which comprise the statement of financial position as at July 31, 2022 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the year ended July 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on September 16, 2021.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis (MD&A), but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Curtis Dorfman.

RSM Alberta LLP

Chartered Professional Accountants
November 28, 2022
Edmonton, Alberta

EVERYDAY PEOPLE FINANCIAL CORP. (FORMERLY “JUSTIFY CAPITAL CORP.”)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	July 31, 2022	July 31, 2021
	\$	\$
ASSETS		
Current assets		
Cash	174,921	217,154
Total assets	174,921	217,154
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 4 and 9)	68,142	19,830
Total liabilities	68,142	19,830
Shareholders' equity		
Share capital (Note 5)	247,601	247,601
Equity reserves (Note 5)	47,123	47,123
Deficit	(187,945)	(97,400)
Total shareholders' equity	106,779	197,324
Total liabilities and shareholders' equity	174,921	217,154

Basis of presentation (Note 2)

On behalf of the Board:

(Signed) “Barret Reykdal”

Barret Reykdal, Director

(Signed) “Nitin Kaushal”

Nitin Kaushal, Director

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

EVERYDAY PEOPLE FINANCIAL CORP. (FORMERLY “JUSTIFY CAPITAL CORP.”)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Year Ended July 31, 2022	Year Ended July 31, 2021
	\$	\$
EXPENSES		
Professional fees	55,543	34,084
Administrative and corporate services (Note 9)	19,425	6,300
Transfer agent, shareholder communications, listing and filing fees	15,463	13,803
Office and sundry	114	445
Share-based compensation (Notes 5 and 9)	-	37,761
Loss and comprehensive loss for the period	(90,545)	(92,393)
Basic and diluted loss per common share (Note 5)	(0.03)	(0.03)

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

EVERYDAY PEOPLE FINANCIAL CORP. (FORMERLY “JUSTIFY CAPITAL CORP.”)
STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY
(Expressed in Canadian dollars)

	Share Capital		Equity Reserves	Deficit	Total
	Number of Shares	Amount			
		\$	\$	\$	\$
Balance, July 31, 2020	2,010,000	150,750	-	(5,007)	145,743
Shares issued	1,350,000	202,500	-	-	202,500
Share issuance costs	-	(105,649)	9,362	-	(96,287)
Share-based compensation	-	-	37,761	-	37,761
Net loss for the year	-	-	-	(92,393)	(92,393)
Balance, July 31, 2021	3,360,000	247,601	47,123	(97,400)	197,324
Net loss for the year	-	-	-	(90,545)	(90,545)
Balance, July 31, 2022	3,360,000	247,601	47,123	(187,945)	106,779

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

EVERYDAY PEOPLE FINANCIAL CORP. (FORMERLY “JUSTIFY CAPITAL CORP.”)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Year Ended July 31, 2022	Year Ended July 31, 2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(90,545)	(92,393)
Non-cash expenses:		
Share-based compensation	-	37,761
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	48,312	14,830
Net cash used in operating activities	(42,233)	(39,802)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sale of shares	-	202,500
Payments for share issuance costs	-	(96,287)
Net cash provided by financing activities	-	106,213
Change in cash during the period	(42,233)	66,411
Cash, beginning of period	217,154	150,743
Cash, end of period	174,921	217,154

Non-cash investing and financing activities:

During the year ended July 31, 2021, warrants with a fair value of \$9,362 were issued in connection with the Company’s initial public offering and are included in share issuance costs. There were no other non-cash investing or financing activities in the years ended July 31, 2022 or 2021.

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

EVERYDAY PEOPLE FINANCIAL CORP. (FORMERLY “JUSTIFY CAPITAL CORP.”)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JULY 31, 2022 AND 2021

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

These financial statements are of the financial condition and results of operations of Justify Capital Corp. (“JCC”) for the period from August 1, 2021 to July 31, 2022. JCC completed a reverse takeover transaction with Everyday People Financial Inc. (“EPF”) on August 31, 2022 (the “RTO Transaction”) which resulted in the amalgamation of JCC and EPF to form Everyday People Financial Corp. In these financial statements, references to the “Company” are prior to the completion of the RTO Transaction.

Everyday People Financial Corp. (formerly “Justify Capital Corp.”) (the “EP Corp.”) was incorporated on July 28, 2020 under the Business Corporations Act (British Columbia) and is a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4 (“Policy 2.4”). Following its initial public offering of common shares (the “IPO”) on October 15, 2020, JCC became a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (“TSX-V”) Policy 2.4 (“Policy 2.4”). As a CPC, the Company sought to acquire either operating assets or a business, subject to regulatory approval, that met the criteria of a Qualifying Transaction as defined by the TSX-V (“Qualifying Transaction”). Prior to the completion of its Qualifying Transaction, the Company had no revenue and incurred expenses primarily for Qualifying Transaction investigation, TSX-V listing and filing requirements, professional services and office facilities and administration, subject to certain restrictions under Policy 2.4. Additional discussion on these restrictions is included in Note 7.

As at July 31, 2022, the Company had cash of \$174,921 which is sufficient to pay \$68,142 in accounts payable and accrued liabilities then outstanding and to complete the Qualifying Transaction (Note 1). Following the Qualifying Transaction, additional working capital and cash flows provided by Former EP are expected to be sufficient for the Company to maintain its post-Qualifying Transaction operations for the next 12 months. As a result, these financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence.

Qualifying Transaction

On August 31, 2022, the Company completed the Qualifying Transaction and acquired 100% of the issued and outstanding shares of Everyday People Financial Inc., (“Former EP”), a corporation formed under the laws of Alberta. The Qualifying Transaction was completed with the following steps:

1. On August 30, 2022, the Company continued under the Business Corporations Act (Alberta) into Alberta and changed its name to Everyday People Financial Corp.
2. On September 2, 2022, the EP Corp. issued 108,415,054 of its common shares to acquire 100% of the common shares outstanding in Former EP.
3. Former EP amalgamated with 2454394 Alberta Ltd., a wholly-owned subsidiary incorporated in Alberta by the Company on August 31, 2022.
4. EP Corp. issued 3,663,597 options, 6,243,017 warrants and 279,455 broker warrants to purchase post-Qualifying Transaction shares in replacement of instruments previously issued by Former EP.
5. The Company’s officers and directors were replaced by those of Former EP.

Following the Qualifying Transaction, the Company will continue the business of Former EP as Fintech company that provides financial services and innovative credit products through its proprietary platform, strong partnerships with banks and financial literacy programs.

EP Corp.’s registered head office address is Suite 450, 11150 Jasper Avenue, Edmonton, Alberta T5K 0C7.

These financial statements were authorized for issue by the Audit Committee and Board of Directors on November 28, 2022.

EVERYDAY PEOPLE FINANCIAL CORP. (FORMERLY “JUSTIFY CAPITAL CORP.”)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JULY 31, 2022 AND 2021

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. These financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

c) Reverse Takeover Reporting

The Qualifying Transaction (Note 1) results in a RTO Transaction of the Company by Former EP. These financial statements include only the accounts and activities of the reverse takeover acquiree and, unless otherwise stated, exclude Former EP because the RTO occurred subsequent to the reporting date. It is expected that future financial statements, including comparative periods, will reflect the results and activities of Former EP as the RTO Transaction acquirer.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value along with, 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.

The Company classifies its financial assets and financial liabilities in the following measurement categories:

- i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- ii) 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 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 subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income.

Financial liabilities are classified as those to be measured at amortized cost unless they are to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). Any fair value changes due to credit risk for liabilities at fair value through profit and loss are recorded in other comprehensive income.

The Company has implemented the following classifications for financial instruments:

- The Company’s sole financial asset is cash. Cash is classified as an asset at amortized cost.
- Financial liabilities comprise of accounts payable and accrued liabilities. Accounts payable and accrued liabilities are classified as amortized cost and are measured using the effective interest rate method. Interest expense is recorded in profit or loss, as applicable.

EVERYDAY PEOPLE FINANCIAL CORP. (FORMERLY “JUSTIFY CAPITAL CORP.”)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JULY 31, 2022 AND 2021

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

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

Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The Company's sole financial asset is cash and, accordingly, does not hold any financial assets measured at amortized cost.

Share issuance costs

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

Share-based compensation

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

Stock options granted to directors, officers and employees are measured at their fair values determined on their grant date, using the Black-Scholes option pricing model, and are recognized as an expense over the vesting periods of the options on a graded basis. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to equity reserves for share-based compensation recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

(Loss) earnings per share

Basic (loss) earnings per share is calculated by dividing net (loss) earnings by the weighted average number of common shares outstanding during the period. Diluted (loss) earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of “in-the-money” stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, any stock options or warrants outstanding are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive.

Use of estimates and measurement uncertainties

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

i. Income taxes

Provisions for income and other taxes are based on management’s interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management’s expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

ii. Warrants

The fair value of the warrants is estimated on the date of issuance using the Black-Scholes valuation model. Estimating fair value for warrants requires determination of the most appropriate valuation model, which depends on the terms and conditions of the warrant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the warrants, volatility, dividend yield, and share price and making assumptions about them. Expected volatility is based on a weighted average of the historical volatility of the common stock of several entities with characteristics similar to those of the Company. The Company will calculate and weigh its own volatility more heavily as more of its own historical stock price information become available. The Company does not subsequently remeasure the fair value of warrants classified as equity instruments.

The assumptions and model used for estimating fair value for warrants are disclosed in note 5.

iii. Stock options

The fair value of the equity settled stock options to employees and others providing similar services are determined by using the Black-Scholes valuation model. Estimates are required for inputs to this model including the fair value of the underlying shares, the expected life of the option, volatility, expected dividend yield and the risk-free rate. Variation in actual results of any of these inputs will result in a different value of the stock option realized from the original estimate.

The assumptions and model used for estimating fair value for equity settled stock options are disclosed in note 5.

Accounting standards and interpretations issued but not yet effective

No future changes to accounting standards and interpretations that have been issued, but were not effective in the preparation of these consolidated financial statements, are expected to apply to the Company for the recognition and presentation of amounts included herein.

EVERYDAY PEOPLE FINANCIAL CORP. (FORMERLY “JUSTIFY CAPITAL CORP.”)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JULY 31, 2022 AND 2021

(Expressed in Canadian dollars)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities of the Company are due for professional fees incurred in connection with the Qualifying Transaction and are payable within the next 12 months.

5. SHARE CAPITAL AND EQUITY RESERVES**Authorized share capital**

The Company is authorized to issue an unlimited number of common shares without par value. As at July 31, 2022, the Company has 3,360,000 common shares outstanding, of which 2,010,000 (the “Seed Shares”) are being held in escrow and will be released ratably following the Qualifying Transaction (Note 1). Changes to the number of common shares outstanding are as follows:

	Number of Shares	Assigned Value
		\$
Outstanding, July 31, 2020	2,010,000	150,750
IPO Shares issued, net of share issuance costs	1,350,000	96,851
Outstanding, July 31, 2021 and 2022	3,360,000	247,601

On October 15, 2020, the Company completed its IPO of 1,350,000 common shares at a price of \$0.15 per share. Share issuance costs for the IPO totaled \$105,649 which included \$96,287 in cash costs for TSX-V fees, legal and accounting fees, and agent’s fees. Additionally, the Company issued compensatory warrants with a \$9,362 fair value to the IPO agent.

Events subsequent to the reporting date

Changes to the Company’s share capital subsequent to July 31, 2022 are discussed in Note 10.

Equity reserves*Stock options*

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase its common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to ten years from the date of grant. The vesting conditions, if any, for stock options granted are determined at the discretion of the Company’s Board of Directors.

Changes to the Company’s stock options outstanding are as follows:

	Number of Stock Options	Expiry Date	Exercise Price
			\$
Outstanding and exercisable, July 31, 2020	-	-	-
Options granted	300,000	October 15, 2025	0.15
Outstanding and exercisable, July 31, 2021 and 2022	300,000	October 15, 2025	0.15

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5. SHARE CAPITAL AND EQUITY RESERVES (cont’d...)

Equity reserves (cont’d...)

Stock options (cont’d...)

On October 15, 2020, the Company granted 300,000 stock options to directors of the Company. These options have an exercise price of \$0.15 per common share and are exercisable until October 15, 2025 without further vesting conditions. The \$37,761 fair value of these stock options was recorded as a share-based compensation expense and was determined using the Black-Scholes option-pricing model using the following assumptions:

Risk-free interest rate	0.34%
Dividend yield	-
Expected stock price volatility [1]	125%
Expected forfeiture rate	-
Expected life	5.0 years

[1] The volatility rate was calculated based on the change in comparable companies share price.

Warrants

The Company may grant warrants that can be exercised to purchase its common shares at terms determined at the discretion of the Company’s Board of Directors. These warrants may be included with common shares in future financings or granted as compensation for services provided to the Company.

Changes to the Company’s warrants outstanding are as follows:

	Number of Warrants	Expiry Date	Exercise Price \$
Outstanding, July 31, 2020	-	-	-
Warrants issued	100,000	October 15, 2022	0.15
Outstanding, July 31, 2021 and 2022	100,000	October 15, 2022	0.15

On October 15, 2020, the Company issued 100,000 warrants for finder’s services in connection with the Company’s initial public offering. These warrants have an exercise price of \$0.15 per common share and are exercisable until October 15, 2022 without further vesting conditions. The \$9,362 fair value of these warrants was recorded as a share issuance cost and was determined using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	0.23%
Dividend yield	-
Expected stock price volatility	125%
Expected forfeiture rate	-
Expected life	2.0 years

Events subsequent to the reporting date

As discussed in Note 10, all stock options and warrants outstanding as at July 31, 2022 were subsequently exercised.

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(Expressed in Canadian dollars)

5. SHARE CAPITAL AND EQUITY RESERVES (cont’d...)

Per share amounts

Weighted average loss per share for the years ended July 31, 2021 and 2022 is calculated as follows:

	Year Ended July 31, 2022	Year Ended July 31, 2021
	\$	\$
Numerator		
Net loss for the period	(90,545)	(92,393)
Denominator		
Weighted average number of common shares outstanding, basic and diluted	3,360,000	3,081,841
Loss per common share, basic and diluted	(0.03)	(0.03)

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at July 31, 2022, the Company’s financial instruments comprise cash and accounts payable and accrued liabilities. The fair values of accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs that are not based on observable market data (unobservable inputs).

The Company’s risk exposures and the impact on the Company’s financial instruments as at July 31, 2022 are summarized below. The effects of the Qualifying Transaction (Note 1) on these risks have not been assessed in the following discussion, but will be addressed in future reporting periods.

Credit risk

Credit risk is the risk of loss arising from a customer or third party to a financial instrument failing to meet its contractual obligations. The Company’s credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at July 31, 2022, the Company had a cash balance of \$174,921 which is sufficient to settle current liabilities of \$68,142 and anticipated short-term cash requirements.

The Company’s financial liabilities include trade payables that have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

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6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. As at July 31, 2022 the Company does not hold any interest-bearing financial instruments other than cash, assets or liabilities denominated in a foreign currency, and marketable securities or other financial instruments subject to fluctuations in equity prices, so it currently is not exposed to these market risks.

7. CAPITAL MANAGEMENT

In the management of capital, the Company defines capital as its shareholders' equity. As at July 31, 2022, the Company's shareholders' equity was \$106,779.

Prior to the completion of the Qualifying Transaction (Note 1) the Company's objectives when managing capital were to maintain a low level of on-going operating costs and to continue as a going concern until a Qualifying Transaction could be completed. As a CPC, the Company was subject to certain expenditure restrictions applicable under Policy 2.4. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed Qualifying Transaction, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of \$3,000 per month for other general and administrative costs.

Following the completion of the Qualifying Transaction, the Policy 2.4. expenditure restrictions are no longer applicable.

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes for the years ended July 31, 2021 and 2022 is as follows:

	Year Ended July 31, 2022	Year Ended July 31, 2021
	\$	\$
Loss and comprehensive loss for the period	(90,545)	(92,393)
Expected income tax recovery	(24,000)	(25,000)
Permanent differences	-	(16,000)
Change in unrecognized deductible temporary differences	24,000	41,000
Total income tax recovery	-	-

The Company's combined federal and provincial tax rate applicable for the years ended July 31, 2021 and 2022 was 27%.

The significant components of the Company's unrecorded deferred tax assets as at July 31, 2021 and 2022 are as follows:

	July 31, 2022	July 31, 2021
	\$	\$
Non-capital losses available for future periods	51,000	21,000
Share issuance costs	15,000	21,000
Unrecognized deferred tax assets	(66,000)	(42,000)
Net deferred tax assets	-	-

EVERYDAY PEOPLE FINANCIAL CORP. (FORMERLY “JUSTIFY CAPITAL CORP.”)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED JULY 31, 2022 AND 2021

(Expressed in Canadian dollars)

8. INCOME TAXES (cont’d...)

The significant components of the Company’s temporary differences and unused tax losses that have not been included on the statement of financial position are as follows:

	July 31, 2022		July 31, 2021	
	\$	Expiry date range	\$	Expiry date range
Non-capital losses available for future periods	188,698	2039-2042	78,896	2039-2041
Share issuance costs	57,772	2043-2046	77,030	2042-2046

Tax attributes are subject to review, and potential adjustment, by tax authorities.

9. RELATED PARTY TRANSACTIONS

The Company is party to a corporate services agreement with Earlston Management Corp. (“Earlston”), whereby Earlston provides various administrative, management and corporate services to the Company for a fee of \$500 per month plus tax and out-of-pocket costs. Earlston is related to the Company by virtue of providing key management services and by having certain directors and officers in common. The Company’s expense for administrative and corporate services for the year ended July 31, 2022 includes \$6,300 (year ended July 31, 2021 - \$6,300) in such costs incurred with Earlston of which \$525 is included in accounts payable and accrued liabilities as at July 31, 2021 (July 31, 2021 - \$525).

In addition to routine administrative and corporate services, Earlston will charge up to \$50,000 (plus applicable taxes) for additional services provided to the Company in connection with the Qualifying Transaction (Note 1). During the year ended July 31, 2022, the Company paid an interim amount of \$13,125 to Earlston for such services, which is included in the expense for administrative and corporate services for the period. The remaining balance was paid on close of the Qualifying Transaction and no such charges were incurred for the year ended July 31, 2021.

During the year ended July 31, 2021, the Company granted a total of 300,000 stock options to its directors. The stock options were fully-vested on their grant date and a related share-based compensation expense of \$37,761 was recognized in the period. No such transactions occurred in the year ended July 31, 2022 and the terms of the options are further discussed in Note 5.

10. SUBSEQUENT EVENTS*Qualifying Transaction*

As discussed in Note 1, the Company completed the Qualifying Transaction on August 31, 2022, which constituted the Company’s RTO Transaction. In conjunction with the Qualifying Transaction:

1. On August 30, 2022, the Company continued under the Business Corporations Act (Alberta) into Alberta and changed its name to Everyday People Financial Corp.
2. On September 2, 2022, the EP Corp. issued 108,415,054 of its common shares to acquire 100% of the common shares outstanding in Former EP.
3. Former EP amalgamated with 2454394 Alberta Ltd, a wholly-owned subsidiary incorporated in Alberta by the Company on date August 31, 2022.
4. EP Corp. issued 3,663,597 options, 6,243,017 warrants and 279,455 broker warrants to purchase post-Qualifying Transaction shares in the Company in replacement of instruments previously issued by Former EP.
5. The Company’s officers and directors were replaced by those of Former EP.

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FOR THE YEARS ENDED JULY 31, 2022 AND 2021

(Expressed in Canadian dollars)

10. SUBSEQUENT EVENTS (cont'd...)

On September 6, 2022, the TSX-V issued its final bulletin with respect to the Qualifying Transaction, triggering the release of 25% of the Seed Shares (Note 5) from escrow. The remaining Seed Shares will be released from escrow every six months thereafter.

Related party transaction

In August 2022, the Company paid Earlston (Note 9) \$39,375 for services provided in connection with the Qualifying Transaction.

Exercise of stock options and warrants

All of the Company's warrants and stock options outstanding on July 31, 2022 (Note 5) were exercised in September 2022 for total proceeds of \$60,000. As a result, 400,000 common shares in EP Corp. were issued.