

Infinity Stone Ventures Corp.
(formerly Contact World Technologies Corp.)

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2022

(Expressed in United States Dollars)

**NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim consolidated financial statements of the Company for the six months ended February 28, 2022 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

Infinity Stone Ventures Corp. (formerly Contact World Technologies Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FEBRUARY 28, 2022 AND AUGUST 31, 2021
(Expressed in United States Dollars)

	February 28, 2022	August 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	\$ 67,875	\$ 44,094
Accounts Receivable	358,633	138,197
Prepaid Expenses and Other Current Assets	62,304	58,041
Total Current Assets	488,812	240,332
Right-of-use assets (Note 4)	-	28,098
Deposit	3,500	3,500
TOTAL ASSETS	\$ 492,312	\$ 271,930
LIABILITIES AND SHAREHOLDERS' DEFICIT		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 2,733,865	\$ 2,562,992
Due to Related Parties (Note 6)	115,046	55,111
Loans payable (Note 5)	118,469	-
Current Lease Liabilities (Note 4)	-	31,235
Convertible Loans (Note 12)	4,056,138	3,438,027
Derivative Liability (Note 12)	6,000	932,020
TOTAL LIABILITIES	7,029,518	7,019,385
SHAREHOLDERS' DEFICIT		
Share Capital (Note 7)	13,367,834	12,262,340
Contributed Surplus (Note 7)	5,502,962	5,335,170
Accumulated other comprehensive loss	(139,003)	(38,164)
Deficit	(25,268,999)	(24,306,801)
TOTAL SHAREHOLDERS' DEFICIT	(6,537,206)	(6,747,455)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	\$ 492,312	\$ 271,930

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Zayn Kalyan"
Director

"Christopher Cherry"
Director

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

Infinity Stone Ventures Corp. (formerly Contact World Technologies Corp.)
CONDENSED INTERIM CONSOLIDATED
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 2022 AND 2021
(Expressed in United States Dollars)

	<u>Six months ended February 28, 2022</u>	<u>Six months ended February 28, 2021</u>	<u>Three months ended February 28, 2022</u>	<u>Three months ended February 28, 2021</u>
Revenues	\$ 426,284	\$ -	\$ 248,384	\$ -
Expenses:				
Interest expense (Notes 4 and 12)	618,111	-	318,967	-
Office administration (Note 6)	133,391	419,264	64,985	208,569
Consulting and marketing fees	140,672	408,675	128,949	376,405
Professional fees (Note 6)	407,657	1,575,335	209,711	783,909
Research and development	-	729,892	-	411,596
Stock-based compensation (Note 7)	1,015,246	-	398,070	-
Total Expenses	<u>2,315,077</u>	<u>3,133,166</u>	<u>1,120,682</u>	<u>1,780,479</u>
Net Loss before Other Items	(1,888,793)	(3,133,166)	(872,298)	(1,780,479)
Other Items				
Foreign exchange loss	(1,965)	(25,085)	(617)	(22,683)
Gain on remeasurement of derivative liabilities (Notes 7 and 12)	926,020	53,868	43,000	53,868
Gain on termination of a lease (Note 4)	2,540	-	2,540	-
Net Loss	(962,198)	(3,104,383)	(827,375)	(1,749,294)
Foreign currency translation adjustment	(100,839)	-	(9,086)	-
Comprehensive Loss	<u>\$ (1,063,037)</u>	<u>\$ (3,104,383)</u>	<u>\$ (836,461)</u>	<u>\$ (1,749,294)</u>
Loss Per Class A Subordinate Voting Shares - Basic and Diluted	\$ (0.02)	N/A	\$ (0.02)	N/A
Loss Per Class B Super Voting Shares - Basic and Diluted	\$ (10.10)	N/A	\$ (9.20)	N/A
Weighted Average Number of Class A Subordinate Voting Shares - Basic and Diluted	43,541,620	N/A	44,808,621	N/A
Weighted Average Number of Class B Super Voting Shares - Basic and Diluted	95,221	N/A	89,886	N/A

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

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
CONDENSED INTEIRM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2022 AND 2021
(Expressed in United States Dollars)

	Number of Common Shares	Number of Class A Shares	Number of Class B Shares	Share Capital	Member's Units	Contributed Surplus	Reserves	Deficit	Shareholders' Deficit
BALANCE AT AUGUST 31, 2021	-	41,603,696	100,497	\$ 12,262,340	\$ -	\$ 5,335,170	\$ (38,164)	\$ (24,306,801)	\$ (6,747,455)
Net Loss	-	-	-	-	-	-	-	(962,198)	(962,198)
Conversion of Class B shares to Class A shares	-	2,387,400	(23,874)	-	-	-	-	-	-
Units Issued for Cash	-	3,659,998	-	217,294	-	-	-	-	217,294
Shares Issued upon Exercise of Warrants	-	79,000	-	12,582	-	-	-	-	12,582
Shares Issued for Debt Settlement	-	34,400	-	9,414	-	-	-	-	9,414
Shares Issued upon Vesting of RSUs	-	1,975,000	-	866,204	-	(866,204)	-	-	-
Options Issued for Debt Settlement	-	-	-	-	-	18,750	-	-	18,750
Stock-based Compensation	-	-	-	-	-	1,015,246	-	-	1,015,246
Foreign Currency Translation Adjustment	-	-	-	-	-	-	(100,839)	-	(100,839)
BALANCE AT FEBRUARY 28, 2022	-	49,739,494	76,623	13,367,834	-	5,502,962	(139,003)	(25,268,999)	(6,537,206)
BALANCE AT AUGUST 31, 2020	-	-	-	\$ -	\$ 9,000	\$ -	\$ -	\$ (90,565)	\$ (81,565)
Net Loss	-	-	-	-	-	-	-	(3,104,383)	(3,104,383)
Members Contributions	-	-	-	-	11,000	-	-	-	11,000
Shares Issued	100	-	-	1	-	-	-	-	1
Units Issued for Cash	6,410,734	-	-	2,478,084	-	-	-	-	2,478,084
Fair Value of Warrants	-	-	-	(1,146,047)	-	-	-	-	(1,146,047)
Shares Issued for Services	500,000	-	-	196,171	-	-	-	-	196,171
Share Issuance Costs	-	-	-	(159,264)	-	51,200	-	-	(108,064)
Units Issued for Debt Settlement	299,189	-	-	117,133	-	-	-	-	117,133
Fair Value of Warrants	-	-	-	(54,472)	-	-	-	-	(54,472)
Share Exchange	20,000,000	-	-	20,000	(20,000)	-	-	-	-
BALANCE AT FEBRUARY 28, 2021	27,210,023	-	-	1,451,606	-	51,200	-	(3,194,948)	(1,692,142)

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

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2022 AND 2021
(Expressed in United States Dollars)

	Six months ended February 28, 2022	Six months ended February 28, 2021
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Net Loss	\$ (962,198)	\$ (3,104,383)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Accretion of lease liability	2,089	1,841
Accrued interest on convertible note	618,111	-
Accrued interest on loans payable	2,006	-
Consulting fees paid in shares	-	196,171
Depreciation of right-of-use asset	11,707	14,049
Gain on remeasurement of derivative liability	(926,020)	(53,868)
Gain on termination of a lease	(2,540)	-
Stock-based compensation	1,015,246	-
Changes in Operating Assets and Liabilities:		
Accounts receivable	(220,436)	-
Prepaid expenses and other current assets, and deposits	(4,263)	(340,030)
Accounts payable and accrued liabilities	98,198	1,042,688
	(368,100)	(2,243,532)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (repayment to) related party	59,935	1,907
Contribution from members	-	11,000
Proceeds from shares or units issued, net of share issuance costs	217,294	2,162,297
Warrants exercised	12,582	-
Loans payable	116,463	416,693
Lease payments	(14,393)	(13,733)
	391,881	2,578,164
NET INCREASE (DECREASE) IN CASH	23,781	334,632
CASH, BEGINNING OF PERIOD	44,094	2,752
CASH, END OF PERIOD	\$ 67,875	\$ 337,384

Supplemental disclosure with respect to cash flows (Note 13)

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2022 AND 2021
(Expressed in United States Dollars)

NOTE 1. NATURE OF OPERATIONS

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.) (the “Company”, or the “Parent”), formerly known as Tracker Ventures Corp. (“Tracker”), was incorporated pursuant to the Business Corporations Act (British Columbia) on July 10, 2007. The Company is engaged in the development, marketing, and commercialization of contact tracing solutions.

The head office, address and records office of the Company are located at Suite 750 – 1095 West Pender Street, Vancouver, BC, Canada, V6E 2M6.

On July 12, 2021, Tracker completed the transaction with the company formerly known as Kontakt World Technologies Corp. (“Kontakt”), Kontakt, LLC and the shareholders of Kontakt. Tracker subsequently changed its name to Kontakt World Technologies Corp. Upon closing of the transaction, the shareholders of Kontakt had control of the combined entity, and as a result, the transaction is considered a reverse acquisition of Tracker by Kontakt. For accounting purposes, Kontakt is considered the acquirer, and Tracker the acquiree. Accordingly, the consolidated financial statements are a continuation of the financial statements of Kontakt. See Note 10.

Kontakt has a wholly owned operating subsidiary, Kontakt, LLC (the “Subsidiary” or “Kontakt LLC”) which was formed as a limited liability company in the State of California and the Company’s Articles of Organization were filed with the Secretary of State of the State of California on March 30, 2020. The Subsidiary controls the daily operations of the consolidated company’s operations and has four patent applications pending with the United States Patent and Trademark Office. Kontakt LLC became a wholly owned subsidiary of Kontakt through a share exchange (the “Share Exchange”) contemplated under a share exchange agreement made on October 9, 2020 between Kontakt, Kontakt LLC and the membership interest holders of Kontakt LLC (the “Share Exchange Agreement”). The Share Exchange was treated as a common control business combination accounted for under the pooling of interest method. Accordingly, the assets and liabilities of the combining entities are reflected at their carrying amounts as if the transaction had occurred on the earliest comparative period presented.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At February 28, 2022, the Company has not achieved profitable operations, has accumulated losses of \$25,268,999 since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon successful results from its operations, its ability to attain profitable operations to generate funds, and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Throughout 2020, the actual and threatened spread of the COVID-19 virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including future trading prices of the Company’s shares and its ability to raise new capital. Although the Company’s business model is designed to slow the spread of COVID-19 and other viruses, these factors, amongst others, could still have a significant impact on the Company’s operations.

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2022 AND 2021
(Expressed in United States Dollars)

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation and Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 – Interim Financial Reporting of the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. As such these condensed interim consolidated financial statements do not include full information that might be necessary for an annual financial statements and should be read in conjunction with the consolidated financial statements for the period ended August 31, 2021. The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in this note. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements were reviewed by the Management of the Company and approved and authorized for issue by the Board of Directors on April 28, 2022.

(b) Basis of Measurement

The preparation of condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. See Note 3 for use of estimates and judgements made by management in the application of IFRS.

(c) Functional and Presentation Currency

These financial statements are presented in United States dollars, which is also the functional currency of Kontakt LLC, 1315006 B.C. Ltd. and Stratum Health Solutions, LLC (“Stratum”). The functional currency of the parent company is Canadian dollars.

(d) Basis of Consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. Subsidiaries over which the Company has control are fully consolidated from the date control commences until the date control ceases. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are currently exercisable are considered. Non-controlling interests in the equity of consolidated subsidiaries are shown separately in the consolidated statement of operations and in the consolidated statement of changes in shareholders’ deficit. All intercompany balances and transactions are eliminated on consolidation. The information below lists the Company’s subsidiaries that are included in these consolidated financial statements and the ownership interest held as of February 28, 2022 and August 31, 2021.

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
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	Percentage of Ownership February 28, 2022	Percentage of Ownership August 31, 2021
Contact LLC	100%	100%
1315006 B.C. Ltd.	100%	100%
Stratum Health Solutions, LLC	100%	100%

NOTE 3. USE OF ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies:

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

(a) Going Concern

See Note 1 for assessment of going concern.

(b) Common Control Transaction

For the Share Exchange between the Company and Kontakt LLC, judgement was applied to determine if the transaction represented a business combination or an asset purchase. Management also used judgement to determine that since the Company and Kontakt LLC were owned and controlled by the same parties, in substantially the same ownership percentages, both before and after the transaction, the business combination is considered a common ownership transaction accounted for as a common control business combination. Thus, the net assets were recorded at their predecessor carrying values rather than at fair value.

(c) Income Taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

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Significant estimates in applying accounting policies:

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed.

(a) Right of use and lease liabilities

Leases requires lessees to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Company uses the incremental borrowing rate when initially recording real estate leases as the implicit rates are not readily available as information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available. The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Leases require lessees to estimate the lease term. In determining the period which the Company has the right to use an underlying asset, management considers the non-cancellable period along with all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

(b) Business combinations and reverse acquisitions

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. The Company must determine whether it is the acquirer or acquiree in each acquisition. Under IFRS 3 – Business Combinations, the acquirer is the entity that obtains control of the acquiree in the acquisition. If it is not clear which company is the acquirer, additional information must be considered, such as the combined entity’s relative voting rights, existence of a large minority voting interest, composition of the governing body and senior management, and the terms behind the exchange of equity interest.

(c) Purchase price allocation related to acquisitions

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. The Company identified total net liabilities of \$214,850 related to the acquisition of Stratum Health Solutions, LLC on August 12, 2021 and total net assets of \$1,441,323 related to the reverse takeover of Tracker on July 12, 2021. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstances where estimates have been made, the Company may obtain third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of certain purchase prices and accounting adjustments.

(d) Bifurcation of convertible debt and fair value of derivative liability

The Company uses the Black-Scholes Option Pricing Model to determine the fair value of stock options, standalone share purchase warrants issued and derivative liability. This model requires the input of subjective assumptions including expected share price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company’s earnings (loss) and equity reserves.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4. LEASES

Set out below, are the carrying amounts of the Company’s right-of-use assets and lease liabilities under IFRS 16 with respect to its office space, and the movements during the period:

Lease liabilities recognized as of September 1, 2020	\$ -
Additions	56,194
Accretion	5,541
Lease payments	(30,500)
Lease liabilities at August 31, 2021	<u>31,235</u>
Accretion	2,089
Lease payments	(14,393)
Termination of a lease	(18,931)
Lease liabilities at February 28, 2022	<u><u>-</u></u>
Right-of-Use Assets:	
Right-of-use assets recognized as of September 1, 2020	\$ -
Additions	56,194
Depreciation expense	(28,096)
Right-of-Use Assets, Net at August 31, 2021	<u>28,098</u>
Depreciation expense	(11,707)
Termination of a lease	(16,391)
Right-of-Use Assets, Net at February 28, 2022	<u><u>\$ -</u></u>

The lease was terminated during the six months ended February 28, 2022 resulting in a gain of \$2,540. As a termination fee, the Company paid cash of \$10,000 recorded as office administration expense.

NOTE 5. LOANS PAYABLE

Loans payable is comprised of the following:

\$46,463 line of credit from Michael Townsend (“Lender”) outstanding at February 28, 2022 (August 31, 2021 - \$Nil). The loan is unsecured, non-interest bearing and is due on demand.

On November 5, 2021, the Company also received an unsecured loan of \$70,000 bearing interest at 9% per annum due on November 5, 2022. During the six months ended February 28, 2022, the Company accrued interest of \$2,006 (2020 - \$Nil).

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NOTE 6. RELATED PARTIES

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include the Company's executive officers.

The following summarizes the balances with the related parties as at February 28, 2022 and August 31, 2021:

	February 28, 2022	August 31, 2021
Balances		
Accounts payable and accrued liabilities	\$ (18,000)	\$ (10,000)
Due to Directors and/or Officers	(115,046)	(55,111)
Total	\$ (133,046)	\$ (65,111)

The amounts due to related parties are unsecured, non-interest bearing.

During the six months ended February 28, 2022, the Company paid and/or accrued \$42,153 (2020 - \$Nil) in professional fees to directors and/or officers.

On September 1, 2020 and amended March 16, 2021, Kontakt LLC entered into an employment agreement with Justin Beck (the "CVO Employment Agreement") setting forth the terms and conditions of his employment, which provides for his base salary and includes, among other things, provisions regarding non-disclosure, non-competition, and termination. Pursuant to the CVO Employment Agreement, Mr. Beck is paid an annual base salary of \$325,000 (the "Base Salary") for a term of two years (the "Employment Term"). In addition to a base salary, Kontakt LLC may offer Mr. Beck additional incentive compensation for as long as he is employed by Kontakt LLC and if employment terminates prior to a vesting date, all non-vested shares and option awards shall terminate immediately.

The incentive compensation includes performance warrants issued upon Kontakt LLC completing a go public transaction in July 2021. Pursuant to the CVO Employment Agreement, Mr. Beck has earned certain performance warrants, which were conditions of the going public transaction. The Company terminated the CVO Employment Agreement and all performance warrants issued to Mr. Beck were cancelled (Note 7).

NOTE 7. SHARE CAPITAL

(a) Share capital

An unlimited number of Class A Subordinate Voting Shares are authorized without par value.

An unlimited number of Class B Super Voting Shares are authorized without par value. Each Class B Super Voting Share entitles the holder to 100 votes at general and special meetings of shareholders of the Company and convert such shares into Subordinate Voting Shares on a 1:100 basis.

On September 15, 2021, the Company issued 79,000 Class A Subordinate Voting Shares pursuant to the exercise of 79,000 warrants at a price of \$0.20 CAD for total proceeds of \$15,800 CAD.

On September 28, 2021, the Company received \$42,250 CAD in share subscription included in accounts receivable at August 31, 2021.

On October 29, 2021, the Company issued 34,400 Class A Subordinate Voting Shares to settle accounts payable of \$11,822 CAD.

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On January 19, 2022, the Company issued 2,387,400 Class A Subordinate Voting Shares upon conversion of 23,874 Class B Super Voting Shares.

On February 17, 2022, the Company issued 3,659,998 units at a price of \$0.075 CAD per unit for total proceeds of \$274,500 CAD. Each unit consists of one Class A Subordinate Voting Share and one share purchase warrant, with each warrant exercisable into one Class A Subordinate Voting Share at a price of \$0.15 CAD per share expiring two years from the date of issuance.

During the six months ended February 28, 2022, the Company issued 1,975,000 Class A Subordinate Voting Shares related to the vesting of RSUs.

(b) Escrow Shares

In connection with the Tracker Amalgamation Agreement as discussed in Note 10, 6,567,109 Class A Subordinate Voting Shares and 65,496 Class B Super Voting Shares were held in escrow which are released over 36 months, with 10% of such shares released on the Listing Date and an additional 15% to be released every six months thereafter. As of February 28, 2022, 4,925,332 Class A Subordinate Shares and 49,122 Class B Super Voting Shares were held in escrow.

(c) Warrants

Information regarding the Company's outstanding share purchase warrants is summarized below:

	Number of Warrants	Weighted average exercise price \$ CAD
Balance, August 31, 2020	-	-
Issued	6,709,923	1.00
Assumed from Tracker	11,658,008	0.33
Exercised	(159,500)	0.20
Balance, August 31, 2021	18,208,431	0.58
Issued	3,659,998	0.15
Exercised	(79,000)	0.20
Balance, February 28, 2022	21,789,429	0.51

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in United States Dollars)

The following table summarizes the share purchase warrants outstanding as at February 28, 2022:

Expiry date	Exercise price \$ CAD	Remaining contractual life (years)	Warrants Outstanding
November 20, 2022	\$1.00	0.73	470,000
November 26, 2022	\$1.00	0.74	1,285,000
November 27, 2022	\$1.00	0.75	99,218
November 30, 2022	\$1.00	0.75	2,825,000
December 21, 2022	\$1.00	0.81	50,000
January 22, 2023	\$1.00	0.90	605,983
January 29, 2023	\$1.30	0.92	425,585
February 25, 2023	\$1.00	0.99	1,374,722
March 2, 2023	\$1.30	1.01	327,962
June 8, 2023	\$1.30	1.27	128,693
July 9, 2023	\$1.30	1.36	356,922
July 13, 2023	\$1.30	1.37	103,846
September 29, 2023	\$0.20	1.58	10,076,500
February 17, 2024	\$0.15	1.97	3,659,998
		1.51	21,789,429

(d) Finders' Warrants

Information regarding the Company's outstanding finders' warrants is summarized below:

	Number of Finders' Warrants	Weighted average exercise price \$ CAD
Balance, August 31, 2020	-	-
Issued	289,100	1.00
Assumed from Tracker	421,556	0.40
Balance, August 31, 2021 and February 28, 2022	710,656	0.64

The following table summarizes the finders' warrants outstanding as at February 28, 2022:

Expiry date	Exercise price \$ CAD	Remaining contractual life (years)	Finders' Warrants Outstanding
November 20, 2022	\$1.00	0.73	22,400
November 26, 2022	\$1.00	0.74	89,950
November 30, 2022	\$1.00	0.75	176,750
January 29, 2023	\$1.00	0.92	33,656
March 2, 2023	\$1.00	1.01	19,600
June 8, 2023	\$1.00	1.27	7,800
July 9, 2023	\$1.00	1.36	44,800
September 29, 2023	\$0.20	1.58	315,700
		1.18	710,656

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(e) Performance warrants

Information regarding the Company's outstanding performance warrants is summarized below:

	Number of Performance Warrants	Weighted average exercise price \$ CAD
Balance, August 31, 2020	-	-
Issued	3,000,000	0.10
Balance, August 31, 2021	3,000,000	0.10
Cancelled	(1,500,000)	0.10
Balance, February 28, 2022	1,500,000	0.10

The following table summarizes the performance warrants outstanding as at February 28, 2022:

Expiry date	Exercise price \$ CAD	Remaining contractual life (years)	Performance Warrants Outstanding
July 12, 2026	\$0.10	4.37	1,500,000
		4.37	1,500,000

On July 12, 2021, the Company issued 3,000,000 performance warrants to Mr. Beck (Note 10) as follows:

1. Tier 1 Performance Warrants – 1,000,000 Subordinate Voting Share purchase warrants, such warrants to (i) be exercisable at \$0.10 CAD per share, (ii) expire five years from issuance and (iii) vest on the Company achieving \$1,000,000 in cumulative revenues from operations;
2. Tier 2 Performance Warrants – 1,000,000 Subordinate Voting Share purchase warrants, such warrants to (i) be exercisable at \$0.10 CAD per share, (ii) expire five years from issuance and (iii) vest on the Company achieving \$2,000,000 in cumulative revenues from operations; and
3. Tier 3 Performance Warrants – 1,000,000 Subordinate Voting Share purchase warrants, such warrants to (i) be exercisable at \$0.10 CAD per share, (ii) expire five years from issuance and (iii) vest on the Company achieving \$5,000,000 in cumulative revenues from operations

500,000 Tier 1, 500,000 Tier 2 and 500,000 Tier 3 Performance Warrants were assigned other individuals on May 5, 2021. The Company terminated the CVO Employment Agreement and 1,500,000 performance warrants issued to Mr. Beck were cancelled (Note 6).

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(f) Stock options

The Company grants incentive stock options as permitted by the Company's Stock Option Plan ("the Plan") approved by the shareholders of the Company. The aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date including options granted prior to the adoption of the Plan. Options granted may not exceed a term of ten years. If the optionee ceases to be qualified to receive options from the Company those options expire within 30 days. All options vest when granted unless otherwise specified by the Board of Directors.

On July 19, 2021, the Company granted 4,200,000 stock options to employees and consultants of the Company exercisable at \$0.58 CAD per share for a period of five years. These stock options vest over a period of three years from the date of grant. The fair value of the stock options of \$1,582,863 was determined using the Black-Scholes option pricing model, which requires management to make estimates that are subjective and may not be representative of the actual results. Changes in assumptions can materially affect estimates of fair value. The following assumptions were used for the calculation: Market price of shares - \$0.58 CAD; risk free interest rate of 0.80%; expected life 5 years; expect volatility of 120%; expected dividend yield of 0% and forfeiture rate of 0%. Since the Company has limited history of trades, the Company utilized annualized volatility of comparable startup companies. During the six months ended February 28, 2022, the Company recognized stock-based compensation of \$548,318 (2020 - \$Nil).

On August 9, 2021, the Company granted 40,000 stock options to an employee and consultant of the Company exercisable at \$0.47 CAD per share for a period of three years. These stock options vest over a period of three years from the date of grant. The fair value of the stock options of \$10,443 was determined using the Black-Scholes option pricing model, which requires management to make estimates that are subjective and may not be representative of the actual results. Changes in assumptions can materially affect estimates of fair value. The following assumptions were used for the calculation: Market price of shares - \$0.47 CAD; risk free interest rate of 0.67%; expected life 3 years; expect volatility of 120%; expected dividend yield of 0% and forfeiture rate of 0%. Since the Company has limited history of trades, the Company utilized annualized volatility of comparable startup companies. During the six months ended February 28, 2022, the Company recognized stock-based compensation of \$3,618 (2020 - \$Nil).

On September 22, 2021, the Company granted 50,000 stock options to consultants of the Company exercisable at \$0.34 CAD per share for a period of five years. These stock options vest 12.5% quarterly beginning December 31, 2021. The fair value of the stock options of \$9,710 was determined using the Black-Scholes option pricing model, which requires management to make estimates that are subjective and may not be representative of the actual results. Changes in assumptions can materially affect estimates of fair value. The following assumptions were used for the calculation: Market price of shares - \$0.30 CAD; risk free interest rate of 0.89%; expected life 5 years; expect volatility of 120%; expected dividend yield of 0% and forfeiture rate of 0%. Since the Company has limited history of trades, the Company utilized annualized volatility of comparable startup companies. During the six months ended February 28, 2022, the Company recognized stock-based compensation of \$4,728 (2020 - \$Nil).

On October 6, 2021, the Company granted 50,000 stock options to a consultant of the Company exercisable at \$0.28 CAD per share for a period of five years. One-third of these options vest on October 6, 2022 and 1,388 stock options vest on the last day of the month from November 30, 2022 to October 30, 2024. The fair value of the stock options of \$9,380 was determined using the Black-Scholes option pricing model, which requires management to make estimates that are subjective and may not be representative of the actual results. Changes in assumptions can materially affect estimates of fair value. The following assumptions were used for the calculation: Market price of shares - \$0.285 CAD; risk free interest rate of 1.07%; expected life 5 years; expect volatility of 120%; expected dividend yield of 0% and forfeiture rate of 0%. Since the Company has limited history of trades, the Company utilized annualized volatility of comparable startup companies. During the six months ended February 28, 2022, the Company recognized stock-based compensation of \$2,507 (2020 - \$Nil).

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On January 20, 2022, the Company granted 1,650,000 stock options to a director and consultants of the Company exercisable at \$0.135 CAD per share for a period of five years. These options vest as follows: 25% on the date of grant and 25% quarterly. The fair value of the stock options of \$184,363 was determined using the Black-Scholes option pricing model, which requires management to make estimates that are subjective and may not be representative of the actual results. Changes in assumptions can materially affect estimates of fair value. The following assumptions were used for the calculation: Market price of shares - \$0.135 CAD; risk free interest rate of 1.67%; expected life 5 years; expected volatility of 120%; expected dividend yield of 0% and forfeiture rate of 0%. Since the Company has limited history of trades, the Company utilized annualized volatility of comparable startup companies. During the six months ended February 28, 2022, the Company recognized stock-based compensation of \$59,142 (2020 - \$Nil).

On February 28, 2022, the Company settle a debt of \$18,750 by granting 176,388 stock options to a consultant exercisable at \$0.135 CAD per share for a period of five years. These options vest as follows: 25% on the date of grant and 25% every 6 months.

	Number of Stock Options	Weighted average exercise price \$ CAD
Balance, August 31, 2020	-	-
Granted	4,240,000	0.58
Cancelled	(637,500)	0.58
Balance, August 31, 2021	3,602,500	0.58
Granted	1,926,388	0.15
Cancelled	(712,500)	0.58
Balance, February 28, 2022	4,816,388	0.41

The following table summarizes the stock options outstanding and exercisable as at February 28, 2022:

Expiry date	Exercise price \$ CAD	Remaining contractual life (years)	Stock Options Outstanding	Stock Options Exercisable
July 19, 2026	\$0.58	4.39	2,850,000	893,750
August 12, 2024	\$0.47	2.45	40,000	-
September 22, 2026	\$0.34	4.57	50,000	6,250
October 6, 2026	\$0.28	4.61	50,000	-
January 20, 2027	\$0.135	4.90	1,650,000	412,500
February 28, 2027	\$0.25	5.00	176,388	44,097
		4.62	4,816,388	1,356,597

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(g) Restricted share unit plan

The Company's restricted share unit ("RSU") plan provides for the issuance of Class A Subordinate Voting Shares upon the exercise of vested RSUs at no additional compensation. The RSUs have vesting conditions determined by the Board of Directors.

Information regarding the Company's outstanding RSUs is summarized below:

	Number
Balance, August 31, 2020	-
Granted	7,330,000
Vested and issued as shares	(1,076,250)
Balance, August 31, 2021	6,253,750
Cancelled	(646,250)
Vested and issued as shares	(1,975,000)
Balance, February 28, 2022	3,632,500

During the six months ended February 28, 2022, the Company recognized stock-based compensation of \$396,933 (2020 - \$Nil) related to the vesting of RSUs.

NOTE 8. FINANCIAL INSTRUMENTS AND RISKS

Fair values

The Company's financial instruments include cash, accounts receivable, due to related parties, accounts payable and accrued liabilities, convertible loans, derivative liability, loans payable, convertible note, and lease liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value 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.

As at February 28, 2022, the Company measured the derivative liability at Level 3 inputs as it uses a combination of observable and unobservable other than quoted prices in calculating fair value. There were no transfers between levels during the period.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. To minimize the credit risk, the Company places cash with financial institutions. The carrying value of accounts receivable is the Company's maximum exposure to credit risk as at February 28, 2022.

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Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As at February 28, 2022, the Company had a working capital deficiency of \$6,559,456 (August 31, 2021 - \$6,779,053). Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short term and long-term cash requirement.

NOTE 9. CAPITAL MANAGEMENT

The Company manages its capital structure in order to ensure sufficient resources are available to meet operational requirements and safeguard its ability to continue as a going concern. There are no externally imposed capital requirements on the Company. Management considers the items included in shareholders' deficit as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. There were no changes to the Company's approach to capital management during the period ended February 28, 2022.

NOTE 10. SHARE EXCHANGE

Contact Share Exchange

On October 9, 2020, Kontakt executed a share exchange agreement with Kontakt LLC and the membership interest holders of Kontakt LLC. On October 9, 2020, the membership interest holders exchanged their membership interests in Kontakt LLC for common shares of Kontakt on a 1:1 basis and in proportion to the members' holdings in the Kontakt LLC. In this exchange, 100% of Kontakt LLC's membership interests, or 20,000,000, were exchanged for 20,000,000 common shares of Kontakt. The transaction was treated as a common ownership exchange and was accounted for on a historical cost basis as a common control transaction as if the transaction occurred on the first day of the earliest comparative period presented. At the conclusion of the Share Exchange, the former holders of Kontakt LLC membership interests held 100% of Kontakt's common shares, except for the de minimis 100 common shares already outstanding in Kontakt that was issued at formation.

Tracker Amalgamation Agreement

On December 3, 2020, Kontakt entered into an amalgamation agreement (the "Tracker Amalgamation Agreement") with Kontakt LLC, 1276313 B.C. Ltd., a newly incorporated wholly-owned subsidiary of Tracker ("Tracker Subco"), and the shareholders of Kontakt on this date (the "Founding Kontakt Shareholders").

The Amalgamation Agreement provided for the amalgamation of Tracker Subco and Kontakt, to form 1315006 B.C. Ltd. (the "Transaction") and, among other things:

- (i) the Founding Kontakt Shareholders exchanging their common shares in Kontakt for an aggregate of 17,160,364 Class A Subordinate Voting Shares of Tracker and 100,497 Class B Super Voting Shares of Tracker;
- (ii) the Non-Founding Kontakt Shareholders exchanging their common shares in Kontakt for Subordinate Voting Shares of Tracker on a 1:1 basis;
- (iii) common share purchase warrants of Kontakt being exchanged for warrants of Tracker having equivalent terms on a 1:1 basis;

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- (iv) Tracker issuing 5,500,000 RSUs on closing to consultants, such RSUs to vest on a quarterly basis over the 21 months following the Transaction;
- (v) Tracker issuing Performance Warrants to Justin Beck pursuant to the CVO Employment Agreement.
- (vi) Tracker agreeing to issue additional Performance Warrants to Justin Beck on achievement of a Cross-listing Transaction.

The vesting of the performance warrants was deemed improbable and, as a result, no fair value was allocated to the performance warrants (Note 7). The Company terminated the CVO Employment Agreement and all performance warrants issued to Mr. Beck were cancelled (Note 6).

Upon closing of the transaction, the shareholders of Kontakt had control of the combined entity. The substance of the transaction was a reverse takeover of the non-operating company and the transaction does not constitute a business combination as Tracker does not meet the definition of a business under IFRS 3. Tracker was acquired for its public listing. As a result, the transaction was recorded by the Company as a reverse takeover that was not a business combination with the recognition of a listing expense which represented the difference between the fair value of consideration Kontakt paid and the fair value of Tracker's net assets.

On July 12, 2021, the Company completed the transaction.

	Amount
Purchase consideration	
19,683,649 notional common shares of Kontakt at \$0.50	\$ 7,892,159
Fair value of 12,079,564 warrants assumed	3,545,200
Fair value of 5,500,000 RSUs issued to finders	1,378,108
<hr/>	
Total	12,815,467
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Fair value of assets acquired and liabilities assumed	
Cash	307,540
Accounts receivable	108,256
Prepaid expenses and other current assets	51,789
Due from Tracker	1,300,513
Accounts payable and accrued liabilities	(326,775)
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Total identifiable net assets acquired	1,441,323
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Allocated to listing expense	\$ 11,374,144

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NOTE 11. BUSINESS ACQUISITION

On August 12, 2021, the Company completed the acquisition of Stratum Health Solutions, LLC (“Stratum”) from RTAE Holdings LLC (“RTAE”), which operates HealthCheck by Stratum™ (“HealthCheck”), an encrypted wellness tracking and analytics tool. The acquisition of Stratum expands the Company’s opportunities in the health security business. In connection with the acquisition, the Company issued 3,523,933 Class A Subordinate Voting Shares (“Contakt Shares”) and a convertible note for \$4,155,000 (the “Note”). In addition, RTAE is eligible to receive earn-out payments at 12 and 24 months according to certain revenue milestones set forth in the agreement. The first earn-out payment is satisfied if total revenue for the first year exceeds \$1,846,154 and is in the form of \$840,000 cash and shares valued at \$360,000. The second earn-out payment is satisfied if total revenue for the second year exceeds \$3,690,308 and is in the form of \$840,000 cash and shares valued at \$360,000. The revenue targets were deemed unlikely to be met and the contingent consideration was given a value of \$Nil.

The acquisition of Stratum was accounted for as a business combination, in which the assets acquired and the liabilities assumed are recorded at their estimated fair values.

The allocation of the purchase consideration is as follows:

	Amount
Purchase consideration	
3,523,933 Class A Subordinate Voting Shares	\$ 1,325,000
Convertible note with embedded derivative liability (Note 12)	4,155,000
Cash advances	120,000
Total	5,600,000
Fair value of assets acquired and liabilities assumed	
Accounts receivable	42,188
Accounts payable and accrued liabilities	(257,038)
Total identifiable net liabilities assumed	(214,850)
Goodwill	5,814,850
Total	\$ 5,600,000

During the year ended August 31, 2021, the Company recorded an impairment loss of \$5,814,850 related to its acquisition of Stratum.

NOTE 12. CONVERTIBLE LOANS AND DERIVATIVE LIABILITY

Pursuant to the acquisition of Stratum, the Company issued a convertible note in the amount of \$4,155,000 (“the Note”) (Note 11) maturing on August 12, 2022. The Note bears interest at 3.5% per annum and is convertible at the Company’s or RTAE’s option after 6 months into Contakt Shares at a conversion price equal to a 20% discount to the 20 day volume-weighted-average closing price of Contakt Shares, subject to a minimum conversion price of \$0.65 CAD. Assuming conversion, RTAE can only liquidate up to 1/6 the value of the Note in each 30 day period. The Note is secured against the membership interests of Stratum and the source code of HealthCheck. During the six months ended February 28, 2022, the Company accrued interest of \$618,111 (2020 - \$Nil).

In connection with the acquisition of Stratum, the Company also issued two convertible notes in the aggregate amount of \$410,000 as finders’ fees with the same terms as the Note.

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Due to the variability in the number of shares issuable under the convertible note, the Company has allocated the convertible note between the fair value of the note conversion feature, which is considered an embedded derivative liability, and the value of the loan liability. The value of the note conversion feature of \$1,182,000 was determined using the Black-Scholes option pricing model as at the loan date and the residual amount was allocated to the loan liability. The following assumptions were used to estimate the fair value of the note conversion feature: Market price of shares - \$0.465 CAD; risk free interest rate of 0.44%; expected life 1 year; expect volatility of 120%; expected dividend yield of 0% and forfeiture rate of 0%.

	Convertible Loan	Derivative Liability
	\$	\$
Balance, August 31, 2020	-	-
Issued	4,565,000	-
Embedded derivative liability	(1,182,000)	1,182,000
Interest expense	62,217	-
Gain on remeasurement of derivative liability	-	(240,681)
Foreign exchange translation adjustment	(7,190)	(9,299)
Balance, August 31, 2021	3,438,027	932,020
Interest expense	618,111	-
Gain on remeasurement of derivative liability	-	(926,020)
Balance, February 28, 2022	4,056,138	6,000

NOTE 13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	February 28, 2022	February 28, 2021
	\$	\$
Interest paid	-	2,164
Taxes paid	-	-
Non-cash investing and financing activities		
Fair value of finders' warrants	-	51,200
Fair value of shares issued for debt settlement	9,414	117,133
Fair value of warrants issued for debt settlement	-	54,472
Fair value of options issued for debt settlement	18,750	-
Right-of-use assets acquired via lease liabilities	-	56,194

NOTE 14. SEGMENTED INFORMATION

The asset and operations of the Company are located in Canada and United States.

	Canada		United States		Total
Six months ended February 28, 2022					
Net loss	\$	(1,042,223)	\$	80,025	\$ (962,198)
Six months ended February 28, 2021					
Net loss	\$	-	\$	(3,104,383)	\$ (3,104,383)

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	Canada	United States	Total
As at February 28, 2022			
Current assets	\$ 86,146	\$ 402,666	\$ 488,812
Non-current assets	-	3,500	3,500
Total liabilities	3,103,683	3,944,585	7,048,268
As at August 31, 2021			
Current assets	106,526	133,806	240,332
Non-current assets	-	31,598	31,598
Total liabilities	\$ 4,731,288	\$ 2,288,097	\$ 7,019,385

NOTE 15. SUBSEQUENT EVENTS

In March 2022, the Company entered into a mineral property purchase agreement (the “Agreement”) pursuant to which it will acquire a 100% interest in and to 72 mining claims located on ground adjacent to the Frontier Lithium’s PAK Lithium project in the Red Lake Mining District, Ontario. The claims to be acquired are known as the PAK South Project and PAK Southeast Project (together, the “Projects”). In consideration for the Projects, the Company will pay \$30,000 in cash and issue 2,000,000 Class A subordinate voting shares of the Company to the arms-length vendors within five business days of the date of the Agreement.

In March 2022, the Company granted incentive stock options to purchase an aggregate of 275,000 Class A subordinate voting shares to certain directors and consultants of the Company. Each option entitles its holder the right to purchase one Class A subordinate voting share at a price of \$0.25 per share for a period of two years from the date of grant and the options will vest as follows: (i) 25% on the date of grant; (ii) 25% three months from grant; (iii) 25% six months from grant; and (iv) 25% nine months from grant.

In April 2022, the Company re-priced a total of 8,547,819 warrants with exercise prices ranging from \$1.00 to \$1.30 as follows:

- 6,859,805 warrants issued between November 20, 2020 and February 25, 2021 at an exercise price of \$1.00 have been re-priced to \$0.50;
- 1,404,064 warrants issued between January 19, 2021 and July 13, 2021 at an exercise price of \$1.30 have been re-priced to \$0.50; and
- 333,900 broker warrants issued between November 20, 2020 and July 9, 2021 at an exercise price of \$1.00 have been re-priced to \$0.50.

In April 2022, the Company entered into a property option agreement (the “Option Agreement”) with 5042078 Ontario Inc. (the “Optionor”), pursuant to which it has been granted an option to acquire 33 unpatented single cell and multi cell mining claims (1094 hectares) located in Marks Township, Thunder Bay Mining Division, Ontario (the “Rockstone Project”). Pursuant to the agreement, the Company has the right to acquire a 100% ownership interest in and to the Rockstone Project upon the Company paying the Optionor an aggregate of \$2,000,000 over nine years and issuing the Optionor 500,000 Class A subordinate voting shares of the Company within 30 days of the Option Agreement.

In April 2022, the Company retained Altus Capital Partners Inc. (“Altus”) as its corporate finance advisor (the “Engagement”). Altus is a venture finance and corporate advisory firm based in Vancouver, Canada, that partners with hyper growth businesses and successful operators. As compensation under the Engagement, Altus will receive \$10,000 per month in consulting fees, such fees to be payable in class A subordinate voting shares of the Company, as well as a one-time grant of 500,000 class A subordinate voting share purchase options exercisable at \$0.25 for 3 years.

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From March 1, 2022 to April 28, 2022, the Company issued 357,500 Class A Subordinate Voting Shares related to the vesting of RSUs and 227,500 upon exercise of options and warrants.