

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

CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

(Expressed in United States Dollars)

## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.):

### ***Opinion***

We have audited the consolidated financial statements of Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.) and its subsidiaries (together the “Company”), which comprise the consolidated statement of financial position as at August 31, 2022, and the consolidated statement of operations and comprehensive loss, consolidated statement of changes in shareholders’ deficit and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at August 31, 2022, and its consolidated financial performance and its consolidated 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 Consolidated 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 consolidated 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.

### ***Material Uncertainty Related to Going Concern***

We draw attention to Note 1 in the consolidated financial statements, which describes events and conditions indicating that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### ***Other Matter***

The consolidated financial statements of the Company for the year ended August 31, 2021 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on March 11, 2022.

### ***Other Information***

Management is responsible for the other information. The other information comprises the information included in the Management’s Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. 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 in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the consolidated 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 Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 Graeme L. Cocke.

*Baker Tilly WM LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.  
December 29, 2022

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

AUGUST 31, 2022 and 2021

(Expressed in United States Dollars)

	<u>August 31, 2022</u>	<u>August 31, 2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 362,455	\$ 44,094
Accounts Receivable (Note 4)	213,654	138,197
Prepaid Expenses and Other Current Assets	<u>161,774</u>	<u>58,041</u>
Total Current Assets	737,883	240,332
Right-of-Use Asset (Note 6)	-	28,098
Deposit	-	3,500
Exploration and Evaluation Assets (Note 5)	<u>1,068,503</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 1,806,386</b></u>	<u><b>\$ 271,930</b></u>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 2,809,555	\$ 2,562,992
Due to Related Parties (Note 8)	222,800	55,111
Loans Payable (Notes 7)	77,064	-
Current Lease Liability (Note 6)	-	31,235
Convertible Loans (Note 14)	4,733,092	3,438,027
Derivative Liability (Note 14)	<u>-</u>	<u>932,020</u>
<b>TOTAL LIABILITIES</b>	<u><b>7,842,511</b></u>	<u><b>7,019,385</b></u>
<b>SHAREHOLDERS' DEFICIT</b>		
Share Capital (Note 9)	15,926,237	12,262,340
Share-Based Payments Reserve (Note 9)	5,700,975	5,335,170
Foreign Currency Translation Reserve	(181,929)	(38,164)
Deficit	<u>(27,481,408)</u>	<u>(24,306,801)</u>
<b>TOTAL SHAREHOLDERS' DEFICIT</b>	<u><b>(6,036,125)</b></u>	<u><b>(6,747,455)</b></u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT</b>	<u><b>\$ 1,806,386</b></u>	<u><b>\$ 271,930</b></u>

APPROVED FOR ISSUANCE ON BEHALF OF THE BOARD OF DIRECTORS:

*"Zayn Kalyan"*  
Director

*"Christopher Cherry"*  
Director

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

**Infinity Stone Ventures Corp. (formerly Contact World Technologies Corp.)**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021**  
(Expressed in United States Dollars)

	<u>Year ended August 31, 2022</u>	<u>Year ended August 31, 2021</u>
<b>Revenues</b>	\$ 588,558	\$ 162,521
<b>Expenses</b>		
Bad Debt Expense (Note 4)	260,997	-
Interest Expense (Notes 6 and 14)	1,295,065	67,758
Office Administration (Note 8)	284,184	934,286
Consulting and Marketing Fees	518,693	1,225,232
Professional Fees (Note 8)	717,505	2,867,446
Research and Development	-	1,284,181
Stock-Based Compensation (Note 9)	1,607,493	829,435
Total Expenses	<u>4,683,937</u>	<u>7,208,338</u>
<b>Net Loss before Other Items</b>	(4,095,379)	(7,045,817)
<b>Other Items</b>		
Finders' Fees	-	(410,000)
Foreign Exchange Gain (Loss)	24,464	(65,730)
Gain on Remeasurement of Derivative Liability (Note 14)	932,020	494,305
Gain on Termination of a Lease (Note 6)	2,540	-
Loss on Debt Settlement	(38,252)	-
Impairment of Investment	-	(5,814,850)
Listing Cost from Reverse Take-Over	-	(11,374,144)
<b>Net Loss</b>	(3,174,607)	(24,216,236)
<b>Items That May be Subsequently Reclassified to Profit or Loss</b>		
Foreign Currency Translation Adjustment	<u>(143,765)</u>	<u>(38,164)</u>
<b>Comprehensive Loss</b>	<u><b>\$ (3,318,372)</b></u>	<u><b>\$ (24,254,400)</b></u>
<b>Loss Per Class A Subordinate Voting Share - Basic and Diluted</b>	\$ (0.06)	\$ (1.32)
<b>Loss Per Class B Super Voting Share - Basic and Diluted</b>	\$ (5.68)	\$ (132.11)
<b>Weighted Average Number of Class A Subordinate Voting Shares - Basic and Diluted</b>	47,997,071	16,954,214
<b>Weighted Average Number of Class B Super Voting Shares - Basic and Diluted</b>	78,311	13,767

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

**Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT**  
**FOR THE YEARS ENDED AUGUST 31, 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	Share-Based Payments Reserve	Foreign Currency Translation Reserve	Deficit	Shareholders' Deficit
<b>BALANCE AT AUGUST 31, 2020</b>	-	-	-	\$ -	\$ 9,000	\$ -	\$ -	\$ (90,565)	\$ (81,565)
Net Loss	-	-	-	-	-	-	-	(24,216,236)	(24,216,236)
Members Contributions	-	-	-	-	11,000	-	-	-	11,000
Shares Issued	100	-	-	1	-	-	-	-	1
Shares Issued for Services	500,000	-	-	196,171	-	-	-	-	196,171
Units Issued for Cash	6,410,734	-	-	2,478,084	-	-	-	-	2,478,084
Fair Value of Warrants	-	-	-	(1,146,047)	-	-	-	-	(1,146,047)
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)	-	-	-	-
Equity Top-Up	-	-	-	134,467	-	-	-	-	134,467
Elimination of Shares of Kontakt	(27,210,023)	-	-	-	-	-	-	-	-
Shares of Tracker on RTO Date	-	19,683,649	-	7,892,159	-	-	-	-	7,892,159
Shares Issued to Shareholders of Kontakt for RTO	-	17,160,364	100,497	-	-	-	-	-	-
Warrants of Tracker on RTO date	-	-	-	-	-	3,545,200	-	-	3,545,200
Reclassify the Fair Value of Warrants upon Conversion of Kontakt Warrants for Tracker	-	-	-	965,175	-	-	-	-	965,175
Issuance of RSUs to Finders of RTO	-	-	-	-	-	1,378,108	-	-	1,378,108
Exercise of Warrants	-	159,500	-	25,160	-	-	-	-	25,160
RSUs Granted and Vested	-	-	-	-	-	411,934	-	-	411,934
Shares Issued Upon Vesting of RSUs	-	1,076,250	-	468,773	-	(468,773)	-	-	-
Shares Issued for Stratum Acquisition	-	3,523,933	-	1,325,000	-	-	-	-	1,325,000
Stock-Based Compensation	-	-	-	-	-	417,501	-	-	417,501
Comprehensive Loss	-	-	-	-	-	-	(38,164)	-	(38,164)
<b>BALANCE AT AUGUST 31, 2021</b>	-	<b>41,603,696</b>	<b>100,497</b>	<b>12,262,340</b>	<b>\$ -</b>	<b>\$ 5,335,170</b>	<b>\$ (38,164)</b>	<b>\$ (24,306,801)</b>	<b>\$ (6,747,455)</b>
Net Loss	-	-	-	-	-	-	-	(3,174,607)	(3,174,607)
Conversion of Class B shares to Class A shares	-	4,628,600	(46,286)	-	-	-	-	-	-
Units Issued for Cash	-	9,053,331	-	1,056,797	-	-	-	-	1,056,797
Share Issuance Costs	-	-	-	(66,407)	-	30,096	-	-	(36,311)
Shares Issued Upon Exercise of Stock Options	-	737,500	-	148,522	-	(66,620)	-	-	81,902
Shares Issued upon Exercise of Warrants	-	819,000	-	129,487	-	-	-	-	129,487
Shares Issued for Debt Settlement	-	2,046,207	-	191,789	-	-	-	-	191,789
Shares Issued upon Vesting of RSUs	-	3,900,000	-	1,258,120	-	(1,258,120)	-	-	-
Shares Issued for Exploration and Evaluation Assets	-	4,600,000	-	929,077	-	-	-	-	929,077
Shares Issued for Services	-	88,461	-	16,512	-	-	-	-	16,512
Warrants Issued for Exploration and Evaluation Assets	-	-	-	-	-	34,206	-	-	34,206
Options Issued for Debt Settlement	-	-	-	-	-	18,750	-	-	18,750
Stock-Based Compensation	-	-	-	-	-	1,607,493	-	-	1,607,493
Comprehensive Loss	-	-	-	-	-	-	(143,765)	-	(143,765)
<b>BALANCE AT AUGUST 31, 2022</b>	-	<b>67,476,795</b>	<b>54,211</b>	<b>15,926,237</b>	<b>\$ -</b>	<b>\$ 5,700,975</b>	<b>\$ (181,929)</b>	<b>\$ (27,481,408)</b>	<b>\$ (6,036,125)</b>

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

**Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021  
(Expressed in United States Dollars)**

	<u>Year ended</u> <u>August 31, 2022</u>	<u>Year ended</u> <u>August 31, 2021</u>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES:</b>		
Net Loss	\$ (3,174,607)	\$ (24,216,236)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Accretion of lease liability	2,089	5,541
Accrued interest on convertible note	1,295,065	62,217
Accrued interest on loans payable	5,156	-
Bad debt expense	260,997	-
Consulting fees paid in shares	16,512	196,171
Convertible loan issued for finders' fee	-	410,000
Depreciation of right-of-use asset	11,707	28,096
Foreign exchange loss	(93,234)	65,730
Gain on remeasurement of derivative liability	(932,020)	(494,305)
Gain on termination of a lease	(2,540)	-
Impairment of investment	-	5,814,850
Listing expense	-	11,374,144
Loss on debt settlement	38,252	
Stock-based compensation	1,607,493	829,435
Changes in Operating Assets and Liabilities:		
Accounts receivable	(336,454)	12,247
Prepaid expenses and other current assets, and deposits	(100,233)	13,586
Accounts payable and accrued liabilities	418,850	1,943,471
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(982,967)</u>	<u>(3,955,053)</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES:</b>		
Exploration and evaluation assets	(141,885)	-
Acquisition of Stratum Health Solutions, LLC, net of cash received	-	(107,685)
Net cash received from reverse take-over	-	307,540
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>(141,885)</u>	<u>199,855</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from related party	167,689	55,071
Contribution from members	-	11,000
Proceeds from shares or units issued, net of share issuance costs	1,020,486	2,370,021
Proceeds from options exercised	81,902	-
Proceeds from warrants exercised	129,487	25,160
Additional contributions from Kontakt founders	-	134,467
Loans payable received (repaid)	71,908	(18,386)
Proceeds from credit facility	-	1,249,707
Lease payments	(14,393)	(30,500)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>1,457,079</u>	<u>3,796,540</u>
<b>EFFECT OF FOREIGN EXCHANGE ON CASH</b>	(13,866)	-
<b>NET INCREASE IN CASH</b>	318,361	41,342
<b>CASH, BEGINNING OF YEAR</b>	<u>44,094</u>	<u>2,752</u>
<b>CASH, END OF YEAR</b>	<u>\$ 362,455</u>	<u>\$ 44,094</u>

**Supplemental disclosure with respect to cash flows (Note 15)**

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



**Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021**  
(Expressed in United States Dollars)

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**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 Company has also expanded its operations into mineral exploration and is actively pursuing exploration on a number of battery metal exploration projects in Ontario and Quebec.

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 a 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 was considered a reverse acquisition of Tracker by Kontakt. For accounting purposes, Kontakt was considered the acquirer, and Tracker the acquiree. Accordingly, the consolidated financial statements are a continuation of the financial statements of Kontakt. See Note 12.

These 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 August 31, 2022, the Company has not achieved profitable operations, has accumulated losses of \$27,481,408 since inception and expects to incur further losses in the development of its business.

From 2020 onward, 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 for its mineral exploration activities. The Company’s contact tracing business was designed to slow the spread of COVID-19 and other viruses; however, these factors, amongst others, could still have a significant impact on the Company’s operations as restrictions on populations and the need for contact tracing reduce over time.

The above events and conditions create a material uncertainty that may 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.

**Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021**  
(Expressed in United States Dollars)

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**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Basis of Preparation and Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. The 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 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 issuance by the Board of Directors on December 29, 2022.

(b) Basis of Measurement

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue 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 judgments 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 judgments made by management in the application of IFRS.

(c) Functional and Presentation Currency

The consolidated 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 consolidated financial statements include the accounts of the Company and its controlled 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 interests held as of August 31, 2022 and 2021.

	<b>Percentage of Ownership August 31, 2022</b>	<b>Percentage of Ownership August 31, 2021</b>
Contact, LLC	100%	100%
1315006 B.C. Ltd.	100%	100%
Stratum Health Solutions, LLC	100%	100%

**Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021**  
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(e) Cash

Cash comprises demand deposits in a financial institution.

(f) Financial Instruments

*Financial Assets*

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

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or through profit or loss); and
- those to be measured at amortized cost.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. The classification depends on the Company’s business model for managing the financial assets and contractual terms of the cash flows. These are the measurement categories under which the Company classifies its financial assets:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest method. The Company classifies its cash and accounts receivable as financial assets at amortized cost.
- **Fair value through OCI (“FVOCI”):** Debt instruments that are held for collection of contractual cash flows and for selling the debt instruments, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the debt instrument is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these debt instruments is included as finance income using the effective interest method. The Company had no financial assets classified in this category.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss in the period in which it arises. The Company had no financial assets classified in this category.

*Impairment*

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

**Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021**  
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In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed as an impairment gain through profit or loss to the extent that the carrying amount of the investment at the date of the impairment gain does not exceed what the amortized cost would have been had the impairment not been recognized.

*Financial Liabilities*

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in other comprehensive income; and the remaining amount of the change in the fair value is presented in profit or loss. The derivative liability is classified as FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. The Company classifies its accounts payable and accrued liabilities, loans payable, convertible loans and due to related parties as financial liabilities held at amortized cost.

(g) Exploration and Evaluation Assets

Costs directly related to the exploration and evaluation of resource properties are capitalized once the legal rights to explore the exploration and evaluation assets are acquired or obtained.

Exploration and evaluation assets are carried at cost less accumulated impairment losses, if any, until such time as the exploration and evaluation assets are technically feasible or put into production, sold, determined to no longer have commercially viable prospects to the Company or are abandoned. Exploration and evaluation assets are deemed to be impaired if the property has an indicator of impairment, and the Company determines the recoverable amount of the asset to be less than its carrying amount.

Exploration and evaluation assets are reviewed for indicators of impairment at each reporting date. An exploration and evaluation asset is deemed to have an indicator of impairment if the period for which the Company has the right to explore the property has expired or is not expected to be renewed, substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned, exploration and evaluation activities have not led to the discovery of commercially viable quantities or mineral resources and the Company has decided to discontinue such activities for the specific property, or if sufficient data exists to indicate that development of a specific property would be unlikely to recover the carrying amount of the associated capitalized exploration and evaluation expenditures.

If there is an indication of impairment, and the Company determines the recoverable amount of the specific exploration and evaluation asset as the greater of the asset's value in use or fair value less costs of disposal, and comparing this to the carrying amount as at the reporting date. If the carrying amount exceeds the recoverable amount, those exploration and evaluations assets, in excess of estimated recoveries, are written off to profit or loss as an impairment loss.

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When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are capitalized as exploration and evaluation assets when the payments are made.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(h) Convertible Loans and Derivative Liability

Upon initial recognition, the Company determines whether the convertible loans consist of liability and equity components, or if both components represent liabilities. For convertible loans which provide conversion into a fixed number of shares at a fixed value (the "fixed-for-fixed" criteria), the liability component is initially recorded at fair value and subsequently at amortized cost using the effective interest method. The liability component is accreted to the face value over the term of the convertible loan. The equity component is recognized as the difference between the fair value of the instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

For convertible loans which provide conversion into a variable number of shares or into a fixed number shares for a variable amount of consideration, the conversion option is accounted for as an embedded derivative, which is separated from the host contract. The conversion option of the convertible loans outstanding at August 31, 2021 met the criteria of a derivative liability because the conversion price of the promissory notes varied depending on certain factors and thus did not meet the "fixed-for-fixed" criteria. As a result, the Company separately accounts for the conversion feature as a derivative liability measured at fair value with the changes in the fair value recognized in profit or loss. The host liability component is recognized as the difference between the fair value of the instrument as a whole and the fair value of the derivative liability, and is accreted to the face value over the term of the convertible loan.

(i) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is recognized directly in equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statement of financial position date and are expected to apply when the deferred tax asset or liability is settled.

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Deferred tax assets are recognized to the extent that it is probable that the future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(j) Right-of-Use Assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company's right-of-use asset is depreciated over the lease term of 2 years. Right-of-use assets are long-lived assets subject to consideration of indicators of impairment.

(k) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, if applicable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as occupancy expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(l) Earnings (Loss) per Share

Basic earnings (loss) per share is computed separately using the weighted average number of ordinary common shares for class A and class B outstanding during the period. Diluted earnings per ordinary common share is computed using the treasury-stock method by dividing the net income or loss applicable to common shares by the sum of the weighted average number of class A and class B common shares issued and outstanding, respectively, and all additional common shares of class A and class B that would have been outstanding, if potentially dilutive instruments were converted. The net effect of applying the treasury-stock method to the weighted average number of class A and class B common shares outstanding had an anti-dilutive effect for the years ended August 31, 2022 and 2021, as the Company was in a loss position. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share for the class A or class B common shares.

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(m) Foreign Currency Translation

*Transactions and balances in foreign currencies*

Transactions in foreign currencies are translated to the functional currency of each entity at a rate of exchange approximating the prevailing rate at the date of the transaction.

At each reporting period end, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at that date. Nonmonetary assets and liabilities that are measured in terms of historical cost in a foreign currency remain at the exchange rate at the date of the transaction or, for nonmonetary assets and liabilities measured at fair value, the exchange rate in effect at the measurement date. The exchange differences resulting from the translation of foreign currency transactions are recognized in profit or loss.

*Foreign operations*

On consolidation, the assets and liabilities of foreign operations are translated into United States dollars at the exchange rate prevailing at the reporting date and transactions are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognized in other comprehensive income and accumulated in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in earnings as part of the gain or loss on disposal.

(n) Share Capital and Units

Equity instruments give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's class A and class B common shares, stock options, warrants and restricted share units ("RSUs") are classified as equity instruments.

Class A common shares issued for the acquisition of exploration and evaluation assets are recorded at fair value based on the traded market price of the Company's class A common shares on the date of grant, when the fair value of exploration and evaluation assets cannot be reasonably estimated.

Proceeds from the exercise of warrants are recorded as share capital in the amount for which the warrant enabled the holder to purchase a share in the Company.

The proceeds from the issuance of units are allocated between class A or B common shares and attached warrants based on the residual value method. The allocation is to the value of the class A or B common shares first, based on the quoted market price of the common shares, with the residual allocated to the warrants if the common shares and warrants are exercisable in the Company's functional currency. When these warrants are exercisable in a different currency than the functional currency, warrants are classified as a derivative liability and are valued using the Black-Scholes Option Pricing model. For derivative liabilities, the proceeds are allocated first to the derivative liability based on the fair value at the time the units are issued and any residual value is allocated to the shares.

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The Company may, from time to time, issue flow-through common shares to finance its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share using the residual value method into: i) share capital; and ii) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability. Upon expenses being renounced, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company indemnifies the subscribers of flow-through shares against certain tax related amounts that become due related to their flow-through subscriptions.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial liability until paid.

(o) Share-Based Payments

The Company grants share-based awards, including restricted share units (“RSUs”), finders warrants, performance warrants and stock options, to directors, officers, employees, and consultants.

Share-based compensation to employees is measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to share-based payment reserve.

The fair value of RSUs is determined based on quoted market price of the Company’s Class A Subordinate Voting shares, in situations where the fair value of the goods or services received cannot be estimated reliably. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of RSUs and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based compensation in share-based payment reserve is transferred to share capital.

Charges for options that are cancelled or expire are reversed from share-based payment reserve to deficit.



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(p) Revenue Recognition

The Company accounts for a customer contract when the rights of the parties, including the payment terms, are identified, the contract has commercial substance, collection of consideration is probable, and the contract has been signed and agreed to by both parties. Revenue is recognized when, or as, performance obligations are satisfied by transferring control or economic benefit of the service to the customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for its services.

The Company's software-as-a-service ("SaaS") business, which allows customers to use software over the contract period, is provided on a subscription basis, and revenue is recognized ratably over the contract period, commencing on the date an executed contract exists and the customer has the right-to-use and access to the software.

(q) Impairment of Long-Lived Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

(r) Research and Development Expenses

The Company expenses all research costs as they are incurred. Development costs are also expensed unless they meet all of the specific capitalization criteria established in IAS 38, Intangible Assets. Capitalized development costs are stated at cost, net of investment tax credits and government assistance, and net of accumulated amortization and accumulated impairment losses, if any.

(s) Changes in Accounting Policies

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date later than August 31, 2022. These updates are not currently relevant to the Company or are not expected to have a material impact on these consolidated financial statements and are therefore not discussed herein.

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**NOTE 3. USE OF ESTIMATES AND JUDGMENTS**

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 net 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) 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. For the Share Exchange between the Company and Kontakt, judgment was applied to determine that Tracker, a non-operating company, did not meet the definition of a business under IFRS 3. The acquisition of Stratum Health Solutions, LLC, was treated as a business combination as judgment was applied to determine that it did meet the definition of a business based on its existing inputs, processes and outputs.

*Significant estimates in applying accounting policies:*

Information about significant estimates 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) 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 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 \$140,810 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.

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(b) Bifurcation of convertible debt

In accordance with the substance of the contractual arrangement, convertible loans are compound financial instruments that are accounted for separately by their financial liability and equity instrument components. The identification of convertible loan components is based on interpretations of the substance of the underlying contractual arrangement and therefore requires management's judgment. The separation of the components affects the initial recognition of the convertible loans at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount factors, and the presence of any derivative financial instruments.

(c) Fair value of stock options, share purchase warrants and 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 profit or loss and equity reserves.

**NOTE 4. ACCOUNTS RECEIVABLE**

	<b>August 31, 2022</b>	<b>August 31, 2021</b>
HealthCheck accounts receivable	\$ 52,152	\$ 104,710
Subscriptions receivable (note 9)	161,502	33,487
	<b>\$ 213,654</b>	<b>\$ 138,197</b>

During the year ended August 31, 2022, the Company recorded a bad debt expense of \$260,997 (2021 - \$Nil) related to its accounts receivable from the HealthCheck business. The allowance for doubtful accounts at August 31, 2022 was \$196,894 (2021 - \$nil), related to the HealthCheck business.

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**NOTE 5. EXPLORATION AND EVALUATION ASSETS**

	<b>PAK South and Southeast</b>	<b>Rockstone</b>	<b>Zen- Whoberi Copper- Cobalt- Platinum- Palladium</b>	<b>Buda Pegmatite</b>	<b>Galaxy Pegmatite</b>	<b>Taiga Lithium</b>	<b>Others</b>	<b>Total</b>
Balance, August 31, 2020 and 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition - cash	11,795	24,782	11,795	-	39,315	19,658	9,207	116,552
Acquisition - shares and warrants	458,141	114,536	128,370	78,630	66,836	116,767	-	963,280
Exploration - geological	-	2,415	1,262	17,006	951	1,258	2,441	25,333
Foreign exchange	(16,129)	(4,761)	(5,206)	(2,870)	(3,215)	(4,132)	(349)	(36,662)
Balance, August 31, 2022	\$ 453,807	\$ 136,972	\$ 136,221	\$ 92,766	\$ 103,887	\$ 133,551	\$ 11,299	\$ 1,068,503

**PAK South and Southeast Project**

On March 31, 2022, the Company entered into a mineral property purchase agreement (the “Agreement”) pursuant to which it acquired a 100% interest in and to 72 mining claims in the Red Lake Mining District, Ontario. The claims 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 CAD in cash (\$15,000 CAD paid), and issued 2,000,000 Class A subordinate voting shares of the Company (issued at a fair value of \$456,054) to the arms-length vendors within five business days of the date of the Agreement.

Upon the Company having earned its ownership interest, the Company will grant the arms-length vendors a net smelter returns royalty (“NSR Royalty”) of 2% from the project. The Company has the right to repurchase half (or 1%) of the NSR Royalty for a total of \$500,000 CAD at any time up to 90 days after publicly filing a bankable feasibility study.

**Rockstone Project**

On April 9, 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 (\$25,000 paid) and issuing the Optionor 500,000 Class A subordinate voting shares of the Company (issued at a fair value of \$114,014) within 30 days of the Option Agreement.

The project is subject to a NSR Royalty of 3% to the Optionor.

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**Zen-Whoberi Copper-Cobalt-Platinum-Palladium Project**

On May 27, 2022, the Company entered into a property option agreement with 3EX Resource Corp. (“3EX Resource”), pursuant to which it has been granted an option to acquire the 353.2-hectare Zen-Whoberi Copper-Cobalt-Platinum-Palladium Project, located 30 kilometres north of Mont Laurier, Quebec. Pursuant to the agreement, the Company has the right to acquire a 100% ownership interest in and to the project upon the Company:

- Issuing 3EX Resource an aggregate of 1,200,000 Class A subordinate voting shares of the Company (“Shares”), with 600,000 Shares issuable within 5 days of the option agreement (issued at a fair value of \$127,381) and 600,000 Shares issuable on or before the first anniversary of the option agreement;
- Incurring aggregate exploration expenditures on the project of \$300,000 CAD, with \$100,000 CAD on or before the first anniversary of the option agreement and an additional \$200,000 CAD on or before the second anniversary of the option agreement; and
- Paying an aggregate of \$15,000 CAD (paid).

Upon the Company exercising its option for 100% ownership interest, the Company will grant 3EX Resource a NSR Royalty totaling 2% on commercial projections from the project. The Company has the right to repurchase 100% of the NSR Royalty for \$2,000,000 CAD.

**Buda Pegmatite**

On June 1, 2022, the Company entered into an option agreement to acquire 100% interest in the 1,451-hectare (3,585-acre) Buda Pegmatite Property, near Thunder Bay Ontario. Pursuant to the property option agreement with 5042078 Ontario Inc., the Company has a right to acquire a 100% interest in and to the Buda Pegmatite Property upon (i) payment of an aggregate sum totaling \$1 million in cash payable over four years and issuing 2,000,000 Class A Subordinate Voting Shares over the first year (500,000 Class A Subordinate Voting Shares issued at a fair value of \$78,630). The project will be subject to a 3% NSR royalty with a 1% NSR buyout option for \$1 million.

**Galaxy Pegmatite**

On June 28, 2022, the Company entered into an option agreement with Quartier Minerals Inc. to acquire 100% interest in the Galaxy Pegmatite Project located near Mont-Laurier, Quebec. Pursuant to the property option agreement, the Company has the right to acquire a 100% ownership interest in and to the project upon the Company:

- Making a cash payment of \$50,000 CAD (paid) upon executing the option agreement and issuing 500,000 Class A subordinate voting shares of the Company (issued at a fair value of \$66,836) within 30 days of the execution date (“Execution Date”) of the option agreement;
- Making a cash payment of \$100,000 CAD, issuing 500,000 Class A subordinate voting shares of the Company and incurring \$100,000 CAD in exploration expenditures on the project on or before the first anniversary of the Execution Date; and
- Incurring an additional \$200,000 CAD in exploration expenditures on the project on or before the second anniversary of the Execution Date.

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**Taiga Lithium**

In August 2022, the Company entered into an option agreement to acquire, from an arm's length party, a 100% interest in and to the Taiga Lithium Project. Pursuant to the property option agreement (the "Agreement"), the Company has the option to acquire a 100% interest in the Project (subject to the NSR Royalty described below) from Andrew Sostad and Christopher Sostad (the "Optionors") by

- Making cash payments totaling \$305,000 CAD (\$25,000 CAD paid) in installments over the course of three years,
- Issuing a total of 3,000,000 Class A Subordinate Voting Shares of the Company in tranches over the course of seven months (500,000 issued at a fair value of \$82,562),
- Incurring a total of \$550,000 CAD in exploration expenditures over the course of three years, and
- Issuing upon execution (complete) a total of 1,500,000 share purchase warrants, 750,000 of which are exercisable at a price of \$0.30 CAD and 750,000 of which are exercisable at a price of \$0.40 CAD, vesting over a period of seven months. The Warrants are exercisable for three years from the applicable vesting date.

Upon the Company completing the above and exercising its option to acquire the Project, the Company will grant the Optionors a 2% NSR Royalty, with the Company retaining the right to buy back from the Optionors half (or 1%) of the NSR Royalty for \$1,000,000 CAD.

**Thor Manganite**

The Company acquired an option to acquire the Thor Manganite project on the Magdalene Islands in Quebec. Pursuant to the option, the Company has the right to acquire a 100% interest in and to the Property upon (i) paying \$15,000 CAD in cash and issuing 350,000 subordinate voting shares of the Company to the optionor within 30 days of execution of the option (issued subsequent to year end in October 2022) and (ii) paying \$25,000 CAD in cash and issuing 650,000 shares to the optionor within one (1) year of execution of the option. Pursuant to the option, the Property is subject to a 2% NSR Royalty, half of which may be repurchased by the Company for \$1,000,000.

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**NOTE 6. LEASE LIABILITY AND RIGHT-OF-USE ASSET**

Set out below, are the carrying amounts of the Company's right-of-use asset and lease liability with respect to its office space, and the movements during the years ended August 31, 2022 and 2021:

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

The lease was terminated during the year ended August 31, 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 7. LOANS PAYABLE**

Loans payable is comprised of the following:

\$1,908 line of credit from a director of the Company, outstanding at August 31, 2022 (August 31, 2021 - \$Nil). The loan is unsecured, non-interest bearing and is due on demand.

On November 5, 2021, the Company received an unsecured loan of \$70,000 from a company controlled by a director of the Company bearing interest at 9% per annum due on November 5, 2022 (Note 8). During the year ended August 31, 2022, the Company accrued interest of \$5,156 (2021 - \$Nil). Subsequent to the year ended August 31, 2022, the Company repaid this loan in full.

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**NOTE 8. 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 and directors.

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

	<b>August 31, 2022</b>		<b>August 31, 2021</b>
<b>Balances</b>			
Accounts payable and accrued liabilities - Officer	\$ (40,138)	\$	(10,000)
Due to Directors and/or Officers	(222,800)		(55,111)
<b>Total</b>	<b>\$ (262,938)</b>	<b>\$</b>	<b>(65,111)</b>

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

During the year ended August 31, 2022, the Company paid and/or accrued \$167,482 (2021 - \$193,598) in professional fees to directors and/or officers. The Company also paid or accrued \$Nil (2021 - \$80,000) in salaries to a director, which is included in office administration in the consolidated statements of operations. Stock-based compensation expense related to stock options granted to related parties amounted to \$142,357 and stock-based compensation expense related to RSUs granted to related parties amounted to \$90,388.

In April 2022, the Company retained Altus Capital Partners Inc. (“Altus”) as its corporate finance advisor (the “Engagement”), a company controlled by a director of the Company. 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, using 20-day VWAP, as well as a one-time grant of 500,000 class A subordinate voting share purchase options exercisable at \$0.25 for 3 years. The fair value of the stock options of \$66,490 was determined using the Black-Scholes option pricing model (note 9f), and is included in stock-based compensation for the year ended August 31, 2022.

During the year ended August 31, 2022, the Company paid and/or accrued \$92,288 in consulting fees and rent of \$4,718 to Altus. The Company issued 88,461 Class A Subordinate Voting Shares in settlement of and valued at the fair value of the \$21,000 of consulting fees due to Altus (Note 9a).

On November 5, 2021, the Company received an unsecured loan of \$70,000 from a company controlled by a director of the Company bearing interest at 9% per annum due on November 5, 2022 (Note 7). During the year ended August 31, 2022, the Company accrued interest of \$5,156 (2021 - \$Nil). Subsequent to the year ended August 31, 2022, the Company repaid this loan in full.

**NOTE 9. SHARE CAPITAL**

(a) Share capital

*Authorized*

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 to convert such shares into Subordinate Voting Shares on a 1:100 basis.



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*Issued*

Pursuant to the September 29, 2020 Kontakt LLC share subscription agreements, an additional 11,000,000 membership units were issued to various individuals for \$11,000. The membership shares represented 100% ownership of Kontakt LLC.

Upon creation of Kontakt World Technologies Corp. on October 8, 2020, there were 100 common shares at the price of \$0.01 CAD issued per an initial subscription agreement.

Pursuant to the Share Exchange Agreement described in Note 11, the 20,000,000 membership units of Kontakt LLC were exchanged for common shares of Kontakt on a one for one basis. As a result of the Share Exchange, Kontakt holds 100% of the Kontakt LLC membership interests. The \$20,000 valuation of the shares is based on the historical carrying value of the Kontakt LLC membership shares exchanged.

Between November 20 and November 30, 2020, the Company issued 4,645,000 units at a price of \$0.50 CAD per unit for total proceeds of \$2,322,500 CAD, or \$1,785,313. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$1.00 CAD per share expiring 24 months from the date of issuance. The fair value of the warrants issued, recorded as an allocation of the proceeds received, was estimated at \$823,480 using the Black-Scholes Option Pricing model. The Company paid a cash finder's fee of \$108,064 (\$139,050 CAD), and issued 289,100 finders' warrants with similar terms to the above warrants. The fair value of the finders' warrants was estimated at \$51,200 using the Black-Scholes Option Pricing model.

On November 27, 2020, Kontakt LLC closed a settlement of debt, under which the Company issued 34,218 units to settle \$17,109 CAD. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$1.00 CAD per share expiring 24 months from the date of issuance. The units were valued at \$0.50 CAD per unit, for a total of \$13,174. The fair value of the warrants issued, recorded as an allocation of the fair value of the units, was estimated at \$6,066 using the Black-Scholes Option Pricing model.

On December 1, 2020, the Company issued 500,000 common shares valued at \$250,000 CAD, or \$196,171, to a vendor for consulting services rendered during the period.

Between December 21, 2020 and February 25, 2021, the Company issued 1,765,734 units at a price of \$0.50 CAD per unit for total proceeds of \$882,867 CAD, or \$692,771. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$1.00 CAD per share expiring 24 months from the date of issuance. The fair value of the warrants issued, recorded as an allocation of the proceeds received, was estimated at \$322,567 using the Black-Scholes Option Pricing model.

On January 22, 2021, the Company issued 75,983 units valued at \$0.50 CAD per unit to settle accounts payable of \$28,959. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$1.00 CAD per share expiring 24 months from the date of issuance. The fair value of the warrants issued, recorded as an allocation of the fair value of the units, was estimated at \$13,881 using the Black-Scholes Option Pricing model.

On February 25, 2021, the Company issued 188,988 units valued at \$0.50 CAD per unit to settle accounts payable of \$75,000. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$1.00 CAD per share expiring 24 months from the date of issuance. The fair value of the warrants issued, recorded as an allocation of the fair value of the units, was estimated at \$34,525 using the Black-Scholes Option Pricing model.

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In July 2021, the Founding Kontakt Shareholders contributed an aggregate of \$164,853 CAD (\$134,467) to increase the paid-up capital of an aggregate of 8,676,496 common shares of Kontakt from \$0.001 to \$0.02.

On July 12, 2021, Tracker issued 17,160,364 Class A Subordinate Voting Shares and 100,497 Class B Super Voting Shares pursuant to the Tracker Amalgamation agreement in exchange for 27,210,023 common shares of Kontakt (Note 12).

On August 12, 2021, the Company issued 159,500 Class A Subordinate Voting Shares pursuant to the exercise of 159,500 warrants at a price of \$0.20 CAD for total proceeds of \$25,160.

On August 12, 2021, the Company issued 3,523,933 Class A Subordinate Voting Shares pursuant to the acquisition of Stratum Health Solutions, LLC (Note 13).

On October 29, 2021, the Company issued 34,400 Class A Subordinate Voting Shares at their fair value of \$7,574 (\$9,632 CAD) to settle accounts payable of \$11,822 CAD resulting in a gain of \$1,722 (\$2,190 CAD).

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 2,000,000 units at a price of \$0.075 CAD per unit for total proceeds of \$118,741 (\$150,000 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. No amount was allocated to the warrants based on the residual value method.

On February 17, 2022, the Company issued 1,659,998 Class A Subordinate Voting Shares at their fair value of \$136,239 (\$173,267 CAD) to settle accounts payable of \$124,500 CAD resulting in a loss of \$38,345 (\$48,767 CAD).

On February 17, 2022, the Company issued 20,000 Class A Subordinate Voting Shares valued at \$15,800 (\$20,000 CAD) to settle accounts payable of \$20,000 CAD owed to shareholders of the Company.

On April 12, 2022, the Company issued 1,000,000 Class A Subordinate Voting Shares upon conversion of 10,000 Class B Super Voting Shares.

On April 18, 2022, the Company issued an aggregate of 2,500,000 Class A Subordinate Voting Shares at their fair value of \$572,677 (\$725,000 CAD) pursuant to the PAK South and Southeast Project and Rockstone Project option agreements.

On May 27, 2022, the Company issued 600,000 Class A Subordinate Voting Shares at their fair value of \$128,370 (\$162,000 CAD) pursuant to the Zen-Whoberi Copper-Cobalt-Platinum-Palladium Project option agreements.

On June 7, 2022, the Company issued 500,000 Class A Subordinate Voting Shares at their fair value of \$78,630 (\$100,000 CAD) pursuant to the Buda Pegmatite Property option agreement.

On June 30, 2022, the Company issued 88,461 Class A Subordinate Voting Shares valued at \$16,512 (\$21,000 CAD) representing the fair value of consulting services rendered to the Company (Note 8).

On July 5, 2022, the Company issued 500,000 Class A Subordinate Voting Shares at their fair value of \$66,836 (\$85,000 CAD) pursuant to the Galaxy Pegmatite Property option agreement.

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On July 17, 2022, the Company issued 900,000 Class A Subordinate Voting Shares upon conversion of 9,000 Class B Super Voting Shares.

On July 19, 2022, the Company issued 341,200 Class A Subordinate Voting Shares upon conversion of 3,412 Class B Super Voting Shares.

On July 28, 2022, the Company issued 300,000 units valued at \$35,384 (\$45,000 CAD) to settle accounts payable of \$45,000 CAD owed to shareholders of the Company. Each unit consists of one Class A Subordinate Voting Share and one-half of one share purchase warrant, with each whole warrant exercisable into one Class A Subordinate Voting Share at a price of \$0.30 CAD per share expiring 3 years from the date of issuance. The fair value allocated to the share purchase warrants was \$Nil using the residual method.

On August 23, 2022, the Company issued 500,000 Class A Subordinate Voting Shares at their fair value of \$82,562 (\$105,000 CAD) pursuant to the Taiga Lithium Property option agreement.

On August 29, 2022, the Company issued 51,809 units fair valued at \$11,814 (\$15,025 CAD) to settle accounts payable of \$12,952 CAD resulting in a loss on debt settlement of \$1,629 (\$2,072 CAD). Each unit consists of one Class A Subordinate Voting Share and one-half of one share purchase warrant, with each whole warrant exercisable into one Class A Subordinate Voting Share at a price of \$0.30 CAD per share expiring 3 years from the date of issuance. The fair value allocated to the share purchase warrants was \$Nil using the residual method.

Between June 28 and August 29, 2022, the Company issued 4,703,331 units at a price of \$0.15 CAD per unit for total proceeds of \$554,735 (\$705,500 CAD). Each unit consists of one Class A Subordinate Voting Share and one-half of one share purchase warrant, with each whole warrant exercisable into one Class A Subordinate Voting Share at a price of \$0.30 CAD per share expiring 3 years from the date of issuance. The Company paid a cash finder's fee of \$18,180 CAD, and issued 121,200 finders' warrants exercisable into one Class A Subordinate Voting Share at a price of \$0.30 CAD per share expiring 2 years from the date of issuance. The fair value of the finders' warrants was estimated at \$10,220 (\$12,998 CAD) using the Black-Scholes Option Pricing model. No amount was allocated to the unit warrants based on the residual value method. \$84,500 CAD was included in subscriptions receivable (note 4).

Between August 12 and August 31, 2022, the Company issued 2,350,000 flow-through units at a price between \$0.20 CAD and \$0.25 CAD per unit for total proceeds of \$487,500 CAD. Each flow-through unit consists of one Class A Subordinate Voting Share and one-half of one share purchase warrant, with each whole warrant exercisable into one Class A Subordinate Voting Share at a price of \$0.30 CAD per share expiring 3 years from the date of issuance. The Company paid a cash finder's fee of \$28,000 CAD, and issued 156,000 finders' warrants exercisable into one Class A Subordinate Voting Share at a price of \$0.30 CAD per share expiring 3 years from the date of issuance. The fair value of the finders' warrants was estimated at \$19,876 (\$25,277 CAD) using the Black-Scholes Option Pricing model. No amount was allocated to the unit warrants based on the residual value method. \$87,500 CAD was included in subscriptions receivable (note 4).

During the year ended August 31, 2022, the Company issued an aggregate of 737,500 Class A Subordinate Voting Shares pursuant to the exercise of 737,500 stock options at a price between \$0.135-\$0.25 CAD for total proceeds of \$81,902 (\$62,438 CAD). The Company reclassified \$66,620 from share-based payment reserve to share capital.

During the year ended August 31, 2022, the Company issued an aggregate of 819,000 Class A Subordinate Voting Shares pursuant to the exercise of 819,000 warrants at a price of \$0.20 CAD for total proceeds of \$129,487 (\$163,800 CAD). The Company reclassified \$Nil from share-based payment reverse to share capital.

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During the year ended August 31, 2022, the Company issued 3,900,000 Class A Subordinate Voting Shares (2021 – 1,076,250) related to the vesting of RSUs. The Company reclassified \$1,258,120 (2021 - \$468,773) from share-based payment reserve to share capital.

(b) Escrow Shares

In connection with the Tracker Amalgamation Agreement as discussed in Note 12, 6,567,109 Class A Subordinate Voting Shares and 65,496 Class B Super Voting Shares were held in escrow which are being 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 August 31, 2022, 4,840,266 Class A Subordinate Shares and 39,298 Class B Super Voting Shares were held in escrow.

(c) Warrants

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

	<b>Number of Warrants</b>	<b>Weighted average exercise price</b> \$ CAD
Balance, August 31, 2020	-	-
Issued	6,709,923	0.50
Assumed from Tracker	11,658,008	0.33
Exercised	(159,500)	0.20
Balance, August 31, 2021	18,208,431	0.34
Issued	8,836,661	0.25
Exercised	(819,000)	0.20
Cancelled	(99,218)	1.00
Balance, August 31, 2022	26,126,874	0.31

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The following table summarizes the share purchase warrants outstanding as at August 31, 2022:

Expiry date	Exercise price \$ CAD	Remaining contractual life (years)	Warrants Outstanding
November 20, 2022	\$0.50*	0.22	470,000
November 26, 2022	\$0.50*	0.24	1,285,000
November 30, 2022	\$0.50*	0.25	2,825,000
December 21, 2022	\$0.50*	0.31	50,000
January 22, 2023	\$0.50*	0.39	605,983
January 29, 2023	\$0.50*	0.41	425,585
February 25, 2023	\$0.50*	0.49	1,374,722
March 2, 2023	\$0.50*	0.50	327,962
June 8, 2023	\$0.50*	0.77	128,693
July 9, 2023	\$0.50*	0.85	356,922
July 13, 2023	\$0.50*	0.87	103,846
September 29, 2023	\$0.20	1.08	9,336,500
February 17, 2024	\$0.15	1.47	3,659,998
June 28, 2025	\$0.30	2.83	670,832
July 28, 2025	\$0.30	2.91	664,166
August 12, 2025	\$0.30	2.95	1,000,000
August 23, 2025	\$0.30	2.98	250,000
August 29, 2025	\$0.30	3.00	1,166,665
August 31, 2025	\$0.30	3.00	175,000
November 21, 2025	\$0.30	3.23	250,000
December 21, 2025	\$0.30	3.31	250,000
January 20, 2026	\$0.40	3.39	250,000
February 19, 2026	\$0.40	3.47	250,000
March 21, 2026	\$0.40	3.56	250,000
		1.31	26,126,874

\* In April 2022, the Company re-priced warrants with exercise prices ranging from \$1.00 to \$1.30 as follows:

- 6,938,667 warrants issued between November 20, 2020 and March 3, 2021 at an exercise price of \$1.00 have been re-priced to \$0.50; and
- 1,015,046 warrants issued between January 19, 2021 and July 13, 2021 at an exercise price of \$1.30 have been re-priced to \$0.50.

Subsequent to the year ended August 31, 2022, a total of 4,580,000 warrants with an exercise price of \$0.50 expired unexercised.

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(d) Finders' Warrants

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

	<b>Number of Finders' Warrants</b>	<b>Weighted average exercise price \$ CAD</b>
Balance, August 31, 2020	-	-
Issued	289,100	0.50
Assumed from Tracker	421,556	0.28
Balance, August 31, 2021	710,656	0.37
Issued	277,200	0.30
Balance, August 31, 2022	987,856	0.35

The following table summarizes the finders' warrants outstanding as at August 31, 2022:

<b>Expiry date</b>	<b>Exercise price \$ CAD</b>	<b>Remaining contractual life (years)</b>	<b>Finders' Warrants Outstanding</b>
November 20, 2022	\$0.50*	0.22	22,400
November 26, 2022	\$0.50*	0.24	89,950
November 30, 2022	\$0.50*	0.25	176,750
January 29, 2023	\$0.50*	0.41	33,656
March 2, 2023	\$0.50*	0.50	19,600
June 8, 2023	\$0.50*	0.77	7,800
July 9, 2023	\$0.50*	0.85	44,800
September 29, 2023	\$0.20	1.08	315,700
June 28, 2024	\$0.30	1.83	56,000
July 28, 2024	\$0.30	1.91	15,600
August 29, 2024	\$0.30	2.00	49,600
August 31, 2024	\$0.30	2.00	16,000
August 12, 2025	\$0.30	2.95	140,000
		1.17	987,856

\* In April 2022, the Company re-priced 394,956 broker warrants issued between November 20, 2020 and July 9, 2021 at an exercise price of \$1.00 to \$0.50.

The repricing of the broker warrants resulted in a stock-based compensation expense of \$21,598 which is the incremental fair value of the broker warrants repriced. The incremental fair value was calculated using the Black-Scholes option pricing model using the following weighted average assumptions: Market price of shares - \$0.80 CAD; risk free interest rate of 0.26%; expected life 2 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.

Subsequent to the year ended August 31, 2022, a total of 289,100 finders' warrants with an exercise price of \$0.50 expired unexercised.

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(e) Performance warrants

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

	<b>Number of Performance Warrants</b>	<b>Weighted average exercise price \$ CAD</b>
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, August 31, 2022	1,500,000	0.10

The following table summarizes the performance warrants outstanding as at August 31, 2022:

<b>Expiry date</b>	<b>Exercise price \$ CAD</b>	<b>Remaining contractual life (years)</b>	<b>Performance Warrants Outstanding</b>
May 5, 2026	\$0.10	3.87	1,500,000
		3.87	1,500,000

On July 12, 2021, the Company issued 3,000,000 performance warrants to a former officer, 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.

The vesting of the performance warrants was deemed improbable and, as a result, no fair value was allocated to the performance warrants.

500,000 Tier 1, 500,000 Tier 2 and 500,000 Tier 3 Performance Warrants were assigned to other individuals on May 5, 2021, when issued by Kontakt, LLC (the warrants were assumed by the Company on July 12, 2021). The Company terminated the CVO Employment Agreement and 1,500,000 performance warrants issued were cancelled.

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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. 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; 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 year ended August 31, 2022, the Company recognized stock-based compensation of \$797,107 (2021 - \$417,075).

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. 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; 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 year ended August 31, 2022, the Company recognized stock-based compensation of \$6,982 (2021 - \$426).

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. 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; 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 year ended August 31, 2022, the Company recognized stock-based compensation of \$7,516.

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. 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; 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 year ended August 31, 2022, the Company recognized stock-based compensation of \$5,651.



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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 \$147,804 was determined using the Black-Scholes option pricing model. 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 year ended August 31, 2022, the Company recognized stock-based compensation of \$130,586.

On February 28, 2022, the Company settled a debt of \$18,750 by granting 176,388 stock options to a shareholder 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. The options were recorded at the fair value of \$18,750 representing the amount of the debt settled.

On April 1, 2022, the Company granted 275,000 stock options to a director and consultants of the Company exercisable at \$0.25 CAD per share for a period of two years. These options vest as follows: 25% on the date of grant and 25% quarterly. The fair value of the stock options of \$38,165 was determined using the Black-Scholes option pricing model. The following assumptions were used for the calculation: Market price of shares - \$0.275 CAD; risk free interest rate of 2.31%; expected life 2 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 year ended August 31, 2022, the Company recognized stock-based compensation of \$26,527.

On April 25, 2022, the Company granted 500,000 stock options to a director and consultants of the Company exercisable at \$0.25 CAD per share for a period of three years. These options vest as follows: 25% on the date of grant and 25% quarterly. The fair value of the stock options of \$66,490 was determined using the Black-Scholes option pricing model. The following assumptions were used for the calculation: Market price of shares - \$0.24 CAD; risk free interest rate of 2.64%; expected life 3 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 year ended August 31, 2022, the Company recognized stock-based compensation of \$49,994.

On August 30, 2022, the Company granted 550,000 stock options to a director and consultants of the Company exercisable at \$0.30 CAD per share for a period of three years. These options vest as follows: 25% on the date of grant and 25% quarterly. The fair value of the stock options of \$84,981 was determined using the Black-Scholes option pricing model. The following assumptions were used for the calculation: Market price of shares - \$0.285 CAD; risk free interest rate of 3.44%; expected life 3 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 year ended August 31, 2022, the Company recognized stock-based compensation of \$22,273.

	<b>Number of Stock Options</b>	<b>Weighted average exercise price \$ CAD</b>
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	3,251,388	0.20
Exercised	(737,500)	0.14
Cancelled	(712,500)	0.58
Balance, August 31, 2022	5,403,888	0.41

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In relation to the 737,500 stock options exercised during the year ended August 31, 2022, the weighted average trading price of the Company's shares was \$0.27 CAD on the date of exercise.

The following table summarizes the stock options outstanding and exercisable as at August 31, 2022:

Expiry date	Exercise price \$ CAD	Remaining contractual life (years)	Stock Options Outstanding	Stock Options Exercisable
April 1, 2024	\$0.25	1.59	237,500	59,375
August 12, 2024	\$0.47	1.94	40,000	18,800
April 25, 2025	\$0.25	2.65	500,000	125,000
August 30, 2025	\$0.30	3.00	550,000	165,000
July 19, 2026	\$0.58	3.88	2,850,000	1,653,000
September 22, 2026	\$0.34	4.06	50,000	17,000
October 6, 2026	\$0.28	4.10	50,000	14,000
January 20, 2027	\$0.135	4.39	950,000	128,250
February 28, 2027	\$0.135	4.50	176,388	23,812
			5,403,888	2,204,237

(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. The aggregate number of shares reserved for issuance, together with the shares reserved for issuance under the Plan, may not exceed 10% of the total number of issued shares at the time an option or RSU is granted. As soon as practicable after each vesting date, holders of RSUs are given one Class A common share in the equity of the Company for each RSU held. Upon the Class A common shares being issued, the RSUs held are cancelled and no further payments are made in respect of the vested awards.

The balance of RSUs at each year end represent only unvested awards outstanding. Awards vest based on the passage of time. All outstanding awards will vest no later than August 9, 2024. 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
Granted	1,000,000
Cancelled	(646,250)
Vested and issued as shares	(3,900,000)
Balance, August 31, 2022	2,707,500

During the year ended August 31, 2022, the Company recognized stock-based compensation of \$539,259 (2021 - \$468,773) related to the vesting of RSUs.

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**NOTE 10. 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 loan, loans payable and derivative liability. The carrying amounts of these financial instruments classified at amortized cost 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 August 31, 2021, the Company measured the derivative liability at Level 3 using the Black-Scholes Option Pricing model which requires inputs such as the market share price (\$0.465 CDN), expected life (1 year), the expected share price volatility (120%), risk free interest rate (0.44%), expected dividend rate (0%) and forfeiture rate (0%) based on a combination of observable and unobservable inputs other than quoted prices in calculating fair value. As at August 31, 2022, the conversion option for the convertible loans had expired, as such the derivative liability was revalued to its fair value of \$nil. There were no transfers between levels during the period.

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. 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. With respect to accounts receivable, the Company assesses accounts receivable on a customer-by-customer basis and provides for expected credit losses based on specific accounts that are determined to be at risk of non-collection, or where it is determined that collection will not occur. The carrying value of the Company's cash and accounts receivable is the Company's maximum exposure to credit risk as at August 31, 2022. The subscriptions receivable included in accounts receivable (note 4) were collected in full subsequent to August 31, 2022. The Company's exposure to and management of credit risk changed materially during the year ended August 31, 2022, as the accounts receivable from the HealthCheck operating segment experienced increased default on collection. The Company's allowance for doubtful accounts and bad debt expense for the year ended August 31, 2022 were \$196,894 and \$260,997, respectively (2021 - \$nil and \$nil, respectively) (note 4).

*Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. 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 attempts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from revenues and financing activities, and its holdings of cash. As at August 31, 2022, the Company had a working capital deficiency of \$7,104,628 (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 requirements.

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*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of interest rate, foreign currency and other price risk.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not hold financial instruments that will fluctuate in value due to changes in market interest rates as the Company's debts are all current liabilities, nor does it have debts subject to variable interest rates that could cause future cash flows to fluctuate. The Company's exposure to and management of interest rate risk has not changed materially during the year ended August 31, 2022.

*Foreign currency risk*

Foreign currency risk is the that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk by incurring expenditures and holding assets denominated in currencies other than its functional currency. Assuming all other variables remain constant, a 10% change in the Canadian dollar against the US dollar would result in a foreign exchange gain or loss of \$15,000. The Company has added their exploration and evaluation assets in the year ended August 31, 2022, which are in Canada, and which were funded by a mix of share issuances (denominated in Canadian dollars), Canadian dollar payments in cash, and US dollar payments in cash. Overall, the Company's practice has been to keep the majority of its cash in Canadian dollar bank accounts, and other financial instruments have not changed significantly year-over-year in terms of exposure to foreign currency risk. As such, the Company has concluded that the exposure to and management of foreign currency risk has not changed materially during the year ended August 31, 2022.

*Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company's exposure to price risk is not material. The Company's exposure to and management of other price risk has not changed materially during the year ended August 31, 2022.

**NOTE 11. 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; shareholders' deficit was \$6,036,125 (2021 - \$6,747,455) at August 31, 2022. 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 year ended August 31, 2022.

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**NOTE 12. 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 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 100 common shares outstanding in Kontakt that were 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;
- (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 9). The Company terminated the CVO Employment Agreement and all performance warrants issued were cancelled (Note 9).

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 did not constitute a business combination as Tracker did 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.

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

	<b>Amount</b>
<b>Purchase consideration</b>	
19,683,649 class A 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
Settlement of a pre-existing relationship	(1,300,513)
<hr/>	
Total	11,514,954
<hr/>	
<b>Fair value of assets acquired and liabilities assumed</b>	
Cash	307,540
Accounts receivable	108,256
Prepaid expenses and other current assets	51,789
Accounts payable and accrued liabilities	(326,775)
<hr/>	
Total identifiable net assets acquired	140,810
<hr/>	
Allocated to listing expense	\$ 11,374,144
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**NOTE 13. 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 (“Kontakt 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 first year targets were not met.

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.

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The allocation of the purchase consideration is as follows:

	<b>Amount</b>
<b>Purchase consideration</b>	
3,523,933 Class A Subordinate Voting Shares	\$ 1,325,000
Convertible note with embedded derivative liability (Note 14)	4,155,000
Settlement of a pre-existing relationship	120,000
<b>Total</b>	<b>5,600,000</b>
<b>Fair value of assets acquired and liabilities assumed</b>	
Accounts receivable	42,188
Accounts payable and accrued liabilities	(257,038)
Total identifiable net liabilities assumed	(214,850)
Goodwill	5,814,850
<b>Total</b>	<b>\$ 5,600,000</b>

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

**NOTE 14. 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 13) maturing on August 12, 2022 (Note 18). The Note bears interest at 3.5% per annum and is convertible at the Company’s or RTAE’s option after 6 months into Kontakt Shares at a conversion price equal to a 20% discount to the 20 day volume-weighted-average closing price of Kontakt 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 year ended August 31, 2022, the Company recorded accretion of the convertible debt and accrued interest totaling \$1,295,065 (2021 - \$62,217).

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 bifurcated 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%.

	<b>Convertible Loans</b>	<b>Derivative Liability</b>
	\$	\$
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	1,295,065	-
Gain on remeasurement of derivative liability	-	(932,020)
Balance, August 31, 2022	4,733,092	-

**NOTE 15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

	<b>August 31, 2022</b>	<b>August 31, 2021</b>
	\$	\$
Interest paid	-	2,164
Taxes paid	-	-
<b>Non-cash investing and financing activities</b>		
Fair value of shares issued to Tracker on reverse takeover	-	7,892,159
Fair value of warrants of Tracker on RTO date	-	3,545,200
Fair value of derivative liability of Kontakt warrants on conversion to Tracker	-	965,175
Fair value of RSU's issued to finders of RTO	-	1,378,108
Fair value of shares issued for Stratum acquisition	-	1,325,000
Fair value of finders' warrants	30,096	51,200
Fair value of shares issued for debt settlement	191,789	117,133
Fair value of shares and warrants issued for exploration and evaluation assets	963,283	-
Fair value of warrants issued for debt settlement	-	54,472
Fair value of options issued for debt settlement	18,750	-
Share subscriptions receivable	161,502	33,487
Right-of-use assets acquired via lease liabilities	-	56,194



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**NOTE 16. SEGMENTED INFORMATION**

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

	<b>Corporate (Canada)</b>	<b>Exploration and evaluation (Canada)</b>	<b>Health Check by Stratum (United States)</b>	<b>Total</b>
<b>Year ended August 31, 2022</b>				
Revenues	\$ -	\$ -	\$ 588,558	\$ 588,558
Net loss	(2,861,810)	-	(312,797)	(3,174,607)
<b>Year ended August 31, 2021</b>				
Revenues	\$ -	\$ -	\$ 162,521	\$ 162,521
Net loss <sup>(1)(2)(3)</sup>	(19,643,919)	-	(4,572,317)	(24,216,236)

(1) The Company did not have any exploration and evaluation activity for the year ended August 31, 2021.

(2) HealthCheck by Stratum was acquired during the year ended August 31, 2021.

(3) Net loss for the year ended August 31, 2021 includes listing expense and, as such, should not be compared to the results for the year ended August 31, 2022.

	<b>Corporate (Canada)</b>	<b>Exploration and evaluation (Canada)</b>	<b>Health Check by Stratum (United States)</b>	<b>Total</b>
<b>As at August 31, 2022</b>				
Current assets	\$ 671,331	\$ -	\$ 66,552	\$ 737,883
Non-current assets	-	1,068,503	-	1,068,503
Total liabilities	5,354,953	-	2,487,558	7,842,511
<b>As at August 31, 2021</b>				
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

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**NOTE 17. INCOME TAXES**

The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

	<b>August 31, 2022</b>	<b>August 31, 2021</b>
Loss from continuing operations before tax	\$ (3,174,607)	\$ (24,216,235)
Income tax recovery at local statutory rates – 27% (2021 – 27.00%)	\$ (857,000)	\$ (6,538,000)
Change in statutory, foreign tax, foreign exchange rates and other	550,000	(4,000)
Items not deductible for tax purposes	513,000	5,133,000
Impact of flow-through shares	7,000	-
Share issue costs	(14,000)	-
Change in unrecognized tax benefits	(199,000)	1,409,000
	\$ -	\$ -

The significant components of the Company's unrecognized deferred tax assets are summarized as follows:

	<b>August 31, 2022</b>	<b>August 31, 2021</b>
Non-capital losses	\$ 1,700,000	\$ 1,791,000
Capital loss	35,000	37,000
Research and development	-	21,000
Exploration and evaluation assets	(7,000)	-
Convertible debt	-	(41,000)
Share issue costs	(74,000)	45,000
Equipment	1,000	1,000
	1,655,000	1,854,000
Unrecognized deferred tax assets	(1,655,000)	(1,854,000)
	\$ -	\$ -

As at August 31, 2022, the Company has non-capital loss carry-forwards of approximately \$6,300,000 available for offset against future taxable income which, if not utilized, will expire between 2028 and 2042. Deferred tax assets have not been recognized in respect of these items because there is no objective evidence that it is probable that the Company will generate sufficient taxable income to utilize tax losses and other deductible items.

In assessing the likelihood of realization of deferred tax assets, management considers whether it is probable that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of the deferred tax asset considered realizable could change materially in the near term based on future taxable income the carry forward period.

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**NOTE 18. CONTINGENCY**

In September 2022, the Company was named as a party in a statement of claim issued by RTAE in relation to the convertible note (Note 14). The Company intends to defend against this claim. Given the stage of the proceedings, it is too early to assess whether there will be a material impact to the Company beyond the claim for repayment of the convertible note and accrued interest owing. The convertible note and accrued interest are recorded as liabilities and are disclosed in note 114. No amount has been recorded in these consolidated financial statements for potential additional costs as a result of this claim.

**NOTE 19. SUBSEQUENT EVENTS**

Events occurring subsequent to August 31, 2022, that are not disclosed elsewhere within these consolidated financial statements are as follows:

- a. The Company acquired, through staking, an additional 2,568 hectares in the James Bay Region of Quebec.
- b. The Company closed a non-brokered private placement of 1,428,571 flow through units at a price of \$0.35 CAD per unit, for gross proceeds of \$500,000 CAD. Each flow-through unit is comprised of one Class A Subordinate Voting Share and one-half of one share purchase warrant. Each whole warrant is exercisable into one Class A Subordinate Voting Share at a price of \$0.45 CAD for a period of 3 years from the date of issuance. In connection with the flow-through offering, the Company issued 100,000 finders' warrants. Each finders' warrant is exercisable at a price of \$0.45 CAD for a period of 3 years from the date of issuance.
- c. The Company closed a non-brokered private placement of 6,400,000 units at a price of \$0.25 CAD per unit, for gross proceeds of \$1,600,000 CAD. Each unit is comprised of one Class A Subordinate Voting Share and one-half of one share purchase warrant. Each whole warrant is exercisable into one Class A Subordinate Voting Share at a price of \$0.50 CAD for a period of 2 years from the date of issuance.
- d. The Company acquired, through staking, an additional 2,114 hectares over 36 cells adjacent to the Company's Galaxy Pegmatite Project, near Mont Laurier, Quebec, with an additional 14 cells still pending application.
- e. The Company entered into an option agreement to acquire additional 1,336 hectares in the James Bay Region of Quebec. Pursuant to the property option agreement (the "Agreement"), the Company has the option to acquire a 100% interest in the Project from Tamed Mining Corp.. (the "Optionor") by (i) making cash payments totaling \$150,000 in installments over the course of twelve (12) months, (ii) issuing a total of 2,500,000 Class A Subordinate Voting Shares of the Company in tranches over the course of twenty (24) months.
- f. The Company closed the final tranche of its non-brokered private placement of 1,130,000 units, at a price of \$0.25 CAD per unit, for gross proceeds of \$282,500 CAD. Each Unit is comprised of one Class A Subordinate Voting Share and one-half of one share purchase warrant. Each whole warrant is exercisable into one Class A Subordinate Voting Share at a price of \$0.50 CAD for a period of two years from the date of issuance. In connection with the Offering, the Company issued 34,400 finders' warrants, and paid finder's fees of \$8,600 CAD. Each finders' warrant is exercisable into one Class A Subordinate Share at a price of \$0.50 CAD for a period of two years from the date of issuance.

**Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021**  
(Expressed in United States Dollars)

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- g. The Company closed a non-brokered private placement of 1,250,000 flow-through units at a price of \$0.40 CAD per flow-through unit for gross proceeds of \$500,000. Each flow-through unit is comprised of one Class A Subordinate Voting Share and one-half of one share purchase warrant. Each whole warrant is exercisable into one Class A Subordinate Voting Share at a price of \$0.65 CAD for a period of two years from the date of issuance. In connection with the flow-through offering, the Company issued 87,500 finders' warrants, and paid finder's fees of \$35,000 CAD. Each finders' warrant is exercisable at a price of \$0.65 CAD for a period of two years from the date of issuance.
- h. A total of 13,000 Class B Super Voting Shares were converted to 1,300,000 Class A Subordinate Voting Shares.
- i. The Company acquired the Shorty West Lithium Project in the Northwest Territories, Canada, covering 410 hectares across two claim blocks. Pursuant to the Acquisition, the Company is acquiring a 100% interest in and to the Project upon paying \$17,500 in cash and issuing 600,000 Class A Subordinate Voting Shares of the Company to the Project vendor.