

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

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MAY 31, 2023 AND 2022

(Expressed in United States Dollars)

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

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

The accompanying unaudited condensed interim consolidated financial statements of the Company for the nine months ended May 31, 2023 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

Infinity Stone Ventures Corp. (formerly Contact World Technologies Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MAY 31, 2023 AND AUGUST 31, 2022
(Expressed in United States Dollars)

	May 31, 2023	August 31, 2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 699	\$ 362,455
Accounts Receivable (Note 4)	59,474	213,654
Loan Receivable (Note 7)	20,215	-
Prepaid Expenses and Other Current Assets	140,904	161,774
Total Current Assets	221,292	737,883
 Exploration and Evaluation Assets (Note 5)	 2,539,463	 1,068,503
 TOTAL ASSETS	 \$ 2,760,755	 \$ 1,806,386
 LIABILITIES AND SHAREHOLDERS' DEFICIT		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 487,359	\$ 2,809,555
Due to Related Parties (Note 8)	277,197	222,800
Loans Payable (Note 7)	19,380	77,064
Convertible Loans (Note 15)	4,733,092	4,733,092
TOTAL LIABILITIES	5,517,028	7,842,511
 SHAREHOLDERS' DEFICIT		
Share Capital (Note 9)	19,074,225	15,926,237
Share-Based Payments Reserve (Note 9)	5,962,634	5,700,975
Foreign Currency Translation Reserve	(235,775)	(181,929)
Deficit	(27,557,357)	(27,481,408)
TOTAL SHAREHOLDERS' DEFICIT	(2,756,273)	(6,036,125)
 TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	 \$ 2,760,755	 \$ 1,806,386

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 condensed interim consolidated financial statements

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2023 AND 2022
(Expressed in United States Dollars)

	Nine months ended May 31, 2023	Nine months ended May 31, 2022	Three months ended May 31, 2023	Three months ended May 31, 2022
Revenues	\$ 126,617	\$ 515,246	\$ 9,663	\$ 88,962
Expenses				
Interest Expense (Notes 6, 7 and 15)	1,381	975,431	290	357,320
Office Administration (Note 8)	265,368	207,151	44,011	73,760
Consulting and Marketing Fees (Note 8)	1,045,855	310,469	92,653	169,797
Professional Fees (Note 8)	577,611	520,049	121,057	112,392
Stock-Based Compensation (Note 9)	657,317	1,345,570	86,877	330,324
Total Expenses	<u>2,547,532</u>	<u>3,358,670</u>	<u>344,888</u>	<u>1,043,593</u>
Net Loss before Other Items	(2,420,915)	(2,843,424)	(335,225)	(954,631)
Other Items				
Foreign Exchange Gain (Loss)	(72,506)	17,192	(612)	19,157
Flow-Through Recovery	187,643	-	(380)	-
Gain on Dissolution of Subsidiary (Note 14)	1,974,243	-	369	-
Gain on Remeasurement of Derivative Liability (Note 15)	-	885,020	-	(41,000)
Gain on Termination of a Lease (Note 6)	-	2,540	-	-
Loss on Debt Settlement	(515)	-	1	-
Write-off of Accounts Payable	256,101	-	256,101	-
Total Other Items - Net	<u>2,344,966</u>	<u>904,752</u>	<u>255,479</u>	<u>(21,843)</u>
Net Loss	(75,949)	(1,938,672)	(79,746)	(976,474)
Items That May be Subsequently Reclassified to Profit or Loss				
Foreign Currency Translation Adjustment	(53,846)	(105,120)	(4,959)	(4,281)
Comprehensive Loss	<u>\$ (129,795)</u>	<u>\$ (2,043,792)</u>	<u>\$ (84,705)</u>	<u>\$ (980,755)</u>
Earnings (Loss) Per Class A Subordinate Voting Share - Basic and Diluted	\$ (0.00)	\$ (0.04)	\$ (0.00)	\$ (0.02)
Earnings (Loss) Per Class B Super Voting Share - Basic and Diluted	\$ (3.93)	\$ (22.24)	\$ (4.72)	\$ (13.70)
Weighted Average Number of Class A Subordinate Voting Shares - Basic and Diluted	40,980,759	23,302,597	43,611,002	26,316,221
Weighted Average Number of Class B Super Voting Shares - Basic and Diluted	19,344	43,580	16,894	35,649

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

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT
FOR THE NINE MONTHS ENDED MAY 31, 2023 AND 2022
(Expressed in United States Dollars)

	Number of <u>Class A Shares</u>	Number of <u>Class B Shares</u>	<u>Share Capital</u>	Share-Based Payments <u>Reserve</u>	foreign Currency Translation <u>Reserve</u>	<u>Deficit</u>	Shareholders' <u>Deficit</u>
BALANCE AT AUGUST 31, 2021	20,801,848	50,249	\$ 12,262,340	\$ 5,335,170	\$ (38,164)	\$ (24,306,801)	\$ (6,747,455)
Net Loss	-	-	-	-	-	(1,938,672)	(1,938,672)
Conversion of Class B shares to Class A shares	1,693,700	(11,937)	-	-	-	-	-
Units Issued for Cash	1,829,999	-	217,294	-	-	-	217,294
Shares Issued upon Exercise of Stock Options	231,250	-	82,045	(32,726)	-	-	49,319
Shares Issued upon Exercise of Warrants	409,500	-	129,487	-	-	-	129,487
Shares Issued for Debt Settlement	17,200	-	9,414	-	-	-	9,414
Shares Issued upon Vesting of RSUs	1,573,750	-	1,333,702	(1,333,702)	-	-	-
Shares Issued for Exploration and Evaluation Assets	1,550,000	-	712,490	-	-	-	712,490
Options Issued for Debt Settlement	-	-	-	18,750	-	-	18,750
Stock-Based Compensation	-	-	-	1,345,570	-	-	1,345,570
Comprehensive Loss	-	-	-	-	(105,120)	-	(105,120)
BALANCE AT MAY 31, 2022	28,107,247	38,312	\$ 14,746,772	\$ 5,333,062	\$ (143,284)	\$ (26,245,473)	\$ (6,308,923)
BALANCE AT AUGUST 31, 2022	33,738,382	27,107	\$ 15,926,237	\$ 5,700,975	\$ (181,929)	\$ (27,481,408)	\$ (6,036,125)
Net loss	-	-	-	-	-	(75,949)	(75,949)
Conversion of Class B shares to Class A shares	1,021,150	(10,212)	-	-	-	-	-
Units Issued for Cash	5,104,286	-	2,137,609	-	-	-	2,137,609
Share Issuance Costs	-	-	(157,054)	24,607	-	-	(132,447)
Shares Issued upon Exercise of Warrants	351,855	-	96,951	-	-	-	96,951
Shares Issued for Debt Settlement	14,535	-	8,516	-	-	-	8,516
Shares Issued upon Vesting of RSUs	1,447,916	-	544,578	(544,578)	-	-	-
Shares Issued for Exploration and Evaluation Assets	2,200,000	-	674,265	-	-	-	674,265
Shares Issued for Services	80,135	-	31,146	-	-	-	31,146
Warrants issued for Exploration and Evaluation Assets	-	-	-	124,313	-	-	124,313
Flow-through premium liability	-	-	(188,023)	-	-	-	(188,023)
Stock-Based Compensation	-	-	-	657,317	-	-	657,317
Comprehensive Loss	-	-	-	-	(53,846)	-	(53,846)
BALANCE AT MAY 31, 2023	43,958,259	16,895	\$ 19,074,225	\$ 5,962,634	\$ (235,775)	\$ (27,557,357)	\$ (2,756,273)

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

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED MAY 31, 2023 AND 2022
(Expressed in United States Dollars)

	Nine months ended May 31, 2023	Nine months ended May 31, 2022
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Net Loss	\$ (75,949)	\$ (1,938,672)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Accretion of lease liability	-	2,089
Accrued interest on convertible note	-	975,431
Accrued interest on loans payable	1,381	3,581
Consulting fees paid in shares	31,146	-
Depreciation of right-of-use asset	-	11,707
Flow-through recovery	(188,023)	-
Foreign exchange gain	(1,517)	-
Gain on dissolution of subsidiary	(1,974,243)	-
Gain on remeasurement of derivative liability	-	(885,020)
Gain on termination of a lease	-	(2,540)
Loss on debt settlement	515	-
Stock-based compensation	657,317	1,345,570
Write-off of accounts payable	(256,101)	-
Changes in Operating Assets and Liabilities:		
Accounts receivable	154,180	(131,814)
Prepaid expenses and other current assets, and deposits	15,897	(2,354)
Accounts payable and accrued liabilities	(32,902)	59,454
NET CASH USED IN OPERATING ACTIVITIES	(1,668,299)	(562,568)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Exploration and evaluation assets	(724,697)	(36,849)
Dissolution of subsidiary, net of cash	(12)	-
NET CASH USED IN INVESTING ACTIVITIES	(724,709)	(36,849)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related party	85,969	100,392
Proceeds from shares or units issued, net of share issuance costs	2,005,162	217,294
Proceeds from options exercised	-	49,319
Proceeds from warrants exercised	96,951	129,487
Loans payable received (repaid)	(156,816)	89,766
Lease payments	-	(14,393)
NET CASH PROVIDED BY FINANCING ACTIVITIES	2,031,266	571,865
EFFECT OF FOREIGN EXCHANGE ON CASH	(14)	-
NET DECREASE IN CASH	(361,756)	(27,552)
CASH, BEGINNING OF PERIOD	362,455	44,094
CASH, END OF PERIOD	\$ 699	\$ 16,542

Supplemental disclosure with respect to cash flows (Note 16)

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

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MAY 31, 2023 AND 2022
(Expressed in United States Dollars)

NOTE 1. NATURE OF OPERATIONS

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.) (the “Company”, or the “Parent”), formerly known as Tracker Ventures Corp. (“Tracker”), was incorporated pursuant to the Business Corporations Act (British Columbia) on July 10, 2007. The Company is engaged in the development, marketing, and commercialization of contact tracing solutions. The 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 condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At May 31, 2023, the Company has not achieved profitable operations, has accumulated losses of \$27,557,357 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements were reviewed by the Management of the Company and approved and authorized for issue by the Board of Directors on July 28, 2023.

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MAY 31, 2023 AND 2022
(Expressed in United States Dollars)

(a) Basis of Measurement

The preparation of these condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, 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.

(b) Functional and Presentation Currency

The condensed interim 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.

(c) Basis of Consolidation

The condensed interim 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 condensed interim consolidated financial statements and the ownership interests held as of May 31, 2023 and August 31, 2022.

	Percentage of Ownership May 31, 2023	Percentage of Ownership August 31, 2022
Contact, LLC	0%	100%
1315006 B.C. Ltd.	100%	100%
Stratum Health Solutions, LLC	100%	100%

On February 3, 2023, Kontakt, LLC was dissolved (Note 14).

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MAY 31, 2023 AND 2022
(Expressed in United States Dollars)

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) 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.

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in United States Dollars)

(b) 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

	May 31, 2023	August 31, 2022
HealthCheck accounts receivable	\$ 54,474	\$ 52,152
Subscriptions receivable (note 9)	5,000	161,502
	<u>\$ 59,474</u>	<u>\$ 213,654</u>

The allowance for doubtful accounts at May 31, 2023 was \$196,894 (August 31, 2022 - \$196,894), related to the HealthCheck business.

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MAY 31, 2023 AND 2022
(Expressed in United States Dollars)

NOTE 5. EXPLORATION AND EVALUATION ASSETS

	PAK South and Southeast	Rockstone	Zen- Whoberi Copper- Cobalt- Platinum- Palladium	Buda Pegmatite	Galaxy Pegmatite	Camaro, Taiga and Hellcat Lithium	Others	Total
Balance, August 31, 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
Acquisition - cash	-	18,500	3,179	-	4,121	37,000	140,783	203,583
Acquisition - shares and warrants	-	-	-	-	-	601,885	196,693	798,578
Exploration - geological	-	3,982	55,795	3,039	38,041	87,263	5,083	193,203
Exploration - fieldwork	-	19,978	58,591	-	26,181	-	19,596	124,346
Exploration - transportation	-	88,800	10,382	88,800	1,622	11,840	-	201,444
Foreign exchange	(16,422)	(5,825)	(6,191)	(3,966)	(4,222)	(10,357)	(3,211)	(50,194)
Balance, May 31, 2023	\$ 437,385	\$ 262,407	\$ 257,977	\$ 180,639	\$ 169,630	\$ 861,182	\$ 370,243	\$ 2,539,463

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 1,000,000 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.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MAY 31, 2023 AND 2022
(Expressed in United States Dollars)

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 250,000 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.

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 600,000 Class A subordinate voting shares of the Company (“Shares”), with 300,000 Shares issuable within 5 days of the option agreement (issued at a fair value of \$127,381) and 300,000 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 1,000,000 Class A Subordinate Voting Shares over the first year (250,000 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.

Infinity Stone Ventures Corp. (formerly Kontakt World Technologies Corp.)
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FOR THE NINE MONTHS ENDED MAY 31, 2023 AND 2022
(Expressed in United States Dollars)

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 250,000 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 250,000 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.

In October 2022, 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.

Camaro, Taiga and Hellcat 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 (\$50,000 CAD paid) in installments over the course of three years,
- Issuing a total of 1,500,000 Class A Subordinate Voting Shares of the Company in tranches over the course of seven months (1,500,000 issued at a total fair value of \$425,296),
- Incurring a total of \$550,000 CAD in exploration expenditures over the course of three years, and
- Issuing upon execution (complete) a total of 750,000 share purchase warrants, 375,000 of which are exercisable at a price of \$0.60 CAD and 375,000 of which are exercisable at a price of \$0.80 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.

In September 2022, the Company acquired, through staking, an additional 2,568 hectares in the James Bay Region of Quebec.

On October 3, 2022, 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 CAD (\$25,000 CAD paid) in installments over the course of twelve (12) months, (ii) issuing a total of 1,250,000 Class A Subordinate Voting Shares of the Company in tranches over the course of twenty (24) months (375,000 issued at a fair value of \$107,402).

In January 2023, the Company acquired 100% interest in 154 hectares of claims making a cash payment of \$6,000 CAD and issuing 100,000 Class A Subordinate Voting Shares of the Company (issued at a fair value of \$27,436).

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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 175,000 subordinate voting shares of the Company to the optionor within 30 days of execution of the option (issued at a fair value of \$76,570) and (ii) paying \$25,000 CAD in cash and issuing 325,000 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.

Catalina Copper

On December 8, 2022, the Company acquired the Catalina Copper Project in the Pima County, Arizona, comprising approximately 3,450 acres. Pursuant to the agreement, the Company is acquiring a 85% interest in and to the project upon paying a total of \$736,000 in cash and issuing 2,250,000 Class A Subordinate Voting Shares of the Company to the project vendor over the course of two years. In addition, the Company will incur work commitments on the project for a total of \$3,350,000 over the course of three years.

Shorty West

The Company acquired the Shorty West Lithium Project in the Northwest Territories, Canada, covering 410 hectares across two claim blocks. Pursuant to the agreement, the Company is acquiring a 100% interest in and to the project upon paying \$17,500 in cash and issuing 300,000 Class A Subordinate Voting Shares of the Company (issued at a fair value of \$120,123) to the project vendor.

Brazil Lithium

On February 6, 2023, the Company acquired the Brazil Lithium Project in Minas Gerais and Cera State, Brazil, consisting of 22 mineral tenements. Pursuant to the agreement, the Company is acquiring 100% interest in and to the project upon paying a total of \$300,000 CAD and issuing 4,000,000 Class A Subordinate Voting Shares of the Company to the project vendor over the course of six months. Pursuant to the option, the project is subject to a 1% NSR Royalty, half of which may be repurchased by the Company for \$1,000,000 CAD at any time up to ninety days after publicly filing a bankable feasibility study.

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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 nine months ended May 31, 2023 and year ended August 31, 2022:

Lease liability at August 31, 2021	\$ 31,235
Accretion	2,089
Lease payments	(14,393)
Termination of a lease	(18,931)
Lease liability at August 31, 2022 and May 31, 2023	<u>\$ -</u>
Right-of-Use Asset:	
Right-of-Use Asset, August 31, 2021	\$ 28,098
Depreciation expense	(11,707)
Termination of a lease	(16,391)
Right-of-Use Asset, August 31, 2022 and May 31, 2023	<u>\$ -</u>

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 RECEIVABLE AND PAYABLE

Loan receivable of \$20,215 from a director of the Company, outstanding at May 31, 2023 (August 31, 2022 – loan payable of \$1,908) (Note 8). The loan is unsecured, non-interest bearing and is due on demand.

Loans payable is comprised of the following:

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 nine months ended May 31, 2023, the Company repaid this loan in full.

On September 9, 2022, the Company entered into a promissory note agreement in the amount of \$77,536 in relation to a settlement agreement for unpaid invoices bearing interest at 5% per annum and due on December 31, 2022. During the nine months ended May 31, 2023, the Company accrued interest of \$1,381 (2022 - \$Nil). As at May 31, 2023, the balance outstanding on this promissory note was \$19,380 (August 31, 2022 - \$Nil).

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.

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The following summarizes the balances with the related parties as at May 31, 2023 and August 31, 2022:

	May 31, 2023	August 31, 2022
Balances		
Accounts payable and accrued liabilities - Officer	\$ -	\$ (40,138)
Due to Directors and/or Officers	277,197	(222,800)
Total	\$ 277,197	\$ (262,938)

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

During the nine months ended May 31, 2023, the Company paid and/or accrued \$249,632 (2022 - \$131,123) in professional fees and \$62,129 (2022 - \$1,185) in geological consulting fees included in exploration and evaluation assets to directors and/or officers. These amounts have not been paid during the period ended May 31, 2023, and total amount due to related parties was \$277,197 as at May 31, 2023. Stock-based compensation expense related to stock options granted to related parties amounted to \$93,554 and stock-based compensation expense related to RSUs granted to related parties amounted to \$58,086.

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 250,000 class A subordinate voting share purchase options exercisable at \$0.50 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 nine months ended May 31, 2023, the Company paid and/or accrued \$62,782 in consulting fees and rent of \$9,990 to Altus. During the year ended August 31, 2022, the Company issued 44,230 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 9). During the nine months ended May 31, 2023, the Company issued 80,134 Class A Subordinate Voting Shares in settlement of and valued at the fair value of the \$31,146 of consulting fees due to Altus (Note 9).

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 nine months ended May 31, 2023, the Company repaid this loan in full.

As at May 31, 2023, the Company has a loan receivable of \$20,215 (August 31, 2022 – loan payable of \$1,908) from a director of the Company (Note 7). The loan is unsecured, non-interest bearing and is due on demand. The Company intends to settle certain payables due to this director with the loan receivable.

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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On July 13, 2023, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidated common share for every two pre-consolidated common shares. All number of shares and per share amounts have been retroactively restated in these consolidated financial statements to reflect this share consolidation.

Issued

Pursuant to the September 29, 2020 Kontakt LLC share subscription agreements, an additional 5,500,000 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 50 common shares at the price of \$0.02 CAD issued per an initial subscription agreement.

Pursuant to the Share Exchange Agreement described in Note 11, the 10,000,000 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 2,322,500 units at a price of \$1.00 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 \$2.00 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 144,550 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 17,109 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 \$2.00 CAD per share expiring 24 months from the date of issuance. The units were valued at \$1.00 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 250,000 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 882,867 units at a price of \$1.00 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 \$2.00 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 37,991 units valued at \$1.00 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 \$2.00 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.

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On February 25, 2021, the Company issued 94,494 units valued at \$1.00 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 \$2.00 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.

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 4,338,248 common shares of Kontakt from \$0.002 to \$0.04.

On July 12, 2021, Tracker issued 8,580,182 Class A Subordinate Voting Shares and 50,248 Class B Super Voting Shares pursuant to the Tracker Amalgamation agreement in exchange for 13,605,012 common shares of Kontakt (Note 12).

On August 12, 2021, the Company issued 79,750 Class A Subordinate Voting Shares pursuant to the exercise of 79,750 warrants at a price of \$0.40 CAD for total proceeds of \$25,160.

On August 12, 2021, the Company issued 1,761,966 Class A Subordinate Voting Shares pursuant to the acquisition of Stratum Health Solutions, LLC (Note 13).

On October 29, 2021, the Company issued 17,200 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 1,193,700 Class A Subordinate Voting Shares upon conversion of 11,937 Class B Super Voting Shares.

On February 17, 2022, the Company issued 1,000,000 units at a price of \$0.15 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 \$0.30 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 829,999 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 10,000 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 500,000 Class A Subordinate Voting Shares upon conversion of 5,000 Class B Super Voting Shares.

On April 18, 2022, the Company issued an aggregate of 1,250,000 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 300,000 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 250,000 Class A Subordinate Voting Shares at their fair value of \$78,630 (\$100,000 CAD) pursuant to the Buda Pegmatite Property option agreement.

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On June 30, 2022, the Company issued 44,230 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 250,000 Class A Subordinate Voting Shares at their fair value of \$66,836 (\$85,000 CAD) pursuant to the Galaxy Pegmatite Property option agreement.

On July 17, 2022, the Company issued 450,000 Class A Subordinate Voting Shares upon conversion of 4,500 Class B Super Voting Shares.

On July 19, 2022, the Company issued 170,600 Class A Subordinate Voting Shares upon conversion of 1,706 Class B Super Voting Shares.

On July 28, 2022, the Company issued 150,000 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 \$0.60 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 250,000 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 25,904 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 \$0.60 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 2,351,665 units at a price of \$0.30 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 \$0.60 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 60,600 finders' warrants exercisable into one Class A Subordinate Voting Share at a price of \$0.60 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.

Between August 12 and August 31, 2022, the Company issued 1,175,000 flow-through units at a price between \$0.40 CAD and \$0.50 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 \$0.60 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 78,000 finders' warrants exercisable into one Class A Subordinate Voting Share at a price of \$0.60 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.

During the year ended August 31, 2022, the Company issued an aggregate of 368,750 Class A Subordinate Voting Shares pursuant to the exercise of 368,750 stock options at a price between \$0.27-\$0.50 CAD for total proceeds of \$81,902 (\$62,438 CAD). The Company reclassified \$66,620 from share-based payment reserve to share capital.

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During the year ended August 31, 2022, the Company issued an aggregate of 409,500 Class A Subordinate Voting Shares pursuant to the exercise of 409,500 warrants at a price of \$0.40 CAD for total proceeds of \$129,487 (\$163,800 CAD). The Company reclassified \$Nil from share-based payment reverse to share capital.

During the year ended August 31, 2022, the Company issued 1,950,000 Class A Subordinate Voting Shares (2021 – 1,076,250) related to the vesting of RSUs. The Company reclassified \$1,258,120 from share-based payment reserve to share capital.

On September 7, 2022, the Company issued 41,870 Class A Subordinate Voting Shares valued at \$15,574 (\$21,000 CAD) representing the fair value of consulting services rendered to the Company (Note 8).

On September 7, 2022, the Company issued 14,535 Class A Subordinate Voting Shares at their fair value of \$8,516 (\$11,483 CAD) to settle accounts payable of \$8,000 resulting in a loss of \$516 (\$695 CAD).

On September 14, 2022, the Company issued 250,000 Class A Subordinate Voting Shares upon conversion of 2,500 Class B Super Voting Shares.

On September 27, 2022, the Company issued 400,000 Class A Subordinate Voting Shares upon conversion of 4,000 Class B Super Voting Shares.

On October 3, 2022, the Company closed a non-brokered private placement of 714,285 flow through units at a price of \$0.70 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 \$0.90 CAD for a period of 3 years from the date of issuance. In connection with the flow-through offering, the Company issued 50,000 finders' warrants. Each finders' warrant is exercisable at a price of \$0.90 CAD for a period of 3 years from the date of issuance. The fair value of the finders' warrants was estimated at \$12,179 (\$16,423 CAD) using the Black-Scholes Option Pricing model. The flow-through liability associated with this issuance using the residual method was \$95,335 (\$128,571 CAD). No amount was allocated to the unit warrants based on the residual value method.

On October 5, 2022, the Company closed a non-brokered private placement of 3,200,000 units at a price of \$0.50 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 \$1.00 CAD for a period of 2 years from the date of issuance. No amount was allocated to the unit warrants based on the residual value method.

On October 28, 2022, the Company closed the final tranche of its non-brokered private placement of 565,000 units, at a price of \$0.50 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 \$1.00 CAD for a period of two years from the date of issuance. In connection with the Offering, the Company issued 17,200 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 \$1.00 CAD for a period of two years from the date of issuance. The fair value of the finders' warrants was estimated at \$3,486 (\$4,700 CAD) using the Black-Scholes Option Pricing model. No amount was allocated to the unit warrants based on the residual value method. \$5,000 CAD remains unpaid and is included in subscriptions receivable (Note 4).

On December 5, 2022, the Company issued 38,264 Class A Subordinate Voting Shares valued at \$15,572 (\$21,000 CAD) representing the fair value of consulting services rendered to the Company (Note 8).

On December 16, 2022, the Company closed a non-brokered private placement of 625,000 flow through units at a price of \$0.80 CAD per unit, for gross proceeds of \$500,000 CAD. Each flow-through unit is comprised of one Class A

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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 \$1.30 CAD for a period of 2 years from the date of issuance. In connection with the flow-through offering, the Company issued 43,750 finders' warrants, and paid finder's fees of \$35,000 CAD. Each finders' warrant is exercisable at a price of \$1.30 CAD for a period of 2 years from the date of issuance. The fair value of the finders' warrants was estimated at \$8,942 (\$12,060 CAD) using the Black-Scholes Option Pricing model. The flow-through liability associated with this issuance using the residual method was \$92,688 (\$125,000 CAD). No amount was allocated to the unit warrants based on the residual value method.

On January 19, 2023, the Company issued 371,150 Class A Subordinate Voting Shares upon conversion of 3,715 Class B Super Voting Shares.

During the nine months ended May 31, 2023, the Company issued a total of 2,200,000 Class A Subordinate Voting Shares at their fair value of \$674,265 (\$909,750 CAD) pursuant to various property option agreements.

During the nine months ended May 31, 2023, the Company issued an aggregate of 351,855 Class A Subordinate Voting Shares pursuant to the exercise of 351,855 warrants at a price between \$0.30 CAD to \$0.40 CAD for total proceeds of \$96,951 (\$130,742 CAD). The Company reclassified \$Nil from share-based payment reverse to share capital.

During the nine months ended May 31, 2023, the Company issued 1,447,915 Class A Subordinate Voting Shares (2022 – 1,573,750) related to the vesting of RSUs. The Company reclassified \$544,578 (2022 - \$1,333,702) from share-based payment reserve to share capital.

(b) Escrow Shares

In connection with the Tracker Amalgamation Agreement as discussed in Note 12, 3,283,554 Class A Subordinate Voting Shares and 32,748 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 May 31, 2023, 1,477,600 Class A Subordinate Shares and 14,736 Class B Super Voting Shares were held in escrow.

(c) Warrants

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

	Number of Warrants	Weighted average exercise price \$ CAD
Balance, August 31, 2021	9,104,215	0.68
Issued	4,418,330	0.50
Exercised	(409,500)	0.40
Cancelled	(49,608)	2.00
Balance, August 31, 2022	13,063,437	0.62
Issued	2,552,142	1.02
Exercised	(350,000)	0.38
Expired	(3,682,126)	1.00
Balance, May 31, 2023	11,583,453	0.58

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The following table summarizes the share purchase warrants outstanding as at May 31, 2023:

Expiry date	Exercise price \$ CAD	Remaining contractual life (years)	Warrants Outstanding
June 8, 2023	\$1.00*	0.02	64,346
July 9, 2023	\$1.00*	0.11	178,461
July 13, 2023	\$1.00*	0.12	51,923
September 29, 2023	\$0.40	0.33	4,418,250
February 17, 2024	\$0.30	0.72	1,729,999
October 5, 2024	\$1.00	1.35	1,600,000
October 28, 2024	\$1.00	1.41	282,500
December 16, 2024	\$1.30	1.55	312,500
June 28, 2025	\$0.60	2.08	335,416
July 28, 2025	\$0.60	2.16	332,083
August 12, 2025	\$0.60	2.20	500,000
August 23, 2025	\$0.60	2.23	125,000
August 29, 2025	\$0.60	2.25	583,333
August 31, 2025	\$0.60	2.25	87,500
October 3, 2025	\$0.90	2.35	357,142
November 21, 2025	\$0.60	2.48	125,000
December 21, 2025	\$0.60	2.56	125,000
January 20, 2026	\$0.80	2.64	125,000
February 19, 2026	\$0.80	2.73	125,000
March 21, 2026	\$0.80	2.81	125,000
		1.09	11,583,453

* In April 2022, the Company re-priced warrants with exercise prices ranging from \$2.00 to \$2.60 as follows:

- 3,469,333 warrants issued between November 20, 2020 and March 3, 2021 at an exercise price of \$2.00 have been re-priced to \$1.00; and
- 507,523 warrants issued between January 19, 2021 and July 13, 2021 at an exercise price of \$2.60 have been re-priced to \$1.00.

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(d) Finders' Warrants

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

	Number of Finders' Warrants	Weighted average exercise price \$ CAD
Balance, August 31, 2021	355,328	0.74
Issued	138,600	0.60
Balance, August 31, 2022	493,928	0.70
Issued	110,950	1.08
Exercised	(1,855)	0.40
Expired	(171,178)	1.00
Balance, May 31, 2023	431,845	0.68

The following table summarizes the finders' warrants outstanding as at May 31, 2023:

Expiry date	Exercise price \$ CAD	Remaining contractual life (years)	Finders' Warrants Outstanding
June 8, 2023	\$1.00*	0.02	3,900
July 9, 2023	\$1.00*	0.11	22,400
September 29, 2023	\$0.40	0.33	55,995
June 28, 2024	\$0.60	1.08	28,000
July 28, 2024	\$0.60	1.16	7,800
August 29, 2024	\$0.60	1.25	24,800
August 31, 2024	\$0.60	1.25	8,000
October 28, 2024	\$1.00	1.41	17,200
December 16, 2024	\$1.30	1.55	43,750
August 12, 2025	\$0.60	2.20	70,000
October 3, 2025	\$0.90	2.35	50,000
		1.15	431,845

* In April 2022, the Company re-priced 197,478 broker warrants issued between November 20, 2020 and July 9, 2021 at an exercise price of \$2.00 to \$1.00.

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 - \$1.60 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.

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(e) Performance warrants

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

	Number of Performance Warrants	Weighted average exercise price
		\$ CAD
Balance, August 31, 2021	1,500,000	0.20
Cancelled	(750,000)	0.20
Balance, August 31, 2022 and May 31, 2023	750,000	0.20

The following table summarizes the performance warrants outstanding as at May 31, 2023:

Expiry date	Exercise price \$ CAD	Remaining contractual life (years)	Performance Warrants Outstanding
May 5, 2026	\$0.20	3.12	750,000
		3.12	750,000

On July 12, 2021, the Company issued 1,500,000 performance warrants to a former officer, as follows:

1. Tier 1 Performance Warrants – 500,000 Subordinate Voting Share purchase warrants, such warrants to (i) be exercisable at \$0.20 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 – 500,000 Subordinate Voting Share purchase warrants, such warrants to (i) be exercisable at \$0.20 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 – 500,000 Subordinate Voting Share purchase warrants, such warrants to (i) be exercisable at \$0.20 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.

250,000 Tier 1, 250,000 Tier 2 and 250,000 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 750,000 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 2,100,000 stock options to employees and consultants of the Company exercisable at \$1.16 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 - \$1.16 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 nine months ended May 31, 2023, the Company recognized stock-based compensation of \$115,121 (2022 - \$696,915).

On August 9, 2021, the Company granted 20,000 stock options to an employee and consultant of the Company exercisable at \$0.94 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 - \$0.94 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 nine months ended May 31, 2023, the Company recognized stock-based compensation of \$1,870 (2022 - \$5,415).

On September 22, 2021, the Company granted 25,000 stock options to consultants of the Company exercisable at \$0.68 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 - \$0.60 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 nine months ended May 31, 2023, the Company recognized stock-based compensation of \$1,711 (2022 - \$6,365).

On October 6, 2021, the Company granted 25,000 stock options to a consultant of the Company exercisable at \$0.56 CAD per share for a period of five years. One-third of these options vest on October 6, 2022 and 694 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 - \$0.57 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 nine months ended May 31, 2023, the Company recognized stock-based compensation of \$2,395 (2022 - \$4,089).

On January 20, 2022, the Company granted 825,000 stock options to a director and consultants of the Company exercisable at \$0.27 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 - \$0.27 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 nine months ended May 31, 2023, the Company recognized stock-based compensation of \$15,953 (2022 - 105,845).

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On February 28, 2022, the Company settled a debt of \$18,750 by granting 88,194 stock options to a shareholder exercisable at \$0.27 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 137,500 stock options to a director and consultants of the Company exercisable at \$0.50 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 - \$0.55 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 nine months ended May 31, 2023, the Company recognized stock-based compensation of \$5,481 (2022 - \$20,764).

On April 25, 2022, the Company granted 250,000 stock options to a director and consultants of the Company exercisable at \$0.50 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 - \$0.48 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 nine months ended May 31, 2023, the Company recognized stock-based compensation of \$13,223 (2022 - \$28,695).

On August 30, 2022, the Company granted 275,000 stock options to a director and consultants of the Company exercisable at \$0.60 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 - \$0.57 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 nine months ended May 31, 2023, the Company recognized stock-based compensation of \$61,263 (2022 - \$Nil).

On December 13, 2022, the Company granted 225,000 stock options to directors and consultants of the Company exercisable at \$0.70 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 \$104,483 was determined using the Black-Scholes option pricing model. The following assumptions were used for the calculation: Market price of shares - \$0.57 CAD; risk free interest rate of 2.89%; 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 nine months ended May 31, 2023, the Company recognized stock-based compensation of \$68,623 (2022 - \$Nil).

On February 7, 2023, the Company granted 200,000 stock options to a consultant of the Company exercisable at \$0.50 CAD per share for a period of five years. These options vest immediately. The fair value of the stock options of \$72,381 was determined using the Black-Scholes option pricing model. The following assumptions were used for the calculation: Market price of shares - \$0.44 CAD; risk free interest rate of 3.08%; 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 nine months ended May 31, 2023, the Company recognized stock-based compensation of \$53,562 (2022 - \$Nil).

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	Number of Stock Options	Weighted average exercise price
		\$ CAD
Balance, August 31, 2021	1,801,250	1.16
Granted	1,625,694	0.40
Exercised	(368,750)	0.28
Cancelled	(356,250)	1.16
Balance, August 31, 2022	2,701,944	0.82
Granted	425,000	0.60
Balance, May 31, 2023	3,126,944	0.78

The following table summarizes the stock options outstanding and exercisable as at May 31, 2023:

Expiry date	Exercise price \$ CAD	Remaining contractual life (years)	Stock Options Outstanding	Stock Options Exercisable
April 1, 2024	\$0.50	0.84	118,750	118,750
August 12, 2024	\$0.94	1.19	20,000	11,663
April 25, 2025	\$0.50	1.90	250,000	250,000
August 30, 2025	\$0.60	2.25	275,000	275,000
July 19, 2026	\$1.16	3.14	1,425,000	1,396,875
September 22, 2026	\$0.68	3.32	25,000	18,750
October 6, 2026	\$0.56	3.35	25,000	13,194
January 20, 2027	\$0.27	3.64	475,000	475,000
February 28, 2027	\$0.27	3.75	88,194	44,097
December 13, 2027	\$0.70	4.54	225,000	56,250
February 7, 2028	\$0.50	4.69	200,000	200,000
			3,126,944	2,859,579

(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.

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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, 2021	3,126,875
Granted	500,000
Cancelled	(323,125)
Vested and issued as shares	(1,950,000)
Balance, August 31, 2022	1,353,750
Granted	562,500
Vested and issued as shares	(1,447,915)
Balance, May 31, 2023	468,335

During the nine months ended May 31, 2023, the Company recognized stock-based compensation of \$544,578 (2022 - \$1,333,702) related to the vesting of RSUs.

NOTE 10. FINANCIAL INSTRUMENTS AND RISKS

Fair values

The Company's financial instruments include cash, accounts receivable, loan 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 May 31, 2023 and 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 May 31, 2023. The subscriptions receivable included in accounts receivable (Note 4) were collected in full subsequent to May 31, 2023. 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 for the nine months ended May 31, 2023 was \$196,894 (August 31, 2022 - \$196,894) (Note 4).

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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 May 31, 2023, the Company had a working capital deficiency of \$5,295,736 (August 31, 2022 - \$7,104,628). Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short term and long-term cash requirements.

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 nine months ended May 31, 2023.

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 \$205,000. 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 no 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 nine months ended May 31, 2023.

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 nine months ended May 31, 2023.

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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 \$2,756,273 (August 31, 2022 - \$6,036,125) at May 31, 2023. 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 nine months ended May 31, 2023.

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 10,000,000, were exchanged for 10,000,000 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 50 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 8,580,182 Class A Subordinate Voting Shares of Tracker and 50,248 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 2,750,000 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.

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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.

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

	Amount
Purchase consideration	
9,841,824 class A common shares of Kontakt at \$0.50	\$ 7,892,159
Fair value of 6,039,782 warrants assumed	3,545,200
Fair value of 2,750,000 RSUs issued to finders	1,378,108
Settlement of a pre-existing relationship	(1,300,513)
<hr/>	
Total	11,514,954
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Fair value of assets acquired and liabilities assumed	
Cash	307,540
Accounts receivable	108,256
Prepaid expenses and other current assets	51,789
Accounts payable and accrued liabilities	(326,775)
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Total identifiable net assets acquired	140,810
<hr/>	
Allocated to listing expense	\$ 11,374,144

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 1,761,966 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:

	Amount
Purchase consideration	
1,761,966 Class A Subordinate Voting Shares	\$ 1,325,000
Convertible note with embedded derivative liability (Note 15)	4,155,000
Settlement of a pre-existing relationship	120,000
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Total	5,600,000
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Fair value of assets acquired and liabilities assumed	
Accounts receivable	42,188
Accounts payable and accrued liabilities	(257,038)
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Total identifiable net liabilities assumed	(214,850)
Goodwill	5,814,850
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Total	\$ 5,600,000

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. DISSOLUTION OF SUBSIDIARY

On February 3, 2023, the Company dissolved its wholly-owned subsidiary, Kontakt LLC. During the nine months ended May 31, 2023, the Company recognized a gain on dissolution of \$1,974,243 mainly as a result of accounts payable and accrued liabilities dissolved.

NOTE 15. 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 \$1.30 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.

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.

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 - \$0.93 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%.

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	Convertible Loans	Derivative Liability
	\$	\$
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 and May 31, 2023	4,733,092	-

NOTE 16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	May 31, 2023	May 31, 2022
	\$	\$
Interest paid	-	-
Taxes paid	-	-
Non-cash investing and financing activities		
Fair value of shares issued for debt settlement	8,516	9,414
Fair value of shares and warrants issued for exploration and evaluation assets	798,578	712,490
Fair value of options issued for debt settlement	-	18,750
Fair value of finders' warrants	24,607	-

NOTE 17. SEGMENTED INFORMATION

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

	Corporate (Canada)	Health Check by Stratum (United States)	Total
	\$	\$	\$
Nine months ended May 31, 2023			
Revenues	-	126,617	126,617
Net income (loss)	(246,440)	170,491	(75,949)
Nine months ended May 31, 2022			
Revenues	-	515,246	515,246
Net loss	(1,935,866)	(2,806)	(1,938,672)

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	Corporate (Canada)	Exploration and evaluation (Canada)	Exploration and evaluation (United States)	Exploration and evaluation (Brazil)	Health Check by Stratum (United States)	Total
	\$	\$	\$	\$	\$	\$
As at May 31, 2023						
Current assets	187,734	-	-	-	33,558	221,292
Non-current assets	-	2,437,755	64,100	37,608	-	2,539,463
Total liabilities	3,430,065	-	-	-	2,086,963	5,517,028
As at August 31, 2022						
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

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 15). 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 15. No amount has been recorded in these condensed interim consolidated financial statements for potential additional costs as a result of this claim.

In June 2023, the Company announced that RTAE has commenced proceedings against the Company, and certain shareholders of RTAE (the “Petitioners”), who are also shareholders of the Company, have submitted a separate petition against the Company (the “Petition”). The Petition seeks orders to: require the Company to remove restrictive legends (the “Restrictive Legends”) attached to all shares of the Company held by the Petitioners; require certain officers and directors of the Company to account for and disgorge certain personal benefits received by such officers and directors from the Company; set aside certain grants of stock options to officers and directors of the Company; require the Company to compensate the Petitioners for losses arising from the Restrictive Legends; and require certain officers and directors of the Company pay the Petitioners’ legal costs for the Petition. The Petition seeks orders to: require the Company to remove restrictive legends (the “Restrictive Legends”) attached to all shares of the Company held by the Petitioners; require certain officers and directors of the Company to account for and disgorge certain personal benefits received by such officers and directors from the Company; set aside certain grants of stock options to officers and directors of the Company; require the Company to compensate the Petitioners for losses arising from the Restrictive Legends; and require certain officers and directors of the Company pay the Petitioners’ legal costs for the Petition.

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NOTE 19. SUBSEQUENT EVENTS

Events occurring subsequent to May 31, 2023, that are not disclosed elsewhere within these condensed interim consolidated financial statements are as follows:

- a. The Company issued a total of 425,000 Class A Subordinate Voting Shares of the Company pursuant to the property option agreements pursuant to the option agreements for the Zen-Whoberi Copper-Cobalt-Platinum-Palladium and Tamed Lithium projects.