

AMELOT HOLDINGS, INC.
(f/k/a Timber Resources International, Inc.)



SEPTEMBER 30, 2017
Unaudited Quarterly Report

AMELOT HOLDINGS, INC.
(Timber Resources International, Inc.)
CONSOLIDATED BALANCE SHEETS

	September 30, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ -	\$ 2,404
Total current assets		2,404
PROPERTY AND EQUIPMENT		
Rental Property, net	103,780	105,703
OTHER ASSETS		
Investment-vacant land	8,600	8,600
Loan Receivable	-	-
TOTAL ASSETS	\$ 112,380	\$ 116,707
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Mortgage payable, current	\$ -	\$ 16,540
Total current liabilities	-	16,540
LONG-TERM LIABILITIES		
Mortgage payable, less current portion	-	-
Loan payable- Officer	63,075	48,248
Total long-term liabilities	63,075	48,248
STOCKHOLDERS' EQUITY		
Preferred stock:		
Series A	750	750
Common stock	462,457	462,457
Additional paid in capital	4,463,430	4,463,430
Retained Deficit	(4,877,332)	(4,874,718)
Treasury stock, at cost		
Total stockholders' equity (deficit)	49,305	51,919
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 112,380	\$ 116,707

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

AMELOT HOLDINGS, INC.
(Timber Resources International, Inc.)
CONSOLIDATED STATEMENTS OF OPERATIONS
Nine Months Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenue earned		
Rental Income	\$ 2,319	\$ 6,412
Total revenue earned	<u>2,319</u>	<u>6,412</u>
Operating Expenses		
Selling, general and administrative	2,710	5,303
Depreciation, depletion and amortization	<u>1,923</u>	<u>1,923</u>
Total operating expenses	<u>4,633</u>	<u>7,226</u>
Loss from operations	(2,314)	(814)
Other Income (expenses)		
Net gain from sale of real estate property	-	-
Interest expense	<u>300</u>	<u>2,388</u>
Income (loss) before provision for income taxes	(2,614)	(3,202)
Provision for income taxes	<u>-</u>	<u>-</u>
Net income	<u>\$ (2,614)</u>	<u>\$ (3,202)</u>
Basic earnings per common share	\$ 0.00	\$ 0.00
Diluted loss per common share	\$ 0.00	\$ 0.00
Weighted average common shares outstanding - basic	4,624,573,155	4,624,573,155
Weighted average common shares outstanding - diluted (see Note A)	-	-

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

AMELOT HOLDINGS, INC.
(Timber Resources International, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES:		
Net income (loss)	\$ (2,614)	\$ (3,202)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, depletion and amortization	1,923	1,923
Net cash flows from operating activities	<u>(691)</u>	<u>(1,279)</u>
INVESTING ACTIVITIES:	-	-
FINANCING ACTIVITIES:		
Payments on Mortgage Payable	(6,858)	(19,079)
Borrowings from loans payable officer	5,145	17,470
Payments on loan receivable	-	-
Net cash flows from financing activities	<u>(1,713)</u>	<u>1,627</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,404)	(2,906)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>2,404</u>	<u>5</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ <u>-</u>	\$ <u>(2,901)</u>

AMELOT HOLDINGS, INC.
(Timber Resources International, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Supplemental Disclosures of Cash Flow Information:		
Taxes paid	\$ -	\$ -
Interest paid	\$ 300	\$ 2,857

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

AMELOT HOLDINGS, INC.
(Timber Resources International, Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
From Inception (May 28, 1998) through September 30, 2017 (Unaudited)

NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Amelot Holdings, Inc. (the "Company") was formed as Timber Resources International, Inc. on May 28, 1998 in the State of Delaware. The Company filed Amended Articles of Incorporations to change its name to Amelot Holdings, Inc. and state of domicile to Wyoming in December 2004.

The Company operates through two subsidiaries:

1. Amelot Oil, Inc. ("Oil")- Oil was incorporated in the State of Wyoming on April 22, 2008 and remains a wholly owned subsidiary of the Company. Oil was formed in order to focus on the biodiesel production aspect of the company's business plan.

2. Amelot Properties, LLC ("Properties")- Properties was organized in the State of Wyoming on December 20, 2010 and remains a wholly owned subsidiary of the Company. Properties was formed to acquire undervalued real estate in strategic locations and to complete eco-friendly market renovations that significantly increase the resale value of the properties. These newly upgraded residences are planned to be environmentally responsible and resource-efficient and therefore very attractive for buyers.

From inception, the Company's primary business model was to position the company to become a vertically integrated forests products company.

On May 28, 1998 the Registrant entered into an agreement with Villiers Capital Corporation, a New York corporation ("Villiers") whereby Villiers has agreed to provide office space and other support facilities including furniture, computer and office equipment, secretarial, receptionist, and bookkeeping services, conference room facilities, telephone and telefax equipment, local and long-distance access and other amenities to the Registrant for a monthly fee of \$15,000. The agreement had an initial one-year term that expired on May 28, 1999, and provides for automatic one-year renewals unless canceled by either party in writing. The Registrant and Villiers have certain common shareholders, officers, and directors. Aziz Hirji, the Registrant's President is co-founder, director and major shareholder of Villiers. Anna Petinova, the Registrant's Secretary, Treasurer, Interim Vice President of Administration and Finance is a stockholder and officer in Villiers. In November 1998, the Registrant entered into a five-year agreement (the "Financial Advisory Agreement") with Villiers Capital Partners, LLC, a New York limited liability company ("VCP"). Pursuant to the Financial Advisory Agreement, VCP provides corporate finance, investor and financial relations, strategic and capital planning, and other financial and management advice to the Registrant. The base compensation is \$3,500 a month. The initial five-year term expires on October 31, 2003. The Financial Advisory Agreement provides for automatic one-year renewals unless cancelled by either party in writing. In addition to the base monthly compensation, VCP is entitled to receive a commission for any funds raised for the Registrant in accordance with the "Lehman" formula which ranges from one to five percent of the funds raised. The Registrant's Interim Vice President of Administration and Finance is an officer in VCP.

In April 1999, the Registrant purchased 1,000,000 shares of common stock of Jupiter Industries International, Inc. ("JII" and d.b.a. "Forestworld.com"), a private company incorporated under the laws of Nevada and operating out of Burlington, Vermont for a cash consideration of \$111,000 which resulted in the Registrant having a 4.02% stock ownership in JII. JII's (d.b.a. Forestworld.com) mission was to create the Internet portal for the forest products industry focusing on e-commerce supporting transactions that provide for the efficient and cost-effective movement of conventional and certified wood products between suppliers and endusers. Forestworld.com internet site also features expansive searchable forestry and forest products directories and databases that are designed to build an online community in the forest products industry. Through Forestworld.com, the Registrant received access to a rapidly developing infrastructure for timber buying and selling over the Internet, with the potential link to an extended customers and suppliers base worldwide. Forestworld.com also provided several high-visibility links from its Web site to the Registrant.

AMELOT HOLDINGS, INC.
(Timber Resources International, Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
From Inception (May 28, 1998) through September 30, 2017 (Unaudited)

NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

In May 1999, the Registrant purchased 100% of the issued and outstanding shares of Southern Hardwoods, Inc., a Florida corporation for a total of \$500,000 worth of the Registrant's common stock. Southern Hardwoods was incorporated in the State of Florida on May 5, 1998. Southern Hardwoods operates a sawmill in the port of Pensacola. The \$200,000 worth of common stock was paid at the time of the transfer (June 1999) at the then publicly traded price of \$2.00, \$100,000 worth (at the then currently traded prices) will be payable (at the then currently publicly traded prices) on each of the following dates: May 15, 2000, May 15, 2001, and May 15, 2002. After the completion of this acquisition, Southern Hardwoods operated as a wholly owned subsidiary of the Registrant with its own management organization.

In December 1999, the Company signed an exclusive agreement with Exotic African Hardwoods, Ltd., a corporation registered in Nigeria, West Africa for the supply of selected species of hardwoods from Africa. The species include mahogany, teak, iroko, red and yellow apa, ofun, and oomo. The first shipment of teak was delivered to the Registrant's subsidiary in Pensacola in December 1999. Teak will be processed at the sawmill in Pensacola. Teak lumber will be used for the manufacturing of flooring and furniture components.

In December 1999, the Company signed an exclusive agreement with Timber Products S.A., a company headquartered in Santo Domingo, the Dominican Republic. This Agreement underlines the terms of distribution of the Registrant's products throughout the Dominican Republic, Puerto Rico, Haiti and the Central American Commonwealth countries of Guatemala, Honduras, El Salvador, Costa Rica, and Panama. The Dominican Republic is one of the fastest growing markets in the region that can potentially absorb large volumes of wood products. The lumber will be used mainly for construction industry. The first shipment under this Agreement, valued at US \$191,500, was executed at the end of December 1999. The second order under this Agreement was received in January 2000. The order, valued at US \$150,000 was delivered in March 2000.

In December 1999, the Registrant entered into an exclusive agreement with Exotic African Hardwoods, Ltd., of Nigeria, West Africa. As of January 2000, the Subsidiary receives regular shipments of West African teak. The teak lumber is then processed at the Subsidiary's facility in Pensacola.

In January 2000, the Registrant entered into a strategic partnership agreement with Timber Traders (S.A.) Inc., of Guyana, South America to exclusively supply the Registrant with hardwood lumber from South America and the Caribbean. The agreement insures uninterrupted supply of raw materials for the subsidiary's facility in Pensacola.

On December 1, 2004, the Board of Directors elected to file a Certificate of Domestication and Articles of Domestication for the Company, at that time under the name of Timber Resources International, Inc., with the State of Wyoming.

On December 6, 2004, the Company's Board of Directors voted to file an Amendment to the Company's Articles of Incorporation changing the name of the corporation from Timber Resources International, Inc. to Amelot Holdings, Inc.

On March 4, 2005, the Company's Board of Directors voted to file an Amendment to the Company's Articles of Incorporation increasing the number of Authorized shares of common stock to 950,000,000 with par value of \$.00001.

On November 6, 2006, the Company's Board of Directors voted to file an Amendment to the Company's Articles of Incorporation increasing the number of Authorized shares of common stock to 2,000,000,000 with par value of \$.00001.

On February 26, 2008, the Company's Board of Directors voted to file an Amendment to the Company's Articles of Incorporation increasing the number of Authorized shares of common stock to 5,000,000,000 with par value of \$.00001.

AMELOT HOLDINGS, INC.
(Timber Resources International, Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
From Inception (May 28, 1998) through September 30, 2017 (Unaudited)

NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

On April 22, 2008, the Company's Board of Directors voted to file Articles of Incorporation to form a new entity, Amelot Oil, Inc. The Articles of Incorporation were filed with the State of Wyoming on the same date. Amelot Oil, Inc. is authorized to issue 100 million shares of common stock. Upon the effectiveness with the State of Wyoming, Amelot Oil, Inc. became a wholly owned subsidiary of the Company.

On April 22, 2008, the Company's Board of Directors voted to file an Amendment to the Company's Articles of Incorporation increasing the number of shares of Preferred stock to 75,000,000.

On December 14, 2010, the Company's Board of Directors voted to file Articles of Organization to form a new entity, Amelot Properties, LLC. The Articles of Organization were filed with the State of Wyoming on the same date and effective on December 20, 2010. Upon the effectiveness with the State of Wyoming, Amelot Properties, LLC became a wholly owned subsidiary of the Company.

On July 25, 2017, the Company's Board of Directors terminated Fred Guarnieri from his role as President of the Company. Aziz Hirji, the Company's Chairman of the Board, will serve as the Company's President, Chief Financial Executive and Secretary.

Principles of Consolidation

The consolidated financial statements include the accounts of Amelot Holdings, Inc., and its wholly owned subsidiaries, Amelot Oil, Inc. and Amelot Properties, LLC

Basis of Presentation

The accompanying interim unaudited financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial statements and in the opinion of management contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly, in all material respects, the Company's consolidated financial position as of December 31, 2016, and the results of its operations for the nine months ended September 30, 2017 and 2016 and cash flows for the nine months ended September 30, 2017 and 2016. These results have been determined on the basis of accounting principles generally accepted in the United States of America and have been applied consistently.

Cash and Cash Equivalents

The Company considers all liquid debt securities with an original maturity of 90 days or less that are readily convertible into cash to be cash equivalents.

Marketable Equity Securities

Marketable equity securities are stated at lower of cost or market value with unrealized gains and losses included in operations. The Company has classified its marketable equity securities as trading securities.

Recently Enacted Accounting Standards

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB"), which are adopted by the Company as of the specified effective date. Unless otherwise discussed, management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company's consolidated financial statements upon adoption.

In January 2017, the FASB issued Accounting Standards Update No. 2017-04, *Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"). ASU 2017-04 simplifies the accounting for goodwill impairment by removing Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. ASU 2017-04 is effective

AMELOT HOLDINGS, INC.
(Timber Resources International, Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
From Inception (May 28, 1998) through September 30, 2017 (Unaudited)

NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019, and should be applied on a prospective basis. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company does not anticipate the adoption of ASU 2017-04 will have a material impact on its consolidated financial statements.

In January 2017, the FASB issued Accounting Standards Update No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* (ASU 2017-01), which revises the definition of a business and provides new guidance in evaluating when a set of transferred assets and activities is a business. This guidance will be effective for the Company in the first fiscal quarter of 2018 on a prospective basis, and early adoption is permitted. The Company does not expect the standard to have a material impact on our consolidated financial statements.

In August 2016, the FASB issued Accounting Standards Update No. 2016-15, *Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)* (“ASU 2016-15”). The amendments in ASU 2016-15 address eight specific cash flow issues and apply to all entities that are required to present a statement of cash flows under ASC Topic 230, *Statement of Cash Flows*. The amendments in ASU 2016-15 are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption during an interim period. The Company has not yet completed the analysis of how adopting this guidance will affect its consolidated financial statements.

In May 2016, accounting guidance was issued to clarify the not yet effective revenue recognition guidance issued in May 2014. This additional guidance does not change the core principle of the revenue recognition guidance issued in May 2014, rather, it provides clarification of accounting for collections of sales taxes as well as recognition of revenue (i) associated with contract modifications, (ii) for noncash consideration, and (iii) based on the collectability of the consideration from the customer. The guidance also specifies when a contract should be considered “completed” for purposes of applying the transition guidance. The effective date and transition requirements for this guidance are the same as the effective date and transition requirements for the guidance previously issued in 2014, which is effective for interim and annual periods beginning on or after December 15, 2017. The new standard also permits two methods of adoption: retrospectively to each prior reporting period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (the modified retrospective method). The Company’s management currently anticipates adopting the standard using the modified retrospective method. While management is still in the process of completing the analysis on the impact this guidance will have on the Company’s consolidated financial statements, related disclosures, and its internal controls over financial reporting. The Company has not yet determined whether the impact that this new guidance will be material to its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The amendments in this update change existing guidance related to accounting for employee share-based payments affecting the income tax consequences of awards, classification of awards as equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within those annual periods, with early adoption permitted. The Company is currently evaluating the potential impact of the adoption of this standard.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The new standard establishes a right-of-use (“ROU”) model that requires a lessee to record a ROU asset and a lease liability on the consolidated balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated income statement. ASU 2016-02 is effective for annual periods beginning after December 15, 2018, including interim periods within those annual periods, with early adoption permitted. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is currently evaluating the potential impact of the adoption of this standard.

AMELOT HOLDINGS, INC.
(Timber Resources International, Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
From Inception (May 28, 1998) through September 30, 2017 (Unaudited)

NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. The amendments in this update revise the accounting related to the classification and measurement of investments in equity securities and the presentation of certain fair value changes for financial liabilities measured at fair value. The amendments are effective for annual reporting periods after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the potential impact of the adoption of this standard.

Other Accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures

Concentration of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, and accounts receivable. Collateral is not required for accounts receivable. The Company maintains an allowance for its doubtful accounts receivable. This allowance is based upon historical loss patterns, the number of days that billings are past due and an evaluation of the potential risk of loss associated with delinquent accounts. Receivables are written-off and charged against its recorded allowance when the Company has exhausted collection efforts without success.

Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, after the asset is placed in service. Asset lives range from 3 to 7 years. Gains and losses from the retirement or disposition of property and equipment are included in operations in the period incurred. Maintenance and repairs are expensed as incurred.

Fair Value of Financial Instruments

The Company defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. Financial instruments included in the Company's financial statements include cash and cash equivalents, short-term investments, accounts receivable, other receivables, other assets, accounts payable, notes payable and due to affiliates. Unless otherwise disclosed in the notes to the financial statements, the carrying value of financial instruments is considered to approximate fair value due to the short maturity and characteristics of those instruments. The carrying value of debt approximates fair value as terms approximate those currently available for similar debt instruments.

The Company has adopted the successful efforts method of accounting for gas producing activities. Under the successful efforts method, costs to acquire mineral interests in gas properties, to drill and equip exploratory wells that find proved reserves, and to drill and equip developmental wells are capitalized. Costs to drill exploratory wells that do not find proved reserves, costs of developmental wells on properties the Company has no further interest in, geological and geophysical costs, and costs of carrying and retaining unproved properties are expensed. Unproved gas properties that are significant are periodically assessed for impairment of value, if any, and a loss is recognized at the time of impairment by providing an impairment allowance. Other unproven properties are expensed when surrendered or expired.

When a property is determined to contain proved reserves, the capitalized costs of such properties are transferred from unproved properties to proved properties and are amortized by the unit-of-production method based upon estimated proved developed reserves. To the extent that capitalized costs of groups of proved properties having similar characteristics exceed the estimated future net cash flows, the excess, if any, of capitalized costs are written down to the present value of such amounts. Estimated future net cash flows are determined based primarily upon the estimated future proved reserves related to the Company's current proved properties and, to a lesser extent,

AMELOT HOLDINGS, INC.
(Timber Resources International, Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
From Inception (May 28, 1998) through September 30, 2017 (Unaudited)

NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

certain future net cash flows related to operating and related fees due the Company related to its management of various partnerships. The Company follows U.S. GAAP in Accounting for Impairments.

Oil and Gas Properties

On sale or abandonment of an entire interest in an unproved property, gain or loss is recognized, taking into consideration the amount of any recorded impairment. If a partial interest in an unproved property is sold, the amount received is treated as a reduction of the cost of the interest retained.

Revenue Recognition

Revenue from product sales is recognized when all of the following criteria are met: (1) persuasive evidence of an arrangement exists, (2) the price is fixed or determinable, (3) collectability is reasonably assured, and (4) delivery has occurred.

Stock-Based Compensation

Stock-based compensation is accounted for at fair value in accordance with U.S. GAAP.

Income Taxes

Income taxes are accounted for under the assets and liability method. Current income taxes are provided in accordance with the laws of the respective taxing authorities. Deferred income taxes are provided for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards.

Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is not more likely than not that some portion or all of the deferred tax assets will be realized.

Net Income (Loss) per Common Share

Basic net income (loss) per common share is computed based on the weighted average number of common shares outstanding during the period.

Diluted net income (loss) per common share is computed based on the weighted average number of common shares and dilutive securities (such as stock options, warrants, and convertible securities) outstanding. Dilutive securities having an anti-dilutive effect on diluted net income (loss) per share and are excluded from the calculation.

At September 30, 2017, diluted weighted average common shares outstanding exclude 0 shares issuable on exercise of the 0 warrants outstanding at September 30, 2017.

NOTE B- GOING CONCERN

The Company is an emerging growth company and although it has commenced planned principal business operations, there are insignificant revenues there from. The Company has incurred losses of \$4,877,332 for the period May 28, 1998 (inception) through September 30, 2017 and has negative working capital balance aggregating \$-. These factors raise substantial doubt about the Company's ability to continue as a going concern.

There can be no assurance that sufficient funds required during the next year, or thereafter, will be generated from operations or that funds will be available from external sources such as debt or equity financings or other potential sources. The lack of additional capital resulting from the inability to generate cash flow from operations or to raise

AMELOT HOLDINGS, INC.
(Timber Resources International, Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
From Inception (May 28, 1998) through September 30, 2017 (Unaudited)

NOTE B- GOING CONCERN (continued)

capital from external sources would force the Company to substantially curtail or cease operations and therefore would have a material adverse effect on its business. Furthermore, there can be no assurance that any such required funds, if available, will be available on attractive terms or that they will not have a significant dilutive effect on the Company's existing stockholders.

The Company intends to overcome the circumstances that affect its ability to remain a going concern through a combination of the commencement of revenues, with interim cash flow deficiencies being addressed through additional equity and debt financing. The Company anticipates raising additional funds through public or private financing, strategic relationships or other arrangements in the near future to support its business operations; however

the Company may not have commitments from third parties for a sufficient amount of additional capital. The Company cannot be certain that any such financing will be available on acceptable terms, or at all, and its failure to raise capital when needed could limit its ability to continue its operations. The Company's ability to obtain additional funding will determine its ability to continue as a going concern. Failure to secure additional financing in a timely manner and on favorable terms would have a material adverse effect on the Company's financial performance, results of operations and stock price and require it to curtail or cease operations, sell off its assets, seek protection from its creditors through bankruptcy proceedings, or otherwise. Furthermore, additional equity financing may be dilutive to the holders of the Company's common stock, and debt financing, if available, may involve restrictive covenants, and strategic relationships, if necessary to raise additional funds, and may require that the Company relinquish valuable rights.

The accompanying financial statements do not include any adjustments related to the recoverability or classification of asset-carrying amounts or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at:

	<u>09/30/2017</u>	<u>12/31/2016</u>
Rental property	\$ 115,000	\$ 115,000
Accumulated depreciation and depletion	(11,220)	(9,297)
Net property and equipment	<u>\$ 103,780</u>	<u>\$ 105,703</u>

The Company uses the straight-line method of depreciation for computer software and field and transportation equipment with an estimated useful life ranging from three to twenty years. The Company uses the straight-line method of depletion for oil and gas properties with an estimated useful life ranging from seven to twenty-five years. These estimates could change significantly pending a valuation by third parties.

NOTE D - LOAN RECEIVABLE

Loan receivable of \$– and \$– at September 30, 2017 and December 31, 2016, respectively.

AMELOT HOLDINGS, INC.
(Timber Resources International, Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
From Inception (May 28, 1998) through September 30, 2017 (Unaudited)

NOTE E - INVESTMENT

Miscellaneous assets consist of the following at:

	<u>09/30/2017</u>	<u>12/31/2016</u>
Land	8,600	8,600
Total Other Assets	\$ 8,600	8,600

Loan commitment fee is amortized over the life of the agreement using a straight-line method.

NOTE F – LOANS PAYABLE-OFFICER

Loans payable officer with no interest aggregated \$63,075 and \$48,248 at September 30, 2017 and December 31, 2016, respectively.

NOTE G - MORTGAGE PAYABLE

Mortgage payable consist of the following at:

	<u>09/30/2017</u>	<u>12/31/2016</u>
Mortgage payable	\$ -	\$ 16,540
Less current portion	-	16,540
Notes payable long term	\$ -	-

NOTE H - INCOME TAXES

The Company accounts for income taxes using the asset and liability method described in SFAS No. 109, "Accounting For Income Taxes", the objective of which is to establish deferred tax assets and liabilities for the temporary differences between the financial reporting and the tax basis of the Company's assets and liabilities at the enacted tax rates expected to be in effect when such amounts are realized or settled. A valuation allowance related to deferred tax assets is recorded when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In recognition of the uncertainty regarding the ultimate amount of income tax benefits to be derived, the Company has recorded a full valuation allowance September 30, 2017 and December 31, 2016.

As of December 31, 2016, the Company has a net operating loss carryover of \$4,576,385.

NOTE I - COMMON STOCK ISSUANCES/WARRANTS

For the nine months ended September 30, 2017, the Company had the following unregistered sale/issuance of its securities:

None.

NOTE J – STOCKHOLDERS' EQUITY

On April 27, 2008, the Board of Directors unanimously approved the designation of a series of preferred stock to be known as "Series A Preferred Stock". The designations, powers, preferences and rights, and the qualifications, limitations or restrictions hereof, in respect of the Series A Preferred Stock shall be as hereinafter described. The holders of Series A Preferred Stock shall not be entitled to receive dividends nor shall dividends be paid on common stock or any other Series Preferred Stock while Series A Preferred shares are outstanding.

AMELOT HOLDINGS, INC.
(Timber Resources International, Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
From Inception (May 28, 1998) through September 30, 2017 (Unaudited)

NOTE J – STOCKHOLDERS' EQUITY (continued)

The holders of Series A Preferred Stock shall be entitled to vote on all matters submitted to a vote of the Shareholders of the Company and shall have such number of votes equal to the number of shares of Series A Preferred Stock held on a one thousand per one share basis. Therefore, for each share of Series A Preferred Stock held, the holder shall be entitled to 1000 votes. Upon the availability of a sufficient number of authorized but unissued and unreserved shares of common stock, the holders of any Series A Preferred Stock shall be entitled to convert such shares in to fully paid and non-assessable shares of common stock at the rate of 1000 shares of common stock for each share of Series A Preferred Stock. The Board of Directors of the Company, pursuant to authority granted in the Articles of Incorporation, created a series of preferred stock designated as Series A Preferred Stock (the "Series A Preferred Stock") with a stated par value of \$0.00001 per share. The number of authorized shares constituting the Series A Preferred Stock was Seventy Five Million (75,000,000) shares. At September 30, 2017 and December 31, 2016, there are 75,000,000 shares issued and outstanding.

The number of common shares authorized with a stated par value of \$0.0001 per share at September 30, 2017 and December 31, 2016 is 4,925,000,000 and 4,925,000,000, respectively. At September 30, 2017 and December 31, 2016, there are 4,624,573,155 and 4,624,573,155 shares of common stock issued and outstanding, respectively.

The number of preferred shares authorized with a stated par value of \$0.00001 per share at September 30, 2017 and December 31, 2016 is 75,000,000 and 75,000,000, respectively. At September 30, 2017 and December 31, 2016, there are 75,000,000 and 75,000,000 shares of preferred stock issued and outstanding, respectively.

NOTE K – RELATED PARTY TRANSACTIONS

Loan payable due to officer is \$63,075 and \$48,248 at September 30, 2017 and December 31, 2016, respectively

NOTE L-COMMITMENTS AND CONTINGENCIES

None.

NOTE M - SUBSEQUENT EVENTS

On November 10, 2017, the Company's Board of Directors appointed Jimmy Wayne Anderson to the Board of Directors. Simultaneous with the addition of Mr. Anderson to the Company's Board, Aziz Hirji resigned as an officer and director of the Company. Mr. Anderson shall serve as the interim President until such time as additional personnel is retained.

On November 10, 2017, the Company transferred all 1000 membership units of its wholly owned subsidiary, Amelot Properties, LLC, to Aziz Hirji in exchange for the forgiveness of all outstanding funds due to Mr. Hirji for loans to the Company and expenses paid on behalf of the Company.

On November 10, 2017, the Company's new Board of Directors appointed Mr. TongRen Liu to the Board of Directors.

On November 17, 2017, the Company relocated its corporate office to 30 N. Gould St, Suite R, Sheridan, WY 82801.

On November 21, 2017, the Company changed registered agents. The Company's new registered agent for the State of Wyoming is Buffalo Registered Agents, LLC.