

DIAMOND LAKE MINERALS, INC.

Financial Statement

For the Year Ended

December 31, 2017

Consolidated

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DIAMOND LAKE MINERALS, INC.
11700 Mukilteo Speedway Suite 201-1030
Mukilteo, Washington 98275
Consolidated

December 31, 2017

To the Board of Directors
Diamond Lake Minerals, Inc.
Mukilteo, Washington

Management is responsible for the accompanying financial statements of Diamond Lake Minerals, Inc. (a corporation), which comprise the balance sheet as of December 31, 2017 and the related statements of operations and cash flows for the twelve (12) months then ended and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. The statements have not been audited or reviewed. Accordingly no opinion has been expressed, nor provide any form of assurance on these financial statements.

We are not independent with respect to Diamond Lake Minerals, Inc.

DIAMOND LAKE MINERALS, INC.
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Unaudited compilation only

Balance Sheet

Assets

	<u>12/31/2017</u>	<u>12/31/2016</u>
Cash	\$ 53,552	\$ 14,810
Accounts Receivable	\$ 196,456	\$ 273,544
Other	\$ -	\$ (1,000)
Total Current Assets	\$ 250,008	\$ 287,354
Fixed Assets	\$ 9,051,857	\$ 4,023
Other Assets	\$ 140,699	\$ 74,542
Total Assets	\$ 9,442,564	\$ 365,919

Liabilities & Stockholders' Equity

Current Liabilities:

Accounts Payable	\$ 45,816	\$ 293,369
Accrued Expenses	\$ -	\$ -
Taxes Due	\$ 205	\$ -
Operating Lines	\$ 49,716	\$ 57,176
Total Current Liabilities	\$ 95,737	\$ 350,545
Consolidation Liability for KML, Inc. (see note 6)	\$ 4,546,479	
Total Liabilities	\$ 4,642,217	\$ 350,545

Stockholder Equity:

Retained Earnings	\$ 190,221	\$ 2,616
Acquisition of Production Consulting, LLC	\$ 9,688,752	
Capital Adjustment KML, Inc. (see note 6)	\$ (4,546,479)	
Contributions/Withdrawals	\$ (157,773)	\$ (73,491)
Net Income (Loss)	\$ (374,373)	\$ 86,249
Stockholder Equity (Deficit)	\$ 4,800,348	\$ 15,374

Total Liabilities and Stockholders' Equity (Deficit)	\$ 9,442,564	\$ 365,919
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DIAMOND LAKE MINERALS, INC.
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Statement of Operations

	For the Period Ended	
	12/31/2017	12/31/2016
Income	\$ 111,149	\$ 137,385
Operating Expenses	\$ 483,453	\$ 60,666
Other Expenses		
Total Expenses for the Period	\$ 483,453	\$ 60,666
Net Operating Income	\$ (372,304)	\$ 76,719
Interest Earned	\$ 1	\$ -
Depreciation	\$ (2,069)	\$ (1,675)
Miscellaneous	\$ -	\$ 11,201
Total Other Income and Expenses	\$ (2,068)	\$ 9,530
Consolidated Total Net Income (Loss)	\$ (374,373)	\$ 86,249
KML, Inc. allocation 49.9% - Production Consulting (see note 6)	\$ (289,455)	
DLMI, Inc. Net Income (Loss)	\$ (84,917)	

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Stockholders' Equity (Deficit)

	<u>Authorized</u>	<u>Common Stock Issued</u>	<u>Amount</u>	<u>Paid in Capital</u>	<u>Equity (Deficit)</u>
Balance 12/31/2016	100,000,000	1,616,019	\$ -	\$ -	\$ 15,374
Prior Period Adjustment					\$ 3,119
1*Acquisition of Production Consulting					\$ 9,786,989
Capital Adjustment KML, Inc. -Note 6					\$ (4,546,479)
Net Operating Income (Loss)					\$ (374,373)
Contributions					\$ -
Withdrawals					\$ (84,282)
December 31, 2017	100,000,000	1,616,019	-		\$ 4,800,348

	<u>Authorized</u>	<u>Common Stock Issued</u>	<u>Amount</u>	<u>Paid in Capital</u>	<u>Equity (Deficit)</u>
Balance 12/31/2015	100,000,000		\$ -	\$ -	
2*Reverse Stock Split		616,019			
3*Acquisition of Tioga Industries, LLC		1,000,000	\$ 2,616		\$ 2,616
Net Operating Income (Loss)					\$ 86,249
Contributions / Withdrawals Net				\$ 28,244	\$ (73,491)
Balance 12/31/2016	100,000,000	1,616,019	\$ -	\$ -	\$ 15,374

1*50.1% of Production Consulting, LLC was acquired on December 9, 2017. The 50.1% owner, Jerry Morrell, was issued 3,000,000 shares of restricted common stock on 2-21-2018 and will included in the first quarter report capital section (see note 6).

2* 170-for-1 reverse split approved by FINRA on November 2, 2016. No shareholder was reduced below 100 shares. Stockholder Emil Sciarretta owed 57,962,465 shares before the split that were issued on 8-2-2016. The share ownership by Sciarretta after the 170-for-1 split was 340,956 shares.

3* Emil Sciarretta was issued 1,000,000 shares of restricted common stock for the acquisition of Tioga Industries, LLC. This stock was issued on 6-9-2017 which was after the 170-for-1 reverse stock split. After the acquisition, Emil Sciarretta owns 1,340,956 shares.

The company has previously authorized 50,000,000 shares of preferred stock. No preferred stock has been issued to date.

DIAMOND LAKE MINERALS, INC.
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Statement of Cash Flows

	Twelve Months Ended 12/31/2017	Twelve Months Ended 12/31/2016
CASHFLOW		
Net Income (Loss)	\$ (374,373)	\$ 86,249
Adjustments:		
Net Contributions and (withdrawals)	\$ 9,610,489	\$ (73,491)
Depreciation	\$ 2,069	\$ 1,875
Cash flow from operating accounts	\$ (170,260)	\$ (117,920)
Cash flow from investing activities	\$ (9,116,060)	\$ (74,542)
Cash flow from investing activities	\$ (7,460)	\$ 49,969
Capital Adjustment	\$ 94,338	\$ -
Net increase (decrease) in cash	\$ 38,743	\$ (127,860)
Cash at the beginning of the period	\$ 14,810	\$ 142,670
Cash at the end of the period	\$ 53,552	\$ 14,810

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Notes to the Financial Statement
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Note 1 - History and Accounting Methods:

a. Organization

Diamond Lake Minerals, Inc. (the Company) was incorporated in the State of Utah on January 5, 1954 under the name of G & L Equipment Co., Inc. It later changed its name to G & L Energy, Inc. on August 10, 1982. The Company operated as a Yamaha motorcycle dealership and ceased doing business in 1983. All assets and liabilities were liquidated by 1985 and the Company became inactive.

On November 30, 1993, the Company acquired all of the issued and outstanding stock of Graphite Mountain, Inc. (an Ontario, Canada corporation) ("Graphite") in exchange for 16,812,000 of the Company's common stock. Graphite was formed on November 1, 1990 and changed its name to Diamond Lake Minerals, Inc. The acquisition of Graphite Mountain, Inc. was recorded as a recapitalization of Graphite Mountain, Inc. whereby the acquired company is treated as the surviving entity for accounting purposes.

In and around 2000, the Company ceased operations and began seeking out merger candidates. On May 2, 2013, Crystal Creek Capital, LLC ("Crystal") instituted legal proceedings, resulting in a change of control, after which time the Company began looking for a new business purpose or opportunity.

On July 1, 2016, the Company effected a change of control and new officers and directors were appointed on August 16, 2016. In November 2016, the Company acquired 100% of the membership interests in Tioga Industries, LLC, a Washington State entity whose business operations consists of contract sales of aggregates and scoria, and custom crushing of the same for the oil and gas industry and general construction projects, primarily in the states of North Dakota, Montana and Washington.

On December 2017, DLMI acquired 50.1% of Production Consulting, LLC as a subsidiary. Production Consulting is a land development business. On February 1, 2018, Production Consulting acquired certain assets of Golden Developing through a company known as J26 Advisors, LLC, which is a glass installation business (a subsequent event). J26 Advisors, LLC sole LLC member is Production Consulting, LLC.

b. Accounting Method

The Company's financial statements are prepared using the accrual method of accounting. The company has adopted a calendar year end.

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Notes to financial statement continued:

c. Cash Equivalents

The company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

d. Principles of Consolidation

The operations of Diamond Lake Minerals, Inc. consists of consolidating DLMI with its subsidiaries - Tioga Industries, LLC and Production Consulting, LLC. See note 6 for more information.

Note 2 - Operations

There were no operations in 2016 outside those of Tioga Industries LLC. In December 2017, Production Consulting, LLC was acquired and its operations are now consolidated with Tioga Industries. A subsequent event, on February 1, 2018, Production Consulting, LLC acquired J26 Advisors, LLC, a glass installation company located in Phoenix, Arizona.

Note 3 - Subsequent Events

a. The Company has evaluated subsequent events through 3-31-2018, the date which the financial statements were available to be issued, and noted the following material changes.

On February 22, 2018, Jerry Morrell, board member, Chief Executive Officer (CEO) and Vice President, was issued 3,000,000 Shares of restricted common stock as the last step to the purchase of 50.1 %Production Consulting LLC.

The director and management stock ownership after this transfer is as follows:

	<u>Board</u>	<u>Executive Title</u>	<u>Shares Owned</u>
Jerry Morrell	Director	CEO / VP	3,000,000
Emil Sciarretta	Director	President	1,340,956
William Michael Reynolds	Chairman	COO	0

On February 1, 2018, Production Consulting LLC purchased a glass installation company from Golden Developing. The newly acquired company is J26 Advisors, LLC, which is a wholly owned subsidiary of Production Consulting, LLC. The purchase price was \$150,000 of which \$125,000 was paid in cash and the balance of \$25,000 is a note to the seller.

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Notes to financial statement continued:

Note 4 - Original change in majority stockholder and new President and Director.

In July 2016, the former majority shareholder sold all owned shares to Emil Sciarretta. The number of shares purchased was 57,962,465. Emil Sciarretta became the Company's President and Director.

During the last quarter of 2016, the Company effected a reduction of all issued and outstanding shares of its common stock in the Company at a ratio of 1 new share for 170 shares of old common stock. No Shareholder received less than 100 shares of new common stock regardless of the number of old shares actually owned by such shareholder. After the 170-for-1 reverse split, the shares owned by Emil Sciarretta was 340,956.

Note 5 - Acquisition of Tioga Industries LLC

An acquisition was completed in the 4th quarter of 2016 of Tioga Industries LLC, which was owned by Emil Sciarretta, the Company's majority shareholder, President & Director. This company was involved in the oil, mining, construction and related industries. The business is now a consulting business to the mining and construction industries. The company is headquartered in Mukilteo, WA.

The acquisition of Tioga Industries, LLC was completed on November 18, 2016. The Tioga Members assigned 100% of their issued and outstanding membership interests of Tioga in exchange for 1,000,000 (One Million) restricted shares of Diamond Lake's common stock, par value \$.001 per share, post split following the 170-for-1 reverse split approved by FINRA on November 2, 2016. After the acquisition of Tioga, Emil Sciarretta owns 1,340,956 shares of restricted common stock.

Emil Sciarretta remains the President and a member of the Board of Diamond Lake Minerals, Inc.

Note 6 - Acquisition of Production Consulting, LLC

An acquisition was completed on December 9, 2017 of Production Consulting, LLC. The Production Consulting Members assigned 50.1% of their issued and outstanding membership interests of Production Consulting in exchange for 3,000,000 (Three Million) restricted shares of Diamond Lake's common stock, par value \$.001 per share. Only the ownership of Jerry Morrell was acquired.

Jerry Morrell became the new Chief Executive Officer of Diamond Lake Minerals Inc. on December 9, 2017 and continues as Vice President and a member of the Board of Directors of the Company.

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Note 6 - Acquisition of Production Consulting, LLC - Continued

The assets of Production Consulting, LLC acquired by DMLI on December 9, 2017:

	<u>12/31/2017</u>
Assets:	
Cash	\$ 15,471
Accounts Receivable	\$ 30,340
Other Short Term Assets	\$ -
Total Current Assets	<u>\$ 45,812</u>
Fixed Assets	
1132 Plateau	\$ 28,684
1213 Big Cedar Way	\$ 162,037
1316 Muckle Trail	\$ 228,369
1438 Plateau	\$ 307,500
3901 Bar 11 Dr	\$ 228,209
3950 Bitterroot	\$ 7,578
Bar 11 Subdivision Construction	
Annexation	\$ 687,161
Easement	\$ 20,000
Engineering	\$ 490,617
Environmental Quality	\$ 37,140
Equipment GPS-Software	\$ 26,768
Road Construction-Water Lines	\$ 586,374
Roads	\$ 125,000
Water Lines-Fire Hydrants	\$ 570,078
Bar 11 Subdivision Construction	<u>\$ 1,374,445</u>
Total Bar 11 Subdivision Construction	\$ 3,917,584
Easements, Bar 11	\$ 10,000
Furniture and Equipment	\$ 3,090
Land	\$ 1,271,010
PCS Office 1412 Plateau	\$ 55,814
PCS Shop 1412 Sagebrush	\$ 30,027
Phase I and II Adjustment	<u>\$ 2,800,000</u>
Total Fixed Assets	<u>\$ 9,049,903</u>
Other Assets:	
Chevrolet Truck	\$ 45,000
Total Assets	<u>\$ 9,140,714</u>

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Note 6 - Acquisition of Production Consulting, LLC - Continued

The assets are valued at cost except for the Phase I and II Adjustment, which is valued based on an appraisal of the underlying land. The appraisal was completed during the summer of 2017.

The assets are held for resale and are not currently being depreciated.

The liabilities of Production Consulting, LLC:

	12/31/2017
Current Liabilities:	
Accounts Payable	\$ 4,618
Accrued Expenses	\$ -
Sales Tax	\$ -
FIB Loan	\$ 24,915
Total Current Liabilities	<u>\$ 29,533</u>
Other Debt	\$ -
Total Liabilities	<u>\$ 29,533</u>
The Equity Position of Production Consulting LLC:	
Retained Earnings	\$ (85,498)
Contributions:	
Equity - Land Value	\$ 2,800,000
Jerry Morrell Equity	\$ 181,755
KML Inc. Equity	\$ 6,794,996
Withdrawals	\$ -
Operating Profit (Loss)	<u>\$ (580,071)</u>
Total Liabilities and Stockholders' Equity (Deficit)	\$ 9,140,714

The equity position are defined as follows:

Equity - Land Value - is based on an appraisal completed during the summer of 2017 that values the underlying land at market value. The "Jerry Morrell Equity" is the cash contributions to the company. "KML Inc. Equity" is the cash contributions of the other member in the project.

Production Consulting, LLC owns and operates a development property 15 miles outside of Billings, Montana. The development includes roads, utilities and other improvements. The development will sell lots and will also build homes to suit for resale on lots within the development.

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Note 6 - Acquisition of Production Consulting, LLC - Continued

Jerry Morrell owned 50.1% of Production Consulting, LLC and KML, Inc. still owns 49.9% of Production Consulting, LLC. Jerry Morrell sold his 50.1% controlling interest in Production Consulting, LLC to Diamond Lake Minerals, LLC.

KML, Inc. will withdraw its capital contributions as the developed lots and finished homes sell. The agreed upon arrangement between Production Consulting, LLC and KML, Inc. is to split the profits and losses from the Montana development 51.1% to Production Consulting, LLC and 49.9% to KML, Inc.

An consolidation offset liability has been added to the balance sheet to account for this agreed upon financial arrangement between Production Consulting, LLC and KML, Inc. An additional entry has been to the income statement to clarify the allocations of the profits and losses.

Note 7: Officers and Directors that are common stockholders.

William Michael Reynolds

William Michael Reynolds is Board Chairman and the Chief Operating Officer of the company. His duties and responsibilities are forward-thinking strategic planning to increase revenue while tuck-in acquisitions will be designed to create shareholder equity value which will ultimately drive stock performance.

Jerry Morrell

Jerry Morrell is the Chief Executive Office, Vice President and Board of Director member of DLMI. Jerry is responsible for the direct operations of the Production Consulting, which is development company located in Billings, Montana. This is approximately a 250 acre housing development which includes building lots, lots available for build to suit and lots with homes already built for resale. The development includes all utilities and road improvements.

Emil Sciarretta

Emil Sciarretta is a board member and President of the Company. His duties are to oversee all operations, including mergers and acquisitions, funding, new business opportunities, and to assure that the company continues to be strong and viable for it's stockholders.

Emil Sciarretta founded Tioga Industries in 2011, as a sand and gravel business to supply material for the Bakken Oil play in North Dakota. The company enjoyed a successful five years, supplying gravel products to contractors and oil companies to contractors and oil companies to build well site. The company had multiple gravel operations throughout the Bakken providing road base and other custom crushed products.

Once the boom was over in 2016, Emil moved back to the Seattle area where he works as a consultant in the industry.

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Consolidation Supplement

	Diamond Lake	Tioga Industries	12/31/2017 Production Consulting	Consolidated
Cash		\$ 38,081	\$ 15,471	\$ 53,552
Accounts Receivable		\$ 166,116	\$ 30,340	\$ 196,456
Other		\$ -	\$ -	\$ -
				\$ -
Total Current Assets	\$ -	\$ 204,197	\$ 45,812	\$ 250,008
Fixed Assets		\$ 1,954	\$ 9,049,903	\$ 9,051,857
				\$ -
Other Assets		\$ 95,699	\$ 45,000	\$ 140,699
				\$ -
Total Assets	\$ -	\$ 301,850	\$ 9,140,714	\$ 9,442,564
Current Liabilities:				
Accounts Payable		\$ 41,198	\$ 4,618	\$ 45,816
Accrued Expenses		\$ -	\$ -	\$ -
Taxes Due	\$ -	\$ 205	\$ -	\$ 205
Operating Lines		\$ 24,802	\$ 24,915	\$ 49,716
				\$ -
Total Current Liabilities	\$ -	\$ 66,204	\$ 29,533	\$ 95,737
Liability to KML, Inc.	\$ -	\$ 0	\$ 4,546,479	\$ 4,546,479
Total Liabilities	\$ -	\$ 66,204	\$ 4,576,012	\$ 4,642,217
Stockholder Equity:				
Retained Earnings	\$ -	\$ 187,721	\$ 2,500	\$ 190,221
Acquisition			\$ 9,688,752	\$ 9,688,752
KML, Inc.			\$ (4,546,479)	\$ (4,546,479)
Contributions/Withdrawals		\$ (157,773)	\$ -	\$ (157,773)
Net Income (Loss)		\$ 205,698	\$ (580,071)	\$ (374,373)
Total Liabilities and Stockholders' Equity (Deficit)	\$ -	\$ 301,850	\$ 9,140,714	\$ 9,442,564

Diamond Lake Minerals, Inc.
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Consolidation Supplement

	For the Period ended 12/31/2017			
	Diamond Lake	Tioga Industries	Production Consulting	Consolidated
Income	\$ -	\$ 258,465	\$ (147,316)	\$ 111,149
Expenses	\$ -	\$ 50,699	\$ 432,754	\$ 483,453
Operating Income	\$ -	\$ 207,766	\$ (580,071)	\$ (372,304)
Interest Earned	\$ -	\$ 1		\$ 1
Depreciation	\$ -	\$ (2,069)		\$ (2,069)
Miscellaneous	\$ -	\$ -		\$ -
Total Other Income and Expenses	\$ -	\$ (2,068)		\$ (2,068)
Consolidated Total Net Income (Loss)	\$ -	\$ 205,698	\$ (580,071)	\$ (374,373)

<u>Expenses Detail:</u>	<u>Diamond</u>	<u>Tioga</u>	<u>Production</u>	<u>Consolidated</u>
Advertising			\$ 2,278	\$ 2,278
Auto		\$ 1,765	\$ 19,647	\$ 21,413
Bank Charges		\$ 833	\$ 861	\$ 1,694
Commission and Fees/Consulting		\$ 17,554	\$ 23,564	\$ 41,118
Insurance		\$ 3,140	\$ 94,416	\$ 97,556
Interest Expense		\$ 717	\$ 641	\$ 1,358
Professional fees		\$ 3,933	\$ 35,433	\$ 39,365
Payroll Expenses			\$ 181,475	\$ 181,475
Office Expense		\$ 4,843		\$ 4,843
Professional Services - Bookkeeping		\$ 7,025	\$ 7,110	\$ 14,135
Repairs and Maintenance			\$ 23,002	\$ 23,002
Utilities			\$ 15,350	\$ 15,350
Taxes			\$ 4,906	\$ 4,906
Telephone		\$ 3,918	\$ 3,918	\$ 7,836
Travel		\$ 6,193	\$ 793	\$ 6,986
Other Expenses		\$ 780	\$ 19,360	\$ 20,140
				\$ -
Expenses	\$ -	\$ 50,699	\$ 432,754	\$ 483,453