Whiteknight Acquisitions II Inc.
(A Capital Pool Company)

Financial Statements

May 31, 2013

Management's Responsibility for Financial Statements

The accompanying financial statements of Whiteknight Acquisitions II Inc. (A Capital Pool Company) were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 2 to the financial statements.

Management has established processes which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the period presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the period presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

signed: ***"J Murray Souter"***

President and Chief Executive Officer

Toronto, Canada
September 30, 2013

MNP LLP

Independent Auditor's Report

To the Shareholders of
Whiteknight Acquisitions II Inc.
(A Capital Pool Company)

Report on the Financial Statements

We have audited the accompanying financial statements of Whiteknight Acquisitions II Inc., which comprise the statement of financial position as at May 31, 2013, and the statement of comprehensive loss, statement of changes in equity and statement of cash flows for the year ended May 31, 2013 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Whiteknight Acquisitions II Inc. as at May 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matters

The financial statements of Whiteknight Acquisitions II Inc. as at May 31, 2012 and for the period from June 30, 2011 (date if incorporation) to May 31, 2012 were audited by MSCM LLP of Toronto, Canada, prior to its merger with MNP LLP. MSCM LLP expressed an opinion without reservation on those statements in their audit report dated September 26, 2012.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
September 30, 2013

Statements of Financial Position

		May 31, 2013		May 31 2012
Assets				
Current assets				
Cash held in trust (*note 3*)	**$**	**462,726**	$	680,568
Loan receivable (*note 9*)		**25,000**		-
		487,726		680,568
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**10,719**	$	18,700
Shareholders' equity				
Share capital *(note 4)*		**688,910**		688,910
Reserves *(note 4 and 5)*		**100,000**		100,000
Deficit		**(311,903)**		(127,042)
		477,007		661,868
	$	**487,726**	$	680,568

Nature of Operations *(note 1)*

Subsequent Events (*note 9*)

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

Approved by the Board

Signed: "J Murray Souter"

Director

Signed: "Keith Raymond Harris"

Director

Statements of Comprehensive loss

	For the year ended May 31, 2013	For the period from June 30, 2011 (date of incorporation) to May 31, 2012
Expenses		
Professional fees	**$ 157,956**	$ 27,861
Filing fees	**23,449**	19,181
Travel expense	**3,456**	-
Stock-based compensation *(note 4)*	**-**	80,000
Net loss and comprehensive loss for the period	**$ (184,861)**	**$ (127,042)**
Loss per share - basic and diluted	**$ (0.03)**	**$ (0.04)**
Weighted average shares outstanding	**5,324,000**	**3,027,430**

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

Statements of Changes in Equity

	Share Capital		Reserves			
	Number of shares	**Amount**	**Warrants**	**Options**	**Deficit**	**Total**
Balance, June 30, 2011 (date of incorporation)	**-**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Issuance of common shares	5,324,000	834,800	-	-	-	834,800
Share issue costs - cash	-	(125,890)	-	-	-	(125,890)
Share issue costs - warrants	-	(20,000)	20,000	-	-	-
Issuance of stock options	-	-	-	80,000	-	80,000
Comprehensive loss for the period	-	-	-	-	(127,042)	(127,042)
Balance, May 31, 2012	5,324,000	**$ 688,910**	**$ 20,000**	**$ 80,000**	**$ (127,042)**	**$ 661,868**
Comprehensive loss for the year	-	-	-	-	(184,861)	(184,861)
Balance, May 31, 2013	**5,324,000**	**$ 688,910**	**$ 20,000**	**$ 80,000**	**$ (311,903)**	**$ 477,007**

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

Statements of Cash Flows

	For the year ended May 31, 2013	For the period from June 30, 2011 (date of incorporation) to May 31, 2012
Cash flow from operating activities		
Net loss for the period	**$ (184,861)**	$ (127,042)
Items not affecting cash		
Stock-based compensation	**-**	80,000
Net change in non-cash working capital		
(Decrease) increase in accounts payable and accrued liabilities	**(7,981)**	18,700
	(192,842)	(28,342)
Cash flow from financing activities		
Proceeds from issuance of shares	**-**	834,800
Share issuance costs	**-**	(125,890)
Cash held in trust	**217,842**	(680,568)
Increase in loan receivable	**(25,000)**	-
	192,842	28,342
Net change in cash	**-**	-
Cash, beginning of period	**-**	-
Cash, end of period	**$ -**	$ -

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

1. Nature of Operations

Whiteknight Acquisitions II Inc. (the "Company") (A Capital Pool Company) was incorporated pursuant to the provisions of the Business Company Act of Ontario on June 30, 2011.

The Company is classified as a Capital Pool Company as defined pursuant to Policy 2.4 of the TSX Venture Exchange ("TSX Venture"). The Company's principal purpose is the identification and evaluation of assets or businesses with a view to acquisition or participation therein subject, in certain cases, to shareholders' approval and acceptance by the TSX Venture.

The Company's continuing operations are dependent upon its ability to identify, evaluate and negotiate an agreement to acquire an interest in a material asset or business within twenty-four months of listing on the TSX Venture. Where an acquisition or participation (the "Qualifying Transaction) is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. The Company completed its Qualifying Transaction on September 24, 2013 (note 3).

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company's head office and registered records office address is 320 Bay Street, Suite 1600, Toronto, Ontario, Canada M5H 4A6.

These financial statements were authorized for issue by the Board of Directors on September 30, 2013.

2. Summary of Significant Accounting Policies

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

2. Summary of Significant Accounting Policies - continued

Use of Estimates and Judgment

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Income taxes

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

2. Summary of Significant Accounting Policies - continued

Stock-based Compensation

Equity-settled share based payments for directors, officers, employees, and consultants are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares that will eventually vest. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share based instruments.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - this category comprises derivatives, or assets acquired principally for the purpose of being resold in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Loans and receivables - these assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - these assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of comprehensive loss.

Available-for-sale - non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described above.

The Company has classified its cash held in trust as financial assets at fair value through profit and loss and its loan receivable as loans and receivables.

2. Summary of Significant Accounting Policies - continued

Financial instruments - continued

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - this category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Other financial liabilities - This category includes accounts payables and accrued liabilities, which is recognized at amortized cost.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of May 31, 2013, cash held in trust is measured at fair value and is classified within Level 1 of the fair value hierarchy on the statement of financial position.

Accounting standards issued but not yet applied

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. In the current circumstances, it does not expect any of these to have a material impact on the financial statements.

3. Cash Held in Trust

The proceeds raised from the issuance of capital stock may only be used to identify and evaluate assets or businesses for future investments, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Company or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenditures of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the TSX Venture. The cash is currently held in trust by the Company's law firm.

4. Share Capital

Authorized

Unlimited Common shares

Issued and Outstanding

5,324,000

On September 12, 2011 the Company issued 2,300,000 common shares, at a price of $0.10 per share, for gross proceeds of $230,000. On October 26, 2011 the Company issued 1,095,000 common shares, at a price of $0.20 per share, for gross proceeds of $219,000.

The Company incurred share issue costs, directly related to the September 12, 2011 and October 26, 2011 common share issuances, in the amount of $5,805.

Initial Public Offering ("IPO")

On March 2, 2012 the Company completed its IPO for the issuance of 1,929,000 common shares at a price of $0.20 per share for gross proceeds of $385,800.

The Company incurred share issue costs directly related to the IPO of $120,085 and also issued 192,900 warrants to the brokers at an exercise price of $0.20 per share exercisable for a period of 2 years. The fair value of $20,000 was assigned to the warrants using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk-free rate of return of 1.11% and an expected maturity of 2 years.

Escrow Shares

Subject to an Escrow Agreement pursuant to the requirements of the TSX Venture, the 2,300,000 common shares issued on September 12, 2011 will be held in escrow. Under the terms of the Escrow Agreement, these shares will be released as to 10% thereof on the completion of the Company's Qualifying Transaction, as defined in the policies of the TSX Venture, and as to 15% thereof on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction must also be deposited in escrow until the Final Exchange Bulletin is issued.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the TSX Venture, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be escrowed.

5. Stock Options

The Company established a stock option plan for its officers, directors and technical consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company.

The Company records a charge to the statement of comprehensive loss using the Black-Scholes fair valuation option pricing model. The valuation is dependent on a number of estimates, including the risk free interest rate, the level of stock volatility, together with an estimate of the level of forfeiture. The level of stock volatility is calculated with reference to the historic traded daily closing share price at the date of issue.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

The following table reflects the continuity of stock options for the year ended May 31, 2013:

	Number of Options	Average Exercise Price
Balance June 30, 2011	-	$ -
Granted	532,400	0.20
Balance May 31, 2013 and 2012	532,400	$ 0.20

On March 2, 2012, 532,400 stock options were granted to directors and officers at an exercise price of $0.20 per share expiring on March 2, 2017. The options vested immediately. A value of $80,000 was assigned to the options using the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%; expected volatility - 100%; risk-free interest rate - 1.33% and an expected life of 5 years. The weighted average fair value of options granted is $0.15.

The following table reflects the actual stock options issued and outstanding as of May 31, 2013:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
March 2, 2017	$0.20	3.76	532,400	532,400	-

6. Income Taxes

A reconciliation of combined federal and provincial corporate income taxes at statutory rates to the Company's effective income tax expense is as follows:

	For the year ended May 31, 2013	For the period from June 30, 2011 (date of incorporation) to May 31, 2012
Net loss for the period	**$ (184,861)**	$ (127,042)
Expected income tax recovery	**$ (48,990)**	$ (34,301)
Permanent differences	**-**	(17,790)
Tax rate changes and other adjustments	**(2,890)**	3,859
Deferred tax assets not recognized	**51,880**	48,232
Income tax recovery	**$ -**	$ -

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred income tax assets have not been recognized in respect of the following items:

	May 31, 2013	May 31, 2012
Non-capital loss carry forward	**$ 296,260**	$ 116,712
Undeducted share issue costs	**$ 87,530**	$ 76,220

The non-capital losses can be carried forward twenty years to be applied against future taxable income, with $76,220 expiring in 2032 and $214,040 expiring in 2033. Share issue costs expire from 2013 to 2016. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which Company can utilize the benefits therefrom.

7. Financial Instruments

Fair Values

At May 31, 2013, the Company's financial instruments consist of cash held in trust, loan receivable and accounts payable and accrued liabilities. The fair value of loan receivable and accounts payable and accrued liabilities approximates its carrying value due to the relatively short-term maturity of this instrument.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash held in trust. $462,726 is held within a law firm's trust account.

Interest Rate Risk

The Company is not exposed to any significant interest rate risk.

8. Capital Management

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

9. Subsequent events

On September 24, 2013 the Company announced that it closed its Qualifying Transaction involving the exchange of all of the issued and outstanding securities of Diamond Estates Wines & Spirits Ltd. (“Diamond”), for securities of the Company. Pursuant to the Qualifying Transaction, the Company issued 26,256,671 common shares and 399,973 share purchase warrants in exchange for all of the issued and outstanding securities of Diamond. The Company has also changed its name to “Diamond Estates Wines & Spirits Inc.”

Prior to closing of the Qualifying Transaction, Diamond completed a private placement of 41,756,060 subscription receipts for gross proceeds of $8,351,212.

The Company had previously advanced $25,000 to Diamond which has been recorded on the statement of financial postion as a loan receivable as at May 31, 2013.