

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

BROOKMOUNT EXPLORATIONS INC  
Form 10KSB  
June 23, 2003

37

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-KSB

(x) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES ACT OF  
1934 (FEE REQUIRED)  
For the fiscal year ended November 30, 2002  
-----

( ) TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 (NO FEE REQUIRED)  
For the transaction period from to  
  
Commission File number 0-26709  
-----

BROOKMOUNT EXPLORATIONS INC.  
-----

(Exact name of Company as specified in charter)

Nevada  
-----

98-0201259  
-----

State or other jurisdiction of incorporation  
or organization

(I.R.S. Employee I.D. No.)

118 - 3420 Bell Avenue  
Burnaby, British Columbia, Canada  
-----

V3J 1M7  
-----

(Address of principal executive offices)

(Zip Code)

Issuer's telephone number, including area code

604-308-6152  
-----

Securities registered pursuant to section 12 (b) of the Act:

Title of each share  
None  
-----

Name of each exchange on which registered  
None  
-----

Securities registered pursuant to Section 12 (g) of the Act:

None  
-----

(Title of Class)

Check whether the Issuer (1) filed all reports required to be filed by section  
13 or 15 (d) of the Exchange Act during the past 12 months (or for a shorter  
period that the Company was required to file such reports), and (2) has been  
subject to such filing requirements for the past 90 days.

(1) Yes [X] No [ ] (2) Yes [X] No [ ]

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of the Company's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

State issuer's revenues for its most recent fiscal year: \$ -0-  
-----

-1-

State the aggregate market value of the voting stock held by nonaffiliates of the Company. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specific date within the past 60 days.

As at November 30, 2002, the aggregate market value of the voting stock held by nonaffiliates is undeterminable and is considered to be \$0.

(THE COMPANY INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE LAST FIVE YEARS)

Not applicable

(APPLICABLE ONLY TO CORPORATE COMPANIES)

As of November 30, 2002, the Company has 9,282,400 shares of common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Exhibits incorporated by reference are referred under Part IV.

-2-

TABLE OF CONTENTS

PART 1	Page
-----	-----
ITEM 1.. . . .DESCRIPTION OF BUSINESS	4
ITEM 2.. . . . DESCRIPTION OF PROPERTY	9
ITEM 3.. . . . LEGAL PROCEEDINGS	13

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

ITEM 4.. . SUBMISSION OF MATTERS TO VOTE OF  
. . . . SECURITIES HOLDERS 14

PART II  
-----

ITEM 5.. . . MARKET FOR COMMON EQUITY AND  
. . . . RELATED STOCKHOLDER MATTERS 14

ITEM 6.. . . MANAGEMENT'S DISCUSSION AND ANALYSIS  
. . . . OR PLAN OF OPERATION 15

ITEM 7.. . . FINANCIAL STATEMENTS 18

ITEM 8.. . . CHANGES IN AND DISAGREEMENTS WITH  
. . . . ACCOUNTANTS ON ACCOUNTING. AND  
. . . . FINANCIAL DISCLOSURE 18

PART III  
-----

ITEM 9. . . . DIRECTORS, EXECUTIVE OFFICERS,  
. . . . PROMOTERS, AND CONTROL PERSONS,  
. . . . COMPLIANCE WITH SECTION 16 (a) OF THE  
. . . . EXCHANGE ACT 19

ITEM 10. . . . EXECUTIVE COMPENSATION 21

ITEM 11. . . . SECURITY OWNERSHIP OF CERTAIN  
. . . . BENEFICIAL OWNERS AND MANAGEMENT 22

ITEM 12. . . . CERTAIN RELATIONSHIPS AND RELATED  
. . . . TRANSACTIONS 23

PART IV  
-----

ITEM 13. . . . EXHIBITS AND REPORTS 25

SIGNATURES . . . . . 26-30

PART 1  
-----

ITEM 1. DESCRIPTION OF BUSINESS

HISTORY AND ORGANIZATION

Brookmount Explorations Inc. (the "Company"), a Nevada Corporation, was incorporated on December 9, 1999. Since inception the Company has not been in

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

bankruptcy, receivership or similar proceedings. It has not had any material reclassification, merger, consolidation, purchase or sale of a significant amount of assets not in the ordinary course of business. The Company has no subsidiaries and no affiliated companies. The Company's executive offices are located at 118 - 3420 Bell Avenue, Burnaby, British Columbia, B.C., Canada, V3J 1M7. (Telephone: 604-308-6152).

The Company's Articles of Incorporation currently provide that the Company is authorized to issue 200,000,000 shares of common stock, par value \$0.001 per share. As at November 30, 2002 there were 9,282,400 shares outstanding.

The Company is in the exploration stage and hopes to seek a quotation on the OTC Bulletin Board or the new BBX Exchange. To date it has not made an application to file the required forms with the NASD. Management cannot guarantee that the Company will ever be quoted on either of the above noted exchanges or any other exchange.

The Company is engaged in the exploration, and if warranted, the development of mineral properties. The Company presently has the mineral rights to five mineral claims called the "Brookmount" claims located in Chazel Township, Abitibi West County, Quebec.

J.G. Burns & Associates of Timmins, Ontario were retained by the Company to write a geological report on these claims. The claims are in good standing until November 14, 2004.

No ore body has been discovered on the Brookmount claim since the Company has not yet undertaken any exploration activities on the claim itself. Even with a major exploration program there is no assurance an ore body will be discovered. Presently, the Company does not have sufficient funds to undertake any further exploration activities unless it obtains funds from its directors and officers, seeks funds from a financial institution or issues shares from treasury. At the present time, the directors do not know which type of funding they will attempt to attract for the Company.

The Company has no sources of revenue either from the Brookmount claim or any other asset.

The Company will have to adhere to certain governmental regulations regarding mining when, and if, it makes a decision to develop the Brookmount claim. At present, there are few, if any, requirements during the exploration stage.

The Company does not have any full time employees and the directors and officers devote such time as is required to the affairs of the Company. Once a major exploration program commences the Company will need the officers to devote more time to the activities of the Company or it will be required to hire consultants to undertake the work.

-4-

The Company has not yet delivered any annual reports to its shareholders. Once it has obtained a quotation on either the OTCBB or BBX Exchange, which might never happen, it will hold annual general meetings and distribute certain documents, including financial statements, to shareholders of record.

Presently the Company files with the United States Securities and Exchange Commission (the "SEC") Forms 10-KSB and 10-QSB.

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

The public may read and copy any material the Company files with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C., 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The Company is on electronic files and therefore the public can review the Company's filing on the SEC Internet site that contains reports, proxy, and information statements, and other information regarding the Company. This information can be obtained by accessing the SEC website address at <http://www.sec.gov>.

The Company presently does not have an Internet address.

### PLANNED BUSINESS

### FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains statements that constitute "forward-looking statements". These statements appear in such places as "Management's Discussion and Analysis or Plan of Operation." Such statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "estimates," "will," "should," "plans" or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements as a result of various factors. These factors include the effectiveness of management's strategies and decisions, general economic and business conditions, new or modified statutory or regulatory requirements and changing metal prices and market conditions. This report identifies other factors that could cause such differences. No assurance can be given that these are all of the factors that could cause actual results to vary materially from the forward-looking statements. In addition, readers should refer to Risk Factors.

The attached financial statements are stated in United States dollars and are prepared using generally accepted accounting principles normally used in the United States of America.

### RISK FACTORS

The Company's business is subject to numerous risk factors, including the following:

#### 1. PENNY STOCK RULES

Under Rule 15g-9, a broker or dealer may not sell a "penny stock" (as defined in Rule 3a51-1) to or effect the purchase of a penny stock by any person unless:

- (1) such sale or purchase is exempt from Rule 15g-9; or
- (2) prior to the transaction the broker or dealer has (a) approved the person's account for transactions in penny stocks in accordance with Rule 15g-9 and (b) received from the person a written agreement to the transaction setting forth the identity and quantity of the penny stock to be purchased.

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

The United States Securities and Exchange Commission (the "Commission") adopted regulations that generally define a penny stock to be any equity security other than a security excluded from such definition by Rule 3a51-1. Such exemptions include, but are not limited to (a) an equity security issued by an issuer that has (i) net tangible assets of at least \$2,000,000, if such issuer has been in continuous operations for at least three years; (ii) net tangible assets of at least \$5,000,000, if such issuer has been in continuous operation for less than three years; or (iii) average revenue of at least \$6,000,000 for the preceding three years; (b) except for purposes of Section 7(b) of the Exchange Act and Rule 419, any security that has a price of \$5.00 or more; and (c) a security that is authorized or approved for authorization upon notice of issuance for quotation on the National Association of Securities Dealers ("NASD") Automated Quotation System ("NASDAQ").

It is likely the Company's common stock will be subject to the regulations on penny stocks; consequently, the market liquidity for its common stock may be adversely affected by such regulations. This, in turn, will affect shareholders ability to sell their shares.

### 2. TRADING MARKET FOR THE COMPANY'S SHARES

There is no current trading market for shares of the Company's common stock (the "Shares") and there can be no assurance that a trading market will develop, or, if such a trading market does develop, that it will be sustained. The Shares, to the extent that a market develops for the Shares at all, will likely appear in what is customarily known as the "pink sheets" or on the NASD over-the-counter Bulletin Board (the "OTCBB"), which may limit the marketability and liquidity of the Shares.

To date, neither the Company nor anyone acting on behalf of the Company has taken any affirmative steps to request or encourage any broker/dealer to act as a market maker for the Company's common stock. The Company has had no discussions or understandings, with any "market makers" regarding the participation of any such market maker in the future trading market, if any, in the Company's common stock.

### 3. POTENTIAL FUTURE RULE 144 SALES

Of the 200,000,000 shares of the Company's common stock authorized, there are presently 3,500,000 shares issued and outstanding which are "restricted securities" as that term is defined under the Securities Act of 1933, as amended (the "Securities Act"), and in the future may be sold in compliance with Rule 144 of the Act, or pursuant to a Registration Statement filed under the Act. Rule 144 provides, in essence, that a person holding restricted securities for a period of 1 year may sell those securities in unsolicited brokerage transactions or in transactions with a market maker, in an amount equal to 1% of the outstanding common stock every 3 months. Additionally, Rule 144 requires that an issuer of securities make available adequate current public information with respect to the issuer. Such information deemed available if the issuer satisfies the reporting requirements of Sections 13 or 15(d) of the Exchange Act and of Rule 15c2-11 thereunder. Rule 144 also permits, under certain circumstances, a sale of shares by a person who is not an affiliate of ours and who has satisfied a 2 year holding period without any quantity limitation and whether or not there is adequate current public information available. Investors should be aware that sales under Rule 144, or pursuant to a registration statement filed under the Securities Act, may have a depressive effect on the market price of the Company's common stock in any market that may develop for such shares.

### 4. POSSIBLE ISSUANCE OF ADDITIONAL SHARES

The Company's Certificate of Incorporation, authorizes the issuance of

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

200,000,000 shares of common stock. The Company's Board of Directors has the power to issue any or all of such additional shares without stockholder approval for such consideration as it determines. Management presently anticipates that

-6-

it may choose to issue a substantial but as yet undetermined amount of the Company's shares in connection with some form of future financing.

### 5. RISK ASSOCIATED WITH OPERATIONS IN FOREIGN COUNTRIES

The Company's business plan is to seek to acquire further mineral properties. Management's discretion is unrestricted, and the Company may participate in any acquisition of a mineral property that may in the opinion of management meet the Company's business objectives. The Company has not limited the scope of its search to a particular region or country. The Company has acquired a mineral property outside the United States and may acquire further properties outside the United States. Accordingly, by acquiring the Brookmount claim in a foreign jurisdiction, the Company's operations may be adversely affected to the extent of the existence of unstable economic, social and/or political conditions in such foreign regions and countries.

### 6. TIME SPENT BY THE OFFICERS AND DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Company's officers and directors devote only a limited amount of time to the Company's business activities. At this time it is difficult to determine the number of hours each director and officer will devote to the activities of the Company.

### 7. INEXPERIENCE OF MANAGEMENT

It is possible that due to the Company's management's inexperience in managing a public company, it will be unable to effectively manage the expansion of its operations, that its systems, procedures or controls will not be adequate to support its operations or that the Company's management will be unable to achieve the rapid execution necessary to fully exploit the market opportunity for its products and services. Any inability to manage growth effectively could hinder the Company's future success.

### 8. CONFLICT OF INTEREST

Certain officers and directors are engaged in various business ventures. Thus, there may be conflicts of interest in the allocation of time between the Company's business and such other businesses. These activities may conflict with the interests of the Company. As a result of their other interests, they may personally benefit from decisions or recommendations made with respect to the business of the Company. Whereas conflicts may arise, management is aware of its fiduciary duty to the Company and will act in good faith and endeavor on an equitable basis to resolve any conflicts which may arise, on an equitable basis.

### 9. NO DECLARATION OF DIVIDENDS SINCE INCEPTION

The Company has not paid any dividends and does not contemplate or anticipate paying any dividends on its common stock in the foreseeable future.

### 10. NO OPERATING HISTORY OR REVENUE FROM THE BROOKMOUNT CLAIM

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

The Company has had no operating history and has generated no revenues or earnings from the Brookmount claim. The Company has no significant assets or financial resources. The Company will, in all likelihood, sustain operating expenses without corresponding revenues. This may result in the Company incurring a net operating loss, which will increase continuously until the Brookmount claim proves to have an ore body and is commercially viable. There is no assurance that the Company can identify such ore body on its claim.

-7-

### 11. LACK OF DIVERSIFICATION

The Company's proposed operations, even if successful, will in all likelihood result in the Company engaging in the exploration of the Brookmount claim. Consequently, the Company's activities will be limited to those engaged in the exploration of the Brookmount claim or another property in the future it might acquire. The Company's inability to diversify its activities into a number of areas may subject the Company to economic fluctuations within the mining industry and therefore increase the risks associated with the Company's operations.

### 12. THE COMPANY'S MINERAL PROPERTY CONTAINS NO PROVEN RESERVES

The property in which the Company holds a right to minerals thereon is considered to be in the exploration stage only and does not contain a known body of commercial ore. Failure to locate ore reserves may adversely affect the economic viability of the Brookmount claim and the Company's operation.

### 13. TITLE TO THE PROPERTY

It is possible the Company's title to the Brookmount claim, in which it has the mineral rights, will be challenged by third parties.

The Company has not obtained title insurance for the Brookmount claim. It is possible that the title to the Brookmount claim may be challenged or impugned.

### 14. COMPETITION IN THE MINERAL INDUSTRY

The Company face intense competition in its industry, which may adversely affect its ability to participate in certain agreements with other parties. The mineral resources industry is intensely competitive and the Company must compete with many companies that have greater financial resources and technical facilities than itself. Significant competition exists for the limited number of mineral acquisition opportunities available in the Abitibi West County mining region of Quebec where the Brookmount claim is located. As a result of this competition, the Company's ability to acquire additional attractive mining property interests on terms it consider acceptable may be impaired.

The Company will require supplies to explore the Brookmount claim. Competition might be at a level where the Company is unable to acquire the supplies it requires when required. It might have to suspend its exploration plans if the Company does not have access to all of the supplies and materials it needs.

### 15. MINERAL PRICES FLUCTUATE BEYOND THE CONTROL OF THE COMPANY

The mining industry in general is intensely competitive and it is possible



## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

that, even if commercial quantities of mineral resources are developed, a profitable market will not exist for their sale. Factors beyond the Company's control may affect the marketability of any minerals discovered. It is possible that the price of gold will not remain stable. Significant price movements over short periods of time may be affected by numerous factors beyond the Company's control, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the U.S. dollar relative to other currencies), interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The effect of these factors on the price of minerals and therefore the economic viability of any of the Company's exploration projects cannot accurately be predicted.

-8-

### 16. ENVIRONMENTAL REGULATIONS

All phases of the Company's operations in Quebec will be subject to environmental regulations. Environmental legislation in Quebec are evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. It is possible that future changes in environmental regulation will adversely affect the Company's operations as compliance will be more burdensome and costly.

### 17. EXPLORATION WILL INVOLVE A HIGH DEGREE OF RISK

Exploration and eventually mining operations of the Brookmount claim generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or which it may not elect to insure. The payment of such liabilities may have a material, adverse effect on the Company's results of operations or financial condition, and its ability to continue as a going concern.

The Company has not spent any time or money on research and development of a product since its inception.

Regarding environmental concerns relating to the Brookmount claim as mentioned under Risk Factor 16 above, the Company does not know the cost of adhering to various environmental laws.

In addition to exploring and developing, if warranted, its mineral property, the Company plans to seek out additional mineral properties either by way of purchase, staking or joint venturing. To date, the Company does not have the funds to seek out other mineral properties and will be using any funds it obtains in the future to undertake exploration work on the Brookmount claim.

## ITEM 2. DESCRIPTION OF PROPERTY

Five claims (approximately 200 ha total or 500 acres) numbered 5245578 to 5245582 inclusive located in Lots 50 to 54, Range III, chazel Township, Abitibi West County, Quebec comprise the property. These claims were recorded 100% in the name of Brookmount on December 20, 1999, and subsequently registered on

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

February 1, 2000. Assessment work with a minimum value of \$6000.00 must be submitted to the Ministry of Mines for the Province of Quebec before November 14, 2004.

### Location of Brookmount claim

The claim lies in northwestern Quebec some 100 miles North North East from the city of Rouyn-Noranda, Quebec in NTS quadrant 32 D/15 and is easily accessible by gravel and logging roads.

### History of the Brookmount mining area

Chazel Township and general area have been prospected and explored since the early 1900s. Gold was originally the main commodity sought, but interest in base metals increased following the discovery in 1922 of the Oditan Copper-Zinc occurrence in Lot 40, Range IV, Chazel Township and in 1925 of the Normetal Copper-Zinc-Silver-Gold deposit in Lots 43 and 44, Range X, Desmeloizes Township some 25 miles to the west. Exploration for Copper-Nickel and asbestos deposits

-9-

was undertaken in the 1970s but since the 1980s the major emphasis once again shifted to gold.

### Past Exploration of the Brookmount claim

Summaries for work conducted on properties now overlain by the Brookmount claim is as follows.

#### 1973-1975: Dome Explorations (Canada) Limited ["Dome"]

Dome's 41 full lot claims in Ranges III and IV in Chazel and Dission Townships included the present Brookmount property, and were staked to cover several anomalies defined by an airborne electromagnetic survey contracted by the Quebec government in 1972. Ground magnetic and horizontal loop electromagnetic (HLEM) surveys conducted in 1973 over Lots 42 to 47, Range III Chazel Township defined a strong 3/10 miles long HLEM anomaly with a low but precise magnetic correlation. Hole 60C-1, drilled in 1974 in Lot 45 Range III to a depth of 100 yards, tested the anomaly and cored mafic and felsic tuff and lapilli tuff. A 5.3 yards section of mafic tuff with minor graphite and mineralized with 10% pyrite as massive bands and rounded blebs assayed 0.08% Copper.

An HLEM survey conducted over the remainder of the property in 1975 defined a strong, long, formational conductor in Range IV as well as four shorter anomalies some 220 yards south of the former. Two of the shorter anomalies lie within the Brookmount claims in Lots 50 to 52 and 53 and 54 respectively, and are situated about 220 to 275 yards south of the north boundary. Drill testing was recommended for both conductors but there are no records to indicate that either were ever drilled.

#### 1986-1987: Resources Macamic Inc. ["Macamic"]

Macamic held a contiguous, irregularly shaped block of 97 claims in Ranges III to VII Chazel Township and Ranges III and IV Dission Township. Both the present Brookmount claims and the Oditan occurrence were included within their property limits.

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

The property was acquired as a gold project. Work conducted in 1986 included induced polarization (IP), HLEM, magnetic and geological surveys. Nine short lines of IP (dipole-dipole configuration) scattered about the property were surveyed. On one line, 32 E, which extended from the north onto the Brookmount property in Lot 52, a well defined anomaly coincident with an HLEM conductor (Dome survey) was detected. The anomaly was recommended as a first priority drill target.

Macamic's magnetic and HLEM surveys covered the Brookmount property, and two HLEM anomalies, numbers 68 and 69, were defined within it. Anomaly 68 extends for over 880 yards across Lots 48 to 52, shows weak magnetic correlation and corresponds in form to the Dome anomaly. It was rated a first priority target. Anomaly 69 in Lots 54 and 55 was considered to be an extension of 68 and was rated a second priority target.

No outcrops were noted on the Brookmount property during the course of the Macamic geological survey. The closest outcrops (of sericitic felsic tuff) are located in Lots 55 and 56 along the Range III/IV line.

Duration Mines Limited optioned Macamic's property in 1987 and drilled seven holes totalling 0.7 miles. Neither the IP anomaly nor HLEM anomalies # 68 and # 69 mentioned above were tested. In fact, no hole was located on the current Brookmount claims but three, numbered CM-87-01 (0.098 miles), 02 (0.14 miles) & 03 (0.051 miles), were in close proximity to the east in Range III. CM-87-02, located in the north part of Lot 58, Range III, Chazel Township, tested an HLEM anomaly on strike with those on the Brookmount property. A steeply north dipping (75 to 85 ), north facing sequence of felsic ash tuff, tuff and lapilli tuff was cored. Normally, there were less than 2% sulphides throughout the hole but a 1.7 yards section from 199.1 to 200.6 was mineralized

-10-

with 60% pyrite and pyrrhotite plus minor graphite. There were no assays of significance.

Holes CM-87-01 (Lot 2, Range III, Dission Township) and CM-87-03 (Lot 60, Range III, Chazel Township) tested EM anomalies in the central portions of the respective lots/claims. In CM-87-01 tuff units of intermediate to felsic composition, greywacke and argillite were the main units cored. The tuff unit between 124 and 219 yards contained trace to 10% sulphides. Graphitic zones between 136 and 146 yards corresponded to the EM conductors. No significant assays were reported.

Holed CM-87-03 cut felsic to intermediate tuffaceous units. Numerous pyritic graphite bands were intersected from 59 to 84 yards. No significant assays were reported.

1991-1992: BHP-Utah Mines Ltd./ BHP Minerals Canada Ltd. ["BHP"]

In 1991/92 BHP held a contiguous block of 149 claims Ranges II and III Chazel Township and in Ranges II, III and IV Dission Township. The property was part of an ongoing gold project, originally initiated in 1984 in Ligneris Township to the east, to assess the mineral potential of the Authier Fault/Break.

In 1991 geological mapping, a humus soil geochemical survey as well as magnetic, VLF, HLEM and multi frequency GEOPROBE geophysical surveys were undertaken although results for the geophysical surveys were not submitted for

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

assessment credit. Sixty-six claims were mapped in detail on 220 yards spaced lines.

From this mapping and a compilation of previous work it was determined that

- a. the Authier Fault is associated with the contact between sedimentary rocks to the south and volcanogenic units to the north,
- b. the contact is further south than previously indicated,
- c. the main break of the Authier Fault crosses Range II,
- d. the fault is a ductile shear with a late brittle phase and
- e. the fault has an anastomosing anatomy with individual splays varying from less than 11 yards to 220 yards in width.

With respect to the current Brookmount claims the underlying rock units were construed to be mainly tuff, crystal tuff and lapilli tuff. Furthermore, a splay from the Authier Fault was interpreted to pass in a general northwesterly direction through the southern portion of the claims.

The humus soil geochemical survey also covered the Brookmount claims and consisted of 1640 samples total. Samples were analysed for gold plus a package of 34 elements by INAA (instrumental neutron activation analysis). Most (90%) of the samples assayed less than 10 part per billion gold ("ppb"), but thresholds levels of 30 ppb gold (anomalous) and 70 ppb gold (strongly anomalous) were determined. Two strongly anomalous results were reported for samples in Lots 47 and 48, Range III, Chazel Township. Results and observations for the other elements were minimal.

A seven hole, 2170 m drill program was conducted in 1992. Two holes, numbered AT-40-92 and AT-43-92, were located just to the east of the Brookmount property in Lots 48 and 47 respectively. Neither hole tested the HLEM anomaly first identified by Dome and confirmed by Micamic. Hole AT-40-92 was drilled to 0.19 miles and tested coincident Maxmin and gold in humus (158 ppb) anomalies.

-11-

Sedimentary units interbedded with fine grained tuff, crystal tuff and lapilli tuff were the principal units cored. Sulphide content averaged 2-4% pyrite plus pyrrhotite but ranged to 7%. A 1.6 foot graphitic interval was noted at 149 yards. Best assays included 510 ppb gold/ 3.4 yards from a lapilli tuff and 320 ppb Gold/ 3.4 yards from an interval of crystal tuff plus sediments.

Hole AT-43-92 (347 m) tested coincident VLF, Maxmin and gold in humus (72 ppb Gold) anomalies. Fine grained tuff, crystal tuff and lapilli tuff and interbedded sediments mineralized with 1-2% pyrite and pyrrhotite were cored. The most significant assay was 140 ppb Gold / 3.3 yards from a carbonate-biotite altered fault zone.

Hole AT-44-92 (220 yards) was drilled on the current Brookmount property at the southern end of Lot 54. It was targeted on a VLF anomaly suspected of representing a deformation zone coincident with a gold in humus value of 23 ppb. The hole intersected laminated sediments interbedded with fine grained tuff. There were no significant assays.

### Regional Geology

Within the general area the topography is basically flat with only the occasional low hill. Elevation ranges from 352 yards on the property to 3/10 mile Colline Oditan 1.9 miles to the north. Vegetation in the area is mixed

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

boreal forest. Tree species present on the property are spruce, jackpine balsam, tamarack, cedar, birch and poplar. Glacial till and glacial-lacustrine clay soils dominate the area. The area is extensively covered by low, swampy ground.

No infrastructure exists on the property. Infrastructure in the general area includes

- a) an intricate road network,
- b) electrical power - the grid extends to Authier Nord, 4.4 miles from the property,
- c) railway - the main east/west line of the Canadian National Railway passes 10.6 miles to the south,
- d) numerous base metal and gold mines and mills and
- e) a copper smelter in Rouyn-Noranda.

Most goods and services as well as experienced persons required for both exploration and mining are readily available in the towns of Macamic, La Sarre and Rouyn-Noranda and the surrounding area.

Chazel Township and immediate area lie within the central portion of the Abitibi greenstone belt (AGB). The AGB is an Archaen aged (2.7 Ga) assemblage of volcanic, sedimentary and related intrusive rocks that extends for some 600 km from Timmins, Ontario to Chibougamau, Quebec and constitutes the major portion of the Abitibi subprovince. Within the general area the predominant lithologies consist of Early Precambrian mafic to felsic volcanic plus chastic (with minor chemical) sedimentary rocks, which occur as an undulatory but general east/west striking band. Major subdivisions within the band are from south to north:

- 2.8 miles of clastic sediments - mainly greywacke and siltstone;
- 4.1 miles of intermediate to mafic volcanic flows with minor felsic and sedimentary sub units
- 0.94 miles of volcanic felsic and mafic pyroclastic units, plus or minus, flows; and 1.6 miles of felsic pyroclastic units, plus or minus, minor sedimentary units.

These units have been intruded by several syn to late felsic stocks to diorite composition. The Oditan-nissing stock, 1.9 miles north of the Brookmount property, has dimensions of 7.5 miles east/west by 2.5 miles north/south.

All of the above rock types have been subjected to regional deformation and regional metamorphism. As a result the volcanic and sedimentary lithologies hve

-12-

been isoclinally folded, normally about east/west axes, so that the bedding is now steeply inclined near vertical, and the sedimentary units is generally greenschist facies but ranges to lower amphibolite facies near the contacts with the intrusions.

Late Precambrian northeast trending diabase dykes cut all previous rock types.

The Agb has been dissected by numerous regional, sub-concordant major deformation zones, which normally occur between intrusive bodies at or near the volcanic/sedimentary contacts (Palma and Dowling, 1992.) At least two such zones cross Chazel Township. In Quebec the chicobi fault extends east/west for

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

some 94 miles from the Ontario/Quebec border to Seneterre. It merges with the 63 miles Laflamme fault near the Chazel east boundary. The Aulthier fault referred to in the BHP reports may represent one of these two faults or a splay from them.

Exploration work performed on the Brookmount claim

There has been no work performed on the Brookmount claim by the Company. Because of this fact, the Brookmount claim expired in January 2002 and subsequently had to be re-staked by the Company. The cost of re-staking was cheaper than undertaking the required exploration program.

The Company's main product

The Company's primary product will be the sale of minerals, both precious and commercial. No minerals have been found to exist on the Brookmount claim and therefore the possibilities of obtaining a cash flow from the sale of minerals in the future might be remote.

The Company's exploration facilities

The Company has no exploration facilities on the Brookmount claim at this time. If an ore body is discovered on the claim, the Company will have to address the facilities which will be required. Until such a time as this happens, the Company will spend no more on facilities.

During the exploration period, the Company can use tent facilities to house its geological workers or it can obtain hotel accommodation in Rouyn-Noranda or other nearby towns.

Investment Policies

The Company does not have an investment policy at this time. Any excess funds it has on hand will be deposited in interest bearing notes such as term deposits or short term money instruments. There are no restrictions on what the directors are able to invest any idle or additional funds held by the Company.

### ITEM 3. LEGAL PROCEEDINGS

There are no legal proceedings to which the Company is a party, or to which its property is subject, nor to the best of management's knowledge are any material legal proceedings contemplated.

-13-

### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS

No matters were submitted to a vote of shareholders of the Company during the fiscal year ended November 30, 2002.

# Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

## PART II

### ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

During the past year there has been no established trading market for the Company's common stock. Since its inception, the company has not paid any dividends on its common stock, and the Company does not anticipate that it will pay dividends in the foreseeable future. As at November 30, 2002 the Company had 37 shareholders; two of these shareholders are officers and directors of the Company.

From inception through to November 30, 2002, the Company has issued and sold the following unregistered shares of its common stock (the aggregated value of all such offerings did not exceed US\$1,000,000):

(i) Subscription for shares by Directors and Officers of the Company

a. Subscription for shares by current directors and officers

On January 7, 2000 the Company issued to its President, Fred Hallberg, 3,000,000 common shares, and issued to John Vaughan, a Director, 500,000 common shares at \$0.001 per share.

The shares issued to the present directors and officers are restricted since they were issued in compliance with the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended. After this stock has been held for one year, Directors could sell within a three month period a percentage of their shares based on 1% of the outstanding stock in the Company. Therefore, this stock can be sold after the expiration of one year in compliance with the provisions of Rule 144. There are "stop transfer" instructions placed against this certificate and a legend has been imprinted on the stock certificate itself.

(ii) Subscription for 5,750,000 shares

On February 10, 2000, the Company accepted subscriptions from fourteen investors in the amount of 5,750,000 shares at a price of \$0.002 per share. In all cases the consideration was cash. These shares were issued in accordance with the exemption from registration provided by Rule 504 of Regulation D of the Securities Act of 1933, as amended, and an appropriate Form D was filed in connection with the issuance of these shares.

(iii) Subscription for 32,400 shares

On March 16, 2000, the Company accepted subscriptions from twenty-one investors in the amount of 32,400 shares at a price of \$0.20 per share. In all cases the consideration was cash. These shares were issued in accordance with

-14-

the exemption from registration provided by Rule 504 of Regulation D of the Securities Act of 1933, as amended, and an appropriate Form D was filed in connection with the issuance of these shares.

# Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

## ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

### OVERVIEW

The Company was incorporated on December 9, 1999 under the laws of the State of Nevada. The Company's Articles of Incorporation currently provide that the Company is authorized to issue 200,000,000 shares of common stock at a par value \$0.001 per share. As at November 30, 2002 there were 9,282,400 shares outstanding. The Company is engaged in the exploration on only the Brookmount claim but has yet not undertaken any exploration work thereon. There is no assurance that reserves exist in its mineral claim until a major exploration program is undertaken and economic evaluation based on such work concludes economic feasibility.

The company has no revenue to date from the exploration of the Brookmount claim, and its ability to affect its plans for the future will depend on the availability of financing. Such financing will be required to develop the Brookmount claim to a stage where a decision can be made by management as to whether an ore body exists and can be successfully brought into production. The Company anticipates obtaining such funds from its officers and directors, from financial institutions or by way of the sale of its capital stock in the future, but there can be no assurances that the Company will be successful in obtaining additional capital for exploration activities from the sale of its capital stock or in otherwise raising substantial capital.

### LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2002, the Company had assets of \$3, and \$17,343 of liabilities. The liabilities include amounts payable of \$9,850 for audit and accounting, transfer agent fees of \$2,722 and other accounts payable of \$1,724. There is an amount due to related parties of \$3,580.

The Company has no contractual obligations for leasing premises, employment agreements or work commitments, other than assessment work on the Brookmount claim, and has made no commitments to acquire any asset of any nature.

There has been no change in the Company's financial position since its last fiscal year other than the incurrence of normal operating costs such as accounting, audit and transfer agent's fees.

During the year, the Company has incurred the following expenses:

-15-

Expenditure	Amount
-----	-----



## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

Accounting and audit. . . . . i	\$5,000
Bank charges. . . . .	67
Edgar filings . . . . . ii	700
Legal . . . . . iii	345
Management fees . . . . . iv	6,000
Office. . . . . v	359
Rent. . . . . vi	2,400
Staking fees. . . . . vii	533
Telephone . . . . . viii	600
Transfer agent's fees . . . . ix	1,807
	-----
Total expenses	\$ 17,811
	=====

i. The Company accrued \$500 in fees to its auditors, Sellers and Andersen LLC for the review of its Form 10-QSBs and \$1,400 for the examination of the Form 10-KSB. In addition, the Company has accrued \$450 each for its various Form 10-QSB and \$750 for this Form 10-KSB in order that the accountant can prepare the applicable working papers and other information to be submitted to the auditors for their review of the Form 10-QSBs and 10-KSB.

ii. The Company accrued the following charges relating to filing of various form on Edgar:

Form 10-KSB - November 30, 2001	\$	200.00	(*)
Form 10-QSB - February 28, 2002		100.00	
Form 10-QSB - May 31, 2002		100.00	
Form 10-QSB - August 31, 2002		100.00	
Form 10-KSB - November 30, 2002		200.00	
	\$	700.00	
		=====	

(\*) Not accrued in prior year.

None of the above mentioned Form 10-QSBs and 10-KSBs have been filed as at the date of this Form 10-KSB .

iii. The Company obtained the services of an attorney to review various documents produced during the year by management.

iv. The Company does not compensate its directors for the service they perform for the Company since, at the present time, it does not have adequate funds to do so. Nevertheless, management realizes that it should give recognition to the services performed by the directors and officers and therefore has accrued \$500 per month. This amount has been expensed in the current period with the offsetting credit being allocated to "Capital in Excess of Par Value" on the balance sheet. The Company will not, in the future, be responsible for paying either cash or settling this debt by way of shares.

v. The majority of these expenses relate to photocopying, faxing and courier charges. In addition, the Company obtained a business license in the State of Nevada for \$25.

vi. The Company does not incur any rental expense since it used the personal residence of its President. Similar to management fees, rent expense should be reflected as an operating expense. Therefore, the Company has accrued \$200 per month as an expense with an offsetting credit to "Capital in Excess of Par Value".

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

-16-

- vii. On January 31, 2002 the Brookmount claim expired with no exploration work being performed on it to maintain it in good standing with the Province of Quebec. Management decided to pay re-staking fees rather than commit \$6,000 to exploration activities. By re-staking the Brookmount claim, the Company has ownership rights to the minerals thereon until November 14, 2004.
- viii. The Company does not have its own telephone number but uses the telephone number of its President. Similar to management fees and rent, the Company accrues an amount of \$50 per month to represent the charges for telephone with an offsetting entry to "Capital in Excess of Par Value".
- ix. During the period the Company received its annual billing from Nevada Agency & Trust Company for acting as transfer agent for the year in the amount of \$1,200. In addition, the Company has accrued certain late charges of interest totalling \$393. Included in this expense is the 2002 fee for list of officers and directors filed with the State of Nevada in the amount of \$210 and a mail forwarding charge of \$4.

The Company estimates the following funds will be required during the next twelve months to meet its obligations:

Expenditures		Requirements for twelve months	Current Accounts Payable	Required funds for twelve months
Accounting and audit.	1	\$ 5,500	\$ 9,850	\$ 15,350
Bank charges. . . . .		100	-	100
Filing fees . . . . .	2	760	400	1,160
Office. . . . .	3	200	791	991
Staking fees. . . . .	4	-	533	533
Transfer agent's fees	5	1,600	2,722	4,322
		-----	-----	-----
Estimated expenses.		\$ 8,160	\$ 14,296	\$ 22,456
		=====	=====	=====

No recognition has been given to management fees, rent or telephone since, at the present time, these expenses are not cash orientated. In addition, the Company does not intend to pay any money to related parties until third party creditors have been paid.

- 1. Accounting and auditing expense has been projected as follows:

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

Filing	Accountant	Auditors	Total
-----	-----	-----	-----
Form 10-QSB - Feb. 28, 2003	\$ 450	\$ 500	\$ 950
Form 10-QSB - May 31, 2003.	450	500	950
Form 10-QSB - Aug. 31, 2003	450	500	950
Form 10-KSB - Nov. 30, 2003	750	1,900	2,650
	-----	-----	-----
	\$ 2,100	\$ 3,400	\$ 5,500
	=====	=====	=====

- Filing fees will include the cost of filing the various Forms 10-KSB and 10-QSB on Edgar. It is estimated, based upon past charges, that the cost for each of the Form 10-QSBs will be \$100 whereas the cost for filing the Form 10-KSB will be \$200. Each year the Company is required to file a list of officers and directors with the State of Nevada at a cost of \$260.

-17-

- Relates to photocopying, faxing and courier expenses estimated for the forthcoming year.
- The Company will not need to incur staking costs during the forthcoming year since it is planning to perform some form of exploration work on the Brookmount claim which has to be completed by November 14, 2004.
- Each year the Company is charged a fee of \$1,200 by its transfer agent to act on its behalf. In addition, there will be interest accrued on the outstanding balance of approximately \$400; which is consistent with the amount of interest paid during the current year; being \$393.

If the directors and officers no longer supply the required funds to the Company to cover the above noted expenses and are unable to raise funds from other sources, the Company may not be able to meet its financial obligations. If this is the case, the Company might cease to exist as a going concern.

In conjunction with the above paragraph, if international mineral prices decline over the next year, the Company might not be able to raise additional funds or attract a joint venture partner in assuming a percentage interest in the Brookmount claim. The Company will not be mining its claim for many years and maybe not at all.

The Company does not anticipate acquiring any significant assets in the foreseeable future.

At the present time, the Company has no contractual obligations for leasing premises. There are no employment agreements or work commitments on the Brookmount claim other than noted herein.

At present, the directors devote time to the affairs of the Company as required. There are no plans to hire any employees at this time. The Company

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

will use the services of consultants in the exploration of the Brookmount claim since it does not wish to retain employees over the winter months when little or no work can be done on the claim.

Results of Operations  
-----

Since inception the Company has purchased the Brookmount claim but has not undertaken any exploration activities on the claim itself. Therefore, the Company has no operating results.

The Company has no contractual obligations for leasing premises, employment agreements or work commitments on the Brookmount claim, in the immediate future, and has made no commitments to acquire any asset of any nature.

ITEM 7. FINANCIAL STATEMENTS

The financial statements of the Company are included following the signature page to this Form 10-KSB.

ITEM 8. CHANGES IN AND DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

-18-

From inception to date, the Company's principal accountant is Sellers and Andersen LLC of Salt Lake City, Utah. The firm's report for the period from inception to November 30, 2002 did not contain any adverse opinion or disclaimer, nor were there any disagreements between management and the Company's accountants.

PART 111

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS, PROMOTERS, AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16 (A) OF THE EXCHANGE ACT

The following table sets forth as of November 30, 2002, the name, age, and position of each of the executive officers and directors and the term of office of each director of the Company.

Name	Age	Position Held	Term as Director Since
-----	-----	-----	-----

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

Fred Hallberg	45	President and Director	1999
Yiu Lam Ko. .	44	Secretary-Treasurer and Director	1999
John Vaughan.	54	Director	1999

Each director of the Company serves for a term of one year and until his successor is elected at the Company's annual shareholders' meeting and is qualified, subject to removal by the Company's shareholders. Each officer serves, at the pleasure of the board of directors, for a term of one year and until his successor is elected at the annual general meeting of the board of directors and is qualified.

Set forth below is certain biographical information regarding each of the Company's executive officers and directors.

FRED HALLBERG, President of the Company, received his Secondary School diploma from Brantford C.V.S. in Brantford, Ontario in 1994. In 1995 he completed his first year of the Fire Protection Engineering Degree at Seneca College in Toronto, Ontario. In 1996, he took a position as Manager of the Aroma Coffee Bar and Eatery in Toronto, where he trained and supervised staff and monitored and maintained cash balances. He was promoted to Franchise Consultant with the Aroma Coffee Bar in 1997 where he is assisting new franchise owners with the operation of restaurants.

YIU LAM KO, Secretary Treasurer and Director of the Company was born in China. After moving to Vancouver, British Columbia, Canada, Mr. Ko entered into various sales services for Chinese Companies. In 1990 he became advertising manager for a Chinese newspaper located in Vancouver before becoming involved in 1996 in starting his own advertising and printing company.

JOHN VAUGHAN, Director of the Company, owned and operated several Radio Shack outlets in Toronto, Ontario from 1976 to 1979. In 1979 he moved into the restaurant business where he owned and managed Battalion Holdings Inc., which ran five well-known and successful restaurants in Toronto. From Toronto, he moved to Montreal, Quebec in 1991, where he owns and operates several restaurants. He also runs a company that offers management consulting to the restaurant industry in Quebec.

Although Fred Hallberg, Yiu Lam Ko and John Vaughan do not work full time for the Company, they plan to devote whatever time is required once the Brookmount claim has an exploration program ready. The President of the Company

-19-

will spend approximately 10 hours a month on administration and planning for the Company's future exploration program while the Secretary Treasurer will work for 10 hours per month to prepare corporate documents. Once development of the Brookmount claim takes place, the President and Secretary Treasurer will find that their hours each month will increase although they will be relying upon mining professionals to undertake the exploration program on behalf of the Company.

To the knowledge of management, during the past five years, no present or

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

former director, executive officer or person nominated to become a director or an executive officer of the Company:

- (1) filed a petition under the federal bankruptcy laws or any state insolvency law, nor had a receiver, fiscal agent or similar officer appointed by the court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filings;
- (2) was convicted in a criminal proceeding or named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);
- (3) was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting, the following activities:
  - (i) acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, associated person of any of the foregoing, or as an investment advisor, underwriter, broker or dealer in securities, or as an affiliate person, director or employee of any investment company, or engaging in or continuing any conduct or practice in connection with such activity;
  - (ii) engaging in any type of business practice; or
  - (iii) engaging in any activities in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodities laws;
- (4) was the subject of any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described above under this Item, or to be associated with persons engaged in any such activities;
- (5) was found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities law, and the judgment in such civil action or finding by the Securities and Exchange Commission has not been subsequently reversed, suspended, or vacated.
- (6) was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated.

### COMPLIANCE WITH SECTION 16 (A) OF THE EXCHANGE ACT

-----

The Company knows of no director, officer, beneficial owner of more than ten percent of any class of equity securities of the Company registered pursuant to Section 12 ("Reporting Person") that failed to file any reports required to

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

be furnished pursuant to Section 16(a). Other than those disclosed below, the Company knows of no Reporting Person that failed to file the required reports during the most recent fiscal year.

The following table sets forth as at November 30, 2002, the name and position of each Reporting Person that failed to file on a timely basis any reports required pursuant to Section 16 (a) during the most recent fiscal year.

Name	Position	Report to be Filed
Fred Hallberg . . . . .	President and Director	Form 3 - November 1, 2002 Form 13D - November 1, 2002
Yiu Lam Ko. . . . .	Secretary Treasurer and Director	No filing made
John Vaughn . . . . .	Director	Form 3 - November 1, 2002 Form 13D - November 1, 2002

ITEM 10. EXECUTIVE COMPENSATION

CASH COMPENSATION

There was no cash compensation paid to any director or executive officer of the Company during the fiscal year ended November 30, 2002.

The following table sets forth compensation paid or accrued by the Company for the last two years ended November 20, 2002:

SUMMARY COMPENSATION TABLE (2001 AND 2002)

(a)	(b)	(c)	Long Term Compensation (US Dollars)			(g)	(h)	(i)
			Annual Compensation	Awards	Payouts			
			Other Annual Comp.	Restricted Stock awards	Options/SAR	LTIP payouts	All other compensation	

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

Name and Principal position. . .	Year	Salary	(\$)	(\$)	(#)	(\$)	(\$)
Fred Hallberg . . . . .	2001	-0-	-0-	-0-	-0-	-0-	-0-
President, and . . . . .	2002	-0-	-0-	-0-	-0-	0-	-0-
Director							
Yiu Lam Ko. . . . .	2001	-0-	-0-	-0-	-0-	-0-	-0-
Secretary Treasurer	2002	-0-	-0-	-0-	-0-	-0-	-0-
and Director							
John Vaughan. . . . .	2001	-0-	-0-	-0-	-0-	-0-	-0-
Director. . . . .	2002	-0-	-0-	-0-	-0-	-0-	-0-

BONUSES AND DEFERRED COMPENSATION

None

-21-

COMPENSATION PURSUANT TO PLANS

None

PENSION TABLE

None

OTHER COMPENSATION

None

COMPENSATION OF DIRECTORS

None

TERMINATION OF EMPLOYMENT

There are no compensatory plans or arrangements, including payments to be received from the Company, with respect to any person named in Cash Consideration set out above which would in any way result in payments to any such person because of his resignation, retirement, or other termination of such person's employment with the Company or its subsidiaries, or any change in control of the Company, or a change in the person's responsibilities following a change in control of the Company.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as at November 30, 2002, the name and address and the number of shares of the Company's common stock, with a par value of \$0.001 per share, held of record or beneficially by each person who held of record, or



## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

was known by the Company to own beneficially, more than 5% of the issued and outstanding shares of the Company's common stock, and the name and shareholdings of each director and of all officers and directors as a group.

-22-

Name and Address of Beneficial Owner	Nature of Ownership(1)	Amount of Beneficial Ownership	Percent of Class
FRED HALLBERG Apt 22 - 1106 Avenue Road Toronto, Ontario Canada, M4N 2 E1 . . . . .	Direct	3,000,000 (2)	32.31 %
YIU LAM KO 203 - 8020 Ryan Road Richmond, B.C. Canada, V7A 2E4 . . . . .	Direct	NIL	0%
JOHN VAUGHAN 25A Claremont Avenue Pointe Claire, Quebec Canada, H9S 5C6 . . . . .	Direct	500,000 (2)	5.39%
HUANG GUANG QUAN 215 - 5471 Arcadia Road Richmond, British Columbia Canada, V7A 2E5 . . . . .	Direct	490,000	5.27%
RAYMOND TANG 871 - 1078 East 31st Street Vancouver, British Columbia Canada, V7A 2E5 . . . . .	Direct	600,000	6.46%
TANG ZI MOND 208 - 2150 Brunswick Vancouver, British Columbia Canada, V7A 2E5 . . . . .	Direct	475,000	5.12%
LISA TANG 205 - 8077 Alexandra Road Richmond, British Columbia Canada, V7A 2E5 . . . . .	Direct	515,000	5.55%
KIT FAN LEUNG 830 - 1268 West Broadway Vancouver, British Columbia Canada, V6H 1G6 . . . . .	Direct	500,000	5.39%
All Officers and Directors as a Group ( 4 persons ) . . .	Direct	3,500,000	37.70%

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

- (1) All shares owned directly are owned beneficially and of record, and such shareholder has sole voting, investment and dispositive power, unless otherwise noted.
- (2) These shares are restricted since they were issued in compliance with the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended. After this stock has been held for one year, the holders could sell one percent of the outstanding stock every three months. Therefore, the stock cannot be sold except in compliance with the provisions of Rule 144. All of the above noted stock has transfer instructions stamped on each certificate. None of the directors have applied for the release of any shares under Rule 144.

-23-

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

TRANSACTIONS WITH MANAGEMENT AND OTHERS

Except as indicated below, there were no material transactions, or series of similar transactions, since inception of the Company and during its current fiscal period, or any currently proposed transactions, or series of similar transactions, to which the Company was or is to be a party, in which the amount involved exceeds \$60,000, and in which any director or executive officer, or any security holder who is known by the Company to own of record or beneficially more than 5% of any class of the Company's common stock, or any member of the immediate family of any of the foregoing persons, has an interest.

INDEBTEDNESS OF MANAGEMENT

There were no material transactions, or series of similar transactions, since the beginning of the Company's last fiscal year, or any currently proposed transactions, or series of similar transactions, to which the Company was or is to be a part, in which the amount involved exceeded \$60,000 and in which any director or executive officer, or any security holder who is known to the Company to own of record or beneficially more than 5% of the common shares of the Company's capital stock, or any member of the immediate family of any of the foregoing persons, has an interest.

TRANSACTIONS WITH PROMOTERS

The Company does not have promoters and has no transactions with any promoters.

-24-

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

ITEM 13. EXHIBITS AND REPORTS

(a) (1) FINANCIAL STATEMENTS Page  
-----

The following financial statements are included in this report:

Title of Document -----	
Report of Sellers and Andersen, Certified Public Accountants . . . . .	31
Balance Sheet as at November 30, 2002. . . . .	32
Statement of Operations for the year ended November 30, 2002 and 2001 and the period December 9, 1999 (Date of Inception) to November 30, 2002. . . . .	33
Statement of Changes in Stockholders' Equity for the period from December 9, 1999 (Date of Inception) to November 30, 2002 . . . . .	34
Statement of Cash Flows for the year ended November 30, 2002 and 2001 and the period from December 9, 1999 (Date of Inception) to November 30, 2002 . . . . .	35
Notes to Financial Statements. . . . .	36

(a) (2) FINANCIAL STATEMENT SCHEDULES

The following financial statement schedules are included as part of this report:

None.

(a) (3) EXHIBITS

The following exhibits are included as part of this report by reference:

- 3. Certificate of Incorporation, Articles of Incorporation and By-laws
  - 3.1 Certificate of Incorporation (incorporated by reference from the Company's Registration Statement on Form 10-SB on December 7,
  - 3.2 Articles of Incorporation (incorporated by reference from the Company's Registration Statement on Form 10-SB filed on December 27, 2000)
  - 3.3 By-laws (incorporated by reference from the Company's Registration Statement on Form 10-SB filed on December 27, 2000)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Company and in its capacities and on the date indicated:

BROOKMOUNT EXPLORATIONS INC.  
(the "Registrant")

June 18, 2003

By: /s/ "Vic Stilwell"  
-----  
Vic Stilwell  
President and Director

June 18, 2003

By: /s/ "Norman Goodson"  
-----  
Norman Goodson  
Secretary Treasurer and Director

-26-

CERTIFICATION PURSUANT TO  
SECTION 301 (A) OF THE SARBANES-OXLEY ACT OF 2002

I, Vic Stilwell, certify that:

1. I have received this annual report of Form 10-KSB for the year ended November 30, 2002 of Brookmount Explorations Inc., the registrant;
2. Based on my knowledge, this annual report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report.
3. Based on my knowledge, the financial statements, other than financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant is made know to us by others within those entities, particularly during the period in which this annual report is being prepared;
  - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
  - c. presented in this annual report our conclusion about effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:
  - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal control; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regards to significant deficiencies and material weaknesses.

June 18, 2003

/s/ "Vic Stilwell"  
-----  
Vic Stilwell, President and Director

-27-

PRESIDENT'S CERTIFICATION

CERTIFICATE PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on the Form 10-KSB of Brookmount Explorations Inc. for the year ended November 30, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Vic

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

Stilwell, President and Director, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

1. The Annual Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities and Exchange Act of 1934, as amended; and
2. The information contained in this Annual Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

June 18, 2003

/s/ "Vic Stilwell"

-----

Vic Stilwell  
President and Director

-28-

### CERTIFICATION PURSUANT TO SECTION 301 (A) OF THE SARBANES-OXLEY ACT OF 2002

I, Norman Goodson, certify that:

1. I have received this annual report of Form 10-KSB for the year ended November 20, 2002 of Brookmount Explorations Inc., the registrant;
2. Based on my knowledge, this annual report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report.
3. Based on my knowledge, the financial statements, other than financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a. designed such disclosure controls and procedures to ensure that material information relating to the registrant is made know to us by others within those entities, particularly during the period in which this annual report is being prepared;
  - b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

- c. presented in this annual report our conclusion about effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:
  - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal control; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regards to significant deficiencies and material weaknesses.

June 18, 2003

/s/ "Norman Goodson"

-----

Norman Goodson,  
Secretary Treasurer and Director

-29-

SECRETARY TREASURER'S CERTIFICATION

CERTIFICATE PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on the Form 10-KSB of Brookmount Explorations Inc. for the year ended November 30, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Norman Goodson, Secretary Treasurer and Director, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

1. The Annual Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities and Exchange Act of 1934, as amended; and
2. The information contained in this Annual Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

June 18, 2003

/s/ "Norman Goodson"

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

-----  
Norman Goodson  
Secretary Treasurer and Director

-30-

SELLER AND ANDERSEN, L.L.C.  
Certified Public Accountants and  
Business Consultants

941 East 3300 South, Suite 202  
Salt Lake City, Utah 84106  
Telephone 801-486-0096  
Fax 801-486-0098

The Board of Directors  
Brookmount Explorations Inc.  
Vancouver, B.C.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have reviewed the balance sheet of Brookmount Explorations Inc. (exploration stage company) as of November 30, 2002 and the statements of operations, stockholders' equity and cash flows for the period December 9, 1999 (date of inception) to November 30, 2002. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brookmount Explorations Inc. at November 30, 2002 and the results of operations, and cash flows for the period December 9, 1999 (date of inception) to November 30, 2002, in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company is in the exploration stage and does not have the necessary working capital for its planned activity, which raises doubt about its ability to continue as a going concern. Management's plans in regard to these matters are described in Note 5. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ "Sellers and Andersen L.L.C."

Salt Lake City, Utah



Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

May 12, 2003

-31-

BROOKMOUNT EXPLORATIONS INC.  
 (An Exploration Stage Company)  
 BALANCE SHEET

NOVEMBER 30, 2002

	2002
	-----
ASSETS	
CURRENT ASSETS	
Cash . . . . .	\$ 3
	-----
Total Current Assets . . . . .	3
	-----
	\$ 3
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable - related parties . . . . .	\$ 3,580
Accounts payable . . . . .	14,296
	-----
Total Current Liabilities . . . . .	17,876
	-----
STOCKHOLDERS' EQUITY	
Common stock	
200,000,000 shares authorized, at \$0.001	
par value, 9,282,400 shares issued and outstanding	9,282
Capital in excess of par value . . . . .	39,198
Deficit accumulated during the exploration stage . . . . .	(66,353)
	-----
Total Stockholders' Deficiency . . . . .	(17,873)
	-----
	\$ 3
	=====

The accompanying notes are an integral part of these financial statements

-32-

BROOKMOUNT EXPLORATIONS INC.  
 (An Exploration Stage Company)  
 STATEMENT OF OPERATIONS

FOR THE YEAR ENDED NOVEMBER 30, 2002 AND 2001,  
 AND FOR THE PERIOD DECEMBER 9, 1999  
 (DATE OF INCEPTION) TO NOVEMBER 30, 2002

	YEAR ENDED NOVEMBER 30, 2002	YEAR ENDED NOVEMBER 30, 2001	FROM INCEPTION TO NOVEMBER 30, 2002
	-----	-----	-----
REVENUES. . . . .	\$ -	\$ -	\$ -
EXPENSES. . . . .	17,811	17,215	66,353
	-----	-----	-----
NET LOSS. . . . .	\$ (17,811)	\$ (17,215)	\$ (66,353)
	=====	=====	=====
NET LOSS PER COMMON SHARE			
Basic . . . . .	\$ -	\$ -	
	=====	=====	
AVERAGE OUTSTANDING SHARES			
Basic (stated in 1,000's). . . . .	9,282	9,282	
	=====	=====	

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

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

-33-

BROOKMOUNT EXPLORATIONS INC.  
(AN EXPLORATION STAGE COMPANY)

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE PERIOD FROM DECEMBER 9, 1999 (DATE OF INCEPTION) TO  
NOVEMBER 30, 2002

	COMMON SHARES	STOCK AMOUNT	CAPITAL IN EXCESS OF PAR VALUE	ACCUMULATED DEFICIT
	-----	-----	-----	-----
BALANCE, DECEMBER 9, 1999. . . . .	-	\$ -	\$ -	\$ -
Issuance of common shares for cash at \$0.001 - January 6, 1999. . . . .	3,500,000	3,500	-	-
Issuance of common shares for cash at \$0.002 - February 10, 2000. . . . .	5,750,000	5,750	5,750	-
Issuance of common shares for cash at \$0.20 - March 16, 2000. . . . .	32,400	32	6,448	-
Contributions to capital by officers - expenses . . . . .	-	-	9,000	-
Net operating loss for the year ended November 30, 2000. . . . .	-	-	-	(31,327)
BALANCE, NOVEMBER 30, 2000 . . . . .	9,282,400	9,282	21,198	(31,327)
Contributions to capital by officers - expenses . . . . .	-	-	9,000	-
Net operating loss for the year ended November 30, 2001. . . . .	-	-	-	(17,215)
BALANCE, NOVEMBER 30, 2001 . . . . .	9,282,400	9,282	30,198	(48,542)
Contributions to capital by officers -				

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

expenses . . . . .	-	-	9,000	-
Net operating loss for the year ended November 30, 2002. . . . .	-	-	-	(17,811)
	-----	-----	-----	-----
BALANCE, NOVEMBER 30, 2002 . . . . .	9,282,400	\$ 9,282	\$ 39,198	\$ (66,353)
	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements

-34-

BROOKMOUNT EXPLORATIONS INC.  
(An Exploration Stage Company)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED NOVEMBER 30, 2002 AND 2001 AND FOR THE PERIOD FROM  
DECEMBER 9, 1999 (DATE OF INCEPTION) TO NOVEMBER 30, 2002

(Unaudited - Prepared by Management)

	FOR THE YEAR ENDED NOVEMBER 30, 2002	FOR THE YEAR ENDED NOVEMBER 30, 2001	FROM INCEPTION TO NOVEMBER 30, 2002
			-----
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss. . . . .	\$ (17,811)	\$ (17,215)	\$ (66,353)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Change in accounts payable . . . . .	8,718	8,344	17,811
Capital contributions - expenses . . . . .	9,000	9,000	27,000
	-----	-----	-----
Net Cash Increase (Decrease) from . . . . . Operations. . . . .	(93)	129	(21,442)
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:	-	-	-
	-----	-----	-----
CASH FLOWS FROM FINANCING			

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

ACTIVITIES:

Proceeds from issuance of common stock . . . . .	-	-	21,4
	-----	-----	-----
Net Increase in Cash. . . . .	(93)	129	
Cash at Beginning of Period . . . . .	96	(33)	
	-----	-----	-----
CASH AT END OF PERIOD . . . . . \$	3	96	\$
	=====	=====	=====

SCHEDULE OF NONCASH OPERATING ACTIVITIES

Contributions to capital by related parties-expenses-2000-2002	\$	27,000
		=====

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

-35-

BROOKMOUNT EXPLORATIONS INC.  
(An Exploration Stage Company)

NOTES TO FINANCIAL STATEMENTS

NOVEMBER 30, 2002

1. ORGANIZATION

The Company was incorporated under the laws of the State of Nevada on December 9, 1999 with the authorized common shares of 200,000,000 shares at \$0.001 par value.

The Company was organized for the purpose of acquiring and developing mineral properties. At the report date mineral claims, with unknown reserves, had been acquired. The Company has not established the existence of a commercially minable ore deposit and therefore has not reached the development stage and is considered to be in the exploration stage.

Since its inception the Company has completed Regulation D offerings of 9,282,400 shares of its common capital stock for cash.

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Accounting Methods

-----

The Company recognizes income and expenses based on the accrual method of accounting.

#### Dividend Policy

-----

The Company has not yet adopted a policy regarding payment of dividends.

#### Income Taxes

-----

On November 30, 2002 the Company had a net operating loss carry forward of \$66,353. The tax benefit of \$19,906 from the loss carry forward has been fully offset by a valuation reserve because the use of the future tax benefit is undeterminable since the Company has no operations. The loss carryforward expires starting in 2021 through 2023.

#### Earnings (Loss) Per Share

-----

Earnings (loss) per share amounts are computed based on the weighted average number of shares actually outstanding.

#### Statement of Cash Flows

-----

For the purposes of the statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

-36-

BROOKMOUNT EXPLORATIONS INC.  
(An Exploration Stage Company)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOVEMBER 30, 2002

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### Capitalization of Mining Claims Costs

-----

Costs of acquisition, exploration, carrying, and retaining unproven properties are expensed as incurred. Costs incurred in proving and developing a commercially minable ore reserve ready for production are capitalized and amortized over the life of the mineral deposit or over a shorter period if the property is shown to have an impairment in value. Expenditures for mine equipment will be capitalized and depreciated over their useful lives.

#### Environmental Requirements

-----

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

At the report date environmental requirements related to the mineral claims acquired (Note 3) are unknown and therefore an estimate of any future cost cannot be made.

### Financial and Concentrations Risk

-----

The Company does not have any concentration or related financial credit risk.

### Revenue Recognition

-----

Revenue is recognized on the sale and delivery of a product or the completion of a service provided.

### Financial Instruments

-----

The carrying amounts of financial instruments, including cash, and accounts payable are considered by management to be their estimated fair values.

### Estimates and Assumptions

-----

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

-37-

BROOKMOUNT EXPLORATIONS INC.  
( An Exploration Stage Company)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOVEMBER 30, 2002

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

### Recent Accounting Pronouncements

-----

The Company does not expect that the adoption of other recent accounting pronouncements will have a material impact on its financial statements.

## 3. MINERAL CLAIM

The Company acquired five mineral claims located in Chazel Township, Abitibi West County in the province of Quebec, with an expiration date of January 31, 2002.

The claims have not been proven to have a commercially minable ore reserve and therefore all costs of explorations and retaining the properties have

## Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10KSB

been expensed.

The claims expire on January 31, 2002, and there no plans to have them renewed.

#### 4. RELATED PARTY TRANSACTIONS

Related parties acquired 38% of the common stock issued.

#### 5. GOING CONCERN

The Company will need additional working capital to be successful in its planned activities and continuation of the Company as a going concern is dependent upon obtaining additional working capital and the management of the Company has developed a strategy, which it believes will accomplish this objective through additional equity funding, and long term financing, which will enable the Company to operate for the coming year.