

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10QSB

BROOKMOUNT EXPLORATIONS INC
Form 10QSB
December 04, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended August 31, 2003

Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period _____ to _____

Commission File Number 0-26709

BROOKMOUNT EXPLORATIONS INC.

(Exact name of small Business Issuer as specified in its charter)

Nevada

98-0201259

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

400 Burrard Street, Suite 1400
Vancouver, British Columbia

V6C 3G2

(Address of principal executive offices)

(Postal or Zip Code)

Issuer's telephone number, including area code: 604-643-1745

None

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes No

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 9,462,900 shares of \$0.001 par value common stock outstanding as of December 2, 2003.

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BROOKMOUNT EXPLORATIONS INC.
(A Pre-exploration Stage Company)

INTERIM FINANCIAL STATEMENTS

August 31, 2003

(Stated in US Dollars)

(Unaudited)

BROOKMOUNT EXPLORATIONS INC.
(A Pre-exploration Stage Company)
INTERIM BALANCE SHEETS
August 31, 2003 and November 30, 2002
(Stated in US Dollars)
(Unaudited)

	(Unaudited) August 31, 2003	(Audited) November 30, 2002
ASSETS		

Current		
Cash	\$ 532	\$ 3
Capital assets	646	-
	-----	-----
	\$ 1,178	\$ 3
	=====	=====
LIABILITIES		

Current		
Accounts payable	\$ 10,565	\$ 14,296
Due to related parties	2,551	3,580
	-----	-----
	13,116	17,876
	-----	-----
STOCKHOLDERS' DEFICIENCY		

Common stock, \$0.001 par value		
200,000,000 shares authorized		
9,462,900 (November 30, 2002: 9,282,400) shares	9,463	9,282
outstanding		
Additional paid in capital	88,892	39,198

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Deficit accumulated during the pre-exploration stage	(110,293)	(66,353)
	-----	-----
	(11,938)	(17,873)
	-----	-----
	\$ 1,178	\$ 3
	=====	=====

SEE ACCOMPANYING NOTES

BROOKMOUNT EXPLORATIONS INC.
(A Pre-exploration Stage Company)
INTERIM STATEMENT OF OPERATIONS
for the three and nine months ended August 31, 2003 and 2002,
for the period December 9, 1999 (Date of Incorporation)
to August 31, 2003
(Stated in US Dollars)
(Unaudited)

	Three months ended August 31,		Nine months ended August 31,		
	2003	2002	2003	2002	
	----	----	----	----	
Expenses					
Amortization	\$ -	\$ -	\$ 52	\$ -	\$
General and administrative	30,648	4,191	43,888	12,229	
	-----	-----	-----	-----	
Net loss for the period	\$ 30,648	\$ 4,191	\$ 43,940	\$ 12,229	\$
	=====	=====	=====	=====	
Loss per share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
	=====	=====	=====	=====	
Weighted average number of shares outstanding	9,282,400	9,282,400	9,282,400	9,282,400	
	=====	=====	=====	=====	

SEE ACCOMPANYING NOTES

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BROOKMOUNT EXPLORATIONS INC.
(A Pre-exploration Stage Company)
INTERIM STATEMENTS OF CASH FLOWS
for the three and nine months ended August 31, 2003 and 2002
for the period December 9, 1999 (Date of Incorporation) to August 31, 2003
(Stated in US Dollars)
(Unaudited)

	Nine months ended August 31, 2003 ----	2002 ----	December 9, 1999 (Date of Incorporation) to August 31, 2003 ----
Cash Flows from Operating Activities			
Net loss for the period	\$(43,940)	\$(12,229)	\$(110,293)
Add item not involving cash			
Amortization	52	-	52
Changes in non-cash working capital balances related to operations			
Accounts payable	(3,731)	5,059	7,365
Due to related parties	(1,029)	345	5,751
Capital contributions - expenses	2,250	6,750	29,250
	----- (46,398)	----- (75)	----- (67,875)
Cash Flows from Investing Activity			
Acquisition of capital assets	(698)	-	(698)
Cash Flows from Financing Activity			
Capital stock issued	47,625	-	69,105
Increase (decrease) in cash during the period	529	(75)	532
Cash, beginning of the period	3	96	-
Cash, end of the period	\$ 532 =====	\$ 21 =====	\$ 532 =====
Supplemental disclosure of cash flow information			
Cash paid for:			
Interest	\$ - =====	\$ - =====	\$ - =====
Income taxes	\$ - =====	\$ - =====	\$ - =====

SEE ACCOMPANYING NOTES

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BROOKMOUNT EXPLORATIONS INC.
 (A Pre-exploration Stage Company)
 INTERIM STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIENCY)
 for the period December 9, 1999 (Date of Incorporation)
 to August 31, 2003
 (Stated in US Dollars)
 (Unaudited)

	Common Shares		Additional Paid-in	Deficit Accumulated During the Pre-exploration	
	Number	Par Value	Capital	Stage	Total
	-----	-----	-----	-----	-----
Capital stock issued for cash					
- at \$0.001	3,500,000	\$ 3,500	\$ -	\$ -	\$ 3,500
Balance, as at November 30, 1999	3,500,000	3,500	-	-	3,500
Capital stock issued for cash					
- at \$0.002	5,750,000	5,750	5,750	-	11,500
- at \$0.20	32,400	32	6,448	-	6,480
Contributions to capital by officers	-	-	9,000	-	9,000
Net loss for the period	-	-	-	(31,327)	31,327
Balance, as at November 30, 2000	9,282,400	9,282	21,198	(31,327)	(847)
Contributions to capital by officers	-	-	9,000	-	9,000
Net loss for the period	-	-	-	(17,215)	(17,215)
Balance, as at November 30, 2001	9,282,400	9,282	30,198	(48,542)	(9,062)
Contributions to capital by officers	-	-	9,000	-	9,000
Net loss for the period	-	-	-	(17,811)	(17,811)
Balance, as at November 30, 2002	9,282,400	9,282	39,198	(66,353)	(17,873)
Capital stock issued for cash					
- at \$0.25	170,500	171	42,454	-	42,625
- at \$0.50	10,000	10	4,990	-	5,000
Contributions to capital by officers	-	-	2,250	-	2,250
Net loss for the period	-	-	-	(43,940)	(43,940)
Balance, as at August 31, 2003	9,462,900	\$ 9,463	\$ 88,892	\$ (110,293)	\$ (11,938)
	=====	=====	=====	=====	=====

SEE ACCOMPANYING NOTES

BROOKMOUNT EXPLORATIONS INC.
 (A Pre-exploration Stage Company)
 NOTES TO THE INTERIM FINANCIAL STATEMENTS

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August 31, 2003
(Stated in US Dollars)
(Unaudited)

Note 1 Interim Reporting

While the information presented in the accompanying interim nine months financial statement is unaudited, it includes all adjustments which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented. All adjustments are of a normal recurring nature. It is suggested that these financial statements be read in conjunction with the company's November 30, 2002 annual financial statements.

Note 2 Continuance of Operations

The financial statements have been prepared using generally accepted accounting principles in the United States of America applicable for a going concern which assumes that the Company will realize its assets and discharge its liabilities in the ordinary course of business. At August 31, 2003, the Company had a working capital deficiency of \$12,584, which is not sufficient to meet its planned business objectives or to fund mineral property expenditures and ongoing operations for the next twelve months. The Company has accumulated losses of \$110,293 since its commencement. Its ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due.

Note 3 Resource Property

The Company has a 100% interest in five mineral claims located in Chazel Township, Abitibi West County, Quebec. These claims total approximately 500 acres. Assessment work with a minimum value of \$6,000 must be submitted to the Ministry of Mines for the Province of Quebec before November 14, 2004.

Note 4 Share Capital

Pursuant to an offering memorandum dated July 23, 2003, the Company undertook to sell a minimum of 1,000,000 common shares at \$0.50. At August 31, 2003, the Company had sold 10,000 common shares for proceeds of \$5,000. This amount has been included in share capital at August 31, 2003. The proceeds of this offering are to be used for resource property acquisitions and general working capital purposes.

Subsequent to August 31, 2003, the Company received \$85,500 pursuant to this offering memorandum.

Item 2. Management's Discussion and Analysis or Plan of Operation

FORWARD LOOKING STATEMENTS

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This quarterly report contains forward-looking statements that involve risks and uncertainties. We use words such as anticipate, believe, plan, expect, future, intend and similar expressions to identify such forward-looking statements. You should not place too much reliance on these forward-looking statements. Our actual results are likely to differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us described in this Risk Factors section and elsewhere in this annual report.

Plan of Operation

Our plan of operations for the twelve months following the date of this report is to complete the recommended phase one exploration programs on the our Mercedes 100 Property and the Brookmount Property. We anticipate that these programs will cost \$220,000 and \$10,000 respectively.

In addition, we anticipate spending \$17,200 on professional fees, \$99,000 on salaries and wages, \$10,000 on travel costs, \$15,000 on promotional expenses and \$50,000 on other administrative expenses.

Total expenditures over the next 12 months are therefore expected to be \$421,200. We will not be able to proceed with either exploration program, or meet our administrative expense requirements, without additional financing.

Results Of Operations for Nine-Month Period Ended August 31, 2003

We incurred operating expenses in the amount of \$43,940 for the nine-month period ended August 31, 2003, as compared to \$12,229 in the same period in 2002. At quarter end, we had cash on hand of \$532. Our liabilities at the same date totalled \$13,116 and consisted of accounts payable of \$10,565 and \$2,551 due to related parties.

PART II- OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not a party to any pending legal proceeding. Management is not aware of any threatened litigation, claims or assessments.

Item 2. Changes in Securities

During the three-month period ended August 31, 2003, the Company accepted subscriptions for a total of 104,500 shares of common stock for \$0.25 each pursuant to a private placement offering

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits and Report on Form 8-K

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- 31.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

There were no reports filed on Form 8-K during the three month period ended August 31, 2003.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Brookmount Explorations Inc.

/s/ Peter Flueck

Peter Flueck
President, Chief Executive
Officer and Director
(Principal Executive Officer)
Dated: August 21, 2003

Brookmount Explorations Inc.

/s/ Norman Goodson

Norman Goodson
Secretary, Treasurer
Chief Financial Officer
and Director
(Principal Financial Officer)
Dated: August 21, 2003

Exhibit 31.1

CERTIFICATION

I, Peter Flueck, President and Chief Executive Officer of Brookmount Explorations Inc., certify that:

- 1. I have reviewed this quarterly report on Form 10-QSB of Brookmount Explorations Inc.;
- 2. Based on my knowledge, this quarterly report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
- 3. Based on my knowledge, the financial statements, and other financial

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information included in this quarterly 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 quarterly report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and I have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such disclosure control and procedures to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) disclosed in this quarterly report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal controls over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and reporting financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: December 2, 2003

/s/ Peter Flueck

Peter Flueck
President, C.E.O. and Director
(Principal Executive Officer)

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Exhibit 31.2 CERTIFICATION

I, Norman Goodson, Secretary, Treasurer and Chief Financial Officer of Brookmount Explorations Inc., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Brookmount Explorations Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and I have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such disclosure control and procedures to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) disclosed in this quarterly report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal controls over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

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- (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and reporting financial information; and
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: December 2, 2003

/s/ Norman Goodson

Norman Goodson
Secretary, Treasurer & C.F.O.
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION 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 Quarterly Report of Brookmount Explorations Inc. (the "Company") on Form 10-QSB for the period ended August 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

Date: December 2, 2003

/s/ Peter Flueck

Peter Flueck
President, C.E.O. and Director
(Principal Executive Officer)

Exhibit 32.2

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CERTIFICATION 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 Quarterly Report of Brookmount Explorations Inc. (the "Company") on Form 10-QSB for the period ended August 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

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

Date: December 2, 2003

/s/ Norman Goodson

Norman Goodson
Secretary, Treasurer & C.F.O.
(Principal Financial Officer)