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BROOKMOUNT EXPLORATIONS INC

Form 10-Q

December 05, 2001

-1-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-QSB

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended August 31, 2001

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from to

Commission File number 0-26709

BROOKMOUNT EXPLORATIONS INC.

(Exact name of registrant as specified in charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

98-0201259

(I.R.S. Employer
Identification No.)

297 Roselawn Avenue
Toronto, Ontario, Canada

(Address of principal executive offices)

M5R 1G2

(Zip Code)

416-737-5879

Registrant's telephone number, including area code

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

Indicate by check mark whether the registrant (1) has 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
registrant was required to file such reports), Yes [X] No [] and () has
been subject to filing requirements for the past 90 days. Yes [X] No []

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of
common stock, as of the last practicable date.

Class Outstanding as of August 31, 2001

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Common Stock, \$0.001 per share

9,282,400

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CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS CONSULTANTS Salt Lake City, Utah
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REPORT ON REVIEW BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Brookmount Explorations, Inc.

We have reviewed the balance sheet of the above Company as of August 31, 2001 and the related statements of operations and the statements of cash flows for the three and nine months ended August 31, 2001 and 2000. These financial statements are the responsibility of the company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with generally accepted accounting principles.

Andersen Andersen and Strong

Salt Lake City, Utah
October 30, 2001

INDEX

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	Page Number -----
PART 1.	
ITEM 1. Financial Statements	3
Balance Sheet as at August 31, 2001 and November 30, 2000	
4	
Statement of Operations	
For the three months and nine months ended August 31, 2001 and 2000 and for the period from December 9, 1999 (Date of Inception) to August 31, 2001	5
Statement of Cash Flows	
For the nine months ended August 31, 2001 and 2000 and for the period from December 9, 1999 (Date of Inception) to August 31, 2001	6
Notes to the Financial Statements	7
ITEM 2. Plan of Operations	10
PART 11 Signatures	11

PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying balance sheet of Brookmount Explorations Inc. (an exploration stage company) at August 31, 2001 and the related statements of operations and statements of cash flow for the three and nine months ended August 31, 2001 and 2000 and for the period from December 9, 1999 (date of incorporation) to August 31, 2001 have been prepared by the Company's management and they do not include all information and notes to the financial statements necessary for a complete presentation of the financial position, results of operations and cash flows in

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conformity with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature.

Operating results for the quarter ended August 31, 2001, are not necessarily indicative of the results that can be expected for the year ending November 30, 2001.

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

AUGUST 31, 2001 AND NOVEMBER 30, 2000

(Unaudited - Prepared by Management)

	2001	2000
	-----	-----
ASSETS		
CURRENT ASSETS		
Cash	\$ 101	\$ -
Total Current Assets	----- 101	----- -

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OTHER ASSETS		
Mineral claims - Note 3	-	-
	\$ 101	\$ -
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank overdraft	\$ -	\$ 33
Accounts payable - related parties	2,510	-
Accounts payable	4,206	814
Total Current Liabilities	6,716	847
STOCKHOLDERS' EQUITY		
Common stock		
200,000,000 shares authorized, at \$0.001		
par value, 9,282,400 shares issued and		
outstanding.	9,282	9,282
Capital in excess of par value	27,948	21,198
Deficit accumulated during the exploration stage . .	(43,845)	(31,327)
Total Stockholders' Deficiency	(6,615)	(847)
	\$ 101	\$ -
	=====	=====

The accompanying notes are an integral part of these financial statements

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

FOR THE THREE MONTHS ENDED AUGUST 31, 2001 AND 2000,
FOR THE NINE MONTHS ENDED AUGUST 31, 2001 AND 2000
AND FOR THE PERIOD DECEMBER 9, 1999
(DATE OF INCEPTION) TO AUGUST 31, 2001

(Unaudited - Prepared by Management)

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	THREE MONTHS ENDED AUGUST 31, 2001	THREE MONTHS ENDED AUGUST 31, 2000	NINE MONTHS ENDED AUGUST 31, 2001	NINE MONTHS ENDED AUGUST 31, 2000	FROM TO AU
REVENUES.	\$ -	\$ -	\$ -	\$ -	\$
EXPENSES.	3,961	5,450	12,518	28,259	
NET LOSS.	\$ (3,961)	\$ (5,450)	\$ (12,518)	\$ (28,259)	\$
NET LOSS PER COMMON SHARE					
Basic	\$ -	\$ -	\$ -	\$ -	
AVERAGE OUTSTANDING SHARES					
Basic	9,282,400	9,282,400	9,282,400	7,527,164	

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

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)

STATEMENT OF CASH FLOWS

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FOR THE NINE MONTHS ENDED AUGUST 31, 2001 AND 2000 AND FOR THE PERIOD FROM
DECEMBER 9, 1999 (DATE OF INCEPTION) TO AUGUST 31, 2001

(Unaudited - Prepared by Management)

	FOR THE NINE MONTHS ENDED AUGUST 31, 2001	FOR THE NINE MONTHS ENDED AUGUST 31, 2000	FROM INCEPTION TO AUGUST 31, 2001
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (12,518)	\$ (28,259)	\$ (43,8
Adjustments to reconcile net loss to net cash provided by operating activities:			
Change in accounts payable - related Party	2,510	-	2,5
Change in accounts payable	3,359	35	4,2
Capital contributions - expenses	6,750	6,750	15,7
	(21,379)		
Net Cash Increase (Decrease) from	101		
Operations	(21,474)		
CASH FLOWS FROM INVESTING ACTIVITIES			
	-	-	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of common stock	-	21,480	21,4
Net Increase in Cash	101	6	1
Cash at Beginning of Period	-	-	
CASH AT END OF PERIOD	\$ 101	\$ 6	\$ 1

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SCHEDULE OF NONCASH OPERATING ACTIVITIES

Capital contributions - expenses	\$15,750
	=====

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

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2001

(Unaudited - Prepared by Management)

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.

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 August 31, 2001 the Company had a net operating loss carry forward of \$43,635. The tax benefit of \$13,091 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 net operating loss will expire in 2022.

Earnings (Loss) Per Share

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

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AUGUST 31, 2001

(Unaudited - Prepared by Management)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Amortization of Capitalized Mineral 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

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.

Comprehensive Income

The Company adopted Statement of Financial Accounting Standard No. 130. The adoption of this standard had no impact on the total stockholder's equity on August 31, 2001.

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.

Financial Instruments

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

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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.

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

AUGUST 31, 2001

(Unaudited - Prepared by Management)

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 been expensed.

The claims may be retained by the Company by the completion of yearly assessment work of \$ 6,000 Cn or by a payment of \$ 6,000 Cn. The next assessment work is due December 2, 2001.

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.

ITEM 2. PLAN OF OPERATION

Liquidity and Capital Resources

The Company has undergone no exploration activity on its five mineral claims located in the Province of Quebec in Canada due to having no available funds on hand. The directors have not considered how the Company will obtain funding to maintain the property in good standing and undertake an exploration program. At the present time the directors are contributing funds personally to the Company to meet its obligations with its creditors.

Results of Operations

To date the Company has had no operations.

SIGNATURE

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Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BROOKMOUNT EXPLORATIONS INC.

November 21, 2001

/s/ "Yiu Lam Ko"

Yiu Lam Ko

Secretary Treasurer and Director