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BROOKMOUNT EXPLORATIONS INC
Form 10QSB
July 13, 2004

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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 May 31, 2004

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: 9,991,014 shares of \$0.001 par value common stock outstanding as of July 12, 2004.

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

INTERIM FINANCIAL STATEMENTS

May 31, 2004

(Stated in US Dollars)

(Unaudited)

BROOKMOUNT EXPLORATIONS INC.
 (A Pre-exploration Stage Company)
 INTERIM BALANCE SHEETS
 May 31, 2004 and November 30, 2003
 (Stated in US Dollars)
 (Unaudited)

	ASSETS -----	May 31, 2004 ----	
Current			
Cash		\$ 34,143	\$
Prepaid expenses		-	
Resource property cost advances		-	

		\$ 34,143	\$
		=====	
	LIABILITIES -----		
Current			
Accounts payable		\$ 15,246	\$
Due to related parties		51,928	

		67,174	

	STOCKHOLDERS' DEFICIENCY -----		
Common stock, \$0.001 par value			
200,000,000 shares authorized			

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9,991,014 (November 30, 2003: 9,708,900) shares outstanding	9,991
Additional paid in capital	350,970
Deficit accumulated during the pre-exploration stage	(393,992)

	(33,031)

	\$ 49,273
	=====

BROOKMOUNT EXPLORATIONS INC.
(A Pre-exploration Stage Company)
INTERIM STATEMENTS OF OPERATIONS
for the three and six months ended May 31, 2004 and 2003
and for the period December 9, 1999 (Date of Incorporation) to May 31, 2004
(Stated in US Dollars)
(Unaudited)

	Three months ended May 31,		Six months ended May 31,	
	2004	2003	2004	2003
	----	----	----	----
Expenses				
General and administrative	\$ 88,881	\$ 7,408	\$ 163,232	\$ 13,292
	-----	-----	-----	-----
Net loss for the period	\$ 88,881	\$ 7,408	\$ 163,232	\$ 13,292
	=====	=====	=====	=====
Basic and diluted loss per share	\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.00
	=====	=====	=====	=====
Weighted average number of shares outstanding	9,991,014	9,348,400	9,991,014	9,348,000
	=====	=====	=====	=====

BROOKMOUNT EXPLORATIONS INC.
(A Pre-exploration Stage Company)
INTERIM STATEMENTS OF CASH FLOWS
for the six months ended May 31, 2004 and 2003
and for the period December 9, 1999 (Date of Incorporation) to May 31, 2004
(Stated in US Dollars)
(Unaudited)

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	Six months ended	
	May 31,	
	2004	2003
	-----	-----
Cash Flows from Operating Activities		
Net loss for the period	\$ (163,232)	\$ (13,292)
Add item not affecting cash:		
Capital contributions - expenses	-	2,250
Changes in non-cash working capital balances related to operations		
Prepaid expenses	689	-
Accounts payable	2,671	(229)
Due to related parties	862	290
Resource property costs advances	15,130	-
	-----	-----
	(143,880)	(10,981)
	-----	-----
Cash Flows from Financing Activity		
Capital stock issued	140,594	16,500
	-----	-----
Increase (decrease) in cash during the period	(3,286)	5,519
Cash, beginning of the period	37,429	3
	-----	-----
Cash, end of the period	\$ 34,143	\$ 5,522
	=====	=====
Supplemental disclosure of cash flow information		
Cash paid for:		
Interest	\$ -	\$ -
	=====	=====
Income taxes	\$ -	\$ -
	=====	=====

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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 May 31, 2004
 (Stated in US Dollars)
 (Unaudited)

	Common Shares		Additional	
	Number	Par Value	Paid-in	Pre-e
	-----	-----	Capital	
	-----	-----	-----	
Capital stock issued for cash				
- at \$0.001	3,500,000	\$ 3,500	\$ -	\$
	-----	-----	-----	
Balance, as at November 30, 1999	3,500,000	3,500	-	
Capital stock issued for cash				
- at \$0.002	5,750,000	5,750	5,750	
- at \$0.20	32,400	32	6,448	
Contributions to capital by officers	-	-	9,000	
Net loss for the period	-	-	-	(
	-----	-----	-----	
Balance, as at November 30, 2000	9,282,400	9,282	21,198	(
Contributions to capital by officers	-	-	9,000	
Net loss for the period	-	-	-	(
	-----	-----	-----	
Balance, as at November 30, 2001	9,282,400	9,282	30,198	(
Contributions to capital by officers	-	-	9,000	
Net loss for the period	-	-	-	(
	-----	-----	-----	
Balance, as at November 30, 2002	9,282,400	9,282	39,198	(
Capital stock issued for cash				
- at \$0.25	176,500	177	43,948	
- at \$0.50	250,000	240	125,262	
Contributions to capital by officers	-	-	2,250	
Net loss for the period	-	-	-	(
	-----	-----	-----	
Balance, as at November 30, 2003	9,708,900	9,709	210,658	(
Capital stock issued for cash				
- at \$0.50	282,114	282	140,312	
Net loss for the period	-	-	-	(
	-----	-----	-----	
Balance, as at May 31, 2004	9,991,014	\$ 9,991	350,970	\$ (
	=====	=====	=====	

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BROOKMOUNT EXPLORATIONS INC.
(A Pre-exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
May 31, 2004
(Stated in US Dollars)
(Unaudited)

Note 1 Interim Reporting

The accompanying unaudited interim financial statements have been prepared by Brookmount Explorations Inc. (the "Company") pursuant to the rules and regulations of the United States Securities and Exchange Commission. Certain information and disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these financial statements have been included. Such adjustments consist of normal recurring adjustments. These interim financial statements should be read in conjunction with the audited financial statements of the Company for the fiscal period ended November 30, 2003, as filed with the United States Securities and Exchange Commission.

The results of operations for the six months ended May 31, 2004 are not indicative of the results that may be expected for the full year.

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 May 31, 2004, the Company had a working capital deficiency of \$33,031, 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 \$393,992 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 Commitments

Abitibi West County, Quebec, Canada

The Company acquired five mineral claims located in the Chazel Township, in the Province of Quebec. The Company must file assessment work with a minimum value of CDN\$6,000 not later than November 14, 2004.

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Note 3 Commitments - (cont'd)

Mercedes Property, Junin, Peru

Pursuant to a property acquisition agreement dated for reference July 3, 2003, the Company may acquire a 100% interest in 2,611 hectares located in Central Peru for consideration of \$20,000 cash and 5,000,000 common shares. As at May 31, 2004, the Company has not paid the cash or issued the shares and the agreement has not closed.

Note 4 Common Stock

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 per share. At May 31, 2004, the Company had sold 532,114 common shares for proceeds of \$266,106. This amount has been included in share capital at May 31, 2004.

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

FORWARD LOOKING STATEMENTS

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.

Item 3. Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, within the 90 days prior to the filing date of this report, the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. This evaluation was conducted by the sole director of the Company, who also acts as the Company's President, the Chief Executive Officer, and the Chief Financial Officer.

Based upon that evaluation, the Company concluded that the disclosure controls and procedures are effective. There have been no significant changes in the Company's internal controls or in other factors, which could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

Plan of Operation

Our plan of operations for the twelve months following the date of this annual report is to complete initial exploration programs on the Brookmount and Mercedes properties. We anticipate that these programs will cost \$10,000 and \$220,000 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.

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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.

We will not be able to complete the initial exploration programs on our mineral properties without additional financing. We currently do not have a specific plan of how we will obtain such funding; however, we anticipate that additional funding will be in the form of equity financing from the sale of our common stock. We may also seek to obtain short-term loans from our directors, although no such arrangement has been made. At this time, we cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of our common stock or through a loan from our directors to meet our obligations over the next twelve months. We do not have any arrangements in place for any future equity financing.

Results Of Operations for Three-Month Period Ended May 31, 2004

We incurred operating expenses in the amount of \$163,232 for the six-month period ended May 31, 2004, as compared to \$13,292 for the comparative period in 2003. At quarter end, we had cash on hand of \$34,143. Our liabilities at the same date totalled \$67,174 and consisted of accounts payable of \$15,246 and \$51,928 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 six-month period ended May 31, 2004, the Company accepted subscriptions for a total of 282,114 shares of common stock for \$0.50 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

- 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

During the three-month period ended May 31, 2004, the Company did not file any current reports on Form 8-K.

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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: July 12, 2004

Brookmount Explorations Inc.

/s/ Zaf Sungur

Zaf Sungur
C.O.O., Secretary, treasurer
and principal accounting
officer
Dated: July 12, 2004