

BROOKMOUNT EXPLORATIONS INC  
Form 10-K  
March 01, 2010

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

---

**FORM 10-K**

---

☒ ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the fiscal year ended **November 30, 2009**

Commission File # 000-32181

**BROOKMOUNT EXPLORATIONS, INC.**

*(Exact name of small business issuer as specified in its charter)*

**Nevada**

*(State or other jurisdiction of incorporation or organization)*

**98-0201259**

*(IRS Employer Identification Number)*

**1465 Slater Road**

**Ferndale, Wa 98248**

*(Address of principal executive offices)*

**(206) 497-2138**

*(Issuer's telephone number)*

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

None.

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

Common Stock, Par Value \$0.001 per share

*(Title of Class)*

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act: ☐

Yes ☒ No

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10-K

Indicate by check mark whether the registrant(1) has filed all reports required 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), and (2) has been subject to such filing requirements for the past 90 day. x Yes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). o Yes x No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of *large accelerated filer*, *accelerated filer* and *smaller reporting company* in Rule 12b-2 of the Exchange Act.

Large accelerated filer o

Accelerated filer o

Non-accelerated filer o (Do not check if a smaller reporting company) Smaller reporting company x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

o Yes x No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed fourth fiscal quarter. **\$165,818**

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. **The issuer had 40,798,740 shares of common stock issued and outstanding as of February 26, 2010.**

Documents incorporated by reference: **None.**



**Table of Contents**

Item

Page

Item 1.

Business

1

Item 1A.

Risk Factors

9

Item 1B.

Unresolved Staff Comments

9

Item 2.

Properties

9

Item 3.

Legal Proceedings

9

Item 4.

Submission of Matters to a Vote of Security Holders

9

Item 5.

Market for Registrant's Common Equity, Related Shareholder Matters and Issuer

Purchases of Securities

9

Item 6.

Selected Financial Data

11

Item 7.

Management's Discussion and Analysis of Financial Condition and Results of

Operations

11

Item 7A.

Quantitative and Qualitative Disclosures About Market Risk

12

Item 8.

Financial Statements and Supplementary Data

13

Item 9.

Changes in and Disagreements With Accountants on Accounting and Financial

Disclosure

14

Item 9A.

Controls and Procedures

14

Item 9B.

Other Information

14

Item 10.

Directors, Executive Officers and Corporate Governance

15

Item 11.

Executive Compensation

17

Item 12.

Security Ownership of Certain Beneficial Owners and Management and  
Related Stockholder Matters

18

Item 13.

Certain Relationships and Related Transactions and Director Independence

18

Item 14.

Principal Accountant Fees and Services

19

Item 15.

Exhibits, Financial Statements Schedules

19

SIGNATURES

21

## **PART I**

### **Item 1.**

#### **Business**

#### **DESCRIPTION OF BUSINESS**

##### **Business Development**

Our company, Brookmount Explorations, Inc., is a Nevada Corporation, and was incorporated on December 9, 1999. Since inception, we have not been involved in any bankruptcy, receivership or similar proceedings. We have not had any material reclassification, merger, consolidation, purchase or sale of a significant amount of assets not in the ordinary course of business. We have one inactive subsidiary, which is a shell company incorporated in Peru under the name Brookmount Explorations, Inc. SAC, and has no affiliated companies. Our shares are quoted on the NASD over the counter bulletin board (OTC-BB) and trade under the symbol "BMXI".

Our shares are listed on the Berlin Stock Exchange and the Frankfurt Stock Exchange under the symbol "B6T". Our executive offices are located at 1465 Slater Road, Ferndale, Washington 98248, Tel: (206)497-2138.

Pursuant to our Articles of Incorporation we are authorized to issue 200,000,000 shares of common stock, par value \$0.001 per share.

We commenced operations as an exploration stage company during the fiscal year ended November 30, 2005.



## Description and Location of Property

### Mercedes 100 Property

We are the beneficial owner of a 100% interest in the Mercedes 100 property, which consists of seven mineral claims (the *Property*). There are no other underlying agreements or interests in the property.

Specifics of the seven mineral claims are as follows:

Name of Claim	Claim Number	Claim Area (Hectares)
Celeste	C-010151600	1,000.00
Celeste No. 2	C-010151500	600.00
Celeste No. 4	C-010151700	200.00
Nuevo Herraje Cuatro	C-010154100	996.96
Nueva Charo	C-010051101	446.93
Confianza	C-010079806	500.00
Mercedes 100	C-08020617x01	450.00

### Geological Report: Mercedes 100 property

In March 2009 we received a geological report (the *Report*) from Gateway Solutions S.A.C ( *Gateway* ) entitled the *NI 43-101 Technical Report on the Mercedes 100 Base and Precious Metal (Ag, Au) Property, Junin, Peru*. The Report was prepared in accordance with the guidelines in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and by Form 43-101F1 *Technical Report* of Canada.

## **Description, Location and Access**

The Property is located within the Central Cordillera of the Peruvian Andes in rugged terrain typical of the Andean highlands. The elevation on the Property ranges between 4,000 m to 4,750 m above sea level. The local landscape includes steep weathered mountaintops emerging from the grassy foothills. Access to the Property is excellent by road. From Lima to Concepcion, the route along the Central Highway is 277 km long and takes about 5.5 hours by truck. From Concepcion to the Property, the route is 40 km on a wide maintained gravel road. The travel time is about one hour.

The region has a mild climate during the whole year (22<sup>0</sup> to -4<sup>0</sup> C). The annual average temperature is 13 degrees Celsius. There are only two seasons: the rainy season from October to March along with snowfall during this period, and the dry season from April to September. The rainy season is usually accompanied with road wash-outs and lightning hazards.

Most of Junin's population is located in the city of Huancayo about 20 km to the southwest in the Mantero Valley, a fertile valley alongside the Mantaro River. Agriculture of corn, artichoke, carrot and potato, as well as craftsmanship are the main occupations in the valley. Huancayo is the cultural and commercial center of the central highlands. With a population of 430,000, it is one of the largest cities in Peru and has an infrastructure, telephones, hotels, internet and access to electric power.

The town of Concepcion located approximately 20 km south west of the Property has lodging, stores and restaurants. The villages of Libertad and Comas are the closest settlements to the Property; however, they do not offer any modern services. Most of their inhabitants perform a subsistence level of farming and herding of sheep, llamas and alpacas.

The nearest electrical power line is located 4.5 km from the Property along the main gravel road. Currently, no electricity is available on the Property.

## **Exploration History**

Written records of the Property's exploration and development history are scarce; however, it is clear that a considerable amount of development was performed during previous operations.

In a report on the Property commissioned by us in March 2004 from Guillermo Salazar, a professional geologist, of Calgary, Alberta, he describes:

"Artisanal operations some pre-dating the start of the Spanish Empire in Peru, when, silver and gold at first, then lead and zinc as well, were exploited from the Herrahe IV Claim. More recent operations were carried out by a German company that operated at the Victor I and Victor II mines in the 1980's."

In 1997 Adrian Mann, a veteran professional geologist registered in the Province of Alberta, and in England, reported that of the mineralized structures which have been recognized on the Property, seven have some underground development. Two, the Kelly and Victor II veins, have more than 500 metres of combined longitudinal development. Total primary longitudinal development is approximately 930 m, of which 800 m is on-vein. In addition 250 m of rising, most of it on vein, and 230 m of sub-development have been done, plus well over 600 m of trenching.

Mann spent one week on the Property from 26 June to 2 July, 1997, mapping trenches, outcrops and over 750 metres of underground workings. Furthermore, he channel sampled several surface and underground veins. His report is illustrated with several maps and cross-sections displaying the results. Mann's underground plans are the only remaining maps of the Victor II mine and the Property.

In 2004 we hired G. Salazar M.A., P.Geo "to design a first stage drill program to test the perceived geological potential of the Mercedes 100 Group of Claims". He produced one generalized map displaying the location of the

proposed drill holes and general trend of the various vein systems. He took several samples of the veins and recommended an exploration program including proposed drill hole collars. Four samples from the Herrahe IV showing returned significant gold results.

## **Mineralization**

Over fifteen distinct mineralized structures have been discovered on the Property; several of which are characterized by elevated metal contents. During his three days of field work, Gateway sampled the following vein systems: Monica, Omar, Victor II and Kelly; however, most of Gateway's attention was directed to the Victor II and Kelly Veins, both showing considerable exploitation and lacking exploration. The following is a brief description of the veins sampled by Gateway and by other certified professional geologists.

### *VICTOR II VEIN*

The Victor II vein is by far the most developed and exposed structure of the Property. Mining development consists of three levels; however, only two levels were visited by Gateway. Level 1 comprises a 260 m on-vein drift adit whereas Level 2, also an on-vein drift adit, is approximately 300 m long. Level 0 comprises a 50 m cross-cut adit. In total there is over 400 m of along strike underground development with promising down-dip and along strike potential.

Mann (1997) best describes the mineralization as follows:

"The Victor II deposit follows much the same pattern as the other veins. A shear bounded propylitic bleached alteration zone is contained between two well defined clay filled shears in unaltered medium- to coarse-grained gneissic granite. This is intruded in places by finer grained more mafic dykes, porphyritic in part.

Within the alteration zone are one or more subparallel pale grey and milky to off-white quartz veins containing pyrite-galena-sphalerite in variable concentrations. The thickness of the alteration zone ranges from 100 cm to perhaps 800 cm, and is generally constant, or gently changing. The veins follow a different pattern. They range in thickness from 1 cm up to 80 cm, generally, but not universally, on one side of a shear within the alteration zone, commonly bounded on both walls by shears.

The veins are discontinuous, pinching out to an un-mineralized shear, or blowing out to maximum thickness without apparent pattern or periodicity. Mineralization hops from one side wall of the alteration zone to the other, from side wall to centre zone. The veins bifurcate and coalesce, pinch out and reappear, randomly within the same alteration zone. In short, individual veins are difficult to follow for further than 80 m: the alteration zone persists from hundreds of metres."

#### *KELLY VEIN*

Development on the vein is restricted to 90 m of on-vein drift adit. The Kelly structure is a southwest trending, steeply dipping well-mineralized vein hosted in a shear zone within granite. It is a 15 cm to 40 cm quartz vein containing pyrite, sphalerite and galena. The vein can be followed 200 m along its strike; however, further exploration is needed in order to identify its full extend and economic continuity.

The west wall of the shear zone displays 40-85 cm of intense argillic alteration within the granite host rock while the east wall is unaltered.

#### *HERRAJE IV VEIN*

The shear zone is characterized by a 90 cm to 250 cm core alteration zone containing reticulating quartz veins and veinlets of pyrite and galena. The structure can be traced for several hundreds of metres and perhaps kilometers. The argillic alteration is not only restricted to the shear zone but also extends several centimeters into the country rock.

The Herraie IV vein showing is located north of the Ahuigrande mountains in a remote and under-explored metal-enriched zone of the Property. Further exploration and sampling is required in order to fully appreciate the potential of this structure and area.

#### *MONICA VEIN*

The Monica structure was only examined on surface. A collapsed adit precluded any underground sampling. The Monica vein is associated with a 50-60 cm argillic alteration zone bound by a shear zone cutting the granite. The 300 m long and 25-30 cm wide vein is composed of cryptocrystalline cherty quartz hosted in a coarse-grained grey white granite country rock. Only a trace amount of very fine-grained sulphide mineral was identified.

Three surface samples were taken within the structure; however, no anomalous metal concentrations were identified. Mann also reported poor results for his surface samples. Underground sampling is necessary in order to test the potential of this vein system.

#### *CHARO VEIN*

A total of 60 m of on strike development has been carried out to date. The underground workings are currently inaccessible because of a cave-in. The surface expression of the vein is characterized by a natural gully 2 to 3 meters wide. A close association exists between the melanocratic rocks of the intrusion and the vein.

The intersection of the Charo and Monica structures is characterized by brecciated and propylitized rock although, unfortunately, most of it is buried under glacial deposits. None of Gateway's in situ surface samples returned economic values. Stripping, trenching and drilling is required in order to verify if the mineralizing fluids have also invaded the breccia zone.

#### *POLVORIN VEIN*

Development on the vein is restricted to 30 m of on-vein drift adit. On surface the vein forms a linear gully which can be followed for at least 350 m. Little is known about the Polvorin mineralization. Underground mapping shows that the structure mostly comprises a strong shear zone displaying argillic alteration rather than a true vein. However, a 25 cm by 70 cm exposure of solid sulfides contained in a cross fracture has been identified on surface. Mann also notes that there is some sulphide and iron-stained altered material in the talus of the gully. No detailed mineralogical description of the mineralization exists and no sample data was available to Gateway.

#### *VICTOR I VEIN*

##### Development

on the vein is restricted to 22 m of on-vein drift adit. On surface, the vein forms a linear gully which can be followed for at least 350 m. Little is known about the Victor I mineralization. Underground mapping shows a spatial correlation between the argillic alteration and mafic rocks. In this case, the mafic rocks appear to form a tabular andesitic dyke subparalleling the vein structure.

#### **Proposed Exploration Plan - Mercedes 100 Property**

The Report prepared by Gateway summarizes the results of previous exploration on the Mercedes 100 property and makes a recommendation for further exploration work.

In the Report, Gateway recommends a two stage exploration program as follows:

***STAGE I***

The exploration approach at the Property must include further development of the Victor II vein, comprising the continued development of the deepest 01 Level together with the mining of a deeper level either via the sinking of a winze or mining a crosscut access from surface. Gateway proposes that some 300m to 400m of development (maximum 2m x 2m section) should be allowed for in the exploration budget whilst carrying out other activities.

Grass-root exploration over the unexplored portions of the Property accompanied by detailed work over the known mineralized structures is needed.

A 1:5,000 geological map of the Ahuigrande valley and 1:250 geological maps of the underground workings should be produced. The underground workings should be made safe, washed and surveyed before the geological mapping starts. The Monica and Charo adits should be reopened and sampled.

A regional mapping crew with a mobile camp should be formed and funded to accomplish a 1: 10,000 geological map of the Property. The regional geological mapping should be accompanied by a 350 sample rock geochemistry survey especially within the regional fault zones located to the north. Exploration north of the Ahuigrande Mountains is strongly recommended. Favorable areas identified should be immediately investigated and prioritized. These prospective zones should be mapped at a scale of 1:2,000 and thoroughly sampled using appropriate methods. Indirect methods such as geophysical studies or soil geochemistry surveys may be necessary at this stage if there is poor rock exposure; however, priority should be given to exposing and sampling outcrops.

If economic mineralization is found during development activities, there exists the option that this mineral could be mined and sent for treatment at the nearby Sinhaycocha Mine and this will help fund on-going exploration activities.

At the same time, the prospect is being prepared for mining and, as other mineralization is found that might also be developed through mining services already established on site. This would be the fastest and probably most economic way of proving up this property.

Six geodesic stations (B-type) should be established on the Property. An IGN benchmark (A-type) is located in Huancayo and should be used as the reference. A 3D model of the Ahuigrande valley using high resolution color satellite imagery combined with the accurate topographic control should be purchased. This will greatly improve project planning during future exploration and developments stages. A Property wide field communication system should be temporarily installed in order to increase productivity and security.



An appropriate-sized temporary base camp should be purchased or rented and established on the Property for at least 12 months. It should include an office, kitchen, sleeping quarters and showers. The proper licenses should be obtained as quickly as possible.

The results of Stage I should be reported in a NI 43-101 compliant Mineral Resource Estimate.

Gateway proposes the following budget for Stage I:

<b>Salaries</b>	<b>Qty.</b>	<b>Price (\$US/ Month)</b>	<b>Time (Month)</b>	<b>Subtotal \$US</b>
P. Geo. (Canada) IIII	1	8,000	6	48,000
Geo III	1	3,000	5	15,000
Geo II	2	1,950	4	15,600
Geotech II	4	1,000	4	16,000
Helpers	8	500	4	16,000
		Subtotal:		110,600

<b>Specialized Surveys and Contracts</b>	<b>Qty.</b>	<b>Price (\$US/ Month)</b>	<b>Subtotal \$US</b>
Topographic Survey (1 m): Surface	1	30,000	30,000
Satellite Imagery (QuickBird)	1	5,000	5,000
Mine Survey	1	20,000	20,000
Road construction and repair	1	10,000	10,000
Geodetic Stations and Baseline	1	8,500	8,500
NI 43-101 Report	1	18,000	18,000
Trenching	1	5,000	5,000
Victor II Rehabilitation	1	10,000	10,000
Victor II Exploration Development (per metre)	300	300	90,000
		<b>Subtotal:</b>	<b>196,500</b>

<b>Equipment Rental and Operating Costs</b>	<b>Qty.</b>	<b>Price (\$US/ Month)</b>	<b>Time (Month)</b>	<b>Subtotal \$US</b>
Truck 4X4	2	2,600	6	31,200
Fuel	2	500	6	6,000
Base camp rental (25 person)	1	4,000	6	24,000
Mobile camp rental	1	1,000	3	3,000
Radio Com System Rental	1	1,500	6	9,000
Camp operations	1	4,000	6	24,000
		<b>Subtotal:</b>		<b>97,200</b>

<b>Analytical Costs</b>	<b>Qty.</b>	<b>Price (unit) (\$US/ Month)</b>	<b>Subtotal \$US</b>
Sample Handling	1,000	2.50	2,500
Sample Assays	1,000	48	48,000
Gateway Quality Control Protocol (15% of sample)	150	65	9,750
		<b>Subtotal:</b>	<b>57,750</b>

Subtotal	462,050
10% contingency	47,205
<b>TOTAL:</b>	<b>508,255</b>

## ***STAGE II***

Stage II consists of 2,500 m exploration drilling on newly identified regional targets. Salazar also recommended a drilling program with similar goals. The base camp should be expanded in order to accommodate the increased activity.

Gateway proposes the following budget for Stage II:

<b>Salaries</b>	<b>Qty.</b>	<b>Price (\$US/ Month)</b>	<b>Time (Month)</b>	<b>Subtotal \$US</b>
P. Geo. (Canada) IIII	1	8,000	4	32,000
Geo III	2	4,000	4	32,000
Geotech II	4	1,000	4	16,000
Helpers	10	500	4	20,000
		Subtotal:		100,000

<b>Specialized Surveys and Contracts</b>	<b>Qty.</b>	<b>Price (\$US/ Month)</b>	<b>Subtotal \$US</b>
HQ diamond drilling (per metre)	2,500	110	275,000
Road construction	1	40,000	40,000
		Subtotal:	315,000

<b>Equipment Rental and Operating Costs</b>	<b>Qty.</b>	<b>Price (\$US/ Month)</b>	<b>Time (Month)</b>	<b>Subtotal \$US</b>
Trucks with fuel	1	3,000	4	12,000
Camp and operation	1	7,500	4	30,000
Radio Com System	1	1,500	4	6,000
		Subtotal:		48,000

<b>Analytical Costs</b>	<b>Qty.</b>	<b>Price (unit) (\$US/ Month)</b>	<b>Subtotal \$US</b>
Sample Analyses	1,000	55	55,000
Over-limits	400	15	6,000
Quality Control Protocol (15% of sample)	150	65	9,750
		Subtotal:	70,750
		Subtotal	485,750

10% contingency 48,575

**TOTAL: 534,325**

### Acquisition and Maintenance of Mineral Rights in Peru

The general mining law of Peru defines and regulates all mining activity, from sampling and prospecting to commercialization, exploitation and processing. Mining concessions are granted in defined areas generally ranging from 100 to 1,000 hectares in size. Mining titles are irrevocable and perpetual, as long as the titleholder maintains payment of government fees. No royalties or other production-based monetary obligations are imposed on holders of mining concessions. Instead, a holder of mineral concessions must pay an annual maintenance fee of \$3.00 per hectare for each concession actually acquired or for a pending application by June 30 of each year. The concession holder must sustain a minimum level of annual commercial production of greater than \$100 per hectare in gross sales within eight years of the granting of the concession or, if the concession is not yet in production, the annual rental increases to \$4.00 per hectare for the ninth through fourteenth years of the granting of the concession and to \$10.00 per hectare thereafter. The concession will terminate if the annual fee is not paid for three years in total or for two consecutive years. The term of the concession is indefinite as long as the property is maintained by payment of rental fees.

The Peruvian Constitution and the Civil Code protect a mineral title holder by granting it the same rights as a private property holder. The holder's rights are distinct and independent from the ownership of the land on which it is located, even when both belong to the same person. Mining rights are defensible against third parties, transferable, chargeable and may be the subject of any contract or transaction.

### **Compliance with Government Regulation**

The General Mining Law of Peru is the primary body of law with regards to environmental regulations. It is administered by the Ministry of Energy and Mines (the *MEM*). The MEM can require a mining company to prepare an environmental evaluation, an environmental impact assessment, a program for environmental management and adjustment and a closure plan. Mining companies are also subject to annual environmental audits.

A mining company that has completed its permitted exploration program must submit an impact study when applying for a new concession, to increase the size of its existing processing operations by more than 50% or to execute any other mining project. A company must also set forth its plan for compliance with the environmental laws and regulations, including its planned mining works, investments, monitoring systems, waste management control and site restoration. The plan is considered approved if the MEM does not respond after 60 days of filing. If the MEM or an "interested party" can show just cause, the plan may be modified during first year.

A mining company must also submit a closure plan for each component of its operations. The closure plan must outline the measures that will be taken to protect the environment over the short, medium and long term from solids, liquids and gasses generated by the mining works. The General Mining Law of Peru has in place a system of sanctions or financial penalties that can be levied against a mining company not in compliance with the environmental regulations.

### **Competitive Conditions**

The mineral exploration business is a competitive industry. We are competing with many other exploration companies looking for minerals. We compete with numerous other companies which have resources far in excess of ours. Being a junior mineral exploration company, we compete with such other companies for financing and joint venture partners and exploration resources including professional geologists, camp staff, and mineral exploration

supplies.

### **Raw Materials**

The raw materials needed for our exploration program will include items such as camp equipment, sample bags, first aid supplies, groceries and propane. All of these types of materials are readily available from a variety of suppliers in either the town of Concepcion or Huancayo.

### **Dependence on Major Customers**

We have no customers.

### **Intellectual Property and Agreements**

We have no intellectual property such as patents or trademarks. Additionally, we have no royalty agreements or labor contracts.

### **Government Approvals and Regulations**

Exploration activities are subject to various national, state, foreign and local laws and regulations in Peru, which govern prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste

disposal, protection of the environment, mine safety, hazardous substances and other matters. We believe that we are in compliance in all material respects with applicable mining, health, safety and environmental statutes and the regulations passed thereunder in Peru.

The effect of these existing regulations on our business is that we are able to carry out our exploration program as we have described in this Form 10-K. However, it is possible that future governments could change the regulations that could limit our ability to explore our claims; however, we believe this is highly improbable.

### **Costs and Effects of Compliance with Environmental Laws**

We currently have no costs to comply with environmental laws concerning our exploration program.

### **Employees**

We do not have any full time employees and the directors and officers devote such time as is required to the affairs of our company. Once a major exploration program commences we will need our officers to devote more time to our activities or we will be required to hire consultants to undertake the work.

### **Item 1A.**

#### **Risk Factors**

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

### **Item 1B.**



**Unresolved Staff Comments**

None.

**Item 2.**

**Properties**

Our office is located at 1465 Slater Road, Ferndale, WA 98248.

We also have seven mineral claims located in Peru, as described in the section *Description of Business* .

**Item 3.**

**Legal Proceedings**

We are not presently a party to any litigation.

**Item 4.**

**Submission of Matters to a Vote of Security Holders**

No matters were submitted to a vote of our security holders, through the solicitation of proxies or otherwise, during the fourth quarter of the fiscal year covered by this report.

**PART II**

**Item 5.**

**Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities**

**Market Information**

The principal United States market for our common equity is the OTC-BB, a quotation medium for subscribing members. Our common stock is quoted for trading on the OTC BB under the symbol BMXI and on the Berlin and Frankfurt Stock Exchanges under the symbol "B6T".

Our shares of common stock were listed for quotation on the OTC-BB as of December 23, 2004. These quotations reflect inter-dealer prices, without mark-up, mark-down or commission, and may not represent actual transactions.

We file our audited and interim unaudited financial statements with the United States Securities and Exchange Commission (the "SEC") on Forms 10-K and 10-Q.

The public may read and copy any material we file with the SEC at the SEC's Public Reference Room at 100 F Street NE, 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. We file our periodic reports electronically and therefore the public can review our filing on the SEC Internet site that contains reports, proxy and information statements, and other information regarding our company. This information can be obtained by accessing the SEC website address at <http://www.sec.gov>.

Our internet address is [www.brookmount.com](http://www.brookmount.com)

The table below sets out the range of high and low bid information for our common stock for each full quarterly period within the last fiscal year and the previous year as regularly quoted in the automated quotation system of the OTC Bulletin Board.

	<b>Bid Prices</b>	
	<b>High</b>	<b>Low</b>
	<b>\$</b>	<b>\$</b>
<b>2009 Fiscal Year</b>		
First Quarter	0.07	0.03
Second Quarter	0.05	0.025
Third Quarter	0.20	0.025
Fourth Quarter	0.10	0.05
<b>2008 Fiscal Year</b>		
First Quarter	0.41	0.13
Second Quarter	0.26	0.07
Third Quarter	0.20	0.05

Fourth Quarter	0.12	0.03
----------------	------	------

## **Dividends**

There are no restrictions in our articles of incorporation or bylaws that prevent us from declaring dividends. The Nevada Revised Statutes, however, do prohibit us from declaring dividends where, after giving effect to the distribution of the dividend:

1.

We would not be able to pay our debts as they become due in the usual course of business; or

2.

Our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution.

We have not declared any dividends, and we do not plan to declare any dividends in the foreseeable future.

## **Holders**

As of November 30, 2009, there were approximately 249 holders of record of our common stock.

## **Securities authorized for issuance under equity compensation plans**

We have no compensation plans under which our equity securities are authorized for issuance.

## **Performance graph**

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

## **Recent sales of unregistered securities**

None.

## **Issuer Repurchases of Equity Securities**

None.

## **Item 6.**

## **Selected Financial Data.**

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

## **Item 7.**

### **Management's Discussion and Analysis of Financial Condition and Results of Operations.**

#### **Forward-looking statements**

This report contains "*forward-looking statements*" relating to us which represent our current expectations or beliefs, including statements concerning our operations, performance, financial condition and growth. For this purpose, any statement contained in this report that are not statements of historical fact are forward-looking statements. Without limiting the generality of the foregoing, words such as "*may*", "*anticipation*", "*intend*", "*could*", "*estimate*", or "*continue*" or the negative or other comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, such as credit losses, dependence on management and key personnel and variability of quarterly results, our ability to continue our growth strategy and competition, certain of which are beyond our control. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual outcomes and results could differ materially from those indicated in the forward-looking statements.

The following discussion and analysis should be read in conjunction with the information set forth in our audited financial statements for the period ended November 30, 2008.

#### **Overview**

Our plan of operations for the twelve months following the date of this annual report is to Stage I of the recommended exploration program on the Mercedes 100 property. We anticipate that this program will cost approximately \$508,255.

In addition, we anticipate spending \$60,000 on professional fees, \$120,000 on management fees, \$30,000 on travel costs, and \$40,000 on other administrative expenses.



Total expenditures over the next 12 months are therefore expected to be \$658,255. 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 first recommended stage of the 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 Period Ending November 30, 2009**

We did not earn any revenues during the period ending November 30, 2009. We do not anticipate earning revenues until such time as we have entered into commercial production of the Property. We are presently in the pre-exploration stage of our business and we can provide no assurance that we will discover economic mineralization levels of minerals on either property, or if such minerals are discovered, that we will enter into commercial production.

#### **Liquidity and Capital Resources**

We incurred operating expenses in the amount of \$370,183 for the fiscal year ended November 30, 2009 and \$452,522 for the fiscal year ended November 30, 2008. Mineral property costs under these this operating expense comprised of \$20,166 and \$44,743 during the fiscal year ended November 30, 2009 and 2008, respectively.

We have not attained profitable operations and are dependent upon obtaining financing to pursue exploration activities. For these reasons our auditors stated in their report that they have substantial doubt that we will be able to continue as a going concern.



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

At November 30, 2009, we had assets, consisting of cash on hand, of \$21,947 (for the fiscal year ended November 30, 2008 - \$10,575). At the same date, we had \$785,096 (November 30, 2008 - \$604,318) in liabilities, consisting of accounts payable and accrued liabilities of \$206,011 (November 30, 2008 - \$197,176) and \$579,085 (November 30, 2008 - \$407,142) due to related parties.

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles. We have expensed all development costs related to our establishment.

We expect to run at a loss for at least the next twelve months. We have no agreements for additional financing and cannot provide any assurance that additional funding will be available to finance our operations on acceptable terms in order to enable us to complete our plan of operations. There are no assurances that we will be able to achieve further sales of our common stock or any other form of additional financing. If we are unable to achieve the financing necessary to continue our plan of operations, then we will not be able to continue our exploration of our mineral claims and our venture will fail.

### **Off-balance sheet arrangements**

We have no off-balance sheet arrangements including arrangements that would affect our liquidity, capital resources, market risk support and credit risk support or other benefits.

### **Item 7A.**

#### **Quantative and Qualitative Disclosures About Market Risk.**

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

**Item 8.**

**Financial Statements and Supplementary Data.**

**BROOKMOUNT EXPLORATIONS INC.**

(An Exploration Stage Company)

**CONSOLIDATED FINANCIAL STATEMENTS**

**NOVEMBER 30, 2009**

**TABLE OF CONTENTS**

REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS

CONSOLIDATED BALANCE SHEETS

CONSOLIDATED STATEMENTS OF OPERATIONS

CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

CONSOLIDATED STATEMENTS OF CASH FLOWS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors

Brookmount Explorations Inc.

(An Exploration Stage Company)

Ferndale, Washington

We have audited the accompanying consolidated balance sheet of Brookmount Explorations Inc. (an exploration stage company) as of November 30, 2009 and the related consolidated statements of operations, changes in stockholders deficit, and cash flows for the year ended November 30, 2009 and for the period from December 9, 1999 (inception) through November 30, 2009. The consolidated financial statements for the period from December 9, 1999 (inception) through November 30, 2008 were audited by other auditors. Our opinion, insofar as it relates to amounts included from inception through November 30, 2008 is based solely on the reports of other auditors. 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 audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatements. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of November 30, 2009, and the consolidated results of its operations and its cash flows for periods described in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements referred to above have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to consolidated financial statements, the Company is in the exploration stage, and has no permanently established source of revenue and is dependent on its ability to raise capital from shareholders or other sources to sustain operations. These factors, along with other matters as set forth in Note 1, raise substantial doubt that the Company will be able to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

MaloneBailey, LLP

New York, New York

[www.malonebailey.com](http://www.malonebailey.com)

February 26, 2010

*KEMPISTY & COMPANY*

*CERTIFIED PUBLIC ACCOUNTANTS, P.C.*

*15 MAIDEN LANE - SUITE 1003 - NEW YORK, NY 10038 - TEL (212) 406-7272 - FAX (212) 513-1930*

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of

Brookmount Explorations Inc.

(An Exploration Stage Company)

We have audited the accompanying consolidated balance sheet of Brookmount Explorations Inc. (an exploration stage company) as of November 30, 2008 and the related consolidated statements of operations, changes in stockholders deficit and cash flows for the year then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The company is not required at this time, to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company internal control over financial reporting. Accordingly, we express no such opinion. 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Brookmount Explorations Inc. (an exploration stage company) at November 30, 2008 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally

accepted in the in the United States of America.

The accompanying consolidated financial statements referred to above have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to consolidated financial statements, the Company is in the exploration stage, and has no permanently established source of revenue and is dependent on its ability to raise capital from shareholders or other sources to sustain operations. These factors, along with other matters as set forth in Note 1, raise substantial doubt that the Company will be able to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Kempisty & Company

Certified Public Accountants PC

New York, New York

February 25, 2009



**Brookmount Explorations Inc.**  
**(An Exploration Stage Company)**  
Consolidated Balance Sheets

	November 30,	
	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 21,947	\$ 10,575
Total Assets	\$ 21,947	\$ 10,575
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current Liabilities:		
Accounts payable and accrued liabilities (Note 6)	\$ 206,011	\$ 197,176
Due to related parties (Note 6)	579,085	407,142
Total Liabilities	785,096	604,318
Commitments and Contingencies (Notes 1 and 4)	-	-
Stockholders' Deficit:		
Common Stock, \$0.001 par value, 200,000,000 shares authorized, 40,798,740 and 38,158,503 shares issued at November 30, 2009 and November 30, 2008, respectively (Note 5)	   40,798	   38,158

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10-K

Additional paid-in capital	4,753,949	4,560,489
Stock subscriptions receivable	(6,600)	(6,600)
Deficit accumulated during the exploration stage	(5,551,296)	(5,185,790)
Total Stockholders' Deficit	(763,149)	(593,743)
	\$	
Total Liabilities and Stockholders' Deficit	21,947 \$	10,575

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

**Brookmount Explorations Inc.****(An Exploration Stage Company)****Consolidated Statements of Operations****(Unaudited)**

	Year Ended November 30,		December 9, 1999 (date of inception) to November 30,
	<u>2009</u>	<u>2008</u>	<u>2009</u>
REVENUE:	\$ -	\$ -	\$ -
EXPENSES:			
General and administrative (Note 6)	350,017	407,779	3,252,506
Mineral property costs (Note 4)	20,166	44,743	2,503,467
Total Expenses	(370,183)	(452,522)	(5,755,973)
Other income (loss)	4,677	200,000	204,677
Net Income (loss)	\$ (365,506)	\$ (252,522)	\$ (5,551,296)
Basic and diluted net income (loss) per share	\$ (0.01)	\$ (0.01)	
Weighted average shares used in calculating			
Basic and diluted net income (loss) per share	39,254,609	37,697,878	

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

**Brookmount Explorations Inc.****(An Exploration Stage Company)**

## Consolidated Statements of Changes in Stockholders Deficit

For the period December 9, 1999 (date of inception) to November 30, 2009

	Common Stock		Additional	Stock	Deficit	
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Subscriptions</u>	Accumulated	
			<u>Capital</u>	<u>Receivable</u>	During the	<u>Total</u>
					Exploration	
					<u>Stage</u>	
<b>Balance at December 9, 1999</b>						
		\$				
<b>(date of inception)</b>	-	-	\$ -	\$ -	\$ -	\$ -
Common stock issued for cash at \$0.001	3,500,000	3,500	-	-	-	3,500
Common stock issued for cash at \$0.002	5,750,000	5,750	5,750	-	-	11,500
Common stock issued for cash 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)
<b>Balance at November 30, 2000</b>	9,282,400	9,282	21,198	-	(31,327)	(847)
Contributions to capital by officers	-	-	9,000	-	-	9,000
Net loss for the year	-	-	-	-	(17,215)	(17,215)
<b>Balance at November 30, 2001</b>	9,282,400	9,282	30,198	-	(48,542)	(9,062)
Contributions to capital by officers	-	-	9,000	-	-	9,000
Net loss for the year	-	-	-	-	(17,811)	(17,811)
<b>Balance at November 30, 2002</b>	9,282,400	9,282	39,198	-	(66,353)	(17,873)

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10-K

Common stock issued for cash at \$0.25	176,500	177	43,948	-	-	44,125
Common stock issued for cash at \$0.50	250,000	250	125,262	-	-	125,512
Contributions to capital by officers	-	-	2,250	-	-	2,250
Net loss for the year	-	-	-	-	(164,407)	(164,407)
<b>Balance at November 30, 2003</b>	9,708,900	9,709	210,658	-	(230,760)	(10,393)
Common stock issued for cash at \$0.50	575,948	576	287,398	(100)	-	287,874
Net loss for the year	-	-	-	-	(322,261)	(322,261)
<b>Balance at November 30, 2004</b>	10,284,848	10,285	498,056	(100)	(553,021)	(44,780)
Common stock issued for cash at \$0.21	100,000	100	21,130	-	-	21,230
Common stock issued for cash at \$0.25	200,000	200	46,300	-	-	46,500
Common stock issued for cash at \$0.35	134,100	134	46,867	(6,500)	-	40,501
Common stock issued for cash at \$0.40	62,500	63	24,937	-	-	25,000
Common stock issued for cash at \$0.50	411,190	411	205,184	-	-	205,595
Common stock issued for cash at \$0.56	35,714	35	19,965	-	-	20,000
Common stock issued for cash at \$0.60	10,333	10	6,190	-	-	6,200
Common stock issued for cash at \$0.63	30,000	30	18,870	-	-	18,900
Common stock issued for mineral property at \$0.40	5,000,000	5,000	1,995,000	-	-	2,000,000
Common stock issued for mineral property at \$0.30	500,000	500	149,500	-	-	150,000
Net loss for the year	-	-	-	-	(2,510,579)	(2,510,579)
<b>Balance at November 30, 2005</b>	16,768,685	16,768	3,031,999	(6,600)	(3,063,600)	(21,433)

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



**Brookmount Explorations Inc.****(An Exploration Stage Company)**

## Consolidated Statements of Changes in Stockholders' Deficit

For the period December 9, 1999 (date of inception) to November 30, 2009

	Common Stock		Additional	Stock	Deficit Accumulated	
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Subscriptions</u>	<u>During the</u>	<u>Total</u>
			<u>Capital</u>	<u>Receivable</u>	<u>Exploration</u>	
					<u>Stage</u>	
<b>Balance at November 30, 2005</b>	16,768,685	16,768	3,031,999	(6,600)	(3,063,600)	(21,433)
Common stock issued for cash at \$0.09	1,580,000	1,580	131,366	-	-	132,946
Common stock issued for cash at \$0.40	759,975	760	274,240	-	-	275,000
Common stock issued for cash at \$0.60	163,001	163	99,837	-	-	100,000
Common stock issued for mineral property at \$0.10	100,000	100	9,900	-	-	10,000
Common stock issued for mineral property at \$0.15	375,000	375	55,875	-	-	56,250
Common stock issued for services	7,921,000	7,921	2,021,241	-	-	2,029,162
Common stock cancelled	(5,291,000)	(5,291)	(1,560,992)	-	-	(1,566,283)
Common stock issued for debt	3,621,841	3,622	175,953	-	-	179,575
Net loss for the year	-	-	-	-	(1,403,413)	(1,403,413)
<b>Balance at November 30, 2006</b>	25,998,502	25,998	4,239,419	(6,600)	(4,467,013)	(208,196)
Common stock issued for cash at \$0.12	125,000	125	14,875	-	-	15,000
	45,454	46	4,851	-	-	4,897



Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10-K

Common stock issued for cash at \$0.11						
Common stock issued for cash at \$0.35	28,571	29	10,249	-	-	10,278
Common stock issued for cash at \$0.30	33,333	33	10,092	-	-	10,125
Common stock issued for cash at \$0.30	33,333	33	10,092	-	-	10,125
Common stock issued for debt at \$0.021	11,324,074	11,324	226,489	-	-	237,813
Net loss for the year	-	-	-	-	(466,255)	(466,255)
<b>Balance at November 30, 2007</b>	37,588,267	37,588	4,516,067	(6,600)	(4,933,268)	(386,213)
Common stock issued for cash at \$0.30	33,333	33	9,966	-	-	9,999
Common stock issued for cash at \$0.10	100,000	100	9,900	-	-	10,000
Common stock issued for cash at \$0.12	41,666	42	4,958	-	-	5,000
Common stock issued for cash at \$0.07	28,571	29	1,971	-	-	2,000
Common stock issued for cash at \$0.05	200,000	200	9,800	-	-	10,000
Common stock issued for services at \$0.06	166,666	166	9,833	-	-	9,999
Share issue cost	-	-	(2,006)	-	-	(2,006)
Net loss for the year	-	-	-	-	(252,522)	(252,522)
<b>Balance at November 30, 2008</b>	38,158,503	38,158	4,560,489	(6,600)	(5,185,790)	(593,743)
Common stock issued for cash at \$0.05	200,000	200	9,800	-	-	10,000
Common stock issued for cash at \$0.07	1,428,571	1,428	98,572	-	-	100,000
Common stock issued for cash at \$0.10	600,000	600	59,400	-	-	60,000
Common stock issued for services at \$0.06	166,666	167	9,833	-	-	10,000
Common stock issued for services at \$0.03	120,000	120	3,480	-	-	3,600
Common stock issued for services at \$0.10	125,000	125	12,375	-	-	12,500
Net loss for the year	-	-	-	-	(365,506)	(365,506)
<b>Balance at November 30, 2009</b>	40,798,740	40,798	4,753,949	\$ (6,600)	(5,551,296)	\$(763,149)

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

**Brookmount Explorations Inc.****(An Exploration Stage Company)**

## Consolidated Statements of Cash Flows

	Year Ended November 30,		December 9, 1999 (date of inception) to November 30,
	<u>2009</u>	<u>2008</u>	<u>2009</u>
Cash Flows from Operating Activities			
Net loss	\$ (365,506)	\$ (252,522)	\$ (5,551,296)
Adjustments to reconcile net loss to net cash used by operating activities			
Amortization	-	-	1,813
Capital contributions	-	-	29,250
Stock issued for services	26,100	10,000	498,980
Stock issued for mineral property	-	-	2,216,250
Provision for unrecoverable advances	-	-	193,617
Changes in operating assets and liabilities			
Accounts payable and accrued liabilities	8,835	(12,906)	229,722
Net cash used by operating activities	(330,571)	(255,428)	(2,381,664)
Cash Flows from Investing Activities			
Advances	-	-	(193,617)
Acquisition of equipment	-	-	(1,813)
Net cash used by investing activities	-	-	(195,430)
Cash Flows from Financing Activities			
Advances from related parties	171,943	207,061	972,762
Sales of stock, net	170,000	34,992	1,626,279
Net cash provided by financing activities	341,943	242,053	2,599,041
Increase (decrease) in cash	11,372	(13,375)	21,947

Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10-K

Cash, beginning of period		10,575		23,950		-
Cash, end of period	\$	21,947	\$	10,575	\$	21,947
Supplemental disclosures information:						
Interest paid	\$	-	\$	-	\$	-
Income taxes paid	\$	-	\$	-	\$	-

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

**Brookmount Explorations Inc.****(An Exploration Stage Company)**

## Notes to Consolidated Financial Statements

November 30, 2009

**NOTE 1 NATURE OF CONTINUED OPERATIONS AND BASIS OF PRESENTATION**

The Company is an exploration stage company. The Company is incorporated in Nevada and was organized for the purpose of acquiring, exploring and developing mineral properties. The recoverability of amounts from properties acquired will be dependant upon discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying property, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property agreement and to complete the development of the property and upon future profitable production.

In December 2006, the Company incorporated a wholly-owned subsidiary, Brookmount Peru SAC, in Peru. As at November 30, 2009, this subsidiary is inactive and has no assets or liabilities

**Going Concern**

The consolidated financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has a working capital deficiency of \$763,149 at November 30, 2009 and has incurred losses since inception of \$5,551,296 and further losses are anticipated in the development of its mineral properties raising substantial doubt as to the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on raising additional capital to fund ongoing exploration and development and ultimately on generating future profitable operations. Management plans to continue funding the Company's operations with advances, other debt sources and further equity placements.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### Exploration Stage Company

The Company complies with US GAAP guidelines to identify the Company as an exploration stage enterprise.

### Mineral Property

The Company is primarily engaged in the acquisition, exploration and development of mineral properties. Mineral property acquisition costs are capitalized in accordance with US GAAP when management has determined that probable future benefits consisting of a contribution to future cash inflows, have been identified and adequate financial resources are available or are expected to be available as required to meet the terms of property acquisition and budgeted exploration and development expenditures.

Mineral property acquisition costs are expensed as incurred if the criteria for capitalization is not met. Mineral property exploration costs are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs incurred to develop such property are capitalized. As of the date of these financial statements, the Company has incurred only acquisition and exploration costs which have been expensed. To date the Company has not established any proven or probable reserves on its mineral properties.

### Use of Estimates and Assumptions

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements

and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

#### Foreign Currency Translation

The consolidated financial statements are presented in United States dollars. In accordance with the standard, Foreign Currency Translation, codified with ASC830, foreign denominated monetary assets and liabilities are translated into their United States dollar equivalents using foreign exchange rates which prevailed at the balance sheet date. Revenue and expenses are translated at average rates of exchange during the year. Gains or losses resulting from foreign currency transactions are included in results of operations.

#### Fair Value of Financial Instruments

Financial instruments are recorded at fair value in accordance with the standard for Fair Value Measurements codified within ASC 820", which defines fair values, establishes a three level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measurements:

?

Level 1--inputs to the valuation methodology are quoted prices (unadjusted) for identical asset or liabilities in active markets.

?

Level 2--inputs to the valuation methodology include closing prices for similar assets and liabilities in active markets, and inputs that are observable for the assets and liabilities, either directly, for substantially the full term of the financial instruments.

?

Level 3--inputs to the valuation methodology are observable and significant to the fair value.

As of November 30, 2009 and 2008, the Company had no assets or liabilities measured at fair value on a recurring basis.

#### Environmental Costs

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the cost can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitments to plan of action based on the then known facts.

#### Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the estimated tax consequences attributable to differences between the financial statement carrying values and their respective income tax basis (temporary differences).

The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. At November 30, 2009 a full deferred tax asset valuation allowance has been provided and no deferred tax asset benefit has been recorded.

#### Loss Per Share

Basic loss per share includes no dilution and is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding for the period. Dilutive loss per share reflects the potential dilution of securities that could share in the earnings of the Company. Because the Company does not have any potentially dilutive securities, basic loss per share is equal to dilutive loss per share.



### Stock-based Compensation

Financial Accounting Standard No. 123, "Accounting for Stock-Based Compensation" established financial accounting and reporting standards for stock-based employee compensation plans. It defines a fair value based method of accounting for an employee stock option or similar equity instrument. In January 2006, the Company implemented SFAS No. 123R, and accordingly, the Company accounts for compensation cost for stock option plans in accordance with SFAS No. 123R.

The Company accounts for share based payments to non-employees in accordance with EITF 96-18 "Accounting for Equity Instruments Issued to Non-Employees for Acquiring, or in Conjunction with Selling, Goods or Services".

### Recent Accounting Pronouncements

In May 2009, the FASB issued a new accounting standard regarding subsequent events. This standard incorporates into authoritative accounting literature certain guidance that already existed within generally accepted auditing standards, with the requirements concerning recognition and disclosure of subsequent events remaining essentially unchanged. This guidance addresses events which occur after the balance sheet date but before the issuance of financial statements. Under the new standard, as under previous practice, an entity must record the effects of subsequent events that provide evidence about conditions that existed at the balance sheet date and must disclose but not record the effects of subsequent events which provide evidence about conditions that did not exist at the balance sheet date. This standard added an additional required disclosure relative to the date through which subsequent events have been evaluated and whether that is the date on which the financial statements were issued. For the Company, this standard was effective beginning September 1, 2009.

In June 2009, the Financial Accounting Standards Board (FASB) issued a standard that established the FASB Accounting Standards Codification (ASC) and amended the hierarchy of generally accepted accounting principles (GAAP) such that the ASC became the single source of authoritative nongovernmental U.S. GAAP. The ASC did not change current U.S. GAAP, but was intended to simplify user access to all authoritative U.S. GAAP by providing all the authoritative literature related to a particular topic in one place. All previously existing accounting standard documents were superseded and all other accounting literature not included in the ASC is considered non-authoritative. New accounting standards issued subsequent to June 30, 2009 are communicated by the FASB through Accounting Standards Updates (ASUs). The Company adopted the ASC on July 1, 2009. This standard did not have an impact on the Company's consolidated

results of operations or financial condition. However, throughout the notes to the consolidated financial statements references that were previously made to various former authoritative U.S. GAAP pronouncements have been changed to coincide with the appropriate section of the ASC.

### **NOTE 3   ADVANCES**

On May 13, 2005, the Company agreed to acquire 100% of Jemma Resources Corp. During 2005, the Company advanced \$43,617 (CDN \$54,400). At November 30, 2005 the Letter of Agreement had not been replaced by a binding contract and Jemma had not raised the debt financing as contemplated in the Letter of Agreement. Accordingly the Company's management decided not to proceed with this transaction. As a result, the advances totaling \$43,617 were written off during 2006. In July 2009, the Company recovered \$4,677 (CDN \$5,440) and this is included in other income.

During 2006, \$150,000 was taken without permission by a former director of the Company and collection attempts were made. In May 2008, \$200,000 was received which included interest and collection costs and included in other income.

**NOTE 4 MINERAL PROPERTIES**Mercedes Property, Junin, Peru

On July 3, 2003, the Company acquired a 100% interest in 2,611 hectares located in Central Peru from a director for \$22,500 and 5,000,000 common shares valued at \$0.40 per share. The property is held in trust by the director. Upon request, the title will be transferred. At November 30, 2009, the title of this property has not been transferred.

Rock Creek Claims, British Columbia, Canada

On May 25, 2006, the Company agreed to acquire an option to purchase 722161 B.C. Ltd. The Company issued 125,000 shares in 2006 as partial payment. The agreement terminated in 2008 due to lack of further payments by the Company.

Due to the preliminary stage of exploration activities on the Company's properties, all acquisition costs have been expensed.

**NOTE 5 CAPITAL STOCK**

During the year ending November 30, 2008, the Company issued:

- 403,570 common shares for net cash proceeds of \$34,993;
- 166,666 common shares for services of \$9,999.

During the year ending November 30, 2009, the Company issued:

-

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

During December 2008, 200,000 units sold for \$10,000. Each unit consisted of one common share of the Company and one-half warrant. All warrants expired unused on December 12, 2009.

-

During July, 2009, 1,428,571 common shares sold for \$100,000.

-

During October, 2009, 600,000 common shares sold for \$60,000.

- 411,666 shares of common stock for services valued at \$26,100.

### NOTE 6 RELATED PARTY TRANSACTIONS

The Company paid or incurred the following amounts to directors of the Company, a former director and/or companies with common directors or officers:

General and administrative:	Year ended November 30,			
		<u>2009</u>		<u>2008</u>
Consulting fees	\$	120,000	\$	120,000
Interest on loans		7,323		2,834
Management fees		120,000		120,000
	\$	247,323	\$	242,834

The management and consulting fees were measured at the exchange amount which is the amount agreed upon by the transacting parties.

At November 30, 2009, \$335,583 is due to the President and CEO and a private company controlled by him for cash loans, fees and expenses incurred on behalf of the Company. All amounts are unsecured and due on demand. The amounts due for services are non-interest bearing while the amounts due for cash advances bear interest at 10% per annum. Interest of \$7,797 (2008 - \$1,392) has been accrued on cash advances and is included in accounts payable.

At November 30, 2009, \$229,438 is due to a shareholder for cash loans, fees and expenses incurred on behalf of the Company. All amounts are unsecured and due on demand. The amounts due for services are non-interest bearing while the amounts due for cash advances bearing while the amounts due for cash



advances bear interest at 10% per annum. Interest of \$1,679 (2008 - \$761) has been accrued on cash advances and is included in accounts payable.

At November 30, 2009, \$14,065 (2008 - \$14,065) is due to a former director. The amounts are unsecured and have no specific terms of repayment and is non-interest bearing.

## **NOTE 7 INCOME TAXES**

The significant components of the Company's deferred tax assets are as follows:

	November 30,	
	<u>2009</u>	<u>2008</u>
Deferred tax assets		
Non-capital loss carry forwards	\$ 1,887,000	\$ 1,754,000
Valuation allowance for deferred tax assets	(1,887,000)	(1,754,000)
	\$ -	\$ -

The Company has approximate net operating loss carry forwards of \$5,600,000 and \$5,200,000 for year ended 2009 and 2008 respectively; which expire commencing in 2019.

## **NOTE 8 SUBSEQUENT EVENTS**

The Company evaluated subsequent events through the date that the financial statements were issued, which was February 25, 2010, the date of the Company's annual report on Form 10K for the period ended November 30, 2009.



**Item 9.****Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

There have been no changes in or disagreements with our accountants on accounting and financial disclosure from the inception of our company through to the date of this Report.

**Item 9A.****Controls and Procedures.**

(a)

Evaluation of disclosure controls and procedures

Based upon an evaluation of the effectiveness of our disclosure controls and procedures performed by our management, with participation of our Chief Executive Officer as of the end of the period covered by this report, our Chief Executive Officer concluded that our disclosure controls and procedures have been effective during the period covered by this report.

As used herein, *disclosure controls and procedures* mean controls and other procedures of our company that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b)

Management's Report on Internal Control Over Financial Reporting



Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) under the *Securities Exchange Act of 1934*. Our Chief Executive Officer conducted an evaluation of the effectiveness of our control over financial reporting based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ( *COSO* ). Based on our evaluation under the framework, management has concluded that our internal control over financial reporting was effective as of November 30, 2009.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

(c)

#### Changes in Internal Control over Financial Reporting

There have not been any changes in our internal controls or in other factors that occurred during our last fiscal year ended November 30, 2009 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

#### **Item 9B.**

#### **Other Information.**

None.

### PART III

#### Item 10.

##### Directors, Executive Officers and Corporate Governance.

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Since</b>
<b>Peter Flueck</b>	63	President, Director, Chairman of the Board	March 21, 2003
<b>Reto Kraehenbuehl</b>	61	Director	December 01,2007

The following describes the business experience of our directors and executive officers, including other directorships held in reporting companies:

Each of our directors serve for a term of one year and until his successor is elected at an annual shareholders' meeting and is qualified, subject to removal by our 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.

#### Biographical information

Set forth below is certain biographical information regarding each of our executive officers and directors.

#### Peter Flueck, CEO, Director

Mr. Flueck brings to our company a wealth of experience, not only in the resource sector, but with extensive experience in Peru as well. He is presently the President and sole shareholder of Grand Combe Developments Ltd., a Canadian development company based in Edmonton, Alberta. He has recently acted as President of several

mining companies based in Peru, including Blower Investments A.V.V., Condor Resources A.V.V. Aruba, the Recursos Mineros El Dorado and the Minera El Serrano, Peru.

He was involved in the acquisition of several key mining properties in Peru and headed up a series of negotiations with mining concerns there in order to raise investor capital and to initiate the development of the Mercedes property in Peru. Prior to his involvement within the mining industry, Mr. Flueck was Vice President of Western Timber Export Ltd., an Alberta-based company specializing in harvesting; sawmill production, pipeline contracting, production sales and contract bidding.

**Reto Kraehenbuehl, Director,**

Mr. Kraehenbuehl is based in Switzerland and has an accomplished business background, including senior management positions within several large banking, investment, and industrial corporations. Mr. Kraehenbuehl's experience includes security analysis, investment analysis, management, EDP, insurance, and human resources. He is also fluent in five languages. Mr. Kraehenbuehl will be instrumental in directing our market awareness and finance activities in Europe.

**Significant Employees, Consultants and Advisors**

We have an advisory board which advises our Board of Directors, comprised as follows:

**ADVISORY BOARD****Martin Mount, Advisory Board Member,**

Mr. Mount is a highly motivated and success oriented mining geologist and mine planning project engineer with more than 37 years of experience, including as chief and consulting geologist on many projects. Mr. Mount presently resides in Lima, Peru and is actively involved in consulting for several large mining operations in Peru. Mr. Mount will be a key strategic advisor on our Mercedes 100 project in Peru and in our future project acquisition program.

**Robert Dowdell, Advisory Board Member and Professional Consulting Mining Engineer,**

Mr. Dowdell is based in the UK and has more than 35 years of experience, including a PHD in Rock Mechanics. Mr. Dowdell has an extensive list of successful projects to his credit worldwide and has directed and consulted on numerous operations in Latin America and Peru. Mr. Dowdell will be instrumental in guiding Brookmount to Project Development and Production stage.

**Jeff Reeder, Advisor Board Member and Professional Geologist,**

Mr. Reeder has more than 15 years of experience and expertise in Peru, including finding and guiding exploration efforts on two world class mineral deposits. He is currently President and CEO of Amerix Precious Metals Corp. and serves as independent director on the board of several publicly traded mining companies. Mr. Reeder is registered with the APEGBC in the province of British Columbia and holds a BS Degree with a specialization in Geology from the University of Alberta Canada.

**Richard (Rick) Walker, Advisory Board Member,**

Mr. Walker is a professional geoscientist registered in the province of British Columbia. He received both a B.Sc. (1986) and an M.Sc. (1990) from the University of Calgary and has worked since then in the Exploration industry.

Over the past twenty years, Rick has worked in many diverse jurisdictions, including Alberta, the Yukon, the Northwest Territories and Nunavut, Alaska, Montana, New Brunswick and Brazil, however, the majority of his work has been undertaken in the province of British Columbia, Canada. During this time, he has successfully completed contracts for the Government of the Northwest Territories (MIDA), the Geological Survey of Canada, as well as several junior and major mining companies.

Working predominantly as a Consulting Geologist, Mr. Walker has worked on a diverse suite of metal and/or commodity types, hosted by a wide variety of mineral deposit models, including (but not limited to) diamonds, as well as programs for base metals (vein, sedimentary exhalative (SEDEX) and volcanogenic massive sulphide (VMS)), precious metals (SEDEX, VMS, skarn-type and vein-type), industrial minerals (graphite, barite, dimension stone), with most of his work over the past 4 years directed toward evaluating bulk tonnage porphyry style mineralization of copper + molybdenum ± silver ± gold ± tungsten as VP - Exploration for Jasper Mining Corporation.

**Alfonso Alvarez Calderon, Advisory Board Member,**

Mr. Calderon is our attorney in Peru, with expertise in Mining Law and Regulations. Dr. Alvarez Calderon advises numerous North American mining companies in Peru and possesses a Masters Degree in Comparative Jurisprudence from New York University School of Law. He also possesses a Masters Degree in Business Administration, is a certified conciliator of the Ministry of Justice in Peru, is Honorary Consul for Trinidad and Tobago in Peru, and has practiced in London and New York, in addition to various other significant accomplishments which include many years of significant international finance experience.

**Paul M. Sterling, P.ENG, Advisory Board Member,**

Mr. Sterling has been involved in the engineering design, procurement and construction management of several base metal and precious metal projects in North, Central and South America over his 20 years in the mining industry. Mr. Sterling is currently the Corporate Metallurgist for a large mining company located in Vancouver, British Columbia and has been instrumental in developing new innovative technologies with regards to copper heap leaching. Mr. Sterling has a strong background in Metallurgy that will provide us with sound guidance in moving the Mercedes 100 Project to actual production.

**J. Brian Henry, Advisory Board Member,**

During an extensive career that spans over 40 years, with many successful accomplishments worldwide, Mr. Henry has worked in the mining and oil engineering geophysics industry where he became familiar with all of the mining and near surface geophysical techniques.

He has worked in both mining and the petroleum industries where he integrated gravity and magnetics methods into seismic interpretations. Mr. Henry has worked in many Middle East, Far East, South and North American projects and is capable of evaluating prospects, designing and managing exploration programs, QCing seismic, magnetic and gravity programs and integrating the results to delineate drilling locations.

The addition of Mr. Henry to our Advisory Board, will add an important component to our exploration activities.

### **Conflicts of Interest**

We do not have any written procedures in place to address conflicts of interest that may arise between our business and the future business activities of Mr. Flueck.

### **Audit Committee Financial Expert**

We do not have a financial expert serving on an audit committee as we do not have an audit committee because our board of directors has determined that as a start-up exploration company with no revenues it would be too expensive to have one.

## **Role and Responsibilities of the Board**

Our Board of Directors oversees the conduct and supervises the management and consultants of our business and affairs pursuant to the powers vested in it by and in accordance with the requirements of the *Revised Statutes of Nevada*. Our Board of Directors holds regular meetings to consider particular issues or conduct specific reviews whenever deemed appropriate.

Our Board of Directors considers good corporate governance to be important to our effective operations. Our directors are elected at the annual meeting of the stockholders and serve until their successors are elected or appointed. Officers are appointed by the Board of Directors and serve at the discretion of the Board of Directors or until their earlier resignation or removal.

As we have only two directors and one executive officer, there are no arrangements or understandings pursuant to which a director or executive officer was selected to be a director or executive officer.

## **Code of Ethics**

We have adopted a Code of Ethics within the meaning of Item 406(b) of Regulation S-K of the *Securities Exchange Act of 1934*. The Code of Ethics applies to directors and senior officers, such as the principal executive officer, principal financial officer, controller, and persons performing similar functions. The Code of Ethics is attached to this report as an exhibit.

## **Item 11.**

### **Executive Compensation.**

#### **Summary Compensation Table**



Edgar Filing: BROOKMOUNT EXPLORATIONS INC - Form 10-K

The table below summarizes all compensation awarded to, earned by, or paid to our executive officers by any person for all services rendered in all capacities to us for the fiscal year ended November 30, 2009.

						Change in Pension Value and Nonqualified Deferred Compensation	All Other Compensation	Total
Name and Principal Position	Year	Salary (\$)	Bonus (\$)	S t o c k O p t i o n		Non - E q u i t y Incentive Plan Compensation (\$)		
				Awards (\$)	Awards (\$)			
Peter Flueck, President	2009	\$120,000	0	0	0	0	0	\$120,000
	2008	\$120,000	0	0	0	0	0	\$120,000

### Option/SAR Grants

We made no grants of stock options or stock appreciation rights to Peter Flueck during the fiscal period ending November 30, 2009.

### Compensation of Directors

Our directors do not receive salaries for serving as directors.

**Employment contracts and termination of employment and change-in-control arrangements**

We do not currently have any employment agreements.

**Item 12.****Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The following table sets forth certain information regarding the beneficial ownership of our common stock, as of the date of this registration statement, by (i) each person (including any group) who is known by us to beneficially own more than 5% of any class of the voting securities of our company; (ii) each of our directors, and (iii) officers and directors as a group.

Each common share entitles the holder thereof to one vote in respect of any matters that may properly come before our stockholders. To the best of our knowledge, there exist no arrangements that could cause a change in voting control of our company. Unless otherwise indicated, the persons named below have sole voting and investment power with respect to all shares beneficially owned by them, subject to community property laws where applicable.

			<b>Percent</b>	
<b>Title of Class</b>	<b>Name</b>	<b>Relationship to Company</b>	<b>Number of Shares</b>	<b>Owned <sup>(1)</sup></b>
Common Stock		Director, President and CEO	14,905,555	39%
	Peter Flueck			
	&			
Common Stock	Grand Combe			
	Zafer Sungur		6,270,344	19%
		Consultant, Previous COO		

(1)

The percent ownership of class is based on 40,798,740 shares of common stock issued and outstanding as of the date of this report.

Under the rules of the Commission, a person (or group of persons) is deemed to be a "*beneficial owner*" of a security if he or she, directly or indirectly, has or shares the power to vote or to direct the voting of such security, or the power to dispose of or to direct the disposition of such security. Accordingly, more than one person may be deemed to be a beneficial owner of the same security. A person is also deemed to be a beneficial owner of any security, which that person has the right to acquire within 60 days, such as options or warrants to purchase our common stock.

**Item 13.**

**Certain Relationships and Related Transactions, and Director Independence.**

**Transactions with related persons**

Except as disclosed below, none of the following parties has, since our inception, had any material interest, direct or indirect, in any transaction with us or in any presently proposed transaction that has or will materially affect us:

.

any of our directors or executive officers;

.

any person proposed as a nominee for election as a director;

.

any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to our outstanding shares of common stock;

.

any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of any of the foregoing persons; or



any person sharing the household of any director, executive officer, nominee for director or 5% shareholder of our company.

### **Promoters and control persons**

The promoter of our company is Peter Flueck.

### **Item 14.**

#### **Principal Accountant Fees and Services.**

The following table shows the fees billed by Kempisty & Co., our previous auditors, and MaloneBailey LLP for the fiscal year ended November 30, 2009 and the fiscal year ended November 30, 2008.

	<b>Fiscal year ended November 30, 2009</b>	<b>Fiscal year ended November 30, 2008</b>
Audit fees	\$ 12,000	\$ 19,500
Audit-related fees	8,500	8,500
Tax fees	Nil	Nil
All other fees	Nil	Nil

Audit fees consist of fees related to professional services rendered in connection with the audit of our annual financial statements, the review of the financial statements included in each of our quarterly reports on Form 10-Q.

**PART IV**

**Item 15.**

**Exhibits, Financial Statement Schedules.**

*(a)*

***Financial Statements***

Financial Statements for the fiscal year ended November 30, 2009:

Reports of Independent Registered Public Accounting Firm

Balance Sheets

Statements of Income

Statement of Stockholders' Equity (Deficit)

Statements of Cash Flows

Notes to Financial Statements

*(b)*

***Exhibits***

Certificate of principal executive officer and principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the *Sarbanes-Oxley Act of 2002*

Certificate of principal executive officer and principal financial officer pursuant to 18  
U.S.C. Section 1350, as adopted pursuant to Section 906 of the *Sarbanes-Oxley Act of*  
*2002*

Code of Ethics

(c)

***Financial Statement Schedules***

We are not filing any financial statement schedules as part of this report as such schedules are either not applicable or the required information is included in the financial statements or notes thereto.

**INDEX TO EXHIBITS**

Number

Exhibit Description

14.1

Code of Ethics

31.1

Certificate of principal executive officer and principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the *Sarbanes-Oxley Act of 2002*

32.1

Certificate of principal executive officer and principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the *Sarbanes-Oxley Act of 2002*



## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the *Securities Exchange Act of 1934*, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

### **BROOKMOUNT EXPLORATIONS, INC.**

/s/ Peter Flueck

Peter Flueck

Chief Executive Officer (Principal Executive Officer  
and Principal Accounting Officer

February 26, 2010

Pursuant to the requirements of the *Securities Exchange Act of 1934*, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Peter Flueck

Peter Flueck

Chief Executive Officer (Principal Executive Officer  
and Principal Accounting Officer

February 26, 2010