

BROOKMOUNT EXPLORATIONS INC  
Form 10KSB/A  
December 08, 2006

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

FORM 10-KSB/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES ACT OF 1934

For the fiscal year ended November 30, 2005  
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or

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

For the transaction period from \_\_\_\_\_ to \_\_\_\_\_

Commission File number 000-32181  
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BROOKMOUNT EXPLORATIONS, INC.

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(Exact name of Company as specified in charter)

Nevada  
(State or other jurisdiction of  
incorporation or organization)

98-0201259  
(IRS Employer Identification No.)

666 Burrard Street, Suite 600  
-----  
Vancouver BC, Canada  
(Address of principal executive offices)

V6C 2X8  
-----  
(Postal Zip Code)

Issuer's telephone number, including area code: (604) 676-5244

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

|                     |   |
|---------------------|---|
| Title of each share | Name of each exchange on which registered |
| None                | None                                      |

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

Common Stock  
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(Title of Class)

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 a shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

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iii

Check if there is no disclosure of delinquent filers pursuant to Item 405 of Regulation S-B is not contained herein, and will not be contained, to the best of the 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. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [X ] No [ ]

State issuer's revenues for its most recent fiscal year: Nil

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 a specified date within the past 60 days. (See definition of affiliate in Rule 12b-2 of the Exchange Act.)

\$3,909,900.30 as at December 1, 2006

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

26,066,002 shares of common stock as at December 1, 2006

i

EXPLANATORY NOTE

This Amendment No. 2 to the Annual Report on Form 10-KSB/A responds to certain comments of the Staff of the Securities and Exchange Commission in connection with its review of the Brookmount Explorations, Inc.'s (the "Company") Annual Report on Form 10-KSB and 10KSB/A for the fiscal year ended November 30, 2005, which the Company's management has determined are necessary in order to comply with its reporting obligations under the Securities Exchange Act of 1934. This amendment corrects several typographical errors in the previous reports, supplements the disclosure regarding the Company's controls and procedures, supplements the disclosure concerning the Company's transaction with Jemma Resources, contains a revision to the audit report of our prior auditor, and updates the certifications of the executive officers. In addition, certain

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detail regarding subsequent events is also disclosed in this filing. All other information included in the original on Form 10-KSB, as filed on February 28, 2006, and the 10-KSB/A, as filed on March 7, 2006, remains unchanged.

ii

### TABLE OF CONTENTS

|  | Page |
|--|------|
| PART 1   | 1    |
| ITEM 1. DESCRIPTION OF BUSINESS.....   | 1    |
| ITEM 2. DESCRIPTION OF PROPERTY.....   | 8    |
| ITEM 3. LEGAL PROCEEDINGS.....   | 12   |
| ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS.....           | 12   |
| PART II.....   | 13   |
| ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTER.....         | 13   |
| ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.....       | 13   |
| ITEM 7. FINANCIAL STATEMENTS.....  | F-1  |
| PART III.....  | 20   |
| ITEM 9: DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS.....    | 20   |
| ITEM 10. EXECUTIVE COMPENSATION.....   | 21   |
| ITEM 11: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT..... | 21   |
| ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.....                 | 22   |
| PART IV.....   | 23   |
| ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES.....                         | 23   |

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SIGNATURES.....24

iii

## PART 1

### ITEM 1. DESCRIPTION OF BUSINESS

#### HISTORY AND ORGANIZATION

Brookmount Explorations, Inc. (the "Company"), a Nevada Corporation, was incorporated on December 9, 1999. Since inception, the Company has not been in bankruptcy, receivership or similar proceedings. It has not had any material reclassification, merger, consolidation, purchase or sale of a significant amount of assets not in the ordinary course of business. The Company has no subsidiaries and no affiliated companies. The Company's shares are quoted on the NASD over the counter bulletin board (OTCBB) and currently trading under the symbol "BMXI".

Subsequent to November 30, 2005, the Company's shares were listed on the Berlin Stock Exchange under the symbol "B6P". The Company also filed an application with the Frankfurt Stock Exchange.

The Company's executive offices are located at World Trade Centre - 999 Canado Place, Suite 404, Vancouver, B.C., Canada, V6C 3E2 (Telephone: 604-676-5244).

The Company's Articles of Incorporation currently provide that the Company is authorized to issue 200,000,000 shares of common stock, par value \$0.001 per share. As at November 30, 2005, there were 16,768,685 shares outstanding.

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

The Company owns an interest in five mineral claims located in Quebec which are known as the Brookmount claims. During the year ended November 30, 2005 the Company completed a mineral property purchase agreement, as amended, with Mr. Peter Flueck dated January 24, 2005, and acquired a 100% interest in the Mercedes 100 mineral property located in Comas District, Concepcion Department, Junin Province, Peru. Mr. Flueck acts as the Company's president and a director. Our principal exploration property is the Mercedes 100 Property.

In addition, during the year ended November 30, 2005, the Company acquired a right to purchase a 100% interest in the Mooseland property located in Halifax County Nova Scotia pursuant to a binding letter of agreement dated June 14, 2005. In September 2005, the Company had withdrawn its participation in the Mooseland Property project and forfeited the right to purchase a 100% interest in the property.

Subsequent to November 30, 2005, Brookmount signed a Letter of Intent to acquire 56% interest in the Rock Creek Property by acquiring 722161 BC Ltd., a private corporation, the owner of the interest in the Rock Creek Property. The property located approximately 10 kilometers southeast of Rock Creek, B.C. in the Greenwood Mining Division.

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### Brookmount Claims

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The Company presently has the mineral rights to five mineral claims called the Brookmount claims located in Chazel Township, Abitibi West County, Quebec.

The Company retained J.G. Burns & Associates of Timmins, Ontario were retained to write a geological report on these claims. The claims are in good standing until November 14, 2006.

No ore body has been discovered on the Brookmount claims. Even with a major exploration program, there is no assurance an ore body will be discovered. Presently, the Company does not have sufficient funds to undertake any further exploration activities unless it obtains funds from its directors and officers or raises additional capital through the sale of its equity. The directors do not have any arrangements in this regard.

1

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

### Mercedes 100 Property

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The Mercedes 100 property consists of six mineral claims. We are the beneficial owner of a 100% interest in the claims. There are no other underlying agreements or interests in the property.

Specifics of the six mineral claims are as follows:

| Claim Name           | Claim Number   | Claim Area<br>(Hectares) |
|----------------------|----------------|--------------------------|
| Mercedes 100         | C-08020145X011 | 450.00                   |
| Celeste              | C-010151600    | 298.84                   |
| Celeste No. 2        | C-010151500    | 218.58                   |
| Celeste No. 4        | C-010151700    | 200.00                   |
| Nuevo Herraje Cuatro | C-010154100    | 996.96                   |
| Nueva Charo          | C-010051101    | 446.93                   |

Subsequent to November 30, 2005, Brookmount filed an application to acquire 1 additional 500 hectares of land at the Mercedes 100 property.

### 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

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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 with 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.

### Description, Location and Access

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The Mercedes 100 property is accessed from Lima by an excellent paved mountain highway to Concepcion, just 10 kilometers short of the provincial capital of Huancayo, then by a paved road to Santa Roda de Ocopa. A good all-weather gravel road connects Ocopa with Satipo, a village in the Amazonas river basin. The Mercedes Mine camp is 36 kilometers from Santa Rosa.

Although the property is within 12 degrees south of the equator, it lies between 4,300 and 4,500 meters above sea level in an area that is treeless and cold. There are two main seasons in the region of the property: a dry cool winter with sunny days and cold nights (to -4(0) Celsius) lasting from May to October, and a wet, cool summer that lasts from November to April and is characterized for its intense rains, snow and hail storms and average temperatures of 8(0) Celsius.

2

A 33 kilovolt power line follows the main gravel road past the Mercedes 100 property. Pomamanta, the nearest village to the property, about five kilometers to the east, is electrified on a limited basis. The line is 4.5 kilometres from the property site. Water for mining and drilling is available from streams and seeps in the hills above the property.

Nearby towns such as Concepcion and Huancayo are modern and offer most necessities. There is a narrow guage railroad from Lima to Huancayo. This connects the mining and smelting center of La Oroya, 130 kilometers to the west.

On the property site, there is a large brick building that could be refurbished to serve as a camp for 20 to 30 people.

### Mineralization and Exploration History

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In the 1990's, Leader Mining Inc. entered into an option agreement with Mr. Peter Flueck for a 50% working interest in the property and commissioned MPH Geological Consulting to assess the property's potential in 1996. Although the report contained a range of values of zinc, lead, gold and silver mineralization found on the property, as well as calculations of proven, potential, probable and possible reserves, we do not have sufficient information that would be necessary to determine if these figures are accurate or were calculated in accordance with acceptable mining standards.

Prior to our acquisition of the Mercedes 100 property, approximately \$3,000,000 has been spent on the property. Most of these funds were spend on road building, re-opening underground workings on the property, topographical surveys, metallurgical tests, several exploitation campaigns and numerous sampling programs.

Geological Report: Mercedes 100 property

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We obtained a geological report on the Mercedes 100 property that was prepared by Guillermo Salazar, a professional geologist, of Calgary, Alberta. We commissioned the report in March 2004. The geological report summarizes the results of previous exploration on the Mercedes 100 property and makes a recommendation for further exploration work.

In his report, Mr. Salazar recommends further exploration of the Mercedes 100 property that would include the following:

1. Survey of the property's several known showings, adits and trenches. It is recommended that be done by confirming that the property boundaries are properly located, that the portals, adits and trenches are re-located with respect to the property boundaries and to other cultural and topographic features such as access roads, camps, mine dumps and main rivers.

2. There is about 200 tonnes of run-of-mine mineral in 50 kilogram sacks stacked along the road near the property. The sacks are in variable states of deterioration. They are, however, readily available for shipping if a nearby mill were to take the material for processing. The cost to us would include the cost of check assaying, re-sacking and transportation to the mill. Preliminary sampling of this rock indicates an average of 8.73 ounces per ton silver and 1.34% zinc. Mr. Salazar recommends that this be investigated.

3. A drilling program consisting of sixteen drill holes and totaling 1,810 meters designed to test prospective areas of the claims is recommended.

4. The geological interpretation of the claims needs to be confirmed. This requires the following:

- o a satellite image interpretation map. The primary objective of this would be to define the trace continuity of the faults and veins recognized on the property

3

- o a structural airphoto and geological map. The airphotos used for this map could also be used to produce a ground controlled topographic map without the errors in the government data packages. The required detail of this recommendation depends on the results from the survey described in paragraph one above.

- o the results from these studies should be followed up with careful prospecting of the targets thus defined.

Mr. Salazar proposes the following budget for exploration:

|  |           |
|--|-----------|
| Survey the property's showings, adits and trenches:  | \$7,500   |
| Truck rental (30 days at \$100 per day):   | \$3,000   |
| Check assaying of 220 tonnes, re-sacking of material and identification of potential purchasers: | \$10,000  |
| Application for drilling permits:  | \$3,000   |
| Drilling of 1,800 meters in 16 holes:  | \$271,500 |
| Permit closure reporting:  | \$3,000   |
| Satellite interpretation of alteration and lineaments:   | \$10,000  |
| Testing of sacked mineralized rock (30 samples at \$20 each):                                    | \$600     |
| Drill core testing (300 samples at \$20 each):   | \$6,000   |

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|                            |           |
|----------------------------|-----------|
| Gridding work:             | \$75,000  |
| Report writing:            | \$15,000  |
| Office and administration: | \$7,500   |
| Miscellaneous:             | \$40,000  |
|                            | -----     |
| Total:                     | \$449,100 |
|                            | =====     |

In January 2006 we completed a private placement of the Company's restricted common stock to assist in the financing of our exploration program.

### Compliance with Government Regulation

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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.

4

### Employees

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

### Available Information

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The Company's shares are listed on the OTCBB, and, as required, the Company will hold annual general meetings and distribute certain documents, including financial statements, to shareholders of record.

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

The public may read and copy any material the Company files with the SEC at the SEC's Public Reference Room at 100 F Street NE, N.W., Washington,



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D.C., 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The Company is files its periodic reports electronically and therefore the public can review the Company's filing on the SEC Internet site that contains reports, proxy, and information statements, and other information regarding the Company. This information can be obtained by accessing the SEC website address at <http://www.sec.gov>.

The Company's internet address is [www.brookmount.com](http://www.brookmount.com)

### Research and Development Expenditures

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We did not incur any research and development expenditures during the fiscal year ended November 30, 2005.

### Subsidiaries

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We do not have any subsidiaries.

### Patents and Trademarks

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We do not own, either legally or beneficially, any patents or trademarks.

### RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below and the other information in this prospectus before investing in our common stock. If any of the following risks occur, our business, operating results and financial condition could be seriously harmed. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment.

THE MINERAL PROPERTIES IN WHICH WE HAVE AN INTEREST, THE BROOKMOUNT CLAIMS AND THE MERCEDES PROPERTY, HAVE NO RESERVES.

Our sole mineral property assets are the Brookmount claims in Quebec and the Mercedes property in Peru. As both the Brookmount and the Mercedes properties are in the exploration stage, they do not generate any cash flow. Accordingly, we have no means of producing any income. We anticipate incurring losses for the foreseeable future.

5

IF WE DO NOT OBTAIN ADDITIONAL FINANCING, OUR BUSINESS WILL FAIL.

Our current operating funds are less than necessary to complete planned exploration on our mineral properties, and therefore we will need to obtain additional financing in order to complete our business plan. As of November 30, 2005, we had cash in the amount of \$20,447. We currently do not have any operations and we have no income.

Our business plan calls for significant expenses in connection with the exploration of the Brookmount claims and the Mercedes property. We do not have sufficient funds to complete recommended exploration on the properties and ongoing administrative expenses.

We will also require additional financing if the costs of the exploration of our properties are greater than anticipated. We will require

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additional financing to sustain our business operations if we are not successful in earning revenues once exploration is complete. We do not currently have any arrangements for financing and we can provide no assurance to investors that we will be able to find such financing if required. Obtaining additional financing would be subject to a number of factors, including the market prices for metals such as gold, investor acceptance of our properties and general investor sentiment. These factors may make the timing, amount, terms or conditions of additional financing unavailable to us.

The most likely source of future funds presently available to us is through the sale of equity capital. Any sale of share capital will result in dilution to existing shareholders. The only other anticipated alternative for the financing of further exploration would be the offering by us of an interest in our properties to be earned by another party or parties carrying out further exploration thereof, which is not presently contemplated.

BECAUSE WE HAVE ONLY RECENTLY COMMENCED BUSINESS OPERATIONS, WE FACE A HIGH RISK OF BUSINESS FAILURE.

We have not yet commenced exploration on the Mercedes 100 property. Accordingly, we have no way to evaluate the likelihood that our business will be successful. To date, we have been involved primarily in organizational activities and the acquisition of mineral properties. We have not earned any revenues as of the date of this report. Potential investors should be aware of the difficulties normally encountered by new mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that we plan to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates.

Prior to completion of our exploration stage, we anticipate that we will incur increased operating expenses without realizing any revenues. We therefore expect to incur significant losses into the foreseeable future. We recognize that if we are unable to generate significant revenues from development of the Mercedes 100 property and the production of minerals from the claims, we will not be able to earn profits or continue operations.

There is no history upon which to base any assumption as to the likelihood that we will prove successful, and it is doubtful that we will generate any operating revenues or ever achieve profitable operations. If we are unsuccessful in addressing these risks, our business will most likely fail.

BECAUSE OF THE SPECULATIVE NATURE OF EXPLORATION OF MINERAL PROPERTIES, THERE IS A SUBSTANTIAL RISK THAT OUR BUSINESS WILL FAIL.

The search for valuable minerals as a business is extremely risky. We can provide investors with no assurance that the mineral claims that we have an interest in contain commercially exploitable reserves of valuable metals. Exploration for minerals is a speculative venture necessarily involving substantial risk. The expenditures to be made by us in the exploration of the optioned mineral properties may not result in the discovery of commercial quantities of minerals. Problems such as unusual or unexpected formations and other conditions are involved in mineral exploration and often result in unsuccessful exploration efforts. In such a case, we would be unable to complete our business plan.

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BECAUSE MANAGEMENT HAS NO TECHNICAL EXPERIENCE IN MINERAL EXPLORATION, OUR BUSINESS HAS A HIGHER RISK OF FAILURE.

None of our directors has any professional training or technical credentials in the exploration, development and operation of mines. As a result, we may not be able to recognize and take advantage of potential acquisition and exploration opportunities in the sector without the aid of qualified geological consultants. As well, with no direct training or experience, our management may not be fully aware of the specific requirements related to working in this industry. Their decisions and choices may not be well thought out and our operations and ultimate financial success may suffer irreparable harm as a result.

BECAUSE OF THE INHERENT DANGERS INVOLVED IN MINERAL EXPLORATION, THERE IS A RISK THAT WE MAY INCUR LIABILITY OR DAMAGES AS WE CONDUCT OUR BUSINESS.

The search for valuable minerals involves numerous hazards. As a result, we may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which we cannot insure or against which we may elect not to insure. The payment of such Liabilities may have a material adverse effect on our financial position.

IF WE BECOME SUBJECT TO BURDENSOME GOVERNMENT REGULATION OR OTHER LEGAL UNCERTAINTIES, OUR BUSINESS WILL BE NEGATIVELY AFFECTED.

There are several governmental regulations that materially restrict mineral property exploration and development. Under Peruvian mining law, to engage in certain types of exploration will require work permits. While these current laws will not affect our current exploration plans, when we proceed with drilling operations on the Mercedes 100 property, we will incur modest regulatory compliance costs.

BECAUSE OUR DIRECTORS AND OFFICERS OWN 44% OF OUR OUTSTANDING COMMON STOCK, THEY COULD MAKE AND CONTROL CORPORATE DECISIONS THAT MAY BE DISADVANTAGEOUS TO OTHER MINORITY SHAREHOLDERS.

As of the date of this filing, our directors own approximately 44% of the outstanding shares of our common stock. Accordingly, they will have a significant influence in determining the outcome of all corporate transactions or other matters, including mergers, consolidations, and the sale of all or substantially all of our assets. They will also have the power to prevent or cause a change in control. The interests of our directors may differ from the interests of the other stockholders and thus result in corporate decisions that are disadvantageous to other shareholders.

WE MAY NOT BE ABLE TO OPERATE AS A GOING CONCERN AND OUR BUSINESS MAY FAIL.

The Independent Auditor's Report to our audited financial statements for the period ended November 30, 2005, indicates that there are a number of factors that raise substantial doubt about our ability to continue as a going concern. Such factors identified in the report are that we are in the pre-exploration stage, we have no established source of revenue and that we are dependent on our ability to raise capital from shareholders or other sources to sustain operations.

OUR STOCK PRICE IS SUBJECT TO WIDE FLUCTUATIONS THAT MAY CAUSE STOCKHOLDERS TO LOSE THEIR INVESTMENTS.

If a market for our common stock develops, we anticipate that the market price of our common stock will be subject to wide fluctuations in response to several factors, including:

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(1) actual or anticipated variations in our results of operations; (2) our ability or inability to generate new revenues; (3) increased competition; and (4) conditions and trends in the mineral exploration industry.

7

Since our common stock is traded on the NASD over the counter bulletin board, our stock price may be impacted by factors that are unrelated or disproportionate to our operating performance. These market fluctuations, as well as general economic, political and market conditions, such as recessions, interest rates or international currency fluctuations may adversely affect the market price of our common stock.

### Forward-Looking Statements

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This Form 10-KSB/A 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 the above "Risk Factors" section and elsewhere in this document.

### ITEM 2. DESCRIPTION OF PROPERTY

#### BROOKMOUNT PROPERTY

The Brookmount property consists of five claims totalling approximately 500 acres, which are located in Chazel Township, Abitibi West County, Quebec. A 100% interest in these claims were recorded in the name of George Fournier, which he holds in trust for the Company, on December 20, 1999, and subsequently registered on February 1, 2000. The claims are in good standing until November 16, 2006.

#### Location of Brookmount claim

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The claims lie in northwestern Quebec some 100 miles North, North East from the city of Rouyn-Noranda, Quebec. The claims are easily accessible by gravel and logging roads.

#### History of the Brookmount mining area

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Chazel Township and the general surrounding area have been prospected and explored since the early 1900s. Gold was originally the main commodity sought, but interest in base metals increased following the discovery in 1922 of the Oditan copper-zinc occurrence in the township and in 1925 of the Normetal copper-zinc-silver-gold deposit. Exploration for copper-nickel and asbestos deposits was undertaken in the 1970s but since the 1980s the major emphasis once again shifted to gold.

#### Past Exploration of the Brookmount claim

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

1973-1975: Dome Explorations (Canada) Limited ("Dome")

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Dome's 41 full lot claims in Chazel and Dission Townships included the present Brookmount property, and were staked to cover several anomalies defined by an airborne electromagnetic survey contracted by the Quebec government in 1972. Ground magnetic and horizontal loop electromagnetic (HLEM) surveys conducted in 1973 defined a strong 3/10 mile long HLEM anomaly with a low but precise magnetic correlation. Hole 60C-1, drilled on the property in 1974 to a depth of 100 yards, tested the anomaly. A 5.3 yard section and mineralized with 10% pyrite, a rock type often found in the presence of copper and gold mineralization, assayed 0.08% copper.

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

1986-1987: Resources Macamic Inc. ("Macamic")

8

Macamic held a contiguous, irregularly shaped block of 97 claims in Chazel Township and Dission Township. The present Brookmount claims were included within their property limits.

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

Macamic's magnetic and HLEM surveys covered the Brookmount property, and two HLEM anomalies were defined within it. One anomaly extended for over 880 yards and showed a weak magnetic correlation and corresponded in form to the Dome anomaly. It was rated a first priority target. The second anomaly was considered to be an extension of the first anomaly and was rated a second priority target.

### Topography and Infrastructure

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Within the general area of the Brookmount claims, the topography is basically flat with only the occasional low hill. Elevation ranges from 352 yards on the property to 3/10 mile. Vegetation in the area is mixed boreal forest. Tree species present on the property are spruce, jackpine balsam, tamarack, cedar, birch and poplar. Glacial till and glacial-lacustrine clay soils dominate the area. The area is extensively covered by low, swampy ground.

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

- a) an intricate road network;
- b) electrical power - the grid extends to Authier Nord, 4.4 miles from the property;
- c) railway - the main east/west line of the Canadian National Railway passes 10.6 miles to the south;

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- d) numerous base metal and gold mines and mills; and
- e) a copper smelter in Rouyn-Noranda.

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

Exploration work performed on the Brookmount claim

The Company has not commenced exploration work on the Brookmount claims. The claims are in good standing until November 14, 2006.

### Mercedes 100 Property

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By an agreement dated July 3, 2003, and amended on January 24, 2005, the Company has also entered into an agreement with its president, Peter Flueck, whereby the Company has agreed to purchase a 100% interest in six mineral concessions comprising a total of 2,611 hectares located in Ahuigrande Parish, Comas District, Concepcion Province of the Department of Junin, Peru. In order to acquire a 100% interest in the Mercedes 100 property, the Company must pay \$22,500 (paid) to Mr. Flueck and issue a total of 5,000,000 shares (issued) of restricted common stock in our capital as follows:

- o 2,900,000 shares to the vendor, Mr. Flueck; and
- o 1,050,000 shares to each of the other two directors of the Company.

### Title to the Mercedes 100 property

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9

The Mercedes 100 property consists of six mineral claims. We are the beneficial owner of a 100% interest in the claims. There are no other underlying agreements or interests in the property.

Specifics of the six mineral claims are as follows:

| Claim Name            | Claim Number   | Claim Area<br>(Hectares) |
|-----------------------|----------------|--------------------------|
| Mercedes 100          | C-08020145X011 | 450.00                   |
| Celeste               | C-010151600    | 298.84                   |
| Celeste No. 2         | C-010151500    | 218.58                   |
| Celeste No. 4         | C-010151700    | 200.00                   |
| Nuevo Herraaje Cuatro | C-010154100    | 996.96                   |
| Nueva Charo           | C-010051101    | 446.93                   |

### 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

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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 with 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.

### Description, Location and Access

-----

The Mercedes 100 property is accessed from Lima by an excellent paved mountain highway to Concepcion, just 10 kilometers short of the provincial capital of Huancayo, then by a paved road to Santa Roda de Ocopa. A good all-weather gravel road connects Ocopa with Satipo, a village in the Amazonas river basin. The Mercedes Mine camp is 36 kilometers from Santa Rosa.

Although the property is within 12 degrees south of the equator, it lies between 4,300 and 4,500 meters above sea level in an area that is treeless and cold. There are two main seasons in the region of the property: a dry cool winter with sunny days and cold nights (to -4(0) Celsius) lasting from May to October, and a wet, cool summer that lasts from November to April and is characterized for its intense rains, snow and hail storms and average temperatures of 8(0) Celsius.

A 33 kilovolt power line follows the main gravel road past the Mercedes 100 property.

Pomamanta, the nearest village to the property, about five kilometers to the east, is electrified on a limited basis. The line is 4.5 kilometres from the property site. Water for mining and drilling is available from streams and seeps in the hills above the property.

10

Nearby towns such as Concepcion and Huancayo are modern and offer most necessities. There is a narrow guage railroad from Lima to Huancayo. This connects the mining and smelting center of La Oroya, 130 kilometers to the west.

On the property site, there is a large brick building that could be refurbished to serve as a camp for 20 to 30 people.

### Mineralization and Exploration History

-----

In the 1990's, Leader Mining Inc. entered into an option agreement with Mr. Peter Flueck for a 50% working interest in the property and commissioned MPH Geological Consulting to assess the property's potential in 1996. Although the report contained a range of values of zinc, lead, gold and silver mineralization found on the property, as well as calculations of proven, potential, probable and possible reserves, we do not have sufficient information that would be

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necessary to determine if these figures are accurate or were calculated in accordance with acceptable mining standards.

Prior to our acquisition of the Mercedes 100 property, approximately \$3,000,000 has been spent on the property. Most of these funds were spent on road building, re-opening underground workings on the property, topographical surveys, metallurgical tests, several exploitation campaigns and numerous sampling programs.

### Geological Report: Mercedes 100 property

-----

We have obtained a geological report on the Mercedes 100 property that was prepared by Guillermo Salazar, a professional geologist, of Calgary, Alberta. We commissioned the report in March 2004. The geological report summarizes the results of previous exploration on the Mercedes 100 property and makes a recommendation for further exploration work.

In his report, Mr. Salazar recommends further exploration of the Mercedes 100 property that would include the following:

1. Survey of the property's several known showings, adits and trenches. It is recommended that be done by confirming that the property boundaries are properly located, that the portals, adits and trenches are re-located with respect to the property boundaries and to other cultural and topographic features such as access roads, camps, mine dumps and main rivers.

2. There is about 200 tonnes of run-of-mine mineral in 50 kilogram sacks stacked along the road near the property. The sacks are in variable states of deterioration. They are, however, readily available for shipping if a nearby mill were to take the material for processing. The cost to us would include the cost of check assaying, re-sacking and transportation to the mill. Preliminary sampling of this rock indicates an average of 8.73 ounces per ton silver and 1.34% zinc. Mr. Salazar recommends that this be investigated.

3. A drilling program consisting of sixteen drill holes and totaling 1,810 meters designed to test prospective areas of the claims is recommended.

4. The geological interpretation of the claims needs to be confirmed. This requires the following:

- o a satellite image interpretation map. The primary objective of this would be to define the trace continuity of the faults and veins recognized on the property
- o a structural airphoto and geological map. The airphotos used for this map could also be used to produce a ground controlled topographic map without the errors in the government data packages. The required detail of this recommendation depends on the results from the survey described in paragraph one above.

11

- o the results from these studies should be followed up with careful prospecting of the targets thus defined.

Mr. Salazar proposes the following budget for exploration:

|   |         |
|---|---------|
| Survey the property's showings, adits and trenches: | \$7,500 |
| Truck rental (30 days at \$100 per day):            | \$3,000 |



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|  |           |
|--|-----------|
| Check assaying of 220 tonnes, re-sacking of material and identification of potential purchasers: | \$10,000  |
| Application for drilling permits:  | \$3,000   |
| Drilling of 1,800 meters in 16 holes:  | \$271,500 |
| Permit closure reporting:  | \$3,000   |
| Satellite interpretation of alteration and lineaments:   | \$10,000  |
| Testing of sacked mineralized rock (30 samples at \$20 each):                                    | \$600     |
| Drill core testing (300 samples at \$20 each):   | \$6,000   |
| Gridding work:   | \$75,000  |
| Report writing:  | \$15,000  |
| Office and administration:   | \$7,500   |
| Miscellaneous:   | \$40,000  |
|  | -----     |
| Total:   | \$449,100 |
|  | =====     |

### 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.

### ITEM 3. LEGAL PROCEEDINGS

There are no legal proceedings pending or threatened against us.

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

No matters were submitted to a vote of shareholders of the Company during the final quarter of the fiscal year ended November 30, 2005.

12

## PART II

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

Market Information

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As of the date of this report our shares of common stock are trading on the National Association of Securities Dealers' OTC Bulletin Board (OTCBB) under the symbol "BMXI" and on the Berlin Stock Exchange under the symbol "B6P".

We have 248 shareholders of record as at the date of this annual report.

### 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.

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

### OVERVIEW

Our plan of operations for the twelve months following the date of this annual report is to complete initial exploration program on the Mercedes 100 property. We anticipate that this program will cost approximately \$450,000. In January 2006 we have completed a \$400,000 private placement of the Company's restricted common stock to finance our exploration program.

In addition, we anticipate spending \$30,000 on professional fees, \$240,000 on management fees, \$60,000 on travel costs, \$30,000 on promotional expenses and \$40,000 on other administrative expenses.

Total expenditures over the next 12 months are therefore expected to be \$850,000. 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 Period Ending November 30, 2005

-----  
We did not earn any revenues during the period ending November 30, 2005. We do not anticipate earning revenues until such time as we have entered into commercial production of the Brookmount claims or the Mercedes 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

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commercial production.

13

We incurred operating expenses in the amount of \$2,510,579 (2004: \$322,261) for the fiscal year ended November 30, 2005. The substantial increase in net loss was due to the issue of 5,000,000 shares of common stock at a recorded value of \$2,000,000 in connection with the completion of our acquisition of the Mercedes property.

These shares were issued to our directors and officers in the following amounts:

|                  |           |
|------------------|-----------|
| Peter Flueck     | 2,900,000 |
| Zaf Sungur       | 1,050,000 |
| Victor Stillwell | 1,050,000 |

In addition we incurred \$196,947 in mineral property costs during the year ended November 30, 2005. General and administrative expenses for the period ended November 30, 2005 were comparable to those incurred in the same period in 2004 (\$313,632 versus \$274,482).

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.

At November 30, 2005, we had assets of \$70,306 consisting of cash on hand of \$20,447 (2004: \$51,103), resource property cost advances of \$43,617 (2004: \$Nil), prepaid expenses of \$5,000 (2004: \$3,863), and capital assets of \$1,242 (2004: \$1,774). At the same date, we had \$91,739 (2004: \$101,520) in liabilities consisting of accounts payable and accrued liabilities of \$33,223 (2004: \$43,004) and \$58,516 (2004: \$58,516) due to related parties.

### Subsequent Events

Subsequent to November 30, 2005, the Company issued 641,026 shares of common stock pursuant a private placement for total proceeds of \$400,000. As described in further detail below, our former Chairman removed \$150,000 of that raise for non-corporate purposes without approval.

On December 14, 2005 the Company issued 4,291,000 shares of common stock to the its newly appointed chairman for business and consulting services that will be provided over the next year. At the date of issue the common stock had a market value of \$1,737,855. In addition the Company is paying a monthly management fee of \$10,000 to its new chairman.

On February 2, 2006 the Company entered into a letter of intent to acquire an option to purchase 100% of the issued share capital of 722161 B.C. Ltd ("BC Ltd"). BC Ltd has a 56% interest in mineral claims located in the Rock Creek area of British Columbia, Canada. In consideration for signing the letter of intent the Company issued 10,000 of its shares of common stock to the owner of BC Ltd. Upon replacing the letter of intent with a formal agreement the Company will issue an additional 20,000 shares of its common stock to the owner of BC Ltd. To earn the option the Company would be required to make cash payments of \$250,000 over a period of four years and incur exploration expenses of \$1,000,000 over a period of five years from the date of the formal agreement.

Effective April 5, 2006, Victor Stilwell, Vice President & Director,

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resigned both positions with the Company. Under the terms of his separation agreement dated of the same date, Mr. Stilwell is entitled to keep 1,000,000 of the 1,650,000 of shares granted to him in connection with his employment. In addition, the Company granted Mr. Stilwell a warrant for 250,000 shares, exercisable at \$0.31 for a term of one year.

Effective April 26, 2006, David Jacob Dadon was removed as a director and as Chairman of the Board of Brookmount Explorations (the "Company") for cause. Mr. Dadon withdrew \$150,000 from the Company's bank account. Mr. Dadon was not an authorized signatory on the Company's bank account and had not been granted any such authority to withdraw the funds by the Company's Board of Directors. Upon completion of an investigation, the Company determined that Mr. Dadon had not used the funds for corporate purposes. The Company had worked for several weeks to have Mr. Dadon return the money to the Company on a voluntary basis. To date, the money has not been returned.

14

The Company is currently working with its bank to see that the money is returned as it believes the bank is responsible since Mr. Dadon was not a signatory to the account and did not otherwise have authority to have the funds removed from the account.

Separately, the Company has reported the incident to the appropriate authorities.

On December 19, 2005, we filed an 8-K announcing that David Dadon had been elected as our chairman and a director. The 8-K also announced that Jay Jeffery Shapiro, represented by Mr. Dadon to us as a close colleague and friend, had been appointed to serve as our Chief Financial Officer. Mr. Dadon had arranged for a conference call prior to Mr. Shapiro's appointment to introduce someone whose resume we were provided and we were led to believe was Mr. Shapiro ostensibly in order to provide us with an opportunity to interview him prior to his appointment.

On May 9, 2006, we learned that the person represented to us to be Jay Jeffery Shapiro was not, in fact, Mr. Shapiro. On May 9, 2006, the individual we now know to be the true Mr. Shapiro contacted us to inform us that he had no knowledge of Brookmount, had not been asked to serve as our Chief Financial Officer by Mr. Dadon, had not been the person interviewed by our Chief Operating Officer, and had in fact previously informed Mr. Dadon in writing that he no longer wished to be associated with Mr. Dadon in any venture and that Mr. Dadon was no longer to use his resume in connection with any of his activities.

On May 11, 2006, we filed an 8-K to, among other reasons, assure that all Brookmount shareholders are made aware that individual we now know to be Jay Jeffery Shapiro whose biography was contained in our original annual report on Form 10-KSB and Form 10-KSB/A, never played any role in our company or in any of our disclosures.

Effective May 9, 2006, we appointed Zaf Sungur to serve as our Chief Financial Officer.

15

F-18

ITEM 7. FINANCIAL STATEMENTS

BROOKMOUNT EXPLORATIONS INC.  
(An Exploration Stage Company)  
FINANCIAL STATEMENTS  
NOVEMBER 30, 2005 and 2004

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
BALANCE SHEETS

STATEMENTS OF OPERATIONS

STATEMENTS OF CASH FLOWS

STATEMENT OF STOCKHOLDERS' EQUITY

NOTES TO THE FINANCIAL STATEMENTS

F-1

|                              |                         |                         |                     |
|------------------------------|-------------------------|-------------------------|---------------------|
| [DALE MATHESON               | Partnership of:         | Robert J Burkart, Inc.  | James F Carr-Hilton |
| [CARR-HILTON LABONTE         | Alvin F Dale, Ltd.      | Peter J Donaldson, Inc. | R.J. LaBonte, Ltd.  |
| -----                        | Robert J Matheson, Inc. | Fraser G Ross, Ltd.     |                     |
| [CHARTERED ACCOUNTANTS LOGO] |                         |                         |                     |

1. REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Brookmount Explorations Inc.:

We have audited the accompanying balance sheet of Brookmount Explorations Inc (An Exploration Stage Company) as of November 30, 2005 and the related

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statements of operations, stockholders' equity and cash flows for the year then ended and the period from inception on December 9, 1999 to November 30, 2005. 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 audit. The financial statements of Brookmount Explorations Inc as at November 30, 2004 and 2003 and for the years then ended and the period from inception on December 9, 1999 to November 30, 2004 were audited by other auditors whose report dated January 31, 2005 included an explanatory paragraph regarding the Company's ability to continue as a going concern. The financial statements for the period from December 9, 1999 (date of inception) to November 30, 2004 reflect a net loss of \$553,021 of the related cumulative totals. The other auditors' report has been furnished to us, and our opinion, insofar as it relates to amounts included for such periods, is based solely on the report of such auditors.

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 whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of another auditor, these financial statements present fairly, in all material respects, the financial position of the Company, as of November 30, 2005, and 2004, and the results of its operations, cash flows and changes in stockholders' equity for the years then ended and for the period from inception on December 9, 1999 to November 30, 2005, in conformity with generally accepted accounting principles used in the United States of America. In rendering this opinion, we have relied on the opinion of the Company's prior auditors, Amisano Hanson, as to the financial position of the Company, as of November 30, 2004, which opinion is attached hereto.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, to date the Company has not generated any revenues from operations and requires additional funds to meet its obligations and fund the costs of its operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in this regard are described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

"Dale Matheson Carr-Hilton LaBonte"  
CHARTERED ACCOUNTANTS

Vancouver, Canada  
June 14, 2006

F-2

A PARTNERSHIP OF INCORPORATED  
PROFESSIONALS

AMISANO HANSON

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders,  
Brookmount Explorations Inc.

We have audited the accompanying balance sheet of Brookmount Explorations Inc. (A Pre-exploration Stage Company) as of November 30, 2004 and the related statements of operations, cash flows and stockholders' equity (deficiency) for the year ended November 30, 2004 and the period from December 9, 1999 (Date of Incorporation) to November 30, 2004. 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 the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Brookmount Explorations Inc. as of November 30, 2004 and the results of its operations and its cash flows for the year ended November 30, 2004 and the period from December 9, 1999 (Date of Incorporation) to November 30, 2004, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements referred to above have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company is in the pre-exploration stage, has no 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.

Vancouver, Canada  
January 31, 2005

"Amisano Hanson"  
Chartered Accountants

750 West Pender Street, Suite 604  
Vancouver Canada  
V6C 2T7

Telephone: 604-689-0188  
Facsimile: 604-689-9773  
E-MAIL: amishan@telus.net

F-3

BROOKMOUNT EXPLORATIONS INC.  
(An Exploration Stage Company)  
BALANCE SHEETS  
November 30, 2005, and 2004

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|  | 2005        |
|--|-------------|
|  | ----        |
| ASSETS   |             |
| Current assets                                   |             |
| Cash   | \$ 20,447   |
| Prepaid expenses                                 | 5,000       |
| Advances - Note 3                                | 43,617      |
|  | -----       |
|  | 69,064      |
| Capital assets - Note 4                          | 1,242       |
|  | -----       |
|  | \$ 70,306   |
|  | =====       |
| LIABILITIES                                      |             |
| Current liabilities                              |             |
| Accounts payable and accrued liabilities         | \$ 33,223   |
| Due to related parties - Note 7                  | 58,516      |
|  | -----       |
|  | 91,739      |
|  | -----       |
| STOCKHOLDERS' DEFICIT                            |             |
| Common stock, \$0.001 par value - Note 6         |             |
| 200,000,000 shares authorized                    |             |
| 16,768,685 shares issued (2004 - 10,284,848)     | 16,768      |
| Additional paid-in capital                       | 3,031,999   |
| Stock subscriptions receivable                   | (6,600)     |
| Deficit accumulated during the exploration stage | (3,063,600) |
|  | -----       |
|  | (21,433)    |
|  | -----       |
|  | \$ 70,306   |
|  | =====       |
| Going concern - Note 1                           |             |
| Subsequent event - Note 10                       |             |

SEE ACCOMPANYING NOTES

F-4

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

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|   | Year<br>ended<br>November 30,<br>2005<br>---- | Year<br>ended<br>November 30,<br>2004<br>---- | (D<br>Incep<br>Nove |
|---|---|---|---------------------|
| Expenses                                      |   |   |                     |
| General and administrative - Note 7           | \$ 313,632                                    | \$ 274,482                                    | \$                  |
| Mineral property costs - Note 5               | 2,196,947                                     | 47,779  |                     |
|   | -----   |   |                     |
| Net loss for the year                         | \$ (2,510,579)                                | \$ (322,261)                                  | \$                  |
|   | =====   |   |                     |
| Basic loss per share                          | \$ (0.17)                                     | \$ (0.03)                                     |                     |
|   | =====   |   |                     |
| Weighted average number of shares outstanding | 14,880,769                                    | 10,000,151                                    |                     |
|   | =====   |   |                     |

SEE ACCOMPANYING NOTES

F-5

BROOKMOUNT EXPLORATIONS INC.  
(An Exploration Stage Company)  
STATEMENTS OF CASH FLOWS

|   | Year<br>ended<br>November 30,<br>2005<br>---- | Year<br>ended<br>November 30,<br>2004<br>---- |
|---|---|---|
| Cash Flows from Operating Activities                                  |   |   |
| Net loss for the year   | \$ (2,510,579)                                | \$ (322,261)                                  |
| Add items not affecting cash:   |   |   |
| Amortization  | 532   | 39  |
| Capital contributions   | -   | -   |
| Mineral property costs  | 2,150,000                                     |   |
| Changes in non-cash working capital balances<br>related to operations |   |   |
| Prepaid expenses  | (1,137)                                       | (3,174)                                       |
| Accounts payable and accrued liabilities                              | (9,781)                                       | 30,429  |
| Due to related parties  | -   | 7,450   |

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|  |           |           |
|--|-----------|-----------|
|  | (370,965) | (287,517) |
| Cash Flows from(used) in Investing Activities    |           |           |
| Acquisition advances                             | (43,617)  | 15,130    |
| Acquisition of capital assets                    | -         | (1,813)   |
|  | (43,617)  | 13,317    |
| Cash Flows from Financing Activities             |           |           |
| Capital stock issued                             | 383,926   | 287,874   |
| Increase (decrease) in cash during the year      | (30,656)  | 13,674    |
| Cash, beginning of the year                      | 51,103    | 37,429    |
| Cash, end of the year                            | \$ 20,447 | \$ 51,103 |
| Supplemental Disclosure of Cash Flow Information |           |           |
| Cash paid for:                                   |           |           |
| Interest   | \$ -      | \$ -      |
| Income taxes                                     | \$ -      | \$ -      |
| Non-cash transactions - Note 8                   |           |           |

SEE ACCOMPANYING NOTES

F-6

BROOKMOUNT EXPLORATIONS INC.  
(An Exploration Stage Company)  
STATEMENT OF STOCKHOLDERS' EQUITY  
(DEFICIT) for the period December 9, 1999 (Date  
of Inception) to November 30, 2005

|                                 | Common Shares |           | Additional | Stock        |
|---------------------------------|---------------|-----------|------------|--------------|
|                                 | Number        | Par Value | Paid-in    | Subscription |
|                                 | -----         | -----     | -----      | -----        |
| Balance, as at December 9, 1999 | -             | \$ -      | \$ -       | -            |

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|                                      |              |            |        |         |       |
|--------------------------------------|--------------|------------|--------|---------|-------|
| Capital stock issued for cash        | - at \$0.001 | 3,500,000  | 3,500  | -       | -     |
|                                      | - 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 year                |              | -          | -      | -       | -     |
| -----                                |              |            |        |         |       |
| Balance, as at November 30, 2000     |              | 9,282,400  | 9,282  | 21,198  | -     |
| Contributions to capital by officers |              | -          | -      | 9,000   | -     |
| Net loss for the year                |              | -          | -      | -       | -     |
| -----                                |              |            |        |         |       |
| Balance, as at November 30, 2001     |              | 9,282,400  | 9,282  | 30,198  | -     |
| Contributions to capital by officers |              | -          | -      | 9,000   | -     |
| Net loss for the year                |              | -          | -      | -       | -     |
| -----                                |              |            |        |         |       |
| 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    | 250    | 125,262 | -     |
| Contributions to capital by officers |              | -          | -      | 2,250   | -     |
| Net loss for the year                |              | -          | -      | -       | -     |
| -----                                |              |            |        |         |       |
| Balance, as at November 30, 2003     |              | 9,708,900  | 9,709  | 210,658 | -     |
| Capital stock issued for cash        | - at \$0.50  | 575,948    | 576    | 287,398 | (100) |
| Net loss for the year                |              | -          | -      | -       | -     |
| -----                                |              |            |        |         |       |
| Balance, as at November 30, 2004     |              | 10,284,848 | 10,285 | 498,056 | (100) |

...Cont'd

SEE ACCOMPANYING NOTES

F-7

BROOKMOUNT EXPLORATIONS INC.  
 (An Exploration Stage Company)  
 STATEMENT OF STOCKHOLDERS' EQUITY  
 (DEFICIT) for the period December 9, 1999 (Date  
 of Inception) to November 30, 2005

|                               | Common Shares |           | Additional<br>Paid-in Capital | Stock<br>Subscriptions<br>Receivable |
|-------------------------------|---------------|-----------|-------------------------------|--------------------------------------|
|                               | Number        | Par Value |                               |                                      |
| -----                         |               |           |                               |                                      |
| Capital stock issued for cash | - at \$0.21   | 100,000   | 100                           | 21,130                               |
| Capital stock issued for cash | - at \$0.25   | 200,000   | 200                           | 46,300                               |
| Capital stock issued for cash | - at \$0.35   | 134,100   | 134                           | 46,867                               |
| Capital stock issued for cash | - at \$0.40   | 62,500    | 63                            | 24,937                               |
| Capital stock issued for cash | - at \$0.50   | 411,190   | 411                           | 205,184                              |

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|   |            |           |              |
|---|------------|-----------|--------------|
| Capital stock issued for cash - at \$0.56             | 35,714     | 35        | 19,965       |
| Capital stock issued for cash - at \$0.60             | 10,333     | 10        | 6,190        |
| Capital stock issued for cash - at \$0.63             | 30,000     | 30        | 18,870       |
| Capital stock issued for mineral property - at \$0.40 | 5,000,000  | 5,000     | 1,995,000    |
| Capital stock issued for mineral property - at \$0.30 | 500,000    | 500       | 149,500      |
| Net loss for the year                                 | -          | -         | -            |
|   | -----      | -----     | -----        |
| Balance, as at November 30, 2005                      | 16,768,685 | \$ 16,768 | \$ 3,031,999 |
|   | =====      | =====     | =====        |

SEE ACCOMPANYING NOTES

F-8

Note 1 Nature of Continued Operations and Basis of Presentation

-----  
The Company is an exploration stage company. The Company 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.

Going Concern

-----  
The 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 \$22,675 at November 30, 2005 and has incurred losses since inception of \$3,063,600 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. The Company will continue to fund operations with advances, other debt sources and further equity placements.

Note 2 Summary of Significant Accounting Policies

-----  
Basis of Presentation

-----  
The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America and are presented in United States dollars.

Exploration Stage Company

-----  
The Company complies with Financial Accounting Standards Board Statement No. 7 its characterization of the Company as an exploration stage enterprise.

Note 2                      Summary of Significant Accounting Policies - (cont'd)

-----

Mineral Property

-----

Mineral property acquisition, exploration and development costs are expensed as incurred until such time as economic reserves are quantified. To date the Company has not established any proven or probable reserves on its mineral properties. The Company has adopted the provisions of SFAS No. 143 "Accounting for Asset Retirement Obligations" which establishes standards for the initial measurement and subsequent accounting for obligations associated with the sale, abandonment, or other disposal of long-lived tangible assets arising from the acquisition, construction or development and for normal operations of such assets. The adoption of this standard has had no effect on the Company's financial position or results of operations. As at November 30, 2005, any potential costs relating to the retirement of the Company's mineral property interest has not yet been determined.

Use of Estimates and Assumptions

-----

The preparation of 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 financial statements are presented in United States dollars. In accordance with Statement of Financial Accounting Standards No. 52, "Foreign Currency Translation", 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

-----

The carrying value of cash advances, accounts payable and accrued liabilities and amounts due to related parties approximates their fair value because of the short maturity of these instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

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

F-10

Note 2

Summary of Significant Accounting Policies - (cont'd)  
-----

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, 2005 a full deferred tax asset valuation allowance has been provided and no deferred tax asset benefit has been recorded.

Basic and Diluted Loss Per Share  
-----

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

Stock-based Compensation  
-----

In December 2002, the Financial Accounting Standards Board ("FASB") issued Financial Accounting Standard No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure" ("SFAS No. 148"), an amendment of Financial Accounting Standard No. 123 "Accounting for Stock-Based Compensation" ("SFAS No. 123"). The purpose of SFAS No. 148 is to: (1) provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation, (2) amend the disclosure provisions to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation, and (3) to require disclosure of those effects in interim financial information.

The Company has elected to account for stock-based employee compensation arrangements in accordance with the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", ("APB No. 25") and comply with the disclosure provisions of SFAS No. 123 as amended by SFAS No. 148 as described above. In addition, in accordance with SFAS No. 123 the Company will apply the fair value method using the Black-Scholes option-pricing model in accounting for options granted to consultants. Under APB No. 25, compensation expense for employees is recognized based on the difference, if any, on the date of grant between the estimated fair value of the Company's stock and the amount an employee must pay to acquire the stock. Compensation expense is recognized immediately for past services and pro-rata for future services over the option-vesting period. To November 30, 2005, the Company has not granted any stock options.

F-11

Note 2                      Summary of Significant Accounting Policies - (cont'd)

-----  
Stock-based Compensation - (cont'd)  
-----

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123 and the conclusions reached by the Emerging Issues Task Force ("EITF") in Issue No. 96-18. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18.

The Company has also adopted the provisions of the Financial Accounting Standards Board Interpretation No. 44, Accounting for Certain Transactions Involving Stock Compensation - An Interpretation of APB Opinion No. 25 ("FIN 44"), which provides guidance as to certain applications of APB 25. FIN 44 is generally effective July 1, 2000 with the exception of certain events occurring after December 15, 1998.

To November 30, 2005 the Company has not issued any stock options and accordingly no stock based compensation expense has been recognized.

Recent Accounting Pronouncements  
-----

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Non-monetary Assets - An Amendment of APB Opinion No. 29". The guidance in APB Opinion No. 29, "Accounting for Non-monetary Transactions", is based on the principle that exchanges of non-monetary assets should be measured based on the fair value of the assets exchanged. The guidance in that Opinion, however, included certain exceptions to that principle. SFAS No. 153 amends Opinion No. 29 to eliminate the exception for non-monetary

exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The provisions of SFAS No. 153 are effective for non-monetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. Early application is permitted and companies must apply the standard prospectively. The adoption of this standard is not expected to have a material effect on the Company's results of operations or financial position.

F-12

Note 2                      Summary of Significant Accounting Policies - (cont'd)

-----  
Recent Accounting Pronouncements - (cont'd)

-----  
In December 2004, the FASB issued SFAS No. 123R, "Share Based Payment". SFAS 123R is a revision of SFAS No. 123 "Accounting for Stock-Based Compensation", and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees" and its related implementation guidance. SFAS 123R establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. SFAS 123R focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS 123R does not change the accounting guidance for share-based payment transactions with parties other than employees provided in SFAS 123 as originally issued and EITF Issue No. 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services". SFAS 123R does not address the accounting for employee share ownership plans, which are subject to AICPA Statement of Position 93-6, "Employers' Accounting for Employee Stock Ownership Plans". SFAS 123R requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award - the requisite service period (usually the vesting period). SFAS 123R requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. The scope of SFAS 123R includes a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. Public entities (other than those filing as small business issuers) will be required to apply SFAS 123R as of the first interim or annual reporting period that begins after June 15, 2005. Public entities that file as small business issuers will be required to apply SFAS 123R in the first interim or annual reporting period that begins after December 15, 2005. Management is currently evaluating the impact, which the adoption of this



standard will have on the Company's results of operations or financial position.

The interpretations in Staff Accounting Bulletin ("SAB") No. 107 express views of the staff regarding the interaction between Statement of Financial Accounting Standards Statement No. 123 (revised 2004), Share-Based Payment ("Statement 123R" or the "Statement") and certain Securities and Exchange Commission ("SEC") rules and regulations and provide the staff's views regarding the valuation of share-based payment arrangements for public companies. In particular, this SAB provides guidance related to share-based payment transactions with nonemployees, the transition from nonpublic to public entity status, valuation methods (including assumptions such as expected volatility and expected term), the accounting for certain redeemable financial instruments issued under share-based payment arrangements, the classification of compensation expense, non-GAAP financial measures, first-time adoption of Statement 123R in an interim period, capitalization of

F-13

Note 2                      Summary of Significant Accounting Policies - (cont'd)

-----  
Recent Accounting Pronouncements - (cont'd)

-----  
compensation cost related to share-based payment arrangements, the accounting for income tax effects of share-based payment arrangements upon adoption of Statement 123R, the modification of employee share options prior to adoption of Statement 123R and disclosures in Management's Discussion and Analysis ("MD&A") subsequent to adoption of Statement 123R. Management is currently evaluating the impact, which the adoption of this standard will have on the Company's results of operations or financial position

In May 2005, the FASB issued SFAS 154, "Accounting Changes and Error Corrections". This Statement replaces APB Opinion No. 20, "Accounting Changes", and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements", and changes the requirements for the accounting for and reporting of a change in accounting principle. This Statement applies to all voluntary changes in accounting principle. The Company believes this Statement will have no impact on the financial statements of the Company.

In March 2005, the FASB issued FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations, an interpretation of FASB Statement No. 143" (FIN 47). Asset retirement obligations (AROs) are legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or normal operation of a long-lived asset, except for certain obligations of lessees. FIN 47 clarifies that liabilities associated with asset retirement obligations whose timing or settlement method are conditional on future events should be recorded at fair value as soon as fair value is reasonably estimable. FIN 47 also provides guidance on the information required to reasonably estimate the fair value of the liability. FIN 47 is intended to result in more consistent recognition of liabilities relating to AROs among companies, more

information about expected future cash outflows associated with those obligations stemming from the retirement of the asset(s) and more information about investments in long-lived assets because additional asset retirement costs will be recognized by increasing the carrying amounts of the assets identified to be retired. FIN 47 is effective for fiscal years ending after December 15, 2005. Management is currently evaluating the impact, which the adoption of this standard will have on the Company's financial statements.

In November 2005, FASB issued FSP FAS 115-1 and FAS 124-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments" ("FSP FAS 115-1"), which provides guidance on determining when investments in certain debt and equity securities are considered impaired, whether that impairment is other-than-temporary, and on measuring such impairment loss. FSP FAS 115-1 also includes accounting considerations subsequent to the recognition of an other-than temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. FSP FAS 115-1 is required to be applied to reporting periods beginning after December 15, 2005. The Company is required to adopt FSP FAS 115-1 in the second quarter of fiscal 2006. Management does not expect the adoption of this statement will have a material impact on our results of operations or financial condition. Management is currently evaluating the impact, which the adoption of this standard will have on the Company's financial statements.

F-14

Note 3

Advances

-----

On May 13, 2005, the Company signed a "Letter of Agreement" with a private corporation Jemma Resources Corp. ("Jemma") to acquire 100% of the outstanding capital stock of Jemma. Significant terms contained in the Letter of Agreement were the appointment of two of Jemma's directors to the Company's board of directors, Jemma completing a debt financing of \$15 million, and the Company's right to elect not to proceed with the transaction thereby resulting in all advances made to Jemma by the Company being refundable, and the replacement of the Letter of Agreement with a binding contract. The purchase price consists of 3,000,000 shares of common stock of the Company, 3,000,000 share purchase warrants at \$1.50 per warrant exercisable within 24 months from the date of the agreement and approximately CDN\$75,000 in refundable advances to secure an extension for the option to purchase a mineral property and for operating costs. During May 2005 two directors of Jemma were appointed to the Company's board of directors. During the year ended November 30, 2005, the Company advanced \$43,617 (CDN \$54,400) pursuant to the Letter of Agreement. 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. The decision was as a result of the Company's due diligence and Jemma's inability to raise the agreed financing. As a result, the advances totaling \$43,617 became refundable pursuant to the terms of the Letter of Agreement. Although the Company has not yet received the funds from Jemma, management believes these funds are recoverable because Jemma has expressed its intention to repay the

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Company.

Note 4 Capital Assets

|                    | November 30, 2005 |                                      |                   | November 30,<br>2004 |
|--------------------|-------------------|--------------------------------------|-------------------|----------------------|
|                    | Cost<br>-----     | Accumulated<br>Amortization<br>----- | Net<br>---        | Net<br>---           |
| Computer equipment | \$ 1,813<br>===== | \$ 571<br>=====                      | \$ 1,242<br>===== | \$ 1,774<br>=====    |

Note 5 Mineral Properties  
-----

a) Brookmount Claims, Abitibi West County, Quebec, Canada

During 2003 the Company acquired five mineral claims located in the Chazel Township, in the Province of Quebec for \$47,779. The claims are in good standing until November 14, 2006.

F-15

Note 5 Mineral Properties (continued)  
-----

b) Mercedes Property, Junin, Peru

Pursuant to a property acquisition agreement dated July 3, 2003 and amended on January 24, 2005, the Company acquired a 100% interest in 2,611 hectares located in Central Peru from a director of the Company (the "Vendor") for consideration of \$22,500 (paid) and the issuance of 5,000,000 common shares valued at \$0.40 per share (issued). The property is held in trust by the Vendor for the Company. Upon request from the Company the title will be recorded in the name of the Company. At November 30, 2005 the title of this property has not been recorded in the name of the Company.

c) Mooseland Property, Nova Scotia, Canada

Pursuant to a binding letter of agreement dated June 14, 2005, the Company acquired a right to purchase a 100% interest in the Mooseland property located in Halifax County Nova Scotia for consideration of:

- (1) \$250,000 payable by July 1, 2005 (not paid),
- (2) \$750,000 payable by September 30, 2005 (not paid);
- (3) 500,000 restricted common shares of the Company. The Company issued the common stock pursuant to the agreement on August 12, 2005 and recorded the fair value of the shares on the date of issue at \$0.30 per share, or \$150,000 as a mineral property expense in the statement of operations during the year ended November 30, 2005.; and (4) a 1.5% Net Smelter

Royalty.

In September 2005, the Company had withdrawn its participation in the Mooseland Property project and forfeited the right to purchase a 100 % interest in the property. The decision was as a result of the Company's due diligence and Jemma's inability to raise the agreed financing. As a result, the advances made on the acquisition, totaling \$43,617, became refundable (See note 3) and the Company has no further obligation for any payments pursuant to the terms of the Letter of Agreement.

Note 6 Capital Stock

-----  
 During the year ended November 30, 2005 the Company issued 983,837 (2004:575,948) common shares for cash proceeds of \$383,926 (2004:\$287,874). During the year ended November 30, 2005, the Company issued 5,000,000 common shares valued at \$0.40 per share pursuant to the Mercedes Property acquisition agreement and issued 500,000 common shares valued at \$0.30 per share pursuant to the Mooseland Property letter of agreement (See note 5).

To November 30, 2005 the Company has not granted any stock options or warrants.

F-16

Note 7 Related Party Transactions

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

|                             | 2005       | 2004       |
|-----------------------------|------------|------------|
|                             | ----       | ----       |
| General and administrative: |            |            |
| Management fees             | \$ 173,500 | \$ 152,000 |
|                             | =====      | =====      |

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

Amounts due to related parties at November 30, 2005 are due to directors of the Company in respect to unpaid management fees and advances. These amounts are unsecured, non-interest bearing and have no specific terms for repayment.

During the year ended November 30, 2005 the Company purchased a mineral property from one of the Company's directors (See note 5(b)).

Subsequent to November 30, 2005 the Company issued 4,291,000 shares of its common to a director (See note 10).

Note 8 Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statement of cash flows. During the year ended November 30, 2005, the Company issued 5,000,000 common shares valued at \$0.40 per share pursuant to the Mercedes Property acquisition agreement and issued 500,000 common shares valued at \$0.30 per share pursuant to the Mooseland Property letter of agreement (See note 5b and 5c). These transactions were excluded from the statement of cash flows for the year ended November 30, 2005 and for the period December 9, 1999 (Date of Inception) to November 30, 2005.

F-17

Note 9 Income taxes

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

|   | 2005         |
|---|--------------|
|   | ----         |
| Deferred tax assets                         |              |
| Non-capital loss carryforwards              | \$ 1,041,624 |
| Valuation allowance for deferred tax assets | (1,041,624)  |
|   | -----        |
|   | \$ -         |
|   | =====        |

The amount taken into income as deferred tax assets must reflect that portion of the income tax loss carryforwards which is more likely than not to be realized from future operations. The Company has provided an allowance of 100% against all available income tax loss carryforwards, regardless of their time of expiry, as it is more likely than not that all of the deferred tax assets will not be realized. No provision for income taxes has been provided in these financial statements due to the net loss. At November 30, 2005, the Company has net operating loss carryforwards, which expire commencing in 2019 totalling approximately \$3,064,000 (2004: \$553,000).

Note 10 Subsequent Events

Subsequent to November 30, 2005, the Company issued 641,026 shares of common stock pursuant a private placement for total proceeds of \$400,000.

On December 14, 2005 the Company issued 4,291,000 shares of common stock to the its newly appointed chairman for business and consulting services that will be provided over the next year. At the date of issue the common stock had a market value of \$1,737,855. In addition the Company is paying a monthly management fee of \$10,000 to its new chairman.

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On February 2, 2006 the Company entered into a letter of intent to acquire an option to purchase 100% of the issued share capital of 722161 B.C. Ltd ("BC Ltd"). BC Ltd has a 56% interest in mineral claims located in the Rock Creek area of British Columbia, Canada. In consideration for signing the letter of intent the Company issued 10,000 of its shares of common stock to the owner of BC Ltd. Upon replacing the letter of intent with a formal agreement the Company will issue an additional 20,000 shares of its common stock to the owner of BC Ltd. To earn the option the Company would be required to make cash payments of \$250,000 over a period of four years and incur exploration expenses of \$1,000,000 over a period of five years from the date of the formal agreement.

F-18

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

We have no changes in and disagreement with our accountants on accounting financial disclosure

### ITEM 8A: CONTROLS AND PROCEDURES

#### Evaluation of Disclosure Controls

The Principal Executive Officer and Principal Financial Officer conducted an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report. There were no significant changes in internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the fourth quarter of 2005 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

19

## PART III

### ITEM 9: DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

| Name         | Age | Position with Registrant                             | Served As Director<br>or Officer Since |
|--------------|-----|--|--|
| ----         | --- | -----  | -----                                  |
| Peter Flueck | 56  | President, Director,<br>Chairman of the Board        | March 21, 2003                         |
| Zaf Sungur   | 52  | Chief Operating Officer,<br>Secretary, CFO, Director | April 15, 2003                         |

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

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

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

Peter Flueck

Mr. Flueck brings to the 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 been the 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 also 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. He has been a successful, self-employed cattle rancher.

Zaf Sungur

Mr. Sungur has over twenty years experience in real estate development, planning, project management and marketing. Prior to joining the Company, he has been working as a business consultant to clients, streamlining their businesses to achieve increased efficiencies. For a ten-year period prior to that, he was the President of Pan Pacific Investments, which specialized in all aspects of real estate development, project management and business consulting. Mr. Sungur was also President of Sunmark International marketing, a company based in Vancouver, British Columbia that marketed a range of Asian consumer products. He created a network of over 50 sales representatives to cover the United States, the United Kingdom, Holland, Germany, Italy and France, and initiated a system of offshore manufacturing to dramatically reduce costs. Mr. Sungur holds a Business Degree (Bachelor of Commerce), has extensive experience in North American, Asian and European business negotiations and is fluent in English and Turkish. He will be responsible for the operations of the Company as it proceeds with its mining projects in Peru and Quebec.

All directors are elected annually by our shareholders and hold office until the next Annual General Meeting. Each officer holds office at the pleasure of the board of directors.

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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, 2005.

| Name            | Title                       | Year | Annual Compensation |       |  | Other Annual Compensation | Long Term Compensation Restricted Stock Awarded | Options SAR |
|-----------------|-----------------------------|------|---------------------|-------|--|---------------------------|---|-------------|
|                 |                             |      | Salary              | Bonus |  |                           |   |             |
| Peter Flueck    | President                   | 2005 | \$67,000            | 0     |  | 0                         | 0   |             |
|                 |                             | 2004 | \$48,000            | 0     |  | 0                         | 0   |             |
| Zaf Sungur      | COO, Secretary<br>Treasurer | 2005 | \$67,000            | 0     |  | 0                         | 0   |             |
|                 |                             | 2004 | \$48,000            | 0     |  | 0                         | 0   |             |
| Victor Stilwell | Vice-President              | 2005 | \$39,500            | 0     |  | 0                         | 0   |             |
|                 |                             | 2004 | \$48,000            | 0     |  | 0                         | 0   |             |

### Section 16(A) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who beneficially own more than 10% of our equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and greater than 10% shareholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. Based on our review of the copies of such forms we received, we believe that during the fiscal year ended November 30, 2005 all such filing requirements applicable to our officers and directors were complied with exception that reports were filed late by the following persons:

| Name and Principal position | Number Of late Reports | Transactions Not Timely Reported | Known Failures to file a Required Form |
|-----------------------------|------------------------|----------------------------------|--|
| Peter Flueck                | 0                      | 0                                | 0                                      |
| Zaf Sungur                  | 0                      | 0                                | 0                                      |
| Victor Stilwell             | 0                      | 0                                | 0                                      |

### ITEM 11: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our shares of common stock at November 30, 2005 by (i) each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock, (ii) each of our directors, (iii) our executive officers, and (iv) by all of our directors and executive officers as a group. Each person named in the table, has sole voting and investment power with respect to all shares shown as beneficially owned by such person and can be contacted at our executive office address.



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| TITLE OF CLASS | NAME OF BENEFICIAL OWNER  | SHARES OF COMMON STOCK | PERCENT OF CLASS |
|----------------|---|------------------------|------------------|
| Common         | Peter Flueck<br>18912-121 Ave. N.W.<br>Edmonton, Alberta<br>T5V 1R3           | 4,313,000              | 19.87%           |
| Common         | Victor Stillwell<br>16 Douglas Woods Park S.E.<br>Calgary, Alberta<br>T2Z 2K6 | 1,570,000              | 7.23%            |
| Common         | Zaf Sungur<br>2005 - 837 W. Hastings<br>Vancouver, B.C.<br>V6C 1B6            | 1,265,000              | 5.83%            |
|                | DIRECTORS AND OFFICERS AS A GROUP CONSISTING OF THREE PEOPLE                  | 7,148,000              | 32.93%           |

The percent of class is based on 16,768,685 shares of common stock issued and outstanding as of November 30, 2005.

### ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the fiscal year ended November 30, 2005, we paid or accrued management fees to each of the following individuals as follows:

- Peter Flueck, our president - \$67,000;
- Zaf Sungur, our COO, secretary and treasurer - \$67,000;
- Victor Stilwell, our vice-president - \$39,500.

During the fiscal year 2003, the Company entered into an agreement with its president, Peter Flueck, whereby the Company has agreed to purchase a 100% interest in six mineral concessions comprising a total of 2,550 hectares located in Ahuigrande Parish, Comas District, Concepcion Province of the Department of Junin, Peru. Pursuant to the agreement, as amended, the Company must issue 5,000,000 shares of common stock (issued) to the directors of the Company and pay \$22,500 (paid) to Peter Flueck.

Otherwise, none of our directors or officers, nor any proposed nominee for election as a director, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to all of our outstanding shares, nor any promoter, nor any relative or spouse of any of the foregoing persons has any material interest, direct or indirect, in any transaction since our incorporation or in any presently proposed transaction which, in either case, has or will materially affect us.

Our management is involved in other business activities and may, in the future become involved in other business opportunities. If a specific business opportunity becomes available, such persons may face a conflict in selecting between our business and their other business interests. In the event that a conflict of interest arises at a meeting of our directors, a director who has such a conflict will disclose his interest in a proposed transaction and will abstain from voting for or against the approval of such transaction.

## PART IV

## Exhibits

- 3.1 Charter and By-Laws\*
- 10.1 Mineral Property Purchase Agreement (previously filed with the Company's Form 10-KSB on February 28, 2006).
- 10.2 Binding Letter of Agreement Between Jemma Resources Corp. and Brookmount Explorations, Inc.
- 31.1 Certification pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
- 31.2 Certification pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
- 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
- \* Filed as an exhibit to our registration statement on Form 10-KSB dated December 27, 2000

## Reports on Form 8-K

We did not file any reports on Form 8-K during the last quarter of 2005.

## ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our current principal accountants, Dale Matheson Carr-Hilton Labonte, Chartered Accountants billed the following fees for the services indicated.

|                    | Fiscal year ended<br>November 30, 2005 | Fiscal year ended<br>November 30, 2004 |
|--------------------|--|--|
| Audit fees         | \$12,500                               | \$8,934                                |
| Audit-related fees | \$0                                    | \$6,189                                |
| 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-QSB.

The Company does not have an audit committee. Our board of directors approves all costs associated with our outside auditors. The Board's policy is

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to pre-approve all audit and permissible non-audit services performed by the independent accountants. These services may include audit services, audit-related services, tax services and other services. Under our Board's policy, pre-approval is generally provided for particular services or categories of services, including planned services, project based services and routine consultations. In addition, the Board may also pre-approve particular services on a case-by-case basis. Our Board approved all services that our independent accountants provided to us during the past two fiscal years.

23

SIGNATURES

Pursuant to the requirements of Section 13 and 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.

By: /s/ Peter Flueck  
-----  
Peter Flueck  
President, CEO & Director  
Date: December 8, 2006

In accordance with the Securities Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Peter Flueck  
-----  
Peter Flueck  
President, CEO & Director  
Date: December 8, 2006

By: /s/ Zaf Sungur  
-----  
COO, Secretary, Treasurer, Principal  
Accounting Officer and Director  
Date: December 8, 2006

24