BROOKMOUNT EXPLORATIONS INC
Form 10QSB
October 14, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

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

For the quarterly period ended August 31, 2005

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

For the transition period ______________ to ______________

Commission File Number 0-26709

BROOKMOUNT EXPLORATIONS INC.
(Exact name of small Business Issuer as specified in its charter)

Nevada	98-0201259
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

666 Burrard Street, Suite 600 Vancouver, British Columbia	V6C 2X8
(Address of principal executive offices)	(Postal or Zip Code)

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

None
(Former name, former address and former fiscal year, if changed since last report)

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

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 16,490,185 shares of $0.001 par value common stock outstanding as of September 27, 2005.

BROOKMOUNT EXPLORATIONS INC.

(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS

August 31, 2005

(Stated in US Dollars)

(Unaudited)

BALANCE SHEETS
INTERIM STATEMENTS OF OPERATIONS
INTERIM STATEMENTS OF CASH FLOWS
STATEMENT OF STOCKHOLDERS' EQUITY
NOTES TO THE INTERIM FINANCIAL STATEMENTS

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)
BALANCE SHEETS
(Stated in US Dollars)

ASSETS		August 31, 2005 (Unaudited)
Current		
Cash	$	20,092
Prepaid expenses		5,000
Advances - Note 2		42,428
		67,520
Capital assets - Note 3		1,375

	$ 68,895
LIABILITIES	
Current	
Accounts payable and accrued liabilities	$ 31,692
Due to related parties - Note 6	58,516
	90,208
STOCKHOLDERS' DEFICIENCY	
Common stock, $0.001 par value - Note 5	
200,000,000 shares authorized	
16,490,185 shares issued (November 30, 2004 - 10,284,848)	16,490
Additional paid-in capital	2,964,546
Stock subscriptions receivable	(100)
Deficit accumulated during the exploration stage	(3,002,249)
	(21,313)
	$ 68,895

Contingency - Note 1

SEE ACCOMPANYING NOTES

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)
INTERIM STATEMENTS OF OPERATIONS
(Stated in US Dollars)
(Unaudited)

	Three months ended August 31, 2005	Three months ended August 31, 2004	Nine months ended August 31, 2005	Nine months ended August 31, 2004
Expenses				
General and administrative - Note 6	$ 68,397	$ 67,451	$ 253,281	$ 230,683
Mineral property costs - Note 4	167,352	-	2,195,947	-
Net loss for the period	$ (235,749)	$ (67,451)	$ (2,449,228)	$ (230,683

Basic loss per share	$ (0.02)	$ (0.00)	$ (0.17)	$ (0.02
Weighted average number of shares outstanding	16,005,883	10,130,048	14,278,912	10,130,048

SEE ACCOMPANYING NOTES

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)
INTERIM STATEMENTS OF CASH FLOWS
(Stated in US Dollars)
(Unaudited)

	Nine months ended August 31, 2005	2004
Cash Flows from Operating Activities		
Net loss for the period	$ (2,449,228)	$ (230,683)
Add items not affecting cash:		
Depreciation	399	-
Capital contributions	-	-
Mineral property costs	2,150,000	
Changes in non-cash working capital balances related to operations		
Prepaid expenses	(1,137)	(264)
Accounts payable and accrued liabilities	(11,312)	(3,430)
Due to related parties	-	(528)
	(311,278)	(234,905)
Cash Flows used in Investing Activities		
Acquisition advances	(42,428)	15,130
Acquisition of capital assets	-	(262)
	(42,428)	(14,868)
Cash Flows from Financing Activity		
Capital stock issued	322,695	212,894

Increase (decrease) in cash during the period	(31,011)	(7,143)	
Cash, beginning of the period	51,103	37,429	
Cash, end of the period	$ 20,092	$ 30,286	$
Supplemental disclosure of cash flow Information			
Cash paid for:			
Interest	$ -	$ -	$
Income taxes	$ -	$ -	$

Non-cash transactions - Note 7

SEE ACCOMPANYING NOTES

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)
STATEMENT OF STOCKHOLDERS' EQUITY
(DEFICIENCY) for the period December 9, 1999
(Date of Inception) to August 31, 2005
(Stated in US Dollars)
(Unaudited)

	Common Shares		Additional Paid-in	Stock Subscriptions	D Ac D E
	Number	Par Value	Capital	Receivable	
Capital stock issued for cash - at $0.001	3,500,000	$ 3,500	$ -	$ -	$
Balance, as at November 30, 1999	3,500,000	3,500	-	-	
Capital stock issued for cash - at $0.002	5,750,000	5,750	5,750	-	
- at $0.20	32,400	32	6,448	-	
Contributions to capital by officers	-	-	9,000	-	
Net loss for the 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

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)
STATEMENT OF STOCKHOLDERS' EQUITY
(DEFICIENCY) for the period December 9, 1999
(Date of Inception) to August 31, 2005
(Stated in US Dollars)
(Unaudited)

	Common Shares		Additional Paid-in	S Subs
	Number	Par Value	Capital	Rec
Capital stock issued for cash - at $0.25	40,000	40	6,460	
Capital stock issued for cash - at $0.35	115,600	115	40,385	
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	
Capital stock issued for cash - at $0.56	35,714	36	19,964	
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 period	-	-	-	
Balance, as at August 31, 2005	16,490,185	$ 16,490	$ 2,964,546	$

SEE ACCOMPANYING NOTES

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
August 31, 2005
(Stated in US Dollars)
(Unaudited)

Note 1 Nature of Continued Operations and Basis of Presentation

The Company is a development 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 $65,116 and has incurred losses since inception of $3,002,249 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.

Unaudited Interim Financial Statements
The accompanying unaudited interim consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB of Regulation S-B. They do not include all information and footnotes required by United States generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material changes in the information disclosed in the notes to the financial statements for the year ended November 30, 2004 included in the Company's Annual Report on Form 10-KSB filed with the Securities and Exchange Commission. The interim unaudited financial statements should be read in conjunction with those financial statements included in the Form 10-KSB. In the opinion of Management, all adjustments considered necessary for a fair presentation, consisting solely of normal recurring adjustments, have been made. Operating results for the nine months ended August 31, 2005 are not necessarily indicative of the results that may be expected for the year ending November 30, 2005.

Brookmount Explorations Inc.
(An Exploration Stage Company)
Notes to the Interim Financial Statements
August 31, 2005
(Stated in US Dollars)
(Unaudited) - Page 2

Note 2 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 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 nine months ended August 31, 2005 the Company advanced $42,428 (CDN $53,000) pursuant to the Letter of Agreement. At August 31, 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.

Subsequent to August 31, 2005 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 $42,428 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 Company.

Note 3 Capital Assets

	August 31, 2005			November 30, 2004
	Cost	Accumulated Depreciation	Net	Net
Computer equipment	$ 1,813	$ 438	$ 1,375	$ 1,774

Note 4 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 $48,079. The claims are in good standing until November 14, 2006.

Note 4 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 may acquire 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 during the three months ended February 28, 2005) and the issuance of 5,000,000 common shares valued at $0.40 per share (issued). The property is held in trust for the Company. Upon request from the Company the title will be recorded in the name of the Company. At August 31, 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 quarter ended August 31, 2005.; and (4) a 1.5% Net Smelter Royalty.

The Vendor has agreed with management of the Company that the agreement will terminate by no later than November 13, 2005 with no recourse to the Company by the Vendor.

Note 5 Capital Stock

To date the Company has not granted any stock options or warrants.

Brookmount Explorations Inc.
(An Exploration Stage Company)
Notes to the Interim Financial Statements
August 31, 2005
(Stated in US Dollars)
(Unaudited) - Page 4

Note 6 Related Party Transactions

The Company was charged the following amounts by directors of the Company, a former director and/or companies with directors or officers in common:

	Nine months ended August 31, 2005	Nine months ended August 31, 2004
General and administrative:		
Consulting fees	$ -	$ -
Management fees	140,500	116,000
	$ 140,500	$ 116,000

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

Amounts due to related parties 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 nine months ended August 31, 2005 the Company purchased a mineral property from one of the Company's directors (See note 4(b)).

Note 7 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 period ended August 31, 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 4). These transactions were excluded from the statement of cash flows for the nine months ended August 31, 2005 and for the period December 9, 1999 (Date of Inception) to August 31, 2005.

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

FORWARD LOOKING STATEMENTS

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

Item 3. Controls and Procedures

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

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

Plan of Operation

Our plan of operations for the twelve months following the date of this quarterly report is to complete initial exploration programs on the Brookmount and Mercedes properties. We anticipate that the programs on the Brookmount and Mercedes properties will cost $25,000 and $480,000 respectively.

In addition, we anticipate spending $25,000 on professional fees, $132,000 on salaries and wages, $30,000 on travel costs, $50,000 on promotional expenses and $40,000 on other administrative expenses in the next 12 months.

Total expenditures over the next 12 months are therefore expected to be $782,000. We will not be able to proceed with either exploration program, or meet our administrative expense requirements, without additional financing.

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 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 nine months ended August 31, 2005 the Company advanced $42,428 (CDN $53,000) pursuant to the Letter of Agreement. At August 31, 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.

Subsequent to August 31, 2005 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 $42,428 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 Company.

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 quarter ended August 31, 2005; and
(4) a 1.5% Net Smelter Royalty.

The Vendor has agreed with management of the Company that the agreement will terminate by no later than November 13, 2005 with no recourse to the Company by the Vendor.

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 Nine-Month Period Ended August 31, 2005

We incurred operating expenses in the amount of $2,449,228 for the nine-month period ended August 31, 2005, as compared to $230,683 for the comparative period in 2004. The substantial increase in net loss was due to mineral property costs related to: (1) the issuance 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; and (2) the issuance of 500,000 shares of common stock at a recorded value of $150,000 in connection with our acquisition of a right to purchase a 100% interest in the Mooseland property in Halifax, Nova Scotia which agreement will be terminated by no later than November 13, 2005 with no recourse to the Company by the Vendor.

Under instruction from the property vendor, the 5,000,000 shares were issued to our directors and officers in the following amounts:

Peter Flueck (property vendor)	2,900,000
Zaf Sungur	1,050,000
Victor Stillwell	1,050,000

General and administrative expenses for the nine-month period ended August 31, 2005 were comparable to those incurred in the same period in 2004 ($253,281 versus $230,683).

At quarter end, we had cash on hand of $20,092 and total assets of $68,895. Our liabilities at the same date totalled $90,208 and consisted of accounts payable and accrued liabilities of $31,692 and $58,516 due to related parties.

PART II- OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 2. Changes in Securities

During the nine-month period ended August 31, 2005, the Company accepted subscriptions for the following share issuances:

Price per Share	Number of Shares
$0.25	40,000
$0.35	115,600
$0.40	62,500
$0.50	411,190
$0.56	35,714
$0.60	10,333
$0.63	30,000

In addition, we issued 5,000,000 shares at a deemed price of $0.40 per share pursuant to our purchase of the Mercedes property located in Peru, and 500,000 common shares valued at $0.30 per share pursuant to the Mooseland Property.

Item 3. Defaults Upon Senior Securities

None.

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

None.

Item 5. Other Information

None.

Item 6. Exhibits and Report on Form 8-K

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

During the three-month period ended August 31, 2005, the Company filed a current report on the Form 8-K in relation with an appointment of an audit firm "Dale Matheson Carr-Hilton LaBonte", Chartered Accountants as the Company's auditor.

SIGNATURES

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

Brookmount Explorations Inc.

/s/ Peter Flueck

Peter Flueck
President, Chief Executive
Officer and Director
(Principal Executive Officer)
Dated: October 13, 2005

Brookmount Explorations Inc.

/s/ Zaf Sungur

Zaf Sungur
C.O.O., Secretary, treasurer,
Director and principal accounting
officer
Dated: October 13, 2005