

BROOKMOUNT EXPLORATIONS INC.

(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS

February 28, 2017

(Unaudited – Prepared by Management)

INTERIM BALANCE SHEET

INTERIM STATEMENT OF OPERATIONS

INTERIM STATEMENT OF CASH FLOW

INTERIM STATEMENT OF STOCKHOLDERS' DEFICIT

March 6, 2017

Brookmount Explorations Inc.
(An Exploration Stage Company)
INTERIM BALANCE SHEET
(Unaudited – Prepared by Management)
(Expressed in U.S. Dollars)

February 28, November 30,
2017 2016

ASSETS

Current assets
Cash

\$ 192 \$ 369

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities

\$ 79,880 \$ 77,499

Due to a former related party, no fixed terms of repayment

- 458,117

Due to a shareholder, no fixed terms of repayment

- 949,015

Series A Convertible Notes

1,407,132
1,487,012 -
1,484,631

STOCKHOLDERS' DEFICIT

Common stock, \$0.001 par value, 200,000,000 shares authorized

49,265,567 shares issued (November 2016 – 49,265,567)

49,265 49,265

Additional paid-in capital

4,844,982 4,844,982

Stock subscriptions receivable

(6,600) (6,600)

Deficit accumulated during the exploration stage

(6,374,467) (6,371,909)
(1,486,820) (1,484,262)

\$ 192 \$ 369

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)
INTERIM STATEMENT OF OPERATIONS
(Unaudited – Prepared by Management)
(Expressed in U.S. Dollars)

	For the three months ended February 28,		December 9, 1999 (date of inception) to February 28,
	<u>2017</u>	<u>2016</u>	<u>2017</u>
REVENUE:	\$ -	\$ -	\$ -
EXPENSES:			
General and administrative	2,558	2,869	4,421,205
Mineral property costs	-	-	2,646,671
Total Expenses	<u>(2,558)</u>	<u>(2,869)</u>	<u>(7,067,876)</u>
Other income (loss)	<u>-</u>	<u>-</u>	<u>693,409</u>
Comprehensive Income (loss)	<u>\$ (2,558)</u>	<u>\$ (2,869)</u>	<u>\$ (6,374,467)</u>

Brookmount Explorations Inc.
(An Exploration Stage Company)
INTERIM STATEMENT OF CASH FLOW
(Unaudited – Prepared by Management)
(Expressed in U.S. Dollars)

	For the Three Months Ended February 28,		December 9, 1999 (date of inception) to February 28,
	<u>2017</u>	<u>2016</u>	<u>2017</u>
Cash Flows from Operating Activities			
Comprehensive loss	\$ (2,558)	\$ (2,869)	\$ (6,374,467)
Add (deduct) items not affecting cash			
Amortization	-	-	1,813
Capital contributions	-	-	29,250
Stock issued for services	-	-	503,980
Stock issued for mineral property	-	-	2,216,250
Provision for unrecoverable advances	-	-	193,617
Gain on write down of accounts payable	-	-	(488,732)
Changes in operating assets and liabilities			
Accounts payable and accrued liabilities	2,381	(111)	274,170
Cash Flows used in Operating Activities	<u>(177)</u>	<u>(2,980)</u>	<u>(3,644,119)</u>
Cash Flows from Investing Activities			
Advances	-	-	(193,617)
Acquisition of equipment	-	-	(1,813)
Cash Flows Used in Investing Activities	<u>-</u>	<u>-</u>	<u>(195,430)</u>
Cash Flows from Financing Activities			
Advances from related parties	-	-	1,895,487
Advances from joint venture partner	-	-	241,475
Common stock issued, net	-	-	1,702,779
Cash flows provided by financing activities	<u>-</u>	<u>-</u>	<u>3,839,741</u>
Increase (decrease) in cash	(177)	(2,980)	192
Cash, beginning of period	369	3,188	-
Cash, end of period	<u>\$ 192</u>	<u>\$ 208</u>	<u>\$ 192</u>
Supplemental cash flow information:			
Non-cash financing activities:			
Debts exchanged for Series A Convertible Notes	<u>\$ 1,407,132</u>	<u>\$ -</u>	

This page has been left
blank intentionally

Brookmount Exploration Inc.
(An Exploration Stage Company)
INTERIM STATEMENT OF STOCKHOLDERS' DEFICIT
For the period December 9, 1999 (Date of Inception) to February 28, 2017
(Unaudited – Prepared by Management)
(Expressed in U.S. Dollars)

	<u>Common Shares</u>		<u>Additional</u>	<u>Stock</u>	<u>Deficit</u>	
	<u>Number</u>	<u>Par Value</u>	<u>Paid-in</u>	<u>Subscriptions</u>	<u>Accumulated</u>	<u>Total</u>
			<u>Capital</u>	<u>Receivable</u>	<u>During the</u>	
					<u>Exploration</u>	
					<u>Stage</u>	
Balance at December 9, 1999 (date of inception)	-	\$	-	\$	-	\$
Common stock issued for cash at \$0.001	3,500,000	3,500	-	-	-	3,500
Common stock issued for cash at \$0.002	5,750,000	5,750	5,750	-	-	11,500
Common stock issued for cash at \$0.20	32,400	32	6,448	-	-	6,480
Contributions to capital by officers	-	-	9,000	-	-	9,000
Net loss for the period	-	-	-	-	(31,327)	(31,327)
Balance at November 30, 2000	9,282,400	9,282	21,198	-	(31,327)	(847)
Contributions to capital by officers	-	-	9,000	-	-	9,000
Net loss for the year	-	-	-	-	(17,215)	(17,215)
Balance at November 30, 2001	9,282,400	9,282	30,198	-	(48,542)	(9,062)
Contributions to capital by officers	-	-	9,000	-	-	9,000
Net loss for the year	-	-	-	-	(17,811)	(17,811)
Balance at November 30, 2002	9,282,400	9,282	39,198	-	(66,353)	(17,873)
Common stock issued for cash at \$0.25	176,500	177	43,948	-	-	44,125
Common stock issued for cash at \$0.50	250,000	250	-	-	-	125,512
Contributions to capital by officers	-	-	2,250	-	-	2,250
Net loss for the year	-	-	-	-	(164,407)	(164,407)
Balance, at November 30, 2003	9,708,900	9,709	210,658	-	(230,760)	(10,393)
Common stock issued for cash at \$0.50	575,948	576	287,398	(100)	-	287,874
Net loss for the year	-	-	-	-	(322,261)	(322,261)
Balance at November 30, 2004	10,284,848	10,285	498,056	(100)	(553,021)	(44,780)

Brookmount Exploration Inc.
(An Exploration Stage Company)
INTERIM STATEMENT OF STOCKHOLDERS' DEFICIT
For the period December 9, 1999 (date of inception) to February 28, 2017
(Unaudited – Prepared by Management)
(Expressed in U.S. Dollars)

	<u>Common Shares</u>		<u>Additional</u>	<u>Stock</u>	<u>Deficit</u>	
	<u>Number</u>	<u>Par Value</u>	<u>Paid-in</u>	<u>Subscriptions</u>	<u>Accumulated</u>	
			<u>Capital</u>	<u>Receivable</u>	<u>During the</u>	<u>Total</u>
					<u>Exploration</u>	
					<u>Stage</u>	
Common stock issued for cash at \$0.21	100,000	100	21,130	-	-	21,230
Common stock issued for cash at \$0.25	200,000	200	46,300	-	-	46,500
Common stock issued for cash at \$0.35	134,100	134	46,867	(6,500)	-	40,501
Common stock issued for cash at \$0.40	62,500	63	24,937	-	-	25,000
Common stock issued for cash at \$0.50	411,190	411	205,184	-	-	205,595
Common stock issued for cash at \$0.56	35,714	35	19,965	-	-	20,000
Common stock issued for cash at \$0.60	10,333	10	6,190	-	-	6,200
Common stock issued for cash at \$0.63	30,000	30	18,870	-	-	18,900
Common stock issued for mineral property at \$0.40	5,000,000	5,000	1,995,000	-	-	2,000,000
Common stock issued for mineral property at \$0.30	500,000	500	149,500	-	-	150,000
Net loss for the year	-	-	-	-	(2,510,579)	(2,510,579)
Balance at November 30, 2005	16,768,685	16,768	3,031,999	(6,600)	(3,063,600)	(21,433)
Capital stock issued for cash at \$0.09	1,580,000	1,580	131,366	-	-	132,946
Capital stock issued for cash at \$0.40	759,975	760	274,240	-	-	275,000
Capital stock issued for cash at \$0.60	163,001	163	99,837	-	-	100,000
Common stock issued for mineral property at \$0.10	100,000	100	9,900	-	-	10,000
Common stock issued for mineral property at \$0.15	375,000	375	55,875	-	-	56,250
Common stock issued for services	7,921,000	7,921	2,021,241	-	-	2,029,162
Common stock cancelled	(5,291,000)	(5,291)	1,560,992)	-	-	(1,566,283)
Common stock issued for debt	3,621,841	3,622	175,953	-	-	179,575
Net loss for the year	-	-	-	-	(1,403,413)	(1,403,413)
Balance at November 30, 2006	25,998,502	25,998	4,239,419	(6,600)	(4,467,013)	(208,196)

Brookmount Explorations Inc.
(An Exploration Stage Company)
INTERIM STATEMENT OF STOCHOLDERS' DEFICIT
For the period December 9, 1999 (date of inception) to February 28, 2017
(Unaudited – Prepared by Management)
(Expressed in U.S. Dollars)

	<u>Common Shares</u>		<u>Additional</u>	<u>Stock</u>	<u>Deficit</u>	
	<u>Number</u>	<u>Par Value</u>	<u>Paid-in</u>	<u>Subscriptions</u>	<u>Accumulated</u>	<u>Total</u>
			<u>Capital</u>	<u>Receivable</u>	<u>During the</u>	
					<u>Exploration</u>	
					<u>Stage</u>	
Common stock issued for cash at \$0.12	125,000	125	14,875	-	-	15,000
Common stock issued for cash at \$0.11	45,454	45	4,852	-	-	4,897
Common stock issued for cash at \$0.35	28,571	28	10,250	-	-	10,278
Common stock issued for cash at \$0.30	33,333	33	10,092	-	-	10,125
Common stock issued for cash at \$0.30	33,333	33	10,092	-	-	10,125
Common stock issued for cash at \$0.021	11,324,074	11,324	226,481	-	-	237,813
Net loss for the year	-	-	-	-	(466,255)	(436,255)
Balance at November 30, 2007	37,588,267	\$37,588	\$4,516,067	\$ (6,600)	\$ (4,963,268)	\$ (386,213)
Common stock issued for cash at \$0.30	33,333	33	9,966	-	-	9,999
Common stock issued for cash at \$0.10	100,000	100	9,900	-	-	10,000
Common stock issued for cash at \$0.12	41,666	42	4,958	-	-	5,000
Common stock issued for cash at \$0.07	28,571	29	1,971	-	-	2,000
Common stock issued for cash at \$0.05	200,000	200	9,800	-	-	10,000
Common stock issued for services at \$0.06	166,666	166	9,833	-	-	9,999
Share issue cost	-	-	(2,006)	-	-	(2,006)
Net loss for the year	-	-	-	-	(252,522)	(252,522)
Balance at November 30, 2008	38,158,503	\$38,158	\$4,560,489	\$ (6,600)	\$ (5,185,790)	\$ (593,743)
Common stock issued for cash at \$0.05	200,000	200	9,800	-	-	10,000
Common stock issued for cash at \$0.07	1,428,571	1,428	98,572	-	-	100,000
Common stock issued for cash at \$0.10	600,000	600	59,400	-	-	60,000
Common stock issued for services at \$0.06	166,666	167	9,833	-	-	10,000
Common stock issued for services at \$0.03	120,000	120	3,480	-	-	3,600
Common stock issued for services at \$0.10	125,000	125	12,375	-	-	12,500
Net loss for the year	-	-	-	-	(365,506)	(365,506)
Balance at November 30, 2009	40,798,740	\$40,798	\$4,753,949	\$ (6,600)	\$ (5,551,296)	\$ (763,149)

Brookmount Explorations Inc.
(An Exploration Stage Company)
INTERIM STATEMENT OF STOCKHOLDERS' DEFICIT
For the period December 9, 1999 (date of inception) to February 28, 2017
(Unaudited – Prepared by Management)
(Expressed in U.S. Dollars)

	Common Shares		Additional	Stock	Deficit	Total
	<u>Number</u>	<u>Par Value</u>	<u>Paid-in Capital</u>	<u>Subscriptions Receivable</u>	<u>Accumulated During the Exploration Stage</u>	
Common stock issued for cash at \$0.07	428,571	429	29,571	-	-	30,000
Common stock issued for cash at \$0.10	100,000	100	9,900	-	-	10,000
Net loss for the year	-	-	-	-	(276,473)	(276,473)
Balance at November 30, 2010	41,327,311	\$41,327	\$4,793,420	\$ (6,600)	\$ (5,827,769)	\$ (999,622)
Common stock issued for cash at \$0.06	250,000	250	14,750	-	-	15,000
Common stock issued for services at \$0.025	200,000	200	4,800	-	-	5,000
Common stock issued for debt at \$0.01125	1,600,000	1,600	16,400	-	-	18,000
Net loss for the year	-	-	-	-	(358,405)	(358,405)
Balance at November 30, 2011	43,377,311	\$43,377	\$4,829,370	\$ (6,600)	\$ (6,186,174)	\$ (1,320,027)
Net income for the year	-	-	-	-	10,844	10,844
Balance at November 30, 2012	43,377,311	\$43,377	\$4,829,370	\$ (6,600)	\$ (6,175,330)	\$ (1,309,183)
Net loss for the year	-	-	-	-	(142,158)	(142,158)
Balance at November 30, 2013	43,377,311	\$43,377	\$4,829,370	\$ (6,600)	\$ (6,317,488)	\$ (1,451,341)
Common stock issued for debt at \$0.0083294	55,000,000	55,000	403,117	-	-	458,117
Common stock issued for cash at \$0.005	4,300,000	4,300	17,200	-	-	21,500
Common stock deemed issued at \$0.001	1,588,256	1,588	(1,588)	-	-	-
Net loss for the year	-	-	-	-	(211,658)	(211,658)
Balance at November 30 2014	104,265,567	\$104,265	\$5,248,099	\$ (6,600)	\$ (6,529,146)	\$ (1,183,382)
Shares issued for debt cancelled	(55,000,000)	(55,000)	(403,117)	-	-	(458,117)
Net loss for the year	-	-	-	-	(49,292)	(49,292)
Balance at November 30, 2015	49,265,567	\$49,265	\$4,844,982	\$ (6,600)	\$ (6,578,438)	\$ (1,690,791)
Comprehensive income for the year	-	-	-	-	206,529	206,529
Balance at November 30, 2016	49,265,567	\$49,265	\$4,844,982	\$ (6,600)	\$ (6,371,909)	\$ (1,484,262)

Brookmount Explorations Inc.
(An Exploration Stage Company)
INTERIM STATEMENT OF STOCKHOLDERS' DEFICIT
For the period December 9, 1999 (date of inception) to February 28, 2017
(Unaudited – Prepared by Management)
(Expressed in U.S. Dollars)

	Common Shares		Additional	Stock	Deficit	
	<u>Number</u>	<u>Par Value</u>	Paid-in	Subscriptions	Accumulated	
			<u>Capital</u>	<u>Receivable</u>	During the	<u>Total</u>
					Exploration	
					<u>Stage</u>	
Comprehensive loss for the period	-	-	-	-	(2,558)	(2,558)
Balance at February 28, 2017	49,265,567	\$49,265	\$4,844,982	\$ (6,600)	\$ (6,374,467)	\$ (1,486,820)

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
February 28, 2017
(Unaudited)

Note 1 Nature of Continued Operations and Basis of Presentation

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

In December 2006, the Company incorporated a wholly-owned subsidiary, Brookmount Peru SAC, in Peru. This subsidiary was disposed of for nominal value on February 1, 2017. As at November 30, 2016 and January 31, 2017, this company was inactive and had no assets or liabilities.

Going Concern

The interim 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 \$1,486,820 at February 28, 2017 (2016 - \$1,693,660) and has incurred losses since inception of \$6,374,467 and further losses are anticipated in the development of its mineral properties raising substantial doubt as to the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on raising additional capital to fund ongoing exploration and development and ultimately on generating future profitable operations. Management plans to continue funding the Company's operations with advances, other debt sources and further equity placements.

Note 2 Summary of Significant Accounting Policies

Exploration Stage Company

The Company complies with U. S. GAAP guidelines to identify the Company as an exploration state enterprise.

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
February 28, 2017
(Unaudited)

Note 2 Summary of Significant Accounting Policies – (continued)

Basis of Presentation

These unaudited interim financial statements of the Company have been prepared by Management. They do not include all information and footnotes required by United States generally accepted accounting principles for complete financial statements.

Mineral Property

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

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

Use of Estimates and Assumptions

The preparation of interim 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 interim financial statements are presented in United States dollars. In accordance with the standard, "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.

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
February 28, 2017
(Unaudited)

Note 2 Summary of Significant Accounting Policies – (continued)

Environmental Costs

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

Stock-based Compensation

The Company has not adopted a stock option plan and has not granted any stock options. Accordingly no stock-based compensation has been recorded to date.

Note 3 Mineral Properties

a) Mercedes Property, Junin, Peru

On July 3, 2003, the Company acquired a 100% interest in 2,611 hectares located in central Peru from a director for \$22,500 and 5,000,000 common shares valued at \$0.40 per share. The Company was unable to maintain in good standing the Mercedes Mineral Claims and in June 2015, these claims reverted back to the Government of Peru.

b) Rock Creek Claims, British Columbia, Canada

On May 25, 2006, the Company agreed to acquire an option to purchase 100% of 722161 B.C. Ltd. The Company issued 125,000 shares in 2006 as partial payment. The agreement was terminated in 2008 due to lack of further payments by the Company.

BROOKMOUNT EXPLORATIONS INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
February 28, 2017
(Unaudited)

Note 5 Series A Convertible Notes

On February 14, 2017 the amounts due to former officers and or directors of the Company were replaced with Series A convertible notes. These notes are non-interest bearing and have a term of 3 years maturing on February 14, 2020. These notes carry a conversion privilege which allows the holder to convert the debt, in whole or in part any time during the 3 year period to shares of the Company at \$0.001 per share. The outstanding balance remaining at maturity shall bear interest at 12% per annum until fully paid.

Note 6 Capital Stock

During the year ended November 30, 2015, the Company cancelled:

- The sale, assignment and conversion to shares by third parties of the debt owed by the Company to a former related party which was never completed. This transaction was cancelled as of May 2015 with the debt of \$458,117 reinstated and the 55,000,000 shares allocation cancelled.
-

During the year ended November 30, 2016, the Company issued no shares from treasury.

During the period ended February 28, 2017, no shares were issued from treasury.