

# **Amended Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

## **BROOKMOUNT EXPLORATIONS, INC**

A NEVADA Corporation

12121 WILSHIRE BLVD.  
LOS ANGELES, CA 90025

213-266-7661

WWW.BROOKMOUNTCORP.COM  
INFO@BROOKMOUNTCORP.COM

1040

**Quarterly Report For the Period Ending:** August 31, 2020 (the "Reporting Period")

As of August 31, 2020, the number of shares outstanding of our Common Stock was:  
4,971,430

As of May 31, 2020, the number of shares outstanding of our Common Stock was:  
301,140,567

As of November 30, 2019, the number of shares outstanding of our Common Stock was:  
273,140,567

As of November 30, 2018, the number of shares outstanding of our Common Stock was:  
213,115,567

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting

Yes:  No:

**1) Name of the issuer and its predecessors (if any)**

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

Brookmount Explorations, Inc.

No name change

No Predecessor Entities

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable) Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Incorporated in Nevada on December 9, 1999. Active and in good standing.

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes:  No:

**2) Security Information**

Trading symbol:	<u>BMXI</u>	
Exact title and class of securities outstanding:	<u>COMMON</u>	
CUSIP:	<u>114270</u>	
Par or stated value:	<u>0.001</u>	
Total shares authorized:	<u>2,000,000,000</u>	as of date: <u>August 31, 2020</u>
Total shares outstanding:	<u>4,971,430</u>	as of date: <u>August 31, 2020</u>
Number of shares in the Public Float <sup>2</sup> :	<u>1,357,773</u>	as of date: <u>August 31, 2020</u>
Total number of shareholders of record:	<u>260</u>	as of date: <u>August 31, 2020</u>

*Additional class of securities (if any):*

Trading symbol:	_____	
Exact title and class of securities outstanding:	_____	
CUSIP:	_____	
Par or stated value:	_____	
Total shares authorized:	_____	as of date: _____
Total shares outstanding:	_____	as of date: _____

**Transfer Agent**

Name: TRANSFER ONLINE, INC.  
Phone: 503.227.2950

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power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

Email: [info@transferonline.com](mailto:info@transferonline.com)

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes:  No:

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

Effective July 23 2020, we effected a reverse split of our common stock at a ratio of 1:100.

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

Number of Shares outstanding as of  <u>December 1, 2016</u>	<u>Opening Balance:</u> Common: <u>49,290,567</u>  Preferred: <u>0</u>		Please refer below						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
07-12-2017	New	4,700,000	Common	\$0.001	Yes	Harry Lappa	Debt Conv.	Unrestricted	Rule 144
07-12-2017	New	4,700,000	Common	\$0.001	Yes	Free Life Inv. (Andrew Hackett)	Debt Conv.	Unrestricted	Rule 144
07-12-2017	New	1,500,000	Common	\$0.001	Yes	Ina Kagel	Services	Unrestricted	§4(a)(2)
07-12-2017	New	4,700,000	Common	\$0.001	Yes	AD & P Investment D.	Debt Conv.	Unrestricted	Rule 144

<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

						(Derrick Wong)			
08-14-2017	New	80,000,000	Common	\$0.001	No	RHOR Barbados, Inc. (Lou Vargas)	Patents	restricted	§4(a)(2)
08-31-2017	Cancel	(80,000,000)	Common	\$0.001	N/A	RHOR Barbados, Inc. (Lou Vargas)	Cancel Agreement to acquire patents	restricted	n/a
11-09-2017	New	6,250,000	Common	\$0.001	Yes	SEAN Investments (Juhee Im)	Debt Conv.	Unrestricted	Rule 144
11-09-2017	New	6,000,000	Common	\$0.001	Yes	Free Life Inv. (Andrew Hackett)	Debt Conv.	Unrestricted	Rule 144
01-19-2018	New	27,000,000	Common	\$0.001	No	Brett Morley	Merger	Restricted	§4(a)(2)
01-19-2018	New	3,000,000	Common	\$0.001	No	Claudia Della Mora	Merger	Restricted	§4(a)(2)
01-19-2018	New	33,000,000	Common	\$0.001	No	Elysian Investments (Jane Cameron)	Merger	Restricted	§4(a)(2)
01-19-2018	New	24,000,000	Common	\$0.001	No	George Matin	Merger	Restricted	§4(a)(2)
01-19-2018	New	30,000,000	Common	\$0.001	No	Jan Verkade	Merger	Restricted	§4(a)(2)
01-19-2018	New	3,000,000	Common	\$0.001	No	Nicholas Medway	Merger	Restricted	§4(a)(2)
01-22-2018	New	1,000,000	Common	\$0.001	No	Ash R. Singh	Debt Conv.	Unrestricted	Rule 144
03-06-2018	New	15,000,000	Common	\$0.001	Yes	Zafer Sungur	Debt Conv.	Restricted	Rule 144
12-14-2018	New	10,000,000	Common	\$0.001	Yes	Zafer Sungur	Debt Conv.	Unrestricted	Rule 144
02-25-2019	New	15,000,000	Common	\$0.001	Yes	Zafer Sungur	Debt Conv.	Unrestricted	Rule 144
07-17-2019	New	10,000,000	Common	\$0.001	Yes	Zafer Sungur	Debt Conv.	Unrestricted	Rule 144
11-12-2019	New	5,000,000	Common	services	No	StockVest (Art Brent, CEO)	New Issue	Restricted	§4(a)(2)
11-18-2019	New	10,000,000	Common	Services	No	Troy Gould PC (David Fisksman, Partner)	New Issue	Restricted	§4(a)(2)
11-18-2019	New	10,000,000	Common	\$0.0035	Yes	Nicholas Medway	New Issue	Restricted	§4(a)(2)

02-04-2020	New	1,000,000	Common	\$0.0035	Yes	Kym Newton	New Issue	Restricted	§4(a)(2)
03-26-2020	New	20,000,000	Common	\$0.001	Yes	The Chesapeake Group, Inc. (Tim Rieu, CEO)	New Issue	Restricted	§4(a)(2)
04-02-2020	New	1,000,000	Common	\$0.001	Yes	Jordan Kym Newton	New Issue	Restricted	Rule 506
04-02-2020	New	5,000,000	Common	\$0.001	Yes	Joseph Laxague	New Issue	Restricted	§4(a)(2)
04-08-2020	New	1,000,000	Common	\$0.001	Yes	Liam Jay Newton	New Issue	Restricted	Rule 506
06-15-2020	New	10,000,000	Common	\$0.001	Yes	Zafer Sungur	New Issue	Unrestricted	Rule 506
06-17-2020	New	3,000,000	Common	\$0.001	Yes	Lara Ollquist	New Issue	Restricted	§4(a)(2)
07-23-2020	Reverse split 100:1	(310,999,161)	Common	\$0.001					
07-27-2020	New	12	Common	\$0.001	Yes	Fast Balance CEDE & CO	New Issue	Unrestricted	[rounding adjustment on reverse split]
08-07-2020	New	1,800,000	Common	\$0.001	Yes	Brookmount Exploration reserve FBO Leonite Capital (Avi Geller, Chief Investment Officer)	New Issue	Restricted	Rule 506
08-07-2020	New	30,000	Common	\$0.001	Yes	Leonite Capital, LLC (Avi Geller, Chief Investment Officer)	New Issue	Restricted	Rule 506
Shares Outstanding on August 31, 2020:	<u>Ending Balance:</u> Common: <u>4,971,418</u> Preferred: <u>0</u>								

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended September 30, 2018, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2016 through September 30, 2018 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

- All issuances of common shares made at par unless otherwise indicated.
- Individuals with voting control indicated in parentheses.

## B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed)	Reason for Issuance (e.g. Loan, Services, etc.)
<u>Jan 16, 2018</u>	<u>766,829.0</u> <u>1</u>	<u>766,829</u> <u>.01</u>	_____	<u>Feb 2020</u>	<u>0.001/share</u>	<u>SL Holdings</u>  (control person Jan Verkade)	<u>Securities Exchange Agreement</u>
<u>Jan 16, 2018</u>	<u>200,000.0</u> <u>0</u>	<u>200,000</u> <u>.00</u>	_____	<u>Feb 2020</u>	<u>0.001/share</u>	<u>Chengdu Holdings Pty, Ltd.</u> (control person Hu ZengLi)	<u>Securities Exchange Agreement</u>
<u>Jan 16, 2018</u>	<u>108,908.2</u> <u>2</u>	<u>108,908</u> <u>.22</u>	_____	<u>Feb 2020</u>	<u>0.001/share</u>	<u>Sean Invest, LLC.</u> (control person Terry Kwan)	<u>Securities Exchange Agreement</u>
<u>August 7, 2020</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>May 7, 2021</u>	<u>\$0.75/ share</u>	<u>Leonite Capital, LLC</u> (Avi Geller, Chief Investment Officer)	<u>Promissory Note</u>

Use the space below to provide any additional details, including footnotes to the table above:

\_\_\_\_\_

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- U.S. GAAP  
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: Chris Lim  
Title: Independent Accountant

<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Relationship to Issuer: **As above**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Statement of Changes in Shareholders' Equity;
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below.

**Financial Statements for the quarter ended August 31, 2020, attached hereto are incorporated herein by reference.**

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

## **5) Issuer's Business, Products and Services**

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Brookmount Explorations, Inc. is an operator of producing gold properties in the Republic of Indonesia. The Company currently operates 2 gold producing properties in volcanic hosted sediment within the tropical rain forest region of Sulawesi Province in north east Indonesia and is in the process of acquiring additional high grade properties in the area, which was originally surveyed and developed by Newmont Mining of the U.S. The Company is incorporated in Nevada and was organized for the purpose of acquiring, exploring and developing mineral properties. The Company has a 20 year operating lease on a 50 hectare gold area near the regional capital Manado and, in 2019, the Company entered into a joint venture with a Taiwanese operator for its wholly owned heap leaching operation situated approximately 3 hours southwest of Manado. Under the terms of this agreement, the operator agreed to construct and operate leach pads and associated processing facilities utilizing ore sourced from the Company's properties, with profits from gold sales shared between the parties on a 70(operator)/30(Company) basis. Production under these arrangements commenced in December 2019 with the first production cycle underway since February. In light of the lockdown requirements surrounding the Covid19 pandemic, production at the heap leaching operations have been suspended since April, after producing approximately 8kg of gold.

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

None.

C. Describe the issuers' principal products or services, and their markets

The Company's business encompasses the exploration, extraction, processing and sale of gold bullion through locally based trading houses.

**6) Issuer's Facilities**

The Company's operations are carried out through the excavation and processing of volcanic hosted gold bearing ore in 2 separate locations in Sulawesi Province, Republic of Indonesia. The company operates a floatation based processing facility adjacent to its 50 hectare gold reserve situated in a tropical rain forest area close to the airport at Manado regional capital, with surface and subsurface consisting of medium to high grade ore of 1.5-2.5 grams/tonne. Processing equipment at this location comprises a state of the art platform for processing of ore through to smelting of phase 2 finished product which represents gold with a purity level of 99%, and includes ore crushers and ball mills, 5 high capacity floatation tanks, onsite power generation and plumbing facilities including tailing ponds, as well as off-site smelting facilities. The Company has invested approximately \$500k in an exclusive 20 year operating agreement for this facility, including unrestricted access to the volcanic sediment hosted ore contained in the 50 hectare site which was recently expanded to 60 hectares following acquisition of an adjacent 10 hectare property.

The Company also owns a heap leach processing facility approximately 3 hours by road from the Manado operation. This facility comprises 17 HA of ore reserve, in 2 separate titles, together with a total of 46,000 tonnes of heap leaching capacity which incorporates 2 state of the art leach pads, together with associated infrastructure including tailing ponds, power generation, carbon filtration and onsite accommodation for workers and security guards.

**7) Officers, Directors, and Control Persons**

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information regarding any person or entity owning 5% or more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Jan Verkade	Shareholder	Hing Keng Shek Village rd Clearwater Bay, NT Hong Kong SAR	300,000	common	6.03%	
Brett Morley	Director & CEO	WingHangLung rd Clearwater bay NT,	270,000	common	5.43%	



		HKSAR				
Nicholas Medway	Director & Secretary	Bisho st, Yarraviille, Vic.  Australia	130,000	common	2.61%	
Elysium Investment Holdings Pty. Ltd	shareholder	Avoca st. South Yarra, Vic. Australia	330,000	common	6.64%	Jane Cameron of Canberra, ACT, Australia.,beneficial shareholder through Elysium.

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

NA

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

NA

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NA

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

NA

## 9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: David Ficksman  
Firm: Troy Gould PC  
Address 1: 1801 Century Park East  
Address 2: Los Angeles, CA 90071  
Email: [dficksman@troygould.com](mailto:dficksman@troygould.com)  
Telephone: (310)5534441

Accountant or Auditor

Name: Matthew Schofield  
Firm: ShineWing Australia  
Address 1: 530 Collins st  
Address 2: Melbourne, Victoria 3000  
Phone: 61 3 87796511  
Email: na

Other Service Providers

Provide the name of any other service provider(s), including, counsel, advisor(s) or consultant(s) **that assisted, advised, prepared or provided information with respect to this disclosure statement**, or provided assistance or services to the issuer during the reporting period.

Name: Joe Laxague  
Firm: Laxague Law, Inc.  
Nature of Services: legal  
Address 1: 1 East Liberty, Suite 600  
Address 2: Reno, NV 89501  
Phone: (775) 234-5221  
Email: [joe@laxaguelaw.com](mailto:joe@laxaguelaw.com)

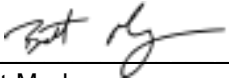
**10) Issuer Certification**

*Principal Executive Officer:*

I, Brett Morley, certify that:

1. I have reviewed this amended quarterly disclosure statement of Brookmount Explorations, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

October 21, 2020


/s/  [CEO's Signature]  
Brett Morley

*Principal Financial Officer:*

I, Nicholas Medway, certify that:

1. I have reviewed this amended quarterly disclosure statement of Brookmount Explorations, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

October 21, 2020

/s/  \_\_\_\_\_ [CFO's Signature]  
Nicholas Medway

***BROOKMOUNT EXPLORATIONS, INC.***

**Financial Statements for the Three Months Ended 31 August, 2020**

**Brookmount Explorations, Inc.****Unaudited Consolidated Balance Sheet  
As at August 31, 2020**

	31 August 2020 \$'000	30 November 2019 \$'000
<b>Assets</b>		
Cash and cash equivalents	65	126
Inventory	1,235	252
Other assets	7	-
Total current assets	<u>1,307</u>	<u>378</u>
Property, plant and equipment, net of accumulated depreciation and amortization	1,250	400
Investment in Talawaan Project	1,175	500
Land Usage rights	4,200	4,200
Receiveable due from non affiliate	4,658	3,126
Total non-current assets	<u>11,283</u>	<u>8,226</u>
Total assets	<u>12,590</u>	<u>8,604</u>
<b>Liabilities and Stockholders' Equity/(Deficit)</b>		
<b>Liabilities</b>		
Accounts payables	53	-
Series A Convertible Promissory Notes	742	742
Convertible notes	44	-
Warrants	41	-
Derivative liabilities	29	-
Income taxes payable	520	675
Total current liabilities	<u>1,429</u>	<u>1,417</u>
Unpaid capital commitments	-	244
Total non-current liabilities	<u>-</u>	<u>244</u>
Total liabilities	<u>1,429</u>	<u>1,661</u>
<b>Equity</b>		
Common stock		
Authorized: \$0.001 par value, 2,000,000,000 shares authorized		
Issued and outstanding: 4,971,498	\$223,787	\$180,957
Additional paid in capital	3	-
Adjustments to equity to reflect retroactive application of reverse acquisition of accounting	(911)	(911)
Accumulated profits/(loss)	11,845	7,673
Total stockholders' equity	<u>11,161</u>	<u>6,943</u>
Total liabilities and stockholders' equity	<u>12,590</u>	<u>8,604</u>

**Brookmount Explorations, Inc.**

**Unaudited Consolidated Statement of Operations  
For the 3 month period ended August, 31, 2020**

	3 month period ended August 31, 2020	3 month period ended August 31, 2019
	\$'000	\$'000
<b>Revenue</b>		
Sales	3,100	1,520
Cost of sales	(726)	(684)
<b>Gross profit</b>	<u>2,374</u>	<u>836</u>
<b>Operating expenses</b>		
Depreciation and amortization	75	20
Selling, general and administrative expenses	234	175
Total operating expenses	<u>309</u>	<u>195</u>
Write down of mining expense	-	125
Interest expense	1	-
Loss on issue of warrant	23	-
Fair value adjustment of derivative financial instruments	23	-
Fair value adjustment of warrant liabilities	18	-
Total other expenses	<u>65</u>	<u>125</u>
<b>Income/(loss) from continuing operations before income tax expenses</b>	<u>2,000</u>	<u>516</u>
Income tax expense	(137)	(35)
<b>Net income/(loss) after income tax expense for the period</b>	<u>1,863</u>	<u>481</u>
<b>Other comprehensive income /(loss)</b>		
Other comprehensive income/(loss)	-	-
<b>Total comprehensive income/(loss) for the period</b>	<u>1,863</u>	<u>481</u>

**Brookmount Explorations, Inc.**

**Unaudited Consolidated Statement of Changes in Stockholders' Equity  
For the quarter ended August 31, 2020 and 2019**

	Common Stock		Additional Paid in Capital \$'000	Other Comprehensive Income \$'000	Accumulated Profits \$'000	Adjustments to equity to reflect retroactive application of reverse acquisition accounting \$'000	Total Equity \$'000
	Shares	Amount \$'000					
<b>Balance at November 30, 2018</b>	<b>213,115,567</b>	<b>121</b>	-	-	<b>4,879</b>	<b>(911)</b>	<b>4,089</b>
Income after income tax expense for the quarter	-	-	-	-	282	-	282
Total comprehensive	-	-	-	-	-	-	-
Income /(loss) for the period	-	-	-	-	282	-	282
<b>Balance at February 28, 2019</b>	<b>213,115,567</b>	<b>121</b>	-	-	<b>5,161</b>	<b>(911)</b>	<b>4,371</b>
Income after income tax expense for the quarter	-	-	-	-	370	-	370
New Share issuance (25,000,000 shares @ USD 0.001/Share)	25,000,000	25	-	-	-	-	25
Total comprehensive	-	-	-	-	-	-	-
Income /(loss) for the period	25,000,000	25	-	-	370	-	395
<b>Balance at May 31, 2019</b>	<b>238,115,567</b>	<b>146</b>	-	-	<b>5,531</b>	<b>(911)</b>	<b>4,766</b>
Income after income tax expense for the quarter	-	-	-	-	481	-	481
Total comprehensive	-	-	-	-	-	-	-
Income /(loss) for the period	-	-	-	-	481	-	481
<b>Balance at August 31, 2019</b>	<b>238,115,567</b>	<b>146</b>	-	-	<b>5,730</b>	<b>(911)</b>	<b>5,247</b>

**Brookmount Explorations, Inc.**

**Unaudited Consolidated Statement of Changes in Stockholders' Equity  
For the quarter ended August 31, 2020 and 2019**

	Common Stock		Additional Paid in Capital \$'000	Other Comprehensive Income \$'000	Accumulated Profits \$'000	Adjustments to equity to reflect retroactive application of reverse acquisition accounting \$'000	Total Equity \$'000
	Shares	Amount \$'000					
<b>Balance at November 30, 2019</b>	<b>273,140,567</b>	<b>181</b>	-	-	<b>7,673</b>	<b>(911)</b>	<b>6,943</b>
Income after income tax expense for the period	-	-	-	-	780	-	780
New Share issuance (1,000,000 shares @ USD 0.0035/Share)	1,000,000	1	3	-	-	-	3.5
Total comprehensive	-	-	-	-	-	-	-
Income for the period	1,000,000	1	3	-	780	-	783.5
<b>Balance at February 28, 2020</b>	<b>274,140,567</b>	<b>182</b>	<b>3</b>	-	<b>8,453</b>	<b>(911)</b>	<b>7,727</b>
Income after income tax expense for the period	-	-	-	-	1,529	-	1,529
New Share issuance (27,000,000 shares @ USD 0.001/Share)	27,000,000	27	-	-	-	-	27
Total comprehensive	-	-	-	-	-	-	-
Income for the period	27,000,000	27	-	-	1,529	-	1,556
<b>Balance at May 31, 2020</b>	<b>301,140,567</b>	<b>209</b>	<b>3</b>	-	<b>9,982</b>	<b>(911)</b>	<b>9,283</b>
Income after income tax expense for the period	-	-	-	-	1,863	-	1,863
New Share issuance pre reverse split (shares @ USD 0.001/Share)	13,000,000	13	-	-	-	-	13
Stock reverse split on July 23, 2020 (100:1)	(310,999,161)	-	-	-	-	-	-
New Share issuance (shares @ USD 0.001/Share)	1,830,012	2	-	-	-	-	2
Total comprehensive	-	-	-	-	-	-	-
Income for the period		15	-	-	1,863	-	1,882
<b>Balance at August 31, 2020</b>	<b>4,971,418</b>	<b>224</b>	<b>3</b>	-	<b>11,845</b>	<b>(911)</b>	<b>11,161</b>



**Brookmount Explorations, Inc.**  
**Notes to Consolidated Statements**

**Unaudited Consolidated Statement of Cash Flows**  
**For the 3 month period ended August 31, 2020**

	3 month period ended August 31, 2020	3 month period ended August 31, 2019
	\$'000	\$'000
<b>Cash flows from operating activities:</b>		
Net income/(Loss)	1,863	481
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	75	20
Write off of mining assets	-	125
Loss on issue of warrant	23	-
Fair value adjustments of derivative financial instruments	23	-
Fair value adjustments of warrant liabilities	18	-
Net changes in operating assets and liabilities		
(Increase)/Decrease in inventory	(645)	(85)
(Increase)/Decrease in other assets	(7)	-
(Increase)/Decrease in non-affiliate receivable	(411)	-
Increase/(decrease) in account payable	15	(39)
Increase/(decrease) in unpaid capital commitment	(244)	(25)
Increase/(decrease) in tax provision	-	(11)
Net cash used in operating activities	<u>710</u>	<u>466</u>
<b>Cash flows from investing activities</b>		
(Payments)/Proceeds from for plant & equipment	(375)	241
Proceed from Talawaan Project	(425)	150
Payments for Land Usage Rights	-	(917)
Net cash from investing activities	<u>(800)</u>	<u>(526)</u>
<b>Cash flows from financing activities</b>		
Proceed from issuance of convertible notes	50	-
Proceed from issuance of common stock	-	-
Proceed from Convertible Loans from Shareholders	-	-
Net cash provided by financing activities	<u>50</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(40)	(60)
Cash and cash equivalents at the beginning of period	<u>105</u>	<u>105</u>
<b>Cash and cash equivalents at the end of period</b>	<u>65</u>	<u>45</u>

**Brookmount Explorations, Inc.**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Nature of Operations**

Following its merger with SL Holdings Ltd, the Company is now an operator of producing gold properties in the Republic of Indonesia. The Company currently operates 2 gold producing properties in volcanic hosted sediment within the tropical rain forest region of Sulawesi Province in north east Indonesia and is in the process of acquiring additional high grade properties in the area, which was originally surveyed and developed by Newmont Mining of the US. The Company is incorporated in Nevada and was organized for the purpose of acquiring, exploring and developing mineral properties. The Company is in the process of increasing the processing rates of ore on its properties and focusing on increasing yields and is looking to secure financing to acquire additional producing facilities in the Indonesia.

Since March 2020, the outbreak of the novel strain of coronavirus ("COVID-19") and the ongoing pandemic, has resulted in governments worldwide enacting various emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, border shutdowns, self-imposed quarantine periods, closing of non-essential businesses and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. In addition, global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

To date, the COVID-19 pandemic has not had a material negative impact on the Company's results of operations with the exception of the necessity to temporarily suspend activities at the heap leaching operation. The main operation at the Talawaan project continues to operate. The extent to which the pandemic will impact the Company's results will depend on further developments which are highly uncertain and cannot be predicted with great certainty.

*Basis of Presentation*

These unaudited financial statements of the Company have been prepared by Management. These financial statements have been prepared in accordance with the accounting principles generally accepted in the United States ("GAAP").

*Going concern basis*

The financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realization of assets and the settlement of liabilities in the ordinary course of business.

At August 31, 2020, the company had a current asset deficiency of \$122,000 and net asset surplus of \$11,161,000 (August 31, 2019 current asset deficiency of \$622,000 and net asset surplus \$5,247,000). The Company reported an after tax profit of \$1,863,000 for the quarter ended August 31, 2020 (Quarter ended August 31, 2019 after tax profit: \$481,000).

The company believes that there are reasonable grounds to support the fact that it will be able to pay its debts as and when they become due and payable. In forming this opinion, the Group has considered the following factors:

- (i) The company has generated positive cash flow from operations in each of the past 2 years;
- (ii) The series A convertible promissory note can be converted into common stock instead of being redeemed in cash, the majority of said notes being held by the controlling shareholders.
- (iii) The company has ability to raise additional funds through issuance of common stock.

If the Company is unable to continue as a going concern it may be required to realize its assets and extinguish its liabilities other than in the ordinary course of business at amounts different from those stated in the financial statements.

**Brookmount Explorations, Inc.**  
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The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

**2.2**            ***Recently Issued Accounting Standards***

In December 2019, the FASB issued ASU 2019-12, Simplifying the Accounting for Income Taxes which amends ASC 740 Income Taxes (ASC 740). This update is intended to simplify accounting for income taxes by removing certain exceptions to the general principles in ASC 740 and amending existing guidance to improve consistent application of ASC 740. This update is effective for fiscal years beginning after December 15, 2021. The guidance in this update has various elements, some of which are applied on a prospective basis and others on a retrospective basis with earlier application permitted. The Company is currently evaluating the effect of this ASU on the Company's consolidated financial statements and related disclosures.

Management does not believe that any recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, we will adopt those that are applicable under the circumstances.

**2.3**            ***Use of Estimates and Assumptions***

The preparation of these 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.

**2.4**            ***Reverse Acquisition Accounting***

In accordance with "reverse acquisition" accounting treatment, our historical financial statements as of period ends, and for periods ended, prior to the Acquisition will be replaced with the historical financial statements of SL Group Holdings, Limited ("SL Group"), in all future filings with the SEC. Consequently retroactive adjustments have been made to the equity balances of SL Group to reflect the equity balances of the legal parent company Brookmount Explorations, Inc. as required under ASC 805 and the application of reverse acquisition accounting.

**2.5**            ***Foreign Currency Translation***

The consolidated 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.

**2.6**            ***Environmental Costs***

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

**Brookmount Explorations, Inc.**  
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earlier of completion of a feasibility study or the Company's commitments to plan of action based on the then known facts.

**2.7 Principles of Consolidation**

The unaudited consolidated financial statements include the Company's accounts and those of the Company's wholly-owned subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

**2.8 Cash and Cash Equivalents**

The Company considers cash deposits and all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**2.9 Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation and are comprised of assets utilized in the processing and refining of ore into phase 1 and 2 gold production. These assets include electrical and plumbing infrastructure and equipment, on site facilities and buildings and general equipment. Depreciation is calculated using the straight-line method over the estimated useful life of the assets.

**2.10 Fair Value of Financial Instruments**

The Company adopted Accounting Standards Codification ("ASC") ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820"), for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied in accordance with accounting principles generally accepted in the United States of America that requires the use of fair value measurements, establishes a framework for measuring fair value and expands disclosure about such fair value measurements.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

These inputs are prioritized below:

- Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The Company analyzes all financial instruments with features of both liabilities and equity under the Financial Accounting Standard Board's ("FASB") accounting standard for such instruments. Under this standard, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

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The carrying amounts reported in the consolidated balance sheets for cash, and accounts payable, approximate their estimated fair values based on the short-term maturity of these instruments.

**Convertible notes payable and Common stock warrant liability**

**Level 3**

Convertible Notes Payable	\$43,907
Warrant to purchase common stock	\$40,463

Our Level 3 financial liabilities consist of convertible notes payable (the "Notes") and warrants for the purchase of common stock, all of which were issued as detailed below:

- (i) On August 7, 2020 we entered into a Securities Purchase Agreement with one person, pursuant to which we sold (i) convertible senior secured convertible promissory notes dated August 7, 2020 in the aggregate principal amount of \$568,182 to be drawn in tranches and (ii) Warrants to purchase up to an aggregate of 50,000 shares of our common stock at an initial exercise price of \$1.00 per share.

The fair values of these liabilities as of their issuance date and the subsequent measurement date of August 31, 2020 were determined utilizing a Black-Scholes valuation model, which requires use of unobservable inputs. The inputs are determined by management, with the assistance of independent experts; they represent our best estimates, but involve certain inherent uncertainties. We used the market value of the underlying stock, a life equal to the contractual life of the financial instrument, incremental borrowing rates and bond yields that correspond to instruments of similar credit worthiness and the instrument's remaining life, an estimate of volatility based on the historical prices of our trading securities, and we made assumptions as to our abilities to test and commercialize our product(s), to obtain future financings when and if needed, and to comply with the terms and conditions of our Notes.

A significant change in the market price per share, expected volatility, or bond yield of equivalent securities, in isolation, would result in significantly higher or lower fair value measurements. In combination, changes in these inputs could result in a significantly higher or lower fair value measurement if the input changes were to be aligned, or could result in a minimally higher or lower fair value measurement if the input changes were of a compensating nature.

**2.11 Income Taxes**

The Company accounts for income taxes using the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in the tax rate is recognized in income or expense in the period that the change is effective. Tax benefits are recognized when it is probable that the deduction will be sustained. A valuation allowance is established when it is more likely than not that all or a portion of a deferred tax asset will either expire before the Company is able to realize the benefit, or that future deductibility is uncertain.

The Company submits tax returns to local and provincial agencies in Indonesia but does not generate revenue in the US and as such, is not required to submit a US tax return. Uncertain tax positions taken on the Company's tax returns will be

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accounted for as liabilities for unrecognized tax benefits. The Company will recognize interest and penalties, if any, related to unrecognized tax benefits in general and administrative expenses in the statements of operations.

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**2.12**      ***Inventory***

Inventory is valued at a rate based on the market equivalent of the prevailing gold price which is continually variable. Inventory production cost is determined using a matrix of unit costs such as electricity, labour, chemicals and capital equipment such as excavators and dump trucks.

**2.13**      ***Production Property***

The Company is primarily engaged in the development and production of gold ore bearing properties. Properties are invested or operated under long term production agreements from local partners. Acquisition costs are capitalized in accordance with U.S. GAAP when management has determined that future benefits consisting of a contribution to future cash inflows, have been identified and adequate financial resources are available to complete the required investment.

**2.14**      ***Revenue Recognition***

Revenue is recognized from a sale when persuasive evidence of an arrangement exists, the price is determinable, the product has been delivered, risk and the title has been transferred to the customer and collection of the sales price is reasonably assured.

**2.15**      ***Accumulated Other Comprehensive Income (Loss)***

Comprehensive income (loss) is presented net of applicable income taxes in the accompanying consolidated statements of stockholders' equity and comprehensive income (loss). Other comprehensive income (loss) is comprised of revenues, expenses, gains, and losses that under GAAP are reported as separate components of stockholders' equity instead of net income (loss).

**3.**            ***Investment in Talawaan Project***

The Company has invested in long term (20 year) operating agreements with exclusive land usage rights with a local entity in Talawaan City, district of Minahasa in Northern Sulawesi Province for excavation, production and processing on a 25 hectare site close to the airport of the regional capital Manado. The property has a complete processing plant onsite, including ore crushers, ball mills, floatation processing tanks and tailing ponds and ore is excavated from reefs of medium to high grade volcanic hosted ore present on the property. The facility at Talawaan also processes ore on behalf of 3<sup>rd</sup> party mining groups on a contract basis.

**3.**            ***Series A Convertible Promissory Notes***

As a result of the merger, the Company issued an aggregate of \$766,829.01 in principal amount of the Company's Series A Convertible Promissory Notes to the issues which shall represent approximately 92% of the outstanding voting power on a fully diluted basis after giving effect to the issuance of the common stock of the company, the conversion of the Series A Convertible Promissory Notes, the cancellation of Series A Convertible Notes with an aggregate principal balance of \$302,544.74 (the "Cancelled Notes"), but before the conversion of an aggregate of \$25,000 in principal amount of the Company's Series A Convertible Notes (the "First Tranche Remaining Notes"), \$83,908.22 in principal amount of the Company's Series A Convertible Notes (the "Second Tranche Remaining Notes") and \$200,000 in principal amount of the Company's Series A Convertible Notes (the "Third Tranche Remaining Notes"). During the period under review, \$25,000 of the Series A Notes were converted to 25 million common shares, as a result of which the aggregate outstanding balance of the remaining Series A Convertible

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Notes declined to \$741,829.01.

**4. Segment Information**

The Company operates predominantly in one industry and one geographical segment, those being gold mining and Indonesia, respectively.

**5. Capital and Leasing Commitments**

There was no capital or leasing expenditure at August 31, 2020.

**6. Contingencies**

From time to time, the Company is involved in routine litigation that arises in the ordinary course of business. There are no pending significant legal proceedings to which the Company is a party for which management believes the ultimate outcome would have a material adverse effect on the Company's financial position.

**7. Events After the Reporting Period**

There has not arisen in the interval between the end of the financial period and the date of these financial statements any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operation of the company, the results of those operations, or the state of affairs of the company, in future financial years.