

**Action Summary – 15 November 2022**

Analyst Theodore R. O'Neill *is initiating coverage of Brookmount Explorations, Inc. with a Buy rating and a \$6 price target*

- **We are initiating coverage of Brookmount Explorations, Inc. with a Buy rating and a \$6 price target**
- BMXI is a high-growth gold-producing company that engages in the global exploration, development, and production of gold. The company has a portfolio of gold projects in Indonesia (Talawaan and Manado), Canada (Moosehorn) and the United States (McArthur Creek in Alaska). Led by a team of professionals with years in the industry, including geologists and mining engineers, the company follows strict environmental-care processes to exploit the gold mines, seeking profitability while supporting local communities.
- **Currently experiencing high growth.** The company has produced double digit sales, EBITDA, and asset growth for the past two years and we forecast that to continue into 2023.
- **Consistently profitable over a long period.** It has reported profit at the operating income line for past 18 quarters
- **Significant EBITDA generation.** Over the last two years, adjusted EBITDA has ranged from X% to Y% of revenue
- ESG Compliant. BMXI management is committed to sustainable and responsible operations in Indonesia & North America. It has adopted a social responsibility plan and applying environmentally sustainable practices enables it to operate in this environment.
- **Shares selling for a significant discount to peers.** Shares are trading at a ~95% discount to peers on multiple of sales, ~99% discount to earnings and a ~90% discount to book while book, earnings and sales are growing

<b>11/14 Closing price: \$0.07 USD</b>	<b>Market cap: \$3 million</b>	<b>Multiple of book: 0.22</b>	<b>EV/2023 Sales: 0.13</b>
<b>Diluted shares outstanding: 39 million</b>	<b>Insider ownership: xx%</b>	<b>3-mo avg. daily trading volume: &gt;700,000</b>	<b>Dividend/Yield: NA/NA</b>

**GAAP estimates (EPS in USD – Revenue in USD millions)**

Period	EPS	Revenue	Op Margin
1Q21A	\$1.63	\$62.5	12%
2Q21A	\$2.66	\$70.9	16%
3Q21A	\$3.01	\$69.1	12%
4Q21A	<u>\$2.23</u>	<u>\$70.5</u>	<u>13%</u>
FY21A	<u>\$9.80</u>	<u>\$273.0</u>	<u>13%</u>
1Q22A	\$2.04	\$75.2	14%
2Q22A	\$4.84	\$69.7	12%
3Q22A	\$1.11	\$68.3	9%
4Q22E	<u>\$1.27</u>	<u>\$72.0</u>	<u>9%</u>
FY22E	<u>\$9.30</u>	<u>\$285.1</u>	<u>11%</u>
1Q23E	\$1.38	\$73.0	9%
2Q23E	\$1.36	\$73.0	9%
3Q23E	\$1.44	\$74.0	10%
4Q23E	<u>\$1.47</u>	<u>\$75.0</u>	<u>10%</u>
FY23E	<u>\$8.83</u>	<u>\$295.0</u>	<u>9%</u>

Note: Numbers may not add due to rounding. See our full model at the back of this report.

**Cash balance (in USD millions)**

• 2021A	• \$4.7
• 2022E	• \$1.1
• 2023E	• \$28.4.

**Debt (in USD millions)**

• 2021A	• \$66.9
• 2022E	• \$90.0
• 2023E	• \$90.0

**Risks/Valuation**

- Risks: economic conditions, competition, inflation, low trading volume, country risk
- Our \$6 price target is derived from our discounted future earnings model

**Company description:** Brookmount Gold (OTCMKTS:BMXI) is a high-growth gold-producing company incorporated and listed in the



# Brookmount Explorations Incorporated **BMXI-US - Buy \$6 PT**

United States. It engages in the global exploration, development, and production of gold. The company has a portfolio of gold projects in Indonesia, Canada, and the United States. Led by a team of professionals with years in the industry, the company follows strict environmental-care processes to exploit the gold mines, seeking profitability while supporting local communities.

Figure 1 – Brookmount Explorations, Inc. – One-Year Trading snapshot



Source: FactSet

## Investment Thesis

We are initiating coverage on Brookmount Explorations (BMXI) with a Buy rating and a \$6 Price Target

BMXI is a high-growth gold-producing company that engages in the global exploration, development, and production of gold. The company has a portfolio of gold projects in Indonesia (Talawaan and Manado), Canada (Moosehorn) and the United States (McArthur Creek in Alaska). Led by a team of professionals with years in the industry, including geologists and mining engineers, the company follows strict environmental-care processes to exploit the gold mines, seeking profitability while supporting local communities.

**Currently experiencing high growth.** The company has produced double digit sales, EBITDA, and asset growth for the past two years and we forecast that to continue into 2023.

**Consistently profitable over a long period.** It has reported profit at the operating income line for past 18 quarters

**Significant EBITDA generation.** Over the last two years, adjusted EBITDA has ranged from X% to Y% of revenue

**ESG Friendly.** BMXI management is committed to sustainable and responsible operations in Indonesia & North America. It has adopted a social responsibility plan and applying environmentally sustainable practices enables it to operate in this environment.

**Shares selling for a significant discount to peers.** Shares are trading at a ~95% discount to peers on multiple of sales, ~99% discount to earnings and a ~90% discount to book while book, earnings and sales are growing



# Brookmount Explorations Incorporated **BMXI-US - Buy \$6 PT**

*Figure 2 – Brookmount Explorations Inc. – Operating Income Profitability by Quarter 2016-present*

To be added

Source: FactSet and Litchfield Hills Research

## Valuation and Price Target

### Valuation Methodology

We believe BMXI is undervalued, and we support that belief with two valuation techniques. For the purposes of determining our price target we use a discounted future earnings model, which we then compare to its valuation relative to peers. The following valuation techniques are being used:

- 1) The discounted value of all future earnings was used for our price target (see Figure 3)
- 2) Valuation relative to peers (see Figure 4)

### Discounted Future Earnings – Basis for Price Target

Our 12-month price target of \$6 is based on a discounted earnings model. For valuation purposes, we sum up all future earnings on a GAAP basis and discount them at 20%. We assume the company grows rapidly until 2034 before growth eventually slows to GDP. Our valuation model is shown in Figure 3 below. Note, this model understates future new products and growth through acquisitions and probably understates the tax benefits, but offsetting that, the earnings never have a down year. The implied share price is \$5.99 which we round up to \$6.

*Figure 3 – Brookmount Explorations, Inc. – Price Target Calculation*

Disc. Future Earnings \$5.99		
Year	EPS	Discounted EPS
2022	\$0.35	\$0.35
2023	\$0.49	\$0.41
2024	\$0.60	\$0.42
2025	\$0.75	\$0.43
2026	\$0.90	\$0.43
2027	\$1.00	\$0.40
Terminal Value:		\$3.55



## Brookmount Explorations Incorporated BMXI-US - Buy \$6 PT

Source: Litchfield Hills Research LLC

### Valuation Relative to Peers

Figure 4 is a summary of our BMXI peer comparison. The average Market Cap/Sales for 2023 is 2.94X. If BMXI was given an average multiple, its market cap would be \$59.4MM for a share price of \$1.50. This would imply a PE of 4x when the average is 18x. At the average PE, the implied share price would be \$6.66, or approximately our price target. This broadly confirms our view that, along with our discounted earnings model, the shares are undervalued.

*Figure 4 – Brookmount Explorations, Inc. – Valuation of Peers*

## Brookmount Explorations Incorporated **BMXI-US - Buy \$6 PT**

FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	2023 Consensus Multiples except Book			
					Market Cap / Sales	EV /Sales	Price to Book	PE
KOZAL.E-TR	Koza Altin Isletmeleri A.S. (Koza Gold)	\$11.54	1,759	1,228	4.01	2.85	1.67	6.29
TFPM-CA	Triple Flag Precious Metals Corp. (CA Listing)	\$10.98	1,713	1,627	9.99	9.48	1.45	24.70
SSL-CA	Sandstorm Gold Ltd. (CA Listing)	\$5.13	1,529	1,795	8.50	8.89	2.01	54.56
KNT-CA	K92 Mining Inc	\$5.18	1,175	1,132	5.07	4.84	5.67	17.65
WDO-CA	Wesdome Gold Mines Ltd	\$6.60	941	932	3.32	3.29	4.13	14.64
EDR-CA	Endeavour Silver Corp. (CA Listing)	\$3.43	650	586	4.03	3.40	3.04	70.03
ORA-CA	Aura Minerals Inc. (CA Listing)	\$7.59	552	550	0.98	0.98	2.22	3.35
MMX-CA	Maverix Metals Inc (CA Listing)	\$3.54	522	523	9.67	9.65	1.72	31.26
SVM-CA	Silvercorp Metals Inc. (CA Listing)	\$2.62	463	349	2.34	1.80	1.26	12.50
GGD-CA	Gogold Resources, Inc.	\$1.23	364	305	9.13	7.30	2.95	81.61
VGCX-CA	Victoria Gold Corp.	\$5.52	356	515	1.24	1.80	1.85	7.79
ARIS-CA	Aris Mining Corp	\$2.24	305	294	0.70	0.64	0.86	3.63
AR-CA	Argonaut Gold Ltd.	\$0.29	219	307	0.51	0.49	0.71	4.22
EUR-FR	Euro Ressources SA	\$2.93	183	169			4.47	
JAG-CA	Jaguar Mining Inc (CA Listing)	\$2.07	150	127	0.98	0.84	1.17	7.19
CMCL-US	Caledonia Mining Corp. (US Listing)	\$11.06	142	153	1.01	1.07	0.92	5.32
FTCO-US	Fortitude Gold Corp.	\$5.56	134	93			1.41	
RBX-CA	Robex Resources Inc.	\$0.20	120	121			2.43	
MND-CA	Mandalay Resources Corp.	\$1.26	116	102	0.55	0.48	0.95	2.80
APM-CA	Andean Precious Metals Corp	\$0.56	88	(1)	0.76		2.13	
DNG-CA	Dynacor Group Inc (CA Listing)	\$2.00	77	47	0.36	0.22	1.35	6.04
MKO-CA	Mako Mining Corp	\$0.09	59	73			7.48	
DYNR-US	DynaResource, Inc.	\$2.28	47	39				
FISH-CA	Sailfish Royalty Corp.	\$0.50	36	34				
ATY-CA	Atico Mining Corp.	\$0.21	26	39	0.42	0.63	0.60	5.93
ALTN-GB	AltynGold PLC	\$0.92	25	49			0.77	
MTR-GB	Metal Tiger PLC	\$0.15	25	9			0.90	
SRB-GB	Serabi Gold PLC (Registered)	\$0.32	24	22	0.39		0.73	8.46
GDP-GB	Goldplat Plc	\$0.14	24	28	0.47	0.54	0.84	4.92
SGI-CA	Superior Gold Inc	\$0.19	23	15	0.15	0.10	1.62	2.84
KLD-CA	Kenorland Minerals Ltd.	\$0.51	22	23			2.04	
ATLY-CA	Altaley Mining Corporation	\$0.08	22	58			4.07	
AUR-SE	Auriant Mining AB	\$0.13	13	65				
	<b>AVERAGE</b>				<u>2.94</u>	<u>2.96</u>	<u>2.11</u>	<u>17.89</u>
We removed metrics and replaced with NMF where the metrics were more than 10x standard deviations from the average to avoid skewing the data								
BMXI-US	Brookmount Explorations Inc.	\$0.07	3	3	0.14	0.13	0.22	0.19
<b>BMXI-US</b>	<b>Discount to peers:</b>				<b>-95%</b>	<b>-96%</b>	<b>-90%</b>	<b>-99%</b>

Source: Litchfield Hills Research LLC and FactSet

## Company Background

Brookmount Gold Corp (OTC:“BMXI”) is a US based, public listed company which serves as an investment platform for high value gold assets. The company is targeting acquisitions of high-quality assets comprising gold reserves with JORC/43-101 verification which can be developed through rapid and efficient deployment of technology and converted into cash flow to finance further expansion. Brookmount Gold Corp incorporated in Nevada, made its first investment in northern Indonesia in 2016. Recently the company acquired 100% of the Moosehorn Gold project approximately 5,000 hectares, in the Tintina Gold Belt which stretches from Alaska in the US to Yukon in Canada, continuing its expansion strategy. Additionally, Brookmount owns and operates two gold mining and production facilities in Northern Sulawesi



## Brookmount Explorations Incorporated **BMXI-US - Buy \$6 PT**

province, one of Indonesia's most significant areas of gold mineralization. The area has been extensively surveyed, assessed, and operated in the past by other major international gold production companies.

### Properties

#### Talawaan (Indonesia)

50-hectare reserve and onsite processing facility located in a high-grade volcanic-hosted sediment body in the district of Talawaan, adjacent to the airport at Manado, the regional capital. Recently renovated and upgraded facility. Comprises over 50 ball mills (ore crushers), five high-capacity floatation tanks, tailing ponds and off-site smelting operations. Ore is excavated at shallow depths from strategic locations on the property based on existing ore distribution data as well as onsite drill tests. The facility also processes ore on a contract basis from 3rd party operators with a long business relationship with BMXI. Traditional processing uses ball mills to reduce the size of ore particles and floatation tanks for the separation and cyanidation process. The final smelting process for both operations is similar. The offsite smelting facilities are wholly owned and capable of refining gold both to phase 1 ("dore" of 60-75% purity) and phase 2 (investment grade) gold of 99% purity.

#### Alason (Indonesia)

Area of approximately 18 hectares of high-grade volcanic ore body in a rich mineralization area about 3 hours west of Manado. Net revenue from production is shared between the parties on a 30/70 basis. To date, 2 leach pads (and associated infrastructure) have been constructed with a total processing capacity of 42,000 tonnes of ore. Initial processing took place in February 2020, producing approximately 280 oz. of gold). Through March 2022, 3 production runs on the Alason leach pad were completed, with a total production of 15kg of 99% pure Au, valued at around \$900K.

#### Moosehorn Gold Project (Canada)

Canadian-based exploration target with projected near-term gold production from both placer and hard rock sources. Moosehorn was partially surveyed under 43-101 requirements, resulting in a current estimated total resource of 39,000 oz Au. The project has been acquired and is 100% owned by BMXI. Similar geological setting as the nearby Coffee Creek deposit (1.8 million ounces) and the Pogo Mine (4.6 million ounces) and Fort Knox mine (2.0 million ounces). 234 quartz mineral claims (~4300 hectares). Numerous gold mineralized drill-ready targets. Exploration permits and water licenses are in place. Brookmount announced initial production (bulk sampling) from Moosehorn by the end of 2022. The production will be refined to the highest level of purity (9999) suitable for use in investment-grade items.

#### McArthur Creek, Alaska

The McArthur Creek project was the first acquisition by Brookmount in the United States. The property comprises approximately 250 HA of high-grade Au resource, is located effectively adjacent to the Moosehorn project, and shares identical topography. The net profit from the property will be split between the company and the vendor on a 60/40 basis. The McArthur Creek property also provides direct access to the Trans Alaska highway, facilitating the movement of heavy excavation and mining equipment back and forth on both the Moosehorn and McArthur Creek properties



## **Brookmount Explorations Incorporated BMXI-US - Buy \$6 PT**

### **Management**

#### **Nils Ollquist, Executive Director & CEO**

Has over 40 years of government and private sector experience, including manufacturing, financial services, and mining. He has degrees in economics and law from the Australian National University and worked for international banks in the US and Asia before establishing a boutique financial advisory firm in Hong Kong in 1993.

#### **Chris Lim, CFO**

Is a Qualified CPA with over 15 years audit and accounting experience, including 2 years at Deloitte Touche Melbourne. Has acted as contract CFO for several US listed companies is an experienced US GAAP accountant and is qualified under PCAOB guidelines.

## Brookmount Explorations Incorporated BMXI-US - Buy \$6 PT

Figure 5 – Brookmount Explorations, Inc. – Comp Table

FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	2023 Consensus Multiples except Book			
					Market Cap / Sales	EV /Sales	Price to Book	PE
KOZAL.E-TR	Koza Altin Isletmeleri A.S. (Koza Gold)	\$11.54	1,759	1,228	4.01	2.85	1.67	6.29
TFPM-CA	Triple Flag Precious Metals Corp. (CA Listing)	\$10.98	1,713	1,627	9.99	9.48	1.45	24.70
SSL-CA	Sandstorm Gold Ltd. (CA Listing)	\$5.13	1,529	1,795	8.50	8.89	2.01	54.56
KNT-CA	K92 Mining Inc	\$5.18	1,175	1,132	5.07	4.84	5.67	17.65
WDO-CA	Wesdome Gold Mines Ltd	\$6.60	941	932	3.32	3.29	4.13	14.64
EDR-CA	Endeavour Silver Corp. (CA Listing)	\$3.43	650	586	4.03	3.40	3.04	70.03
ORA-CA	Aura Minerals Inc. (CA Listing)	\$7.59	552	550	0.98	0.98	2.22	3.35
MMX-CA	Maverix Metals Inc (CA Listing)	\$3.54	522	523	9.67	9.65	1.72	31.26
SVM-CA	Silvercorp Metals Inc. (CA Listing)	\$2.62	463	349	2.34	1.80	1.26	12.50
GGD-CA	Gogold Resources, Inc.	\$1.23	364	305	9.13	7.30	2.95	81.61
VGCX-CA	Victoria Gold Corp.	\$5.52	356	515	1.24	1.80	1.85	7.79
ARIS-CA	Aris Mining Corp	\$2.24	305	294	0.70	0.64	0.86	3.63
AR-CA	Argonaut Gold Ltd.	\$0.29	219	307	0.51	0.49	0.71	4.22
EUR-FR	Euro Ressources SA	\$2.93	183	169			4.47	
JAG-CA	Jaguar Mining Inc (CA Listing)	\$2.07	150	127	0.98	0.84	1.17	7.19
CMCL-US	Caledonia Mining Corp. (US Listing)	\$11.06	142	153	1.01	1.07	0.92	5.32
FTCO-US	Fortitude Gold Corp.	\$5.56	134	93			1.41	
RBX-CA	Robex Resources Inc.	\$0.20	120	121			2.43	
MND-CA	Mandalay Resources Corp.	\$1.26	116	102	0.55	0.48	0.95	2.80
APM-CA	Andean Precious Metals Corp	\$0.56	88	(1)	0.76		2.13	
DNG-CA	Dynacor Group Inc (CA Listing)	\$2.00	77	47	0.36	0.22	1.35	6.04
MKO-CA	Mako Mining Corp	\$0.09	59	73			7.48	
DYNR-US	DynaResource, Inc.	\$2.28	47	39				
FISH-CA	Saifish Royalty Corp.	\$0.50	36	34				
ATY-CA	Atico Mining Corp.	\$0.21	26	39	0.42	0.63	0.60	5.93
ALTN-GB	AltynGold PLC	\$0.92	25	49			0.77	
MTR-GB	Metal Tiger PLC	\$0.15	25	9			0.90	
SRB-GB	Serabi Gold PLC (Registered)	\$0.32	24	22	0.39		0.73	8.46
GDP-GB	Goldplat Plc	\$0.14	24	28	0.47	0.54	0.84	4.92
SGI-CA	Superior Gold Inc	\$0.19	23	15	0.15	0.10	1.62	2.84
KLD-CA	Kenoriand Minerals Ltd.	\$0.51	22	23			2.04	
ATLY-CA	Altaley Mining Corporation	\$0.08	22	58			4.07	
AUR-SE	Auriant Mining AB	\$0.13	13	65				
	<b>AVERAGE</b>				<b>2.94</b>	<b>2.96</b>	<b>2.11</b>	<b>17.89</b>
We removed metrics and replaced with NMF where the metrics were more than 10x standard deviations from the average to avoid skewing the data								
BMXI-US	Brookmount Explorations Inc.	\$0.07	3	3	0.14	0.13	0.22	0.19
BMXI-US	Discount to peers:				<b>-95%</b>	<b>-96%</b>	<b>-90%</b>	<b>-99%</b>

Source: FactSet and Litchfield Hills Research LLC





## Brookmount Explorations Incorporated BMXI-US - Buy \$6 PT

Figure 6 – Brookmount Explorations, Inc. – Income Statement (\$ in 000 except per share)

November ending year	2020A	2021A	2022E				2022E	2023E				2023E
	Year	Year	Q1A	Q2A	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year
<b>Total revenue</b>	\$10,985	\$14,070	\$4,041	\$4,585	\$4,530	\$4,600	\$17,756	\$4,800	\$5,000	\$5,100	\$5,300	\$20,200
<i>Growth</i>		28%	33%	46%	30%	5%	26%	19%	9%	13%	15%	14%
Cost of Goods	2,827	4,292	1,350	1,508	1,463	1,500	5,859	1,584	1,650	1,683	1,749	6,666
<b>Gross Profit</b>	<b>8,158</b>	<b>9,778</b>	<b>2,691</b>	<b>3,077</b>	<b>3,067</b>	<b>3,100</b>	<b>11,897</b>	<b>3,216</b>	<b>3,350</b>	<b>3,417</b>	<b>3,551</b>	<b>13,534</b>
Depreciation and amortization	202	252	62	122	115	115	414	118	122	126	129	496
SG&A	1,418	1,758	389	425	375	390	1,579	402	414	426	439	1,681
Total Operating Expenses	1,620	2,010	451	547	490	505	1,993	520	536	552	568	2,176
<b>Operating Income</b>	<b>6,538</b>	<b>7,768</b>	<b>2,240</b>	<b>2,530</b>	<b>2,577</b>	<b>2,595</b>	<b>9,904</b>	<b>2,696</b>	<b>2,814</b>	<b>2,865</b>	<b>2,983</b>	<b>11,358</b>
Operating income %	60%	55%	55%	55%	57%	56%	56%	56%	56%	56%	56%	56%
Total Other Items	(26)	(18)	(18)	(16)	(16)	0	(50)	0	0	0	0	0
<b>Pre-Tax Income</b>	<b>6,512</b>	<b>7,750</b>	<b>2,222</b>	<b>2,514</b>	<b>2,561</b>	<b>2,595</b>	<b>9,854</b>	<b>2,696</b>	<b>2,814</b>	<b>2,865</b>	<b>2,983</b>	<b>11,358</b>
Taxes (benefit)	850	1,100	295	605	125	260	1,285	270	281	287	298	1,136
Tax Rate	13%	14%	13%	24%	5%	10%	13%	10%	10%	10%	10%	10%
<b>Net Income</b>	<b>\$5,662</b>	<b>\$6,650</b>	<b>\$1,927</b>	<b>\$1,909</b>	<b>\$2,436</b>	<b>\$2,336</b>	<b>\$8,569</b>	<b>\$2,426</b>	<b>\$2,533</b>	<b>\$2,579</b>	<b>\$2,684</b>	<b>\$10,222</b>
<b>EPS, as reported</b>	<b>\$0.45</b>	<b>\$0.37</b>	<b>\$0.10</b>	<b>\$0.08</b>	<b>\$0.06</b>	<b>\$0.06</b>	<b>\$0.28</b>	<b>\$0.06</b>	<b>\$0.06</b>	<b>\$0.07</b>	<b>\$0.07</b>	<b>\$0.26</b>
Diluted Shares Outstanding	12,514	17,795	20,095	23,079	39,064	39,264	30,375	39,464	39,564	39,664	39,864	39,639

Source: Company reports and Litchfield Hills Research LLC

Figure 7 – Brookmount Explorations, Inc. – Balance Sheet (\$ in 000)



## Brookmount Explorations Incorporated BMXI-US - Buy \$6 PT

November ending year	FY2024E	FY2023E	FY2022E	FY2021A	FY2020A
<b>Balance sheet</b>					
Current Assets					
Cash and S.T.I.	\$22,864	\$14,139	\$6,817	\$69	\$172
Accounts receivable	0	0	0	0	0
Inventories	3,000	2,000	1,000	1,125	224
Other assets	0	0	0	0	3
<b>Total Current Assets</b>	<b>25,864</b>	<b>16,139</b>	<b>7,817</b>	<b>1,194</b>	<b>399</b>
PP&E	2,000	1,400	1,200	1,050	820
Land Usage Rights					5,800
Other LT assets	12,000	10,000	9,000	8,300	7,433
<b>Total Assets</b>	<b>\$54,864</b>	<b>\$40,539</b>	<b>\$30,017</b>	<b>\$21,940</b>	<b>\$14,452</b>
Current Liabilities					
Accounts payable	\$1,000	\$500	\$200	\$308	\$6
Convertible notes	700	700	700	1,339	780
Income taxes payable					
Other current liabilities	500	500	500	1	28
<b>Total current liabilities</b>	<b>2,200</b>	<b>1,700</b>	<b>1,400</b>	<b>1,648</b>	<b>814</b>
Unpaid capital commitments	0	0	0	244	244
Other long-term	0	0	0	0	0
<b>Total Liabilities</b>	<b>2,200</b>	<b>1,700</b>	<b>1,400</b>	<b>1,892</b>	<b>1,058</b>
Stockholders' Equity					
Preferred stock	0	0	0	0	0
Common stock	237	237	237	237	233
Additional paid-in-capital	737	737	737	737	737
Retained earnings	52,601	38,776	28,554	19,985	13,335
Adjustments to equity	(911)	(911)	(911)	(911)	(911)
Total stockholders' equity	52,664	38,839	28,617	20,048	13,394
<b>Total Liabilities and equity</b>	<b>\$54,864</b>	<b>\$40,539</b>	<b>\$30,017</b>	<b>\$21,940</b>	<b>\$14,452</b>

Source: Company reports and Litchfield Hills Research LLC

*Figure 8 – Brookmount Explorations, Inc. – Cash Flow (\$ in 000)*



## Brookmount Explorations Incorporated BMXI-US - Buy \$6 PT

	2024E	2023E	2022E	2021A
Net Income / (loss)	13,825	10,222	\$8,569	6,650
Receivables	0	0	0	0
Inventory	(1,000)	(1,000)	125	(901)
Other	0	0	0	3
PP&E	(600)	(200)	(150)	(230)
Land Usage Rights	(2,000)	(1,000)	(700)	(2,500)
Other LT assets	(2,000)	(1,000)	(604)	(3,963)
Accounts payable	500	300	(108)	302
Convertible notes	0	0	(214)	309
Income taxes payable	0	0	(425)	250
Other current liabilities	0	0	499	(27)
Unpaid capital commitments	0	0	(244)	0
Other long-term	0	0	0	0
Preferred stock	0	0	0	0
Common stock	0	0	0	3
Additional paid-in-capital	0	0	0	0
Adjustments to equity	0	0	0	0
Other				
Total Cash Flow	8,725	7,322	\$6,748	(104)

Source: Litchfield Hills Research LLC

### Disclosures:

#### Analyst Certification

We, the Litchfield Hills Research Department, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject company and the underlying securities.

#### FINRA Compliant Research Report

We, the Litchfield Hills Research Department, hereby certify that this report is compliant with FINRA research rules 2241, 3110, the analyst is registered with FINRA and the report has been reviewed by a Supervisory Analyst.

#### MiFID II Compliant Research Report

Our research is classified as minor non-monetary benefit under MiFID II. This applies to all forms of transmission, including email, website and financial platforms such as Bloomberg, FactSet, S&P Global, Refinitiv and 13 others. We do not seek payment from the asset management community and do not have any execution function. Investors can continue to receive our research under the MiFID II regime without the need for a contract for services to be put in place. This applies to all forms of transmission, including email, website and financial platforms.

#### Litchfield Hills Research LLC Rating System

**BUY:** We expect the stock to provide a total return of 15% or more within a 12-month period.

**HOLD:** We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

**SELL:** We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

#### Other Disclosures

Litchfield Hills Research, LLC ("LHR") is not a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission nor a member of Financial Industry Regulatory Authority. The principal of LHR and publisher of this report, Theodore R. O'Neill, is a registered representative of Ascendant Capital Markets, LLC ("Ascendant"), a registered broker-dealer and FINRA member firm. Ascendant considers Mr. O'Neill's association with LHR to be an "outside business activity" and is disclosed as such with FINRA. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject LHR or any divisions, subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction.

All material presented in this report, unless specifically indicated otherwise, is under copyright to LHR and the subject company. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied, or distributed to any other party, without the prior express written permission of LHR or the subject company. All trademarks, service marks and logos used in this report are trademarks, service marks, registered trademarks, or service marks of LHR or its affiliates. The information, tools and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer



## **Brookmount Explorations Incorporated BMXI-US - Buy \$6 PT**

or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. LHR may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. The investments or services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable, appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. LHR does not offer advice on the tax consequences of investment and you are advised to contact an independent tax adviser. LHR believes the information and opinions in the Disclosure Appendix of this report are accurate and complete. Information and opinions presented in this report were obtained or derived from sources LHR believes are reliable, but LHR makes no representations as to their accuracy or completeness.

### **Ownership and Material Conflicts of Interest**

The analyst owns no shares of the subject company. The analyst and his family have no known material conflicts of interest in authoring this report. No employees of Ascendant Capital Markets, LLC own any material amount of BMXI stock or have any influence on the BMXI Board of Directors.

### **Investment Banking and Fees for Services**

Litchfield Hills Research has not received compensation for advisory or investment banking services from the Company in the past 12 months. Ascendant Capital Markets, LLC has not received compensation for advisory or investment banking services from the Company in the past 12 months. Litchfield Hills Research LLC has received compensation from the subject company for distribution and investor targeting services. Ascendant Capital Markets, LLC has not received compensation for non-investment banking services from the Company in the past 12 months.

### **Market Making**

Neither Litchfield Hills Research, LLC nor Ascendant Capital Markets, LLC makes a market in the subject company's securities.

Additional information is available upon request. LHR accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to LHR. This report is not to be relied upon in substitution for the exercise of independent judgment.