

Interim Financial Statements of

Brilliant Mining Corp.

For the Three and Six months ended March 31, 2005
(unaudited)

Index to Financial Statements

BRILLIANT MINING CORP.

March 31, 2005

(unaudited)

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BRILLIANT MINING CORP.

Notice of Non-review of Interim Financial Statements

The attached interim financial statements for the three and six month periods ended March 31, 2005 have not been reviewed by the company's auditors.

Interim Statement of Loss and Deficit

BRILLIANT MINING CORP.

Three and six months ended March 31, 2005

(unaudited)

	March 31, 2005 (3 months)	March 31, 2005 (6 months)	March 31, 2004 (3 months)	March 31, 2004 (6 months)
EXPENSES				
Rent	\$ 1,368	\$ 1,368	\$ 6,800	\$ 13,600
Professional fees	8,674	19,542	5,190	8,190
Office and sundry	1,229	678	1,120	2,836
Amortization	-	-	95	190
Promotion and investor relations	4,606	4,606	-	-
Corporate fees	5,465	9,144	7,096	7,096
Management fees	6,000	12,000	6,000	6,000
Stock based compensation	22,500	22,500	33,250	33,250
LOSS FROM OPERATIONS	49,842	69,838	59,551	71,162
OTHER INCOME				
Interest	1,123	1,179	1,610	1,738
NET LOSS	48,719	68,659	57,941	69,424
DEFICIT, BEGINNING OF PERIOD	511,681	491,741	409,036	397,553
DEFICIT, END OF PERIOD	\$ 560,400	\$ 560,400	\$ 466,977	\$ 466,977
WEIGHTED AVERAGE NUMBER OF SHARES				
	8,779,441	7,711,351	6,654,997	6,654,997
LOSS PER SHARE	\$ 0.006	\$ 0.009	\$ 0.009	\$ 0.010

Interim Balance Sheet

BRILLIANT MINING CORP.

March 31, 2005

(unaudited)

		March 31, 2005	Sept. 30, 2004
ASSETS			
	CURRENT ASSETS		
	Cash and cash equivalents	\$ 191,920	\$ 58,419
	GST receivable	4,874	4,236
		196,794	62,655
	MINERAL INTERESTS (Note 2)	646,412	555,034
		\$ 843,206	\$ 617,689
LIABILITIES AND SHAREHOLDERS' EQUITY			
	CURRENT LIABILITIES		
	Accounts payable	\$ 63,988	\$ 39,371
	CONTINGENT LIABILITY (Note 3)		
	SHARE CAPITAL (Note 4)	1,211,107	964,048
	CONTRIBUTED SURPLUS (Note 5)	128,511	106,011
	DEFICIT	(560,400)	(491,741)
		779,218	578,318
		\$ 843,206	\$ 617,689

APPROVED BY THE BOARD

(signed) "Sean Mager" _____ Director

(signed) "John Williamson" _____ Director

Interim Statement of Cash Flow

BRILLIANT MINING CORP.

Three and six months ended March 31, 2005

(unaudited)

	March 31, 2005 (3 months)	March 31, 2005 (6 months)	March 31, 2004 (3 months)	March 31, 2004 (6 months)
OPERATING ACTIVITIES				
Net loss	\$ (48,719)	\$ (68,659)	\$ (57,941)	\$ (69,424)
Adjustments for items not affecting cash:				
Amortization	-	-	95	190
Stock based compensation	22,500	22,500	33,250	33,250
	(26,219)	(46,159)	(24,596)	(35,984)
Changes in non-cash working capital items:				
GST receivable	1,158	(638)	(1,372)	(2,105)
Prepaid expenses	-	-	920	257
Accounts payable	11,861	24,617	13,779	11,731
	(13,200)	(22,180)	(11,269)	(26,101)
INVESTING ACTIVITIES				
Mineral interest acquisition and exploration costs paid	(68,378)	(68,378)	(2,093)	(3,152)
FINANCING ACTIVITIES				
Issuance of shares for cash	224,059	224,059	-	-
NET INCREASE IN CASH	142,481	133,501	(13,362)	(29,253)
CASH, BEGINNING OF PERIOD	49,439	58,419	89,496	105,387
CASH, END OF PERIOD	\$ 191,920	\$ 191,920	\$ 76,134	\$ 76,134
Cash and cash equivalents is comprised of the following:				
Cash	\$ 191,120	\$ 191,120	\$ 4,734	\$ 4,734
Term deposit	-	-	71,400	71,400
	\$ 191,120	\$ 191,120	76,134	\$ 76,134

Notes to the Interim Financial Statements

BRILLIANT MINING CORP.

March 31, 2005

(unaudited)

Note 1

General

The company was incorporated under the Alberta Business Corporations Act on October 1, 1998 and has its shares listed for trading on the TSX Venture Exchange. The principal business of the company is the evaluation, acquisition and development of mineral properties. The company has not yet determined whether these properties contain precious mineral reserves that are economically recoverable and the Company is not presently carrying on active exploration efforts on certain of its mineral properties. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and ultimately upon future profitable production or proceeds from disposition of the mineral properties. The amounts shown in Note 2 represent costs to date for property acquisition and exploration expenditures and do not necessarily reflect present or future values.

The company became a reporting issuer in January 2002 and the information presented for the three and six month periods ended March 31, 2005 has been presented in accordance with Canadian generally accepted accounting principles for interim financial reporting. These interim financial statements follow the same accounting policies and methods of their application as, and should be read in conjunction with, the annual audited financial statements for the year ended September 30, 2004.

Note 2

Mineral Interests

	March 31, 2005	Sept. 30, 2004
	(6 months)	(12 months)
Balance, beginning of period	\$ 555,034	\$ 548,811
Acquisition costs	80,600	-
Exploration expenditures	10,778	6,223
	<hr/>	<hr/>
Balance, end of period	\$ 646,412	\$ 555,034
Comprised of:		
Acquisition costs	\$ 230,600	\$ 150,000
Exploration costs	415,812	405,034
	<hr/>	<hr/>
	\$ 646,412	\$ 555,034

BRILLIANT MINING CORP.

March 31, 2005

(unaudited)

Note 2

Deferred Exploration

Costs

Continued....

Medley River Property

Pursuant to an agreement dated March 19, 1999 and an amending agreement dated August 30, 2000 with a director and a company controlled by a former director, the company entered into an option agreement to acquire a 100% working interest, subject to certain royalty interests, in a mineral resource property in the Cold Lake, Alberta area.

Ossok West and Ossok East Property

On February 22 and March 2, 2005, the company staked (and beneficially owns 100% of) two additional claim groups in the Ossok Mountain region of western Labrador, named Ossok West and Ossok East, which are PGE-Ni-Cu properties totaling over 120 square kilometers. In conjunction with the staking, the company paid \$11,400 and \$12,800 respectively as a potentially refundable exploration deposits with the Government of Newfoundland and Labrador.

Chesterfield Property

On January 7, 2005 the Company signed an agreement with Falconbridge Limited to acquire a 100% interest in 15 prospecting permits in the Chesterfield Property in Nunavut. To acquire this mineral interest the company must incur \$1 million in exploration expenditures on the property by November 30, 2008, including the requirement to stake and then maintain annual assessment work on certain specified claims as well as certain specified survey and drilling programs.

The mineral interest is subject to a 1% net smelter royalty on gold deposits, a 2.5% net smelter royalty on base metal deposits and 1% gross overriding royalty on diamond deposits to the vendor as well as certain earn-in rights and a right of first refusal to the vendor.

Michikamau Property

On February 3, 2005 the Company signed a letter of agreement with Hunter Exploration Group to acquire a 100% interest in the Michikamau Project property in Labrador. Consideration for this acquisition consists of:

- a) cash payment of \$27,960 representing a potentially refundable deposit with the Newfoundland government; and
- b) issuance of 200,000 units (one common share plus one common share warrant) of the Company within two years at an exercise price of \$0.25.

The mineral interest is subject to a 2% net smelter royalty and the agreement requires advanced royalty payments of \$10,000 per annum, commencing October 1, 2006.

Notes to the Interim Financial Statements

BRILLIANT MINING CORP.

March 31, 2005

(unaudited)

Note 3

Contingent Liability

As at September 30, 2003 the Company was being sued by a supplier for the amount of \$10,753 in lost equipment. Management is currently defending the action and the outcome is undeterminable at this time, and accordingly, no provision has been made in the Company's accounts.

Note 4

Share Capital

Authorized:

Unlimited number of Class A Common shares

Unlimited number of Class B Preferred shares

Class A shares issued:

	Number of Shares	Amount
Balance, September 30, 2003 and 2004	6,654,997	\$ 964,048
Issued on private placement	2,500,000	250,000
Issued for mineral properties	200,000	23,000
	-	-
	-	-
	9,354,997	273,000
Cost of issuing shares	-	(25,941)
	<u>9,354,997</u>	<u>\$ 1,211,107</u>

Private Placement

On January 18, 2005 the Company closed a non-brokered private placement of 2,500,000 units at a price of \$0.10 per unit, for aggregate proceeds of \$250,000. Each unit consists of one common share and one share purchase warrant, which entitles the holder to acquire one additional common share at a price of \$0.20 per share within two years of issuance.

BRILLIANT MINING CORP.

March 31, 2005

(unaudited)

Note 4

Share Capital
Continued...

Escrowed Shares

As at March 31, 2005, 675,000; (September 30, 2004 - 1,350,000) issued common shares are held in escrow and shall be released in accordance with the policies of the Alberta Securities Commission and TSX Venture Exchange. All shares held in escrow have been deposited with an escrow agent pursuant to an escrow agreement containing the above-noted terms and conditions.

Stock-Based Compensation

Pursuant to a new Stock Option Agreement for directors, officers, employees and consultants dated March 24, 2004, the Corporation may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the option. These options may be exercised within five years from the date of grant or one year following the date the optionee ceases to be a director or officer of the Corporation by reason of death or 30 days for any reason other than death.

During the period, the Company recorded stock-based compensation of \$22,500 (2004 - \$33,250) relating to the 250,000 (2004 - 665,000) options granted. The expense has been recorded in the statement of loss and an increase to contributed surplus. The compensation expense was determined based on the fair value of the options and certain assumptions as at the grant date. The previously recorded fair value of options are not subsequently adjusted for changes in the market price or volatility of the company's shares, remaining life of the options, changes in the dividend rate or the risk-free interest rate. The assumptions used are as follows:

	March 31, 2005	September 30, 2004
Estimated risk-free rate	3.38%	2.8%
Expected volatility	110%	50%
Estimated annual dividend yield	0%	0%
Expected life of the options	5 years	4.5 years
Spot rate	\$ 0.115	\$ 0.120

Notes to the Interim Financial Statements

BRILLIANT MINING CORP.

March 31, 2005

(unaudited)

Note 5

Contributed Surplus

	March 31, 2005	September 30, 2004
Forgiveness of debt with related party	\$ 72,761	\$ 72,761
Fair value of stock-based compensation	55,750	33,250
	<u>\$ 128,511</u>	<u>\$ 106,011</u>

Note 6

Income Taxes

As at the last fiscal year ended September 30, 2004, the company had non-capital income tax losses carried forward for tax purposes aggregating to \$485,742, which are available for the reduction of future years' taxable income. The losses expire as follows:

2006	\$ 99,634
2007	83,508
2008	46,571
2009	91,704
2010	102,527
Thereafter	61,798
	<u>\$ 485,742</u>

No income tax expense or recovery is recorded in these financial statements as the benefit of income tax losses has not been recognized. No future tax asset has been recorded for the tax loss carryforwards; a valuation allowance has been made, reflecting management's assumption that the tax assets, more likely than not, will not be realized.

Notes to the Interim Financial Statements

BRILLIANT MINING CORP.

March 31, 2005

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Note 7

Related Party Transactions

During the period, the company entered into the following related party transactions:

(a) Paid or accrued management fees to a company controlled by a director and officer of the Company in the amount of \$12,000; (March 31, 2004 -\$6,000). Included in accounts payable is \$33,944 (September 30, 2004 - \$21,944) due to this director.

(b) Paid or accrued geological consulting fees to a director and officer of the Company in the amount of \$10,000; (March 31, 2004 -nil) which have been capitalized as mineral interest costs related to the Chesterfield property.

(c) Paid rent to a shareholder and former director of the Company in the amount of nil; (March 31, 2004 - \$6,800). The underlying lease agreement was terminated during the previous fiscal year.

The above-noted transactions were incurred in the normal course of operations and have been recorded at the exchange amounts agreed to between the parties.

Note 8

Subsequent Event

Brokered private placement

The Corporation has engaged Pacific International Securities Inc. (the "Agent") to act as exclusive agent to complete a private placement offering on a best efforts basis of up to 4,000,000 units at a price of \$0.15 per unit for gross proceeds of up to \$600,000. An aggregate of 2,000,000 flow through units ("FT Units") will each consist of one flow-through common share and one-half of a non-transferable share purchase warrant and the remaining 2,000,000 units ("non-FT Units") will each consist of one common share and one warrant. Each whole warrant will entitle the holder to acquire one additional common share for a period of two years from closing at an exercise prices of \$0.25 per common share.

The agent will receive a commission equal to 10% of the gross proceeds of the offering which it may elect to receive in cash or in whole or in part, in non-FT Units (at a price of \$0.15 per non-FT Unit) together with non-transferable compensation options which will entitle the Agent to acquire commons shares equal to 10% of the number of units sold at an exercise price of \$0.20 per common share within two years from closing. In addition, the corporation has agreed to pay the Agent a corporate finance fee of \$20,000 and to pay the Agent's reasonable costs and expenses related to the offering.