

Brilliant Mining Corp.
Quarterly Management Discussion and Analysis
For the Three and Six Months ended March 31, 2005 and 2004

Dated May 30, 2005

Management's Discussion and Analysis supplements, but does not form part of, the unaudited interim financial statements of the Company and the notes thereto for the three and six month periods ended March 31, 2005. Consequently, the following discussion and analysis of the financial condition and results of operations for Brilliant Mining Corp. ("Brilliant", "BMC" or the "Company"), should be read in conjunction with the unaudited interim financial statements for the quarter ended March 31, 2005 and the audited annual financial statements for the years ended September 30, 2004 and 2003, along with the related notes therein, which have been prepared in accordance with Canadian generally accepted accounting principles, consistently applied.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the following Management's Discussion and Analysis (MD&A) and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

GENERAL

Brilliant Mining Corp. was incorporated under the Alberta Business Corporations Act on October 1, 1998, and it commenced trading on the TSX Venture Exchange Inc. (the "Exchange" or "TSX-V") under the symbol "BMC" effective May 17, 2002, pursuant to an Initial Public Offering ('IPO') Prospectus dated January 2, 2002. The Company is a reporting issuer in the Provinces of Alberta and British Columbia and its principal business is the evaluation, acquisition and development of potential mining properties.

Additional information, including directors' and officers' remuneration, principal holders of the Company's securities, options to purchase the Company's securities and interests of insiders in material transactions are contained in the Company's most recent Management Information Circular, which was prepared and distributed for the Annual General and Special Meeting of Shareholders to be held on April 7, 2005. As well, additional financial information is contained in the Company's audited financial statements for the years ended September 30, 2003 and 2004. Copies of the Management Information Circular, the audited yearend and unaudited interim financial statements and any other documents incorporated into this report by reference are available on SEDAR at www.sedar.com or upon request made to principal office of the Company at 220, 9797 – 45 Avenue, Edmonton Alberta T6E 5V8. The Company may require payment of a reasonable charge if a person or company that is not a security holder of the Company makes the request for information.

RESULTS OF OPERATIONS

Prior Periods

As a private company between October 1998 and March 2002, Brilliant incurred an operating deficit of ~\$288,000; deferred exploration costs of ~\$443,000 on the Medley River property and purchased equipment and leasehold improvements of ~\$117,500 for total expenditures of ~\$848,500, which were funded by shareholder loans of ~\$427,000 and net proceeds from share issuance of ~\$435,000; leaving working capital of ~\$13,500 at the end of the second quarter 2002.

The gross proceeds received by the Company for its Initial Public Offering during the third quarter of 2002 were \$600,000 (1,500,000 common shares at \$0.40 per share). After costs of share issuance in the amount of ~\$110,000, the net proceeds of the placement were ~\$490,000 plus \$40,000 on exercise of Agent warrants, bringing working capital to ~\$545,000 at the commencement of trading on May 17, 2002.

As a public company between May 2002 and September 2003, Brilliant spent ~\$455,000 on the following: G&A costs of ~\$110,000 deferred exploration costs of ~\$105,000; and a partial repayment of shareholder loans of ~\$240,000 (net); leaving working capital of ~\$90,000 as at September 30, 2003, when new directors and officers took over the management of Brilliant.

First Year Under New Management

Since September 2003, new management has obtained and reviewed the records of Brilliant; confirmed the status and merit of mineral rights and other assets held by the Company; strengthened corporate capacity and governance; investigated new opportunities; and has implemented a strategy to protect and advance shareholder interests, including negotiation of a settlement of the remaining advances from former directors and lease obligations and the disposition of non-strategic assets. In so doing, operating expenditures for General and Administrative costs remained low, with net losses for the year ended September 30, 2004, being virtually unchanged from 2003.

During the twelve month period under new management ending September 30, 2004:

- Net losses from operations of \$96,296 (2003 - \$71,046) were incurred and working capital increased by \$120,299.
- The primary source of improvement in working capital was settlement of a \$187,104 debt owed to a shareholder and former director of the Company by exchanging property and equipment carried at a net book value of \$114,343 which resulted in a gain on forgiveness of debt in the amount of \$72,761 that was recorded on the Balance Sheet as Contributed Surplus to the benefit of the Company.
- Third party suppliers were paid \$35,543 and a related party (former director) received \$15,440 (2003 – \$26,946) in lease payments prior to cancellation of the lease, while new directors advanced \$21,944 to the company in the form of unpaid management fees and miscellaneous disbursements.
- Nominal costs of \$6,223 were capitalized as deferred exploration.
- 450,000 old incentive stock options outstanding to former directors and 50,000 agents options outstanding as a corporate finance fee expired without being exercised at their price of \$0.40.

- 665,000 new incentive stock options were granted to directors, officers and key employees at an exercise price of \$0.13, resulting in a deemed expense of \$33,250 calculated using the Black-Scholes Option Pricing Model resulting in a weighted average fair value of \$0.05 per option.
- If the deemed value of the stock options granted is removed from Operating Losses for comparison between years, then operating losses in 2004 are reduced to \$63,046, which are \$8,000 less than operating losses for the year prior.

First Quarter 2005

The primary objective of the first quarter ending December 31, 2004, was to define a corporate strategy, including identification of industry and market opportunities for mineral exploration, acquisition of mineral interests, securing access to capital and determination of a significant exploration plan and budget. Management determined that there is a significant industry opportunity and market appetite for junior base metal exploration. With this in mind, Brilliant Mining Corporation negotiated several agreements and has implemented an aggressive strategy in 2005, as evidenced by the following material events of the second quarter ending March 31, 2005.

Second Quarter 2005

New financing

On January 18, 2005, the company closed a non-brokered 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.

Mineral interest acquisition - Nunavut

On January 17, 2005 the Company signed an agreement with Falconbridge Limited to acquire a 100% interest in 15 prospecting permits near Chesterfield Inlet, 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.

Mineral interest acquisition – Labrador

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 purchase warrant) of the company.

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.

Board appointment

On February 4, 2005 Rob Carpenter, Ph.D., P.Geo., was appointed to the Board of Directors.

Mr. Carpenter is a practicing professional geologist certified by the Association of Professional Geoscientists of Ontario and has been involved with all aspects of precious and base metal exploration for over 16 years. His more than ten years of experience with BHP-Billiton Ltd, Placer Dome Inc., and WMC Resources Ltd. were primarily focused on early stage exploration projects throughout Canada, Australia and the United States. While with WMC Resources Ltd, he spent time on early stage nickel exploration projects in northern and eastern Canada, including conceptual targeting exercises for nickel-copper-PGE deposits.

Mr. Carpenter completed his Ph.D. thesis in 2003 with the University of Western Ontario. This work focused on the regional geological setting of the Meliadine Lake gold deposits in Nunavut. More recently, he spent three years with the Federal Department of Indian and Northern Affairs, where he was responsible for evaluating and recommending approval technical reports submitted on mineral claims, prospecting permits and mining leases as required under the Canada Mining Regulations. For the past year, he has served as Senior Exploration Geologist with Committee Bay Resources Ltd.

Options granted

On February 4, 2005, in accordance with policies of the TSX Venture Exchange and subject to regulatory approval, the Board of Directors for Brilliant has granted stock options pursuant to the "rolling" Incentive Stock Option Plan as approved by shareholders at their last Annual General and Special meeting.

The Corporation will issue 250,000 stock options at an exercise price of \$0.115 per common share that will expire five years from the date of issue or earlier, as contemplated under the approved plan. Of these options, 220,000 will be granted to directors and officers of the Corporation with the remaining 30,000 to consultants.

Mineral interest acquisition - Labrador

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.

Additional Financing

On March 24, 2005, Pacific International Securities Inc. (the "Agent") agreed to act as exclusive agent to complete a private placement offering ("Offering") on a best efforts basis of up to 3,000,000 units at a price of \$0.20 per Unit for gross proceeds of up to \$600,000. These terms were amended on May 16, 2005, to offer 4,000,000 units ("Units") at a price of \$0.15 per Unit for equivalent gross proceeds.

An aggregate of 2,000,000 Units ("FT Units") will consist of one common share of the Corporation ("Common Share") which will be issued as a "flow-through" share and one-half of a non-transferable share purchase warrant ("Warrant") and the remaining 2,000,000 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 price of \$0.25 per Common Share.

The Units will be offered to qualified purchasers in British Columbia, Alberta and such other jurisdictions as may be agreed upon between the Corporation and the Agent, in reliance upon exemptions from the

Selected audited financial data for annual operations of the Company published for the last five fiscal years are as follows:

| Year ended | Sept 30, 2004 | Sept 30, 2003 | Sept 30, 2002 | Sept 30, 2001 | Sept 30, 2000 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Current assets | 62,655 | 111,658 | 407,598 | 58,636 | 13,143 |
| Mineral interests | 555,034 | 548,811 | 529,829 | 435,811 | 315,193 |
| Capital assets | 0 | 114,629 | 115,173 | 115,342 | 115,213 |
| Advances from former Director | 0 | 187,021 | 400,021 | 410,593 | 384,312 |
| Advances from current Director | 21,944 | 0 | 0 | 0 | 0 |
| Other current liabilities | 17,427 | 21,582 | 17,238 | 37,189 | 24,987 |
| Share capital | 964,048 | 964,048 | 964,048 | 433,115 | 258,000 |
| Net loss | (94,188) | (68,846) | (57,599) | (47,358) | (84,894) |
| Basic loss per share | (\$0.014) | (0.010) | (0.010) | (0.010) | (0.034) |
| Weighted Avg shares | 6,654,997 | 6,654,997 | 5,570,613 | n/a | n/a |

FINANCIAL CONDITION, LIQUIDITY and CAPITAL RESOURCES

As Brilliant is in the development phase and its properties are in the early stages of exploration, none of the Company's properties are in production. Mineral exploration expenditures are capitalized and losses are incurred as a result of administrative expenses relating to the operation of the Company's business. Consequently, the Company's net income is not a meaningful indicator of its performance or potential. The key performance driver for the company is the acquisition and development of prospective mineral properties. By acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and developing an economic deposit.

At this time, the Company is not anticipating profit from operations. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interests, the Company will report an annual deficit and will rely on its ability to obtain equity and/or debt financing for long-term growth.

Prior Year

Excluding advances from directors, working capital as at the year ended September 30, 2004, was \$45,228 (versus \$90,076 at Sep. 30, 2003) and fully diluted working capital excluding advances from directors was \$131,678 (versus \$290,076 at Sep. 30, 2003).

First Quarter

During the first quarter, there was no exploration activity and no change in Mineral Interests. The nominal Loss from Operations (\$19,996) was virtually unchanged from the same period in the prior year (\$11,611), with the difference being primarily attributable to an aggregate accrual of ~\$10,500 for legal and regulatory filing fees related to implementing the corporate strategy. With the disposal of equipment related to forgiveness of advances from a former director in the prior year, passive lease payments to the former director in the first quarter of the prior year were effectively replaced by a proactive management fee in the current quarter. Working capital, excluding advances from directors, decreased to \$31,708 from \$45,228 at yearend due to basic corporate overhead related to the early stages of new strategic initiatives.

Second Quarter

Early in the second quarter, the Company raised sufficient funds to support working capital requirements for basic corporate overhead and minimum exploration commitments during the next 12 months and beyond. Additional financing is required for new exploration and promotional initiatives. Due to the

inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its share of obligations relating to mineral properties.

Subsequent Events

The Company is in the process of raising gross proceeds of \$600,000 through a brokered private placement, half of which will be flow-through funds to be spent on eligible Canadian exploration and half is intended for general corporate purposes and working capital.

RISK FACTORS

The success of the Company's business is subject to a number of factors, including but not limited to those risks normally encountered in the mining industry, such as exploration uncertainty, operating hazards, increasing environmental regulation, competition with companies having greater resources, and lack of operating cash flow. In addition, with respect to its diamond exploration interests, there is no quoted market price for diamonds and the market price for rough diamonds is dependent on an efficient market management system.

The Company will employ many strategies to minimize overhead and reduce financial risk in exploration, such as:

- Advancing its own properties and/or participating in the advancement of third party properties through joint venture and/or option agreements with third parties;
- Coordinating field work with other regional companies to reduce mobilization costs and take advantage of existing infrastructure;
- Closely monitoring industry developments and revisiting existing data to identify overlooked and/or new opportunities;
- Outsourcing corporate and field support capacity as needed, rather than employing fulltime staff.

RELATED PARTY TRANSACTIONS

Transactions with related parties during the three-month interim period include management/consulting fees of \$12,000 (March 31, 2004 = \$6,000) and rent of nil (March 31, 2004 = 6,800) paid to directors and former directors or companies controlled by directors and former directors. Included in accounts payable is \$33,394 (September 30, 2004 = \$21,944) due to a director. An additional \$10,000 (March 31, 2004 = nil) has been paid or accrued to a director and officer of the Company, which has been capitalized as mineral costs related to the Chesterfield property. These related party transactions were incurred in the normal course of operations and have been recorded at the exchange amounts agreed to between the parties.

Prior Period

During the year ended September 30, 2004, the company settled a \$187,104 debt owed to a shareholder and former director of the Company by exchanging property and equipment carried at a net book value of \$114,343 which resulted in a gain on forgiveness of debt in the amount of \$72,761. The net book value of the property and equipment approximated or exceeded its fair value at the date of the settlement. This non-monetary transaction was not in the normal course of business and was recorded at the carrying value amount. Accordingly, the gain on forgiveness was recorded on the Balance Sheet as Contributed Surplus.

INVESTOR RELATIONS

With respect to public relations, the Company provides information from its corporate offices to investors and brokers directly.

APPROVAL

The Board of Directors of the Company has approval the disclosure contained in this interim MD&A. A copy of this interim MD&A will be provided to anyone who requests it.