Interim Management's Discussion and Analysis

For the three and six months ended March 31, 2009

Brilliant Mining Corp.
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For the three and six months ended March 31, 2009

Containing information up to and including May 29, 2009

Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the unaudited interim consolidated financial statements of the Company and the notes thereto for the three and six months ended March 31, 2009 and 2008. 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 consolidated financial statements of the Company for the three and six months ended March 31, 2009 and 2008 and audited annual consolidated financial statements of the company for the years ended September 30, 2008 and 2007 (collectively, the "Financial Statements") along with the related notes thereto, which have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), consistently applied.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the following 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. The Company assumes no obligation to update or revise forward looking statements to reflect new events or circumstances except as required by law.

GENERAL

Brilliant Mining Corp. (BMC: TSXV) is a junior resource company and reporting issuer in the Provinces of Alberta and British Columbia. Its principal business is the acquisition, exploration, development and mining of mineral properties.

The Company was incorporated under the Alberta Business Corporations Act on October 1, 1998, and commenced trading May 17, 2002, pursuant to an Initial Public Offering Prospectus dated January 2, 2002. New management was appointed in 2003 and the corporate strategy was redefined in 2004 to focus on world-wide generation of nickel opportunities with superior conceptual and technical merit.

In 2005, project generation and acquisition activities resulted in 100% ownership of two nickel exploration projects in Canada, including the Michikamau property in central Labrador.

In the year ended September 30, 2006, the Company acquired all of the issued and outstanding shares of a private Australian company, Donegal Resources Pty Ltd., along with its wholly owned subsidiaries Donegal Mining Pty Ltd. and Donegal Lanfranchi Pty Ltd. (collectively, "Donegal".) Donegal Lanfranchi Pty Ltd. has a 25% interest in the unincorporated Lanfranchi Joint Venture ("LJV") consisting of a producing nickel mine property on an approximately 50 km^2 contiguous mineral tenement package ("Tramways tenements") in Western Australia.

On July 10, 2006, the Company graduated from Tier 2 to Tier 1 of the TSX Venture Exchange.On May 26, 2009, pursuant to shareholder approval granted on May 19, 2009, the Company disposed of its interest in Donegal Resources Pty Ltd and Donegal Lanfranchi Pty Ltd (the "Sale Transaction"), including the Company's 25% interest in the Lanfranchi Nickel Mine, associated tenements, and the

Lanfranchi Joint Venture, to Panoramic Resources Ltd. ("Panoramic"), the Company's joint venture partner at the LJV, in exchange for 12,000,000 ordinary shares of Panoramic ("Panoramic Shares") and 3,000,000 ordinary share purchase warrants of Panoramic, each exercisable at AUD 1.50 per ordinary share until December 31, 2012 ("Panoramic Options"). Under the terms of the Sale Transaction, the Company retained accumulated adjusted working capital from the operations of the LJV up to October 31, 2008, and certain other adjustments related to the effective date.

On May 29, 2009, the Company filed articles of amendment with the Registrar of Corporations of Alberta, pursuant to shareholder approval and a final order from the Court of Queen's Bench of Alberta, to effect a statutory plan of arrangement (the "Arrangement") to distribute beneficial ownership of the Panoramic Shares to the shareholders of the Company on a *pro rata* basis by way of a reduction and return of capital and to effect a consolidation of the Company's common shares on a basis of one (1) post-consolidation common share for two (2) pre-consolidation common shares. The Panoramic Shares are subject to a voluntary escrow period of six months, during which time the Panoramic Shares will be held in trust by the Company on behalf of their beneficial owners.

The Company's post-consolidated shares are expected to begin trading on the TSXV Exchange with a new symbol, "BLT", on Monday, June 1, 2009.

Additional detail regarding the Sale Transaction and the Arrangement, as well as information regarding Panoramic, is available in the Company's Information Circular and Proxy Statement dated April 16, 2009 filed under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Subsequent to the Sale Transaction and Arrangement, Brilliant is a debt-free TSXV- listed Tier-1 junior mining issuer with:

- approximately $5 Million in unallocated working capital;
- approximately 36,501,733 common shares issued and outstanding (approximately 39,659,233 fully diluted).
- A 100% interest in the prospective Michikamau exploration property in the province of Newfoundland and Labrador, Canada;
- marketable securities with fair market value of approximately $450,000;
- the Panoramic Options.

SIGNIFICANT SUBSEQUENT EVENT

Sale of Brilliant's Wholly-Owned Subsidiary, Donegal Resources Pty. Ltd.

In response to recent weak macro-economic and low nickel price environments, the Board of Directors of Brilliant determined, after careful consideration, to enter into an agreement to sell all of the outstanding shares of Brilliant's wholly-owned subsidiary, Donegal Resources Pty. Ltd. ("Donegal Resources") to Panoramic Resources Ltd. ("Panoramic") (the "Sale Transaction"). Donegal Resources owns Donegal Lanfranchi Pty Ltd which in turn owns a 25% interest in the Lanfranchi Nickel Mine and associated tenements through the Lanfranchi Joint Venture ("LJV") with Panoramic holding the remaining 75% ownership in the LJV.

The Sale Transaction was approved by a majority of shareholders at a special meeting of shareholders on May 19, 2009. Panoramic completed its due diligence and the Sale Transaction closed on May 26, 2009.

Sale Transaction

Pursuant to the Sale Transaction, Panoramic issued to Brilliant an aggregate of 12 Million fully paid ordinary shares of Panoramic ("Panoramic Shares") together with unlisted non-transferable share purchase warrants to acquire an additional 3 Million Panoramic Shares at a price of AUD 1.50 per share until December 31, 2012. The Panoramic Shares are subject to a 6 month escrow period.

Plan of Arrangement

On May 29, 2009, the Company effected a statutory plan of arrangement, approved by shareholders on May 19, 2009 and by the Court of Queen's Bench of Alberta on May 27, 2009, whereby beneficial ownership of the Panoramic Shares was distributed to the shareholders of Brilliant (as of May 29, 2009), on a *pro-rata* basis, by way of a reduction and return of stated capital. In addition, the plan of arrangement resulted in a consolidation of the Company's common shares on a basis of one post consolidation common share for two pre-consolidation common shares.

Due to the escrow restrictions on the Panoramic Shares, the Panoramic Shares will be held in trust for the beneficial owners

Strengthened Brilliant

The effective date of the transaction under the Share Purchase Agreement was November 1, 2008 and Brilliant has retained accumulated working capital from its share of operations at the Lanfranchi Mine to that date. Brilliant is now a well-funded debt-free company favourably positioned to pursue its value added growth strategy with unallocated working capital of approximately $5 Million along with marketable securities with a fair market value at May 29, 2009 of approximately $475,000 and 3 Million unlisted Panoramic ordinary share purchase warrants.

HIGHLIGHTS FOR THE QUARTER ENDING MARCH 31, 2009 AND SUBSEQUENT

The following is a summary of the Corporate and Project highlights for the period.

Brilliant Completes Sale of Donegal Resources Pty Ltd. and Effects Statutory Plan of Arrangement

- Subsequent to March 31, 2009, the Company closed on the sale of Donegal Resources Pty Ltd which indirectly holds a 25% interest in the producing Lanfranchi Mine
- Consideration for the sale of Donegal was 12,000,000 fully-paid ordinary shares of Panoramic, 3,000,000 ordinary share purchase warrants, and certain cash payments relating to the Sale Transaction's effective date of November 1, 2008
- Statutory plan of arrangement, approved by Brilliant Shareholders and the Court of Queen's Bench of Alberta, was effected to distribute the Panoramic Shares to the shareholders of Brilliant by way of a reduction and return of stated capital, as well as consolidating the common shares of the company on a 2 for 1 basis

Brilliant Mining Corp. Financial results –period ended March 31, 2009

- Net loss of $2.3 Million realized for the three months ended March 31, 2009, and a net loss of $4.7 Million for the six months ended March 31, 2009.
- Revenues from nickel ore sales for the quarter ended March 31, 2009 declined to $7.8 Million versus $13.1 Million in the comparative quarter due to significantly lower nickel prices in the period.
- Consolidated working capital at March 31, 2009 in a deficit position of $1.6 Million from $0.1 Million at December 31, 2008
- Working capital excluding the Lanfranchi Joint Venture, declined to $1.0 Million from $3.8 Million as at December 31, 2008 versus $7.2 Million as at the end of the 2008 fiscal year.

Quarterly Production, Lanfranchi Mine, WA (100% Basis)

- Production at the Lanfranchi Mine totalled 104,137t at 2.59% Ni for 2,702t of contained Ni metal for the quarter ended March 31, 2009
- Previous quarter ended December 31, 2008 saw record production of 115,064t at 2.45% Ni for 2,820t of contained Ni metal

BACKGROUND ON AUSTRALIAN OPERATIONS

The following section discloses information about the operations of the Lanfranchi Nickel Mine, the Company's interest in which was disposed of subsequent to March 31, 2009. Subsequent to the sale of Donegal, Panoramic Resources Ltd., an Australian nickel sulphide producer listed on the Australian Stock Exchange, holds an undivided 100% interest in the Lanfranchi Nickel Mine.

Acquisition of Donegal Resources and 25% Interest in Lanfranchi Nickel Mine, Western Australia

On May 25, 2006, Brilliant announced the acquisition of Donegal Resources Pty Ltd, a private Australian company, and its wholly owned subsidiaries ("Donegal") from Ian Junk and Leigh Junk (collectively, the "Vendors"), both of whom were at arm's length to Brilliant. The Junks currently reside in Perth, Western Australia, and are active members of the Board.

Lanfranchi Joint Venture (LJV)

Donegal owns a 25% interest in the Lanfranchi Joint Venture ("Lanfranchi JV", "LJV"), which indirectly owns the Lanfranchi Nickel Mine together with associated infrastructure, mining leases and mineral claims located in the Tramways area of the world-class Kambalda Nickel Province in the Eastern Goldfields Region of Western Australia. The remaining 75% interest in the Lanfranchi JV is owned by Panoramic, an Australian public company that is at arm's length to both Brilliant and the Vendors.

Tramways Tenements and Historical Production

The Tramways Tenement package consists of 37 mineral leases over 50 km^2 and is host to the producing Lanfranchi Nickel Mine. The Tramways Tenements are located in the world-class Kambalda Nickel District in Western Australia that has produced over 1,000,000 tonnes of nickel metal (35Mt @ 3% Ni) with the Lanfranchi Mine being one of the most significant contributors, producing around 10% of the total nickel metal from the district. Historic production at the Lanfranchi Mine has totaled 3.17Mt at an average grade of 3.18% Ni (100,900 tonnes of nickel metal) over 14 years of underground mining from 1987 to 2002.

Lanfranchi Nickel Mine Re-commissioned in September 2005

The LJV delivered its first ore from the newly developed high-grade Helmut South ore body in September 2005 with production 'ramp up' continuing on track to attain target levels. Along with the initial production from Helmut South, the Lanfranchi JV is now sourcing ore from the Winner, Deacon and Lanfranchi orebodies and completed detailed mine plans in order to access ore from the Schmitz orebody.

Mineral Resources and Reserves

Mineral Resources and Mineral Reserves unless stated otherwise are quoted on a 100% gross basis. The quantity of Mineral Resources and Reserves attributable to the Company was in proportion to the Company's 25% participating interest in the venture prior to the Sale Transaction.

Following the completion of 7,844 metres of additional infill and down-plunge extensional drilling at Deacon, a revised Mineral Resource estimate reported a 39% increase in the Indicated Mineral Resource category to 2.44 Mt at 2.93% for 71,400t (157.4 MLbs) of Ni metal (See Table 1). This represents almost total conversion of Inferred to Indicated Mineral Resource. The revised Deacon Mineral Resource estimate has correspondingly upgraded the Lanfranchi Project global Mineral Resource estimate to 4.14 Mt at 2.63% for 108,900t (240.1 MLbs) of Ni metal in the Indicated category.

A National Instrument 43-101 compliant technical report dated August, 2007 was prepared by BM Geological Services Pty. Ltd. of Kalgoorlie, Western Australia ("BMGS"), entitled "Technical Report on the Lanfranchi Nickel Project, Kambalda, Western Australia" (the "BMGS Technical Report") and can be viewed at SEDAR.

After production of 7,303 tonnes (16.1 Mlbs) of contained Ni metal from the Lanfranchi mine in 2007/08 (July 07 to June 08) the Mineral Reserves for the project increased by approximately 12,300 tonnes (27.1 Mlbs) of Ni metal. The reported overall gain compared to the Mineral Reserves as at 30 June 2007 was due to significant Ore Reserve growth achieved from both Deacon and Lanfranchi orebodies.

Qualified Persons

The Lanfranchi project was supervised by John Williamson, P.Geol., of Edmonton, AB, CEO. Mr. Williamson is a Director of Brilliant and is the Qualified Person as defined in National Instrument 43-101.

RESULTS OF CANADIAN OPERATIONS – THREE MONTHS ENDED MARCH 31, 2009 AND SUBSEQUENT

Background on Labrador Projects, Canada

Western Labrador represents an under-explored and largely overlooked part of the "circum Superior" region, which includes the prolific Ni-Cu-PGE deposits at Sudbury, Ontario; Thompson, Manitoba; and Raglan, Quebec. Western Labrador is host to at least three regionally significant mafic magmatic events with known Ni-Cu-Co-PGE mineralization: the Ossok Mountain Suite (ca. 1640 Ma age), the Shabogamo Suite (ca. 1420 Ma age) and the Michikamau Intrusion (ca. 1480 Ma age). Known mineralization styles from these suites are diverse and have similarities with both Voisey's Bay type deposits that are rich in Ni-Cu-Co and Lac Des Iles-type deposits that host Pd-Pt-Cu-Ni-Au.

Brilliant targeted the Churchill Falls area of western Labrador for acquisitions, based on anomalous mineralization and highly favourable regional geological criteria, combined with proximity to infrastructure such as road and rail access as well as hydro-electric generating facilities. Existing government geology and geochemistry data sets (till and lake sediment samples) were used to help prioritize targets from various suites of rocks.

Michikamau Project

The Michikamau Property ("Property") is situated within the Michikamau layered gabbro-anorthosite (troctolite) intrusion and represents a conceptual and empirical exploration target for Voisey's Bay type mineralization. The Property is located close to existing infrastructure, including the Churchill Falls hydroelectric facility.

Two drill programs were conducted during 2006 and 2007 for 23 drill holes totalling approximately 2,350m. A highlight of results include 21.7m grading 0.51% Ni and 0.36% Cu, including 11.3m grading 0.71% Ni and 0.45% Cu intersected near surface at the Juno target.

In comparing the nickel to sulphur ratios of individual samples, distinct populations can be observed even amongst holes in close proximity to one another. These results indicate a complex mineralizing system and nickel enrichment history exists within the Michikamau Property.

On March 26, 2009, the Company filed a National Instrument 43-101 compliant technical report on the Michikamau Property aggregating and interpreting data accumulated to date. The technical report is titled

Technical Report on the Metal Potential of the Michikamau Property, Newfoundland and Labrador, Canada, and is dated February 23, 2009.

Management is currently evaluating whether to progress the Michikamau Property in 2009 relative to other acquisition opportunities.

FINANCIAL MD&A AND OTHER DISCLOSURE

Summaries of Annual Financial Information

Selected Annual Financial Information

Year ended	Sept. 30, 2008 $	Sept 30, 2007 $	Sept 30, 2006 $	Sept 30, 2005 $
Current assets	11,128,332	10,787,376	16,053,745	354,704
Mine property	20,949,927	19,779,186	18,782,365	-
Mineral interests	2,008,520	1,958,161	1,386,220	452,092
Property, plant and equipment	4,913,785	2,750,569	2,231,463	-
Current liabilities	6,408,609	5,251,334	9,593,196	113,938
Long-term liabilities	4,166,379	6,829,063	9,122,882	-
Revenues	43,498,681	47,089,015	14,132,663	5,183
Net income (loss)	2,789,589	(8,965,160)	(5,930,111)	(673,477)
Basic net income (loss) per share	0.04	(0.15)	(0.21)	(0.07)
Diluted net income per share	0.04	(0.15)	(0.21)	(0.07)

Change in accounting policies

On October 1, 2008, the Company adopted the following new Canadian Institute of Chartered Accountants ("CICA") Handbook Sections:

General Standards of Financial Statement Presentation

The CICA has amended CICA Section 1400 General Standards of Financial Statement Presentation of the CICA Handbook to include requirements to assess and disclose the Company's ability to continue as a going concern. This new accounting standard has been adopted by the Company as of October 1, 2008. The new standard does not have an impact on the Company's consolidated financial statements.

Goodwill and Intangible Assets

The CICA has issued Section 3064 – Goodwill and Intangible Assets, which replaces Section 3062 – Goodwill and Other Intangible Assets and Section 3450 – Research and Development Costs. The new accounting standard is effective on the Company's interim and annual financial statements beginning October 1, 2008. This Section establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The adoption of this standard does not have an impact on the Company's consolidated financial statements.

Inventories

The CICA has issued section 3031 – Inventories, which provides expanded guidance on the measurement and disclosure requirements for inventories, and is effective on the Company's interim and annual financial statements beginning October 1, 2008. Specifically, the new standard requires that inventories be measured at the lower of cost and net realizable value, and provides more guidance on the determination of cost and its subsequent recognition as expense, including any write-down to net realizable value. The adoption of this new standard has not had an effect on the Company's consolidated financial statements.

Future accounting changes

The following relevant new primary sources of GAAP are issued but are not yet effective as of December 31, 2008:

Convergence with International Financial Reporting Standards

In February 2008, the Accounting Standards Board confirmed that Canadian Generally Accepted Accounting Principles for publicly accountable enterprises will be converged with International Financial Reporting Standards ("IFRS") effective for the Company's interim and annual financial statements beginning on October 1, 2011. The Company is currently evaluating the impact of the adoption of IFRS.

Summary of Quarterly Results

Selected unaudited financial data published for operations of the Company during the last eight quarters are as follows:

3 months ended	Mar 2009 (Q2)	Dec 2008 (Q1)	Sep 2008 (Q4)	Jun 2008 (Q3)	Mar 2008 (Q2)	Dec 2007 (Q1)	Sep 2007 (Q4)	Jun 2007 (Q3)
Revenues	7,840,236	5,018,257	8,727,569	12,173,054	13,209,489	9,388,569	4,200,279	14,826,182
Net income (loss)	(2,251,467)	(2,402,339)	577,764	1,658,697	1,674,115	(1,120,987)	(412,401)	(3,700,346)
Basic net income (loss) per share	(0.03)	(0.03)	0.01	0.02	0.02	(0.02)	(0.01)	(0.06)
Weighted Avg shares	72,978,467	72,978,467	72,972,902	71,555,875	70,058,364	68,772,887	67,946,588	63,686,956

Results of Operations for the Three Months Ended March 31, 2009

The net loss for the quarter ended March 31, 2009 was $2,251,467 (2008 net income - $1,674,115). Nickel ore sale revenues totaled $7,761,961 for the quarter (2007 - $13,109,439). This substantial decline compared to the comparative quarter was the result of significantly lower nickel prices in the current quarter, and is despite increased ore deliveries over the comparative quarter.

General and administrative expenses for the quarter ended March 31, 2009 totaled $601,093 and are comparable to the comparative quarter's general and administrative expenses of $500,623 in consideration of foreign exchange movements.

Details of the material components of the quarter's net loss and comparisons with the comparative quarter are as follows:

- Revenues from **nickel ore sales** declined significantly to $7.8 Million versus $13.1 Million in the comparative quarter due to significantly lower market nickel prices in the period despite increased deliveries from the Lanfranchi Nickel Mine
- **Smelting** fees, which are directly correlated to Nickel ore sales revenue, also decreased significantly due to the same factors.
- **Concentrator fees**, which are directly correlated to the quantity of ore delivered to the smelter, increased due to increased deliveries over the comparative quarter.
- **Mining** costs increased to $3.1 Million in the current quarter versus $2.2 Million in the comparative quarter due to increased production.
- **General and administrative** costs in the quarter ended March 31, 2009, of $0.6 Million are comparable to the quarter ended March 31, 2008 of $0.5 Million.
- **Amortization** expense of $2.8 Million (2007 - $2.0 Million) reflects the decreased per-unit mine amortization rates due to the definition of additional ore reserves during the year ended September 30, 2008, and offset by increased production and increased amortization on newly acquired and leased equipment used by the Lanfranchi Joint Venture.

- Non-cash **future income tax** recovery of $0.9 Million (2007 – future income tax expense $1.7 Million) is primarily a result of operating tax losses incurred in the quarter.
- A one-time **write-down of mineral interests** due to the Company's scheduled forfeiture of the mineral claims constituting the Ossok West property in Newfoundland and Labrador in the amount of $0.2 Million.
- Included in **Other Expenses** are one-time costs of $0.2 Million related to the Sale Transaction and Arrangement accumulated to March 31, 2009.

Results of Operations for the Six Months Ended March 31, 2009

The net loss for the six months ended March 31, 2009 was $4,653,805 (2008 net income - $553,128). Nickel ore sale revenues totaled $12,697,095 for the quarter (2008 - $22,404,155). This substantial decline compared to the comparative six month period was the result of significantly lower nickel prices in the current period, and is despite increased ore deliveries over the comparative period.

Details of the material components of the quarter's net loss and comparisons with the comparative six month period are as follows:

- Revenues from **nickel ore sales** declined significantly to $12.7 Million versus $22.4 Million in the comparative period due to significantly lower market nickel prices in the period despite increased deliveries from the Lanfranchi Nickel Mine.
- **Smelting** fees, which are directly correlated to Nickel ore sales revenue, also decreased significantly due to the same factors.
- **Concentrator fees**, which are directly correlated to the quantity of ore delivered to the smelter, increased due to increased deliveries over the comparative quarter.
- **Mining** costs increased to $6.5 Million in the current quarter versus $4.4 Million in the comparative period due to increased production.
- **General and administrative** costs in the six months ended March 31, 2009, of $1.2 Million are comparable to the six months ended March 31, 2008 of $1.0 Million.
- **Amortization** expense of $4.7 Million (2008 - $3.1 Million) reflects the decreased per-unit mine amortization rates due to the definition of additional ore reserves during the year ended September 30, 2008, and offset by increased production and increased amortization on newly acquired and leased equipment used by the Lanfranchi Joint Venture.
- Non-cash **future income tax** recovery of $1.9 Million (2008 – future income tax expense $2.7 Million) is primarily a result of operating tax losses incurred in the quarter.
- A one-time **write-down of mineral interests** due to the Company's scheduled forfeiture of the mineral claims constituting the Ossok West property in Newfoundland and Labrador in the amount of $0.2 Million.
- Included in **Other Expenses** are one-time costs of $0.2 Million related to the Sale Transaction and Arrangement accumulated to March 31, 2009.

The Company is subject to transactions in three currencies (United States Dollars, Australian Dollars, and Canadian Dollars) and is therefore subject to fluctuations in international currency markets. The current quarter saw a loss on foreign exchange in the amount of $0.43 Million (2008 foreign exchange gain – $0.90 Million), and a loss of $0.8 Million in the current six month period (2008 foreign exchange gain - $0.78 Million) mostly as a result of the settlement of foreign-currency denominated operational transactions and intercompany balances. In addition, the Company incurred a current six month period unrealized gain of $0.04 Million as a component of other comprehensive loss as a result of the change in the fair value, as measured in Canadian Dollars, of the Company's assets and liabilities denominated in Australian dollars. Though the Company does not maintain a formal strategy to manage currency movements, management works with the Company's financial institutions and the Board of Directors to manage currency fluctuations.

Critical Accounting Estimates

The Company amortizes the cost of its mine property on a units-of-production basis where the numerator is the quantity of ore produced in the applicable period, and the denominator is the scientifically estimated Proven Reserves in the ore body being mined. Proven Reserves are calculated using internationally recognized scientific and technical standards.

Amortization of property, plant and equipment is based on management's best estimate of the useful economic life of the asset, for which management uses its best judgement in consultation with equipment manufacturers and key operational personnel.

Stock based compensation expense is calculated using an option valuation model which requires subjective inputs, including the life of options granted and the volatility of the underlying stock price during the term of the option. Management makes these subjective estimates based on their experience and through comparison with peer companies.

Future income tax assets and liabilities are estimated based on the differences between accounting and taxable carrying values and the estimated tax rate and treatment that will be applied when the differences are settled. Management's estimates in regards to future income taxes are based on experience and with consultation with tax professionals in the tax jurisdictions in which the Company operates.

Financial Instruments

The following table shows the classifications of the Company's financial instruments on the consolidated balance sheet in the Financial Statements.

Financial instrument classification	**As classified by the Company**	**Subsequent measurement of gains or losses at each reporting period end**
• Assets or liabilities held-for-trading	• Cash and cash equivalents • Derivative financial instruments	Fair value; unrealized gains and losses recognized in net income
• Available-for-sale financial assets	• Investments	Fair value: unrealized gains and losses recognized in OCI; recognized in net income on sale of the asset or when asset is written down as impaired
• Loans and receivables	• Receivables	Amortized cost using the effective interest rate method; if asset is derecognized or impaired, recognized in net income
• Other financial liabilities	• Accounts payable and accrued liabilities • Capital lease obligations	Amortized cost using the effective interest rate method; if liability is derecognized, recognized in net income

The Company does not make extensive use of financial instruments other than normal business financial instruments such as cash and cash equivalents, receivables, and accounts payable and accrued liabilities.

The LJV leases, at fixed rates of interest, mining equipment to conduct extraction and shipment activities at the Lanfranchi Nickel Mine. These leases are accounted for by the Company as capital leases and the principal amounts are recognized on the consolidated balance sheets as liabilities, separated into their current and non-current portions. A schedule of principal payments and total interest to be paid over the term of the leases are contained in the notes to the Financial Statements.

The Company periodically enters into nickel price swap contracts and forward foreign exchange contracts to hedge a portion of its exposure to nickel price and foreign exchange movements arising from its sale of nickel ore. The Company does not maintain a formal hedging strategy and these contracts are only entered into for short periods and at the direction of the Board of Directors. Fair value of the contracts is estimated by the Company through comparison with instruments with similar terms which may be entered into at the reporting date.

The Company holds marketable securities, classified as investments on the consolidated balance sheets, with a fair value of $0.43 Million as at March 31, 2009. These investments were purchased in the year ended September 30, 2008, and the company recorded an unrealized loss of $0.44 Million (net of future income taxes) in the six months ended March 31, 2009 as a component of other comprehensive loss.

Financial Condition, Liquidity, and Capital Resources

The Company's working capital deficit at March 31, 2009 was $1.6 Million. Excluding the working capital of the Lanfranchi Joint Venture, the Company had working capital of approximately $1.0 Million at March 31, 2009. On May 25, 2009, immediately preceding the Sale Transaction, the Company's estimated working capital deficit, excluding the working capital of the Lanfranchi Joint Venture, was approximately $3.4 Million

Subsequent to the Completion of the Sale Transaction, the Company has approximately $5 Million in unallocated working capital, in addition to marketable securities and the Panoramic Options, and has no non-current monetary liabilities.

Management is currently evaluating acquisition opportunities, new project generation, and exploration and development prospects of its Michikamau property in Newfoundland and Labrador, Canada.

Other Required Disclosure

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 market or commodity price changes, economic downturn, exploration uncertainty, operating hazards, increasing environmental regulation, competition with companies having greater resources, and lack of operating cash flow.

Related Party Transactions

The Company compensates its officers for their services to the Company. The amounts paid to officers and directors in the year are disclosed in the Financial Statements. Compensation of officers is determined by the Board of Directors.

The Company shares certain administrative and operational resources with other companies with common directors. As such it is invoiced periodically for its share of shared costs.

All of these transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Proposed Transactions

The Company continues to seek opportunities for project acquisition and generation. However, there are no proposed transactions which should be disclosed at the present time.

Outstanding Share Data

Brilliant's authorized share capital is unlimited Class "A" common and unlimited Class "B" preferred shares. As at the close of trading on May 29, 2009, the following post-consolidation common shares and stock options were outstanding:

Class A common shares issued	**36,606,733***
Fully diluted	**39,659,233***
Class B preferred shares issued	None
Escrow	None
Options outstanding	50,000 @ $0.23 to Feb 4, 2010 67,500 @ $0.32 to Nov 9, 2010 250,000 @ $0.66 to Jan 13, 2011 135,000 @ $1.10 to July 5, 2011 1,475,000 @ $1.60 to October 11, 2011 250,000 @ $3.00 to March 23, 2012 12,500 @ $5.00 to May 1, 2012 362,500 @ $3.00 to October 5, 2012 450,000 @ $3.40 to November 7, 2012
Total Options Outstanding	3,052,500 @ *$2.01 (avg.) = $6,136,600*

* - Subject to rounding on consolidation

On January 5, 2009, shareholders of the Company approved a resolution whereby the Directors of the Company are authorized to amend the exercise price of outstanding stock options granted to insiders of the Company pursuant to the Plan, subject to the approval of the TSX Venture Exchange, provided the amended exercise price per Common Share shall not be less than the greater of the Discounted Market price (as defined by the Exchange Policy 1.1) and $0.50. The Board did not make application to amend the exercise price of outstanding options.

Subsequent to March 31, 2009, the Company obtained shareholder approval to effect, as part of the Arrangement, a return of stated capital and a consolidation of the Company's common shares on a basis of one post-consolidation common share for two pre-consolidation common shares. In addition, disinterested shareholder approval was obtained to authorize the Directors of the Company to further amend the exercise price of outstanding stock options granted to insiders of the Company pursuant to the Plan ("Insider Options"), subject to the approval of the TSX Venture Exchange. The amended exercise price of the Insider Options will be set by the Board and shall be the greater of the Market Price (as defined in TSXV Policy 1.1) of the Brilliant shares on the date of amendment and $0.10.

The Board has yet not applied for or effected an amendment to the exercise price of outstanding stock options.

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 Company has approved the disclosures contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.