

Brilliant Mining Corp.

Consolidated Financial Statements

For the three months ended December 31, 2008 and 2007

Brilliant Mining Corp.

Notice of Non-review of Interim Financial Statements

The attached interim financial statements for the three months ended December 31, 2008 and 2007 have been prepared by management and have not been reviewed by the Company's auditors.

Brilliant Mining Corp.
Consolidated Balance Sheets

As at	December 31 2008 <i>(unaudited)</i>	September 30 2008 <i>(audited)</i>
Assets		
Current		
Cash and cash equivalents (note 4)	\$ 7,085,921	\$ 5,967,967
Receivables	596,668	3,780,717
Derivative financial instruments	-	255,795
Short-term investments	-	316,639
Inventories	484,854	560,944
Other	95,093	246,270
	<u>8,262,535</u>	<u>11,128,332</u>
Restricted cash (note 4)	163,938	161,094
Investments	448,415	937,595
Mine property (note 5)	21,704,673	20,949,927
Mineral interests (note 6)	2,018,585	2,008,520
Property, plant, and equipment (note 7)	5,279,594	4,913,785
	<u>5,279,594</u>	<u>4,913,785</u>
Total assets	<u>\$ 37,877,740</u>	<u>\$ 40,099,253</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 6,329,997	\$ 4,252,368
Capital lease obligations	1,447,524	1,468,352
Derivative financial instruments	266,127	387,970
Income tax payable	91,428	299,919
	<u>8,135,076</u>	<u>6,408,609</u>
Asset retirement obligation	327,708	339,874
Capital lease obligations	1,723,423	1,900,875
Future income taxes	970,701	1,925,630
	<u>970,701</u>	<u>1,925,630</u>
Total liabilities	<u>11,156,908</u>	<u>10,574,988</u>
Shareholders' equity	<u>26,720,833</u>	<u>29,524,265</u>
Total liabilities and shareholders' equity	<u>\$ 37,877,740</u>	<u>\$ 40,099,253</u>

Approved by the Board

Director (signed by) "John Williamson"

Director (signed by) "Sean Mager"

Brilliant Mining Corp.
Consolidated Statements of Net Loss

(unaudited)

Three months ended December 31	2008	2007
Revenue		
Nickel ore sales	\$ 4,935,134	\$ 9,294,716
Interest	68,560	90,540
Other	14,563	3,313
	<u>5,018,257</u>	<u>9,388,569</u>
Expenses		
Amortization	1,881,623	1,106,217
Concentrator fees	863,683	439,507
General and administration	570,436	464,205
Interest on capital lease obligations	12,647	21,935
Interest and accretion on convertible debenture	-	182,831
Interest	33,742	199
Mining	3,407,373	2,192,253
Royalties	116,062	185,039
Smelting	1,727,299	3,253,149
Stock based compensation (note 8)	7,839	1,413,940
	<u>8,620,704</u>	<u>9,259,275</u>
	(3,602,448)	129,294
Other income (expenses)		
Foreign exchange	(356,971)	(175,642)
Gain on derivative financial instruments	494,586	-
Other	-	(22,287)
	<u>-</u>	<u>(22,287)</u>
Net income (loss) before income taxes	(3,464,833)	(68,635)
Future income taxes	1,062,494	(1,052,352)
Net loss for the period	<u>\$ (2,402,339)</u>	<u>\$ (1,120,987)</u>
Basic and diluted net loss per common share (note 8)	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>

Brilliant Mining Corp.

Consolidated Statements of Changes in Shareholders' Equity

(unaudited)

(In dollars, except number of common shares),

	Number of common shares	Share capital	Contributed Surplus	Convertible debenture – equity portion	Deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
September 30, 2007	68,766,865	35,466,953	2,666,546	1,000,000	(16,195,831)	425,585	23,363,253
Net income for the year ended September 30, 2008	-	-	-	-	2,789,589	-	2,789,589
Other comprehensive loss:							
Effect of exchange rate fluctuation on translation of net assets of self sustaining foreign operations	-	-	-	-	-	(446,943)	(446,943)
Unrealized loss on available for sale financial assets net of \$165,164 in future income taxes	-	-	-	-	-	(1,156,151)	(1,156,151)
Comprehensive income							1,186,495
Stock options vested	-	-	1,991,056	-	-	-	1,991,056
Exercise of warrants	3,767,118	3,671,574	-	-	-	-	3,671,574
Exercise of agents' warrants	320,484	439,063	(118,579)	-	-	-	320,484
Exercise of stock options	124,000	35,320	(16,200)	-	-	-	19,120
Equity portion of interest on convertible debenture	-	-	-	-	(65,206)	-	(65,206)
Settlement of convertible debenture	-	-	-	(1,000,000)	50,000	-	(950,000)
Share issue costs (net of \$4,170 in future income tax)	-	(12,511)	-	-	-	-	(12,511)
	4,211,602	4,133,446	1,856,277	(1,000,000)	2,774,383	(1,603,094)	6,161,012
September 30, 2008	72,978,467	39,600,399	4,522,823	-	(13,421,448)	(1,177,509)	29,524,265
Net loss for the three months ended December 31, 2008	-	-	-	-	(2,402,339)	-	(2,402,339)
Other comprehensive income (loss):							
Effect of exchange rate fluctuation on translation of net assets of self sustaining foreign operations	-	-	-	-	-	19,100	19,100
Unrealized loss on available for sale financial assets net of \$61,148 in future income taxes	-	-	-	-	-	(428,032)	(428,032)
Comprehensive loss							(2,811,271)
Stock options vested (note 8)	-	-	7,839	-	-	-	7,839
	-	-	7,839	-	(2,402,339)	(408,932)	(2,803,432)
December 31, 2008	72,978,467	39,600,399	4,530,662	-	(15,823,787)	(1,586,441)	(26,720,833)

Brilliant Mining Corp.

Consolidated Statements of Cash Flows

(unaudited)

Three months ended December 31	2008	2007
Cash flows from operating activities		
Net loss for the year	\$ (2,402,339)	\$ (1,120,987)
Adjustments for:		
Accretion expense	-	81,634
Amortization	1,881,623	1,106,217
Future income taxes	(1,062,494)	(1,052,352)
Stock based compensation	7,839	1,413,940
Gain on derivative financial instruments	(494,586)	-
	<u>(2,069,957)</u>	<u>(2,533,156)</u>
Foreign currency translation	175,647	(44,835)
Changes in working capital:		
Receivables	2,685,299	(439,898)
Derivative financial instruments	628,538	(40,200)
Accounts payable and accrued liabilities	2,576,379	671,371
Income taxes payable	(208,491)	-
Inventories	76,090	-
Other current assets	151,177	(143,453)
	<u>4,014,682</u>	<u>2,536,141</u>
Cash flows from investing activities		
Short-term investments	316,639	-
Mineral interest exploration expenditures	(10,065)	(36,798)
Capitalized Lanfranchi mine expenditures	(2,168,411)	(1,057,515)
Purchases of property, plant, and equipment	(833,767)	(347,687)
	<u>(2,695,604)</u>	<u>(1,442,000)</u>
Cash flows from financing activities		
Interest on equity portion of convertible debenture	-	(24,933)
Repayment of capital lease obligations	(198,280)	(128,084)
Repayment of note payable	-	(334,625)
Net proceeds from issuance of share capital	-	3,765
	<u>(198,280)</u>	<u>(483,877)</u>
Net increase in cash	1,120,798	610,264
Cash, beginning of period	6,129,061	9,135,230
Cash, end of period (note 4)	<u>7,249,859</u>	<u>\$ 9,743,024</u>
Cash is composed of:		
Cash and cash equivalents	\$ 7,085,921	\$ 9,577,136
Restricted cash	163,938	165,888
	<u>\$ 7,249,859</u>	<u>\$ 9,743,024</u>

For the three months ended December 31, 2008 and 2007

1. Nature of operations

Brilliant Mining Corp. (“Brilliant”) was incorporated under the Alberta Business Corporations Act on October 1, 1998 and has its shares listed for trading on the TSX Venture Exchange. 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 consisting of a producing nickel mine property on an approximately 50 km² contiguous mineral tenement package (“Tramways tenements”) in Western Australia. Brilliant and Donegal are referred to collectively in these consolidated financial statements as the “Company”.

2. Significant accounting policies

Basis of presentation

The accompanying unaudited interim consolidated financial statements have been prepared by the Company following the same accounting policies and methods as those disclosed in the audited consolidated financial statements for the year ended September 30, 2008, unless otherwise stated. Certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles (“GAAP”) in Canada have been omitted. These interim consolidated financial statements should be read in conjunction with the September 30, 2008 audited consolidated financial statements and the notes thereto. In the opinion of management, all adjustments of a normal and recurring nature that are necessary for a fair presentation of the balance sheet, results of operations, and cash flows of those interim periods have been included. Certain figures in the comparative financial statements have been reclassified to conform to presentation adopted in the current period.

The consolidated financial statements use the Canadian Dollar as the unit of measurement. All amounts are in Canadian Dollars unless otherwise specified. Where foreign currency amounts are disclosed, the International Organization for Standardization currency symbol is used.

New accounting policies

The following new accounting policies have been adopted by the Company effective October 1, 2008:

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,

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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.

3. Segmented information

The Company's operations are managed on a regional basis. The two regional operational segments are Canada and Australia. Property, plant, and equipment is disclosed in note 7 in a manner consistent with the requirements for segmented information.

The following table allocates assets by segment:

	December 31 2008	September 30 2008
Canada	\$ 3,634,921	\$ 4,406,200
Australia	<u>34,242,819</u>	<u>35,693,053</u>
Total assets	<u>\$ 37,877,740</u>	<u>\$ 40,099,253</u>

The following tables allocate revenues and net income (loss) by segment:

Three months ended December 31	2008	2007
Canada	\$ 8,804	\$ 61,681
Australia	<u>5,009,453</u>	<u>9,326,888</u>
Total revenues	<u>\$ 5,018,257</u>	<u>\$ 9,388,569</u>

Three months ended December 31	2008	2007
Canada	\$ (311,016)	\$ (2,103,451)
Australia	<u>(2,091,323)</u>	<u>982,464</u>
Net income (loss)	<u>\$ (2,402,339)</u>	<u>\$ (1,120,987)</u>

4. Cash and cash equivalents

Cash consists of cash on hand and cash on demand deposit with accredited financial institutions in Canada and Australia. The Company has provided \$25,000 (2007 - \$25,000) of cash as security to one of the Company's financial institutions for corporate credit card liabilities. In addition, cash includes a restricted amount of AUD 162,500 (\$138,938) (2007 - AUD 162,500 (\$140,888)) held by one of the Company's financial institutions as a guarantee against a performance bond, held in the name of the original vendor of the Lanfranchi Nickel Mine, in order to guarantee future reclamation activities at the Lanfranchi site. These items have been classified as a non-current asset due to the restrictions above.

A portion of the Company's cash is in the custody of the Lanfranchi Joint Venture, operated by a third party, but under joint control.

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5. Mine property – Lanfranchi Joint Venture

The Company has a 25% interest in the Lanfranchi Joint Venture (“Lanfranchi JV”) which includes the producing Lanfranchi Nickel Mine and a sublease over the Lanfranchi and associated Tramways tenements, consisting of 37 mineral leases over 50 km² located in the Kambalda Nickel District in the state of Western Australia, Australia. Revenue from nickel ore sales resulting from the mining activities of the Lanfranchi JV are recognized by the Company directly.

Lanfranchi mine

The primary asset of the Lanfranchi JV is the Lanfranchi Nickel Mine. The mine property, including acquisition costs and subsequent additions, is amortized on a units-of-production basis based on proven reserves. The following is a schedule of the balance of the Lanfranchi Mine as recognized on the consolidated balance sheets (reflecting foreign currency exchange rates at December 31, 2008 and 2007):

Three months ended December 31	2008	2007
Balance, beginning of period	\$ 19,779,186	\$ 19,779,186
Exploration and evaluation	264,078	238,280
Pre-production	42,040	10,428
Mine development	1,610,468	976,993
Foreign currency translation adjustment	251,825	(168,186)
Amortization	<u>(1,413,665)</u>	<u>(884,656)</u>
Balance, end of period	<u>\$ 21,704,673</u>	<u>\$ 19,952,045</u>

Lanfranchi Joint Venture

The consolidated balance sheets include the Company’s proportionate interest in the assets and liabilities of the Lanfranchi Joint Venture. The Company’s aggregate interest in such items is disclosed below:

Selected balance sheet

As at September 30	December 31 2008	September 30 2007
Current assets	\$ 1,147,603	\$ 2,356,592
Non-current assets	<u>16,078,142</u>	<u>14,199,637</u>
	<u>\$ 17,225,745</u>	<u>\$ 16,556,229</u>
Current liabilities	\$ 4,892,951	\$ 4,838,955
Non-current liabilities	<u>2,051,131</u>	<u>2,296,288</u>
	<u>\$ 6,944,082</u>	<u>\$ 7,135,243</u>

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6. Mineral interests

Additions (In dollars)	Ossok West	Michikamau	Total
Balance, September 30, 2007	130,661	1,827,500	1,958,161
Claims and land use	-	1,750	1,750
Geological consulting	450	9,632	10,082
Assaying	-	7,966	7,966
Fieldwork	-	17,000	17,000
Balance, December 31, 2007	131,111	1,863,848	1,994,959
Acquisition		20,000	20,000
Refundable deposits	21,812	(28,251)	(6,439)
Balance, September 30, 2008	152,923	1,855,597	2,008,520
Acquisition	-	10,000	10,000
Geological consulting	-	65	65
Balance, September 30, 2008	152,923	1,865,662	2,018,585
Balances (In dollars)	Ossok West	Michikamau	Total
Acquisition cost	-	68,155	68,155
Claims, land use and refundable deposits	29,227	141,170	170,397
Exploration	123,696	1,656,337	1,780,033
	152,923	1,865,662	2,018,585

The Company has taken steps to verify title to resource properties in which it has an interest. However, these procedures do not guarantee the Company's title as property title may be subject to unregistered prior agreements and potential non-compliance with exploration expenditure and reporting requirements.

Brilliant Mining Corp.

Notes to the Consolidated Financial Statements

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For the three months ended December 31, 2008 and 2007

7. Property, plant, and equipment**As at September 30, 2008**

	Cost	Accumulated Amortization	Net
Canadian operations			
Computer equipment	\$ 46,278	21,973	24,305
Office furniture and equipment	8,016	3,386	4,630
	<u>54,294</u>	<u>25,359</u>	<u>28,935</u>
Australian operations			
Buildings	50,573	296	50,277
Office furniture and equipment	25,464	13,549	11,915
Plant and equipment	3,668,233	1,156,709	2,511,524
Plant and equipment under capital lease	4,293,486	1,618,933	2,674,553
Capital projects under construction	2,390	-	2,390
	<u>8,040,146</u>	<u>2,789,487</u>	<u>5,250,659</u>
	<u>\$ 8,094,440</u>	<u>\$ 2,814,846</u>	<u>\$ 5,279,594</u>

As at September 30, 2007

	Cost	Accumulated Amortization	Net
Canadian operations			
Computer equipment	\$ 46,278	\$ 20,003	\$ 26,275
Office furniture and equipment	8,016	3,142	4,874
	<u>54,294</u>	<u>23,145</u>	<u>31,149</u>
Australian operations			
Buildings	49,538	265	49,273
Office furniture and equipment	24,943	12,517	12,426
Plant and equipment	2,855,867	937,528	1,918,339
Plant and equipment under capital lease	4,205,608	1,303,010	1,918,339
	<u>7,135,956</u>	<u>2,253,320</u>	<u>4,882,636</u>
	<u>\$ 7,190,250</u>	<u>\$ 2,276,465</u>	<u>\$ 4,913,785</u>

8. Share capital

The Company's bylaws authorize an unlimited number of Class "A" common shares and an unlimited number of Class "B" preferred shares.

Other than those due to the exercise of share purchase warrants and stock options, there have been no share issuances in the current or comparative period.

Per share calculations

For the three months ended December 30, 2008, the basic weighted average number of common shares outstanding is 72,978,467 (2007 – 68,772,887). For the three months ended December 31, 2008 and 2007, the exercise of dilutive securities would be anti-dilutive as the Company was in a net loss position

Brilliant Mining Corp.

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Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company 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 options.

The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than death, one year after the death of an optionee or on the fifth anniversary of the date the option was granted.

A summary of stock option activity is as follows:

	Number of options	Weighted average exercise price (\$)
Outstanding options, September 30, 2007	5,642,000	0.72
Granted under the Plan	1,675,000	1.61
Exercised	(124,000)	0.15
Expired	(325,000)	1.58
Outstanding options, September 30, 2008 and December 31, 2008	6,868,000	0.91

A summary of the options outstanding at December 31, 2008 is as follows:

Exercise price (\$)	Number of options outstanding	Number of options exercisable	Remaining contractual life in years
0.13	528,000	528,000	0.2
0.115	160,000	160,000	1.0
0.16	310,000	310,000	1.8
0.33	500,000	500,000	2.0
0.55	270,000	270,000	2.5
0.80	2,950,000	2,950,000	2.7
1.50	500,000	500,000	3.2
2.50	25,000	25,000	3.3
1.50	725,000	725,000	3.7
1.70	900,000	900,000	3.8
0.91	6,868,000	6,868,000	2.7

During the three months ended December 31, 2008, the Company recognized stock based compensation related to stock options vesting during the period totaling \$7,839.

During the three months ended December 31, 2007, the Company recognized stock based compensation related to stock options issued and vesting in the period totaling \$1,413,940.

For the three months ended December 31, 2008 and 2007

9. Related party transactions

During the three months ended December 31, 2008, the Company incurred management consulting fees included in general and administrative expenses of \$128,400 (2007 - \$54,000) to directors and officers or companies controlled by directors.

During the three months ended December 31, 2007, the Company was charged \$125,000 in interest on a convertible debenture payable to the vendors of Donegal. Of this amount, \$99,726 was included as a component of convertible debenture interest expense and \$24,932 was accounted for as a reduction to shareholders' equity. At December 31, 2007, \$31,330 of interest was payable to these companies in addition to the principal amount of \$5,000,000. The principal amount of the convertible debenture and all accrued interest was paid in the year ending September 30, 2008

At December 31, 2008, the Company had accounts payable to companies with common directors the amount of \$51,932 (2007 - \$31,425) relating to the reimbursement of shared office, staff, and administrative costs. The amounts were paid subsequent to December 31, 2008 and 2007.

These amounts are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties based on standard commercial terms.

10. Financial instruments

Fair value

Due to their short term nature, the fair value of cash and cash equivalents, receivables, short-term investments, derivative financial instruments, and accounts payable and accrued liabilities are assumed to approximate carrying values.

The fair value of capital lease obligations attributable to the Company through its interest in the Lanfranchi JV approximates its carrying value as the joint venture's cost of borrowing is comparable to its cost of borrowing at the inception of the leases.

Capital management

The Company's capital consists of: cash and cash equivalents and share capital. The Company may also utilize debt facilities or instruments, including convertible debt instruments for capital management.

The Company's objectives in managing its capital are: to maintain adequate levels of funding to support its operating and capital expenditure obligations arising from the Company's investment in the Lanfranchi Joint Venture; to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; to perform mineral exploration activities on the Company's exploration projects; and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured through the sale of its share of nickel ore produced at the Lanfranchi Nickel Mine and, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of operating cash deficits.

The Company may, from time to time, invest capital that is surplus to immediate operational needs in short-term, liquid, and highly rated financial instruments held with major financial institutions, or in marketable securities. The Company may also, from time to time, enter into forward foreign exchange and commodity price contracts to hedge a portion of its exposure to movements in foreign exchange and commodity prices. The company does not maintain a formal hedging strategy.

For the three months ended December 31, 2008 and 2007

Risk management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

Interest risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments.

The Company had approximately \$7.2 Million in cash and cash equivalents at December 31, 2008, on which it earns variable rates of interest, and is therefore subject to a certain amount of risk, though this risk is deemed to be immaterial to management of the Company. The Company's capital lease obligations are fixed-interest bearing liabilities and are therefore not subject to interest rate risk.

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents, accounts receivable, short-term investments, and derivative financial instruments.

The Company has assessed its exposure to credit risk and has determined that such risk is minimal. The material majority of the Company's cash and cash equivalents are held with financial institutions in Canada and Australia. Cash and cash equivalents held with the Company's Canadian financial institution are guaranteed in full by the Crown in Right of Alberta. A substantial amount of the Company's receivables is due from one party which is a subsidiary of BHP Billiton, one of the largest mining companies in the world. The Company has determined that no significant risks exist from these concentrations of credit.

Foreign currency risk

Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates.

The Company's operations in Australia, including its mining and mine development operations incurred through the Lanfranchi JV are denominated in Australian Dollars. The Company's receipts from the sale of nickel ore produced by the Lanfranchi Nickel Mine are denominated in United States Dollars. The Company's corporate costs and share capital, as well as the Company's reporting currency, is in Canadian Dollars. The Company, from time to time, enters into forward foreign exchange contracts to hedge a portion of its US Dollar receipts from the sale of nickel ore, though it does not maintain a formal hedging strategy.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due.

Consolidated working capital (current assets less current liabilities) at December 31, 2008, is approximately \$0.1 Million. This amount is composed of a working capital deficit in the Lanfranchi Joint Venture of approximately \$3.9 Million (note 5) and corporate working capital of approximately \$3.8 Million. Management is currently evaluating the sufficiency of working capital to continue its participation in the Lanfranchi Joint Venture without diluting the Company's 25% interest. Even if operations and development at the Lanfranchi Nickel Mine are at minimum cash neutral, working capital may not be sufficient for corporate administration and general working capital for the coming year. In the case of cash deficits arising from the Company's operations, the Company may have to seek debt or equity financing. There can be no assurances that such financing will be available on terms acceptable to the Company.

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The Company's only non-current cash obligations consist of the non-current portion of capital lease obligations and equipment contracted to be purchased at September 30, 2008, the latter of which is not recognized as a liability. Both of these obligations are the Company's share of the Lanfranchi Joint Venture's obligations and are expected by management to be met through operating cash flows at the Lanfranchi Nickel Mine over the long term.

12. Subsequent events

On February 26, 2009, the Company announced that it had entered into an agreement (the "Share Purchase Agreement") to sell all of the outstanding shares of Donegal Resources Pty Ltd., a wholly-owned subsidiary of the Company including a 25% interest in the Lanfranchi Nickel Mine, associated tenements, and the Lanfranchi Joint Venture, to Panoramic Resources Ltd. ("Panoramic"). Panoramic is an Australian based nickel sulphide producer listed on the Australian Stock Exchange under the symbol "PAN", and is the Company's joint venture partner in the Lanfranchi Joint Venture.

Under the terms of the Share Purchase Agreement, the Company will retain cash of approximately \$5 Million accumulated from operations of the Lanfranchi Nickel Mine up to November 1, 2008, which is the "Effective Date" as contemplated by the Share Purchase Agreement. Consideration to be received for the shares of Donegal consists of 12 Million ordinary shares of Panoramic ("Consideration Shares") and 3 Million ordinary share purchase warrants of Panoramic exercisable at AUD 1.50 per ordinary share until December 31, 2012. The Consideration Shares will be subject to escrow for a period of six months from closing.

The Share Purchase Agreement is subject to a number of conditions precedent, including financial due diligence by Panoramic, approval of the TSX Venture Exchange, and approval by the Company's shareholders.

Management has prepared the following estimated pro forma consolidated balance sheet giving effect to the Share Purchase Agreement as if the sale of Donegal occurred on December 31, 2008. The pro forma consolidated balance sheet is subject to material changes.

Pro forma consolidated balance sheet as at	December 31 2008 (unaudited)
Assets	
Current	
Cash and cash equivalents	\$ 6,137,973
Receivables	63,821
Other	95,093
	<u>6,296,886</u>
Restricted cash	25,000
Investments	10,400,615
Mineral interests	2,018,585
Property, plant, and equipment	<u>91,130</u>
Total assets	<u>\$ 18,832,215</u>
Liabilities	
Current	
Accounts payable and accrued liabilities	\$ 178,305
Income tax payable	38,397
Total liabilities	<u>216,702</u>
Shareholders' equity	<u>18,615,514</u>
Total liabilities and shareholders' equity	<u>\$ 18,832,216</u>

Brilliant Mining Corp.

Notes to the Consolidated Financial Statements

*(unaudited)*For the three months ended December 31, 2008 and 2007

13. Comparative figures

These consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.