

Brilliant Mining Corp.

Consolidated Financial Statements

For the three and nine months ended June 30, 2011 and 2010

To the shareholders of Brilliant Mining Corp:

The interim consolidated financial statements of Brilliant Mining Corp. as at and for the three and nine months ended June 30, 2011 and 2010, have been compiled by management.

No audit or review of this information has been performed by the Company's auditors.

Brilliant Mining Corp.
Consolidated Balance Sheets

As at	June 30 2011 <i>(unaudited)</i>	September 30 2010 <i>(audited)</i>
Assets		
Current		
Cash and cash equivalents (note 3)	\$ 15,772,640	\$ 4,250,705
Proceeds receivable on sale of subsidiary	-	248,325
Other receivables	152,537	112,591
Prepaid expenses and deposits	121,303	61,450
Restricted cash (note 3)	<u>3,165,462</u>	<u>-</u>
	19,211,942	4,673,071
Restricted cash (note 3)	25,000	25,000
Investments (notes 5, 9)	4,554,138	5,626,589
Property, plant and equipment	30,797	93,051
Mineral interests (note 6)	<u>15,534,087</u>	<u>1,891,245</u>
Total assets	<u>\$ 39,355,964</u>	<u>\$ 12,308,956</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 444,796	\$ 94,748
Shareholders' equity	<u>38,911,168</u>	<u>12,214,208</u>
Total liabilities and shareholders' equity	<u>\$ 39,355,964</u>	<u>\$ 12,308,956</u>

Approved by the Board

Director (signed by) "John Williamson"

Director (signed by) "Sean Mager"

Brilliant Mining Corp.
Consolidated Statements of Net Loss

(unaudited)

Period ended June 30	2011 (3 months)	2010 (3 months)	2011 (9 months)	2010 (9 months)
Revenue				
Interest	\$ 17,820	\$ 5,243	\$ 36,415	\$ 18,196
Other	-	-	-	8,951
	17,820	5,243	36,415	27,147
Expenses				
Advertising, promotion and travel	110,740	70,912	268,528	248,639
Amortization	2,856	6,669	9,130	19,939
Filing Fees	3,242	4,726	17,917	28,134
Management and consulting fees	51,337	32,088	177,504	171,195
Office and administration	94,408	67,192	238,193	204,212
Professional fees	19,406	11,941	67,811	61,108
Project generation	-	-	-	6,983
	(281,989)	(193,528)	(779,083)	(740,210)
	(264,169)	(188,285)	(742,668)	(713,063)
Other income (expenses)				
Foreign exchange	773	(21,369)	10,397	(41,845)
Loss on disposal of fixed assets	(4,020)	-	(4,020)	-
Unrealized loss on held for trading financial assets (note 9)	(1,113,576)	(670,015)	(2,531,839)	(1,395,897)
Net loss before income taxes	(1,380,992)	(879,669)	(3,268,130)	(2,150,805)
Future income taxes	(58,090)	(45,860)	182,424	21,403
Net loss for the period	\$ (1,439,082)	\$ (925,529)	\$ (3,085,706)	\$ (2,129,402)
Basic and diluted net loss per common share	(0.02)	(0.02)	(0.05)	(0.05)

Brilliant Mining Corp.

Consolidated Statements of Changes in Shareholders' Equity

(In dollars, except number of common shares),

	Number of common shares (note 7)	Share capital	Contributed Surplus	Deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
October 1, 2009	36,606,733	18,271,056	4,779,311	(10,486,799)	(1,377,301)	11,186,267
Net loss for the year ended September 30, 2010	-	-	-	(642,020)	-	(642,020)
Other comprehensive income:						
Effect of change in fair value of available for sale investments (net of \$97,838 in future income taxes)	-	-	-	-	684,850	684,850
Comprehensive income						42,830
Exercise of stock options	125,000	143,249	(120,500)	-	-	22,749
Private placement	6,666,666	1,000,000	-	-	-	1,000,000
Return of stated capital	-	(48,638)	11,000	-	-	(37,638)
	6,791,666	1,094,611	(109,500)	(642,020)	684,850	1,027,941
September 30, 2010	43,398,399	19,365,667	4,669,811	(11,128,819)	(692,451)	12,214,208
Net loss for the nine months ended June 30, 2011	-	-	-	(3,085,706)	-	(3,085,706)
Other comprehensive income:						
Effect of change in fair value of investments (net of \$182,424 in future income taxes)	-	-	-	-	1,276,963	1,276,963
Comprehensive income						(1,808,743)
Acquisition of Ivory Resources	63,454,920	17,132,828	-	-	-	17,132,828
Private placement May 11, 2011 (notes 4, 5)	42,100,617	11,367,167	-	-	-	11,367,167
Exercise of stock options (note 7)	12,500	8,250	(6,375)	-	-	1,875
Exercise of warrants (note 7)	283,333	56,667	-	-	-	56,667
Exercise of agents' warrants (note 7)	25,000	7,750	(2,750)	-	-	5,000
Share issuance costs	-	(57,834)	-	-	-	(57,834)
	105,876,370	28,514,828	(9,125)	(3,085,706)	1,276,963	26,696,960
June 30, 2011	149,274,769	47,880,495	4,660,686	(14,214,525)	584,512	38,911,168

Brilliant Mining Corp.

Consolidated Statements of Cash Flows

(unaudited)

Period ended June 30	2011	2010	2011	2010
	(3 months)	(3 months)	(9 months)	(9 months)
Operating activities				
Net loss	\$ (1,429,458)	\$ (925,529)	\$ (3,085,706)	\$ (2,129,402)
Adjustments for:				
Amortization	2,856	6,669	9,130	19,939
Future income taxes	58,090	45,860	(182,424)	(21,403)
Loss on disposal of property, plant and equipment	4,020	-	4,020	-
Unrealized loss on held for trading financial assets	1,103,952	670,015	2,531,839	1,395,897
	(260,540)	(202,985)	(723,141)	(734,969)
Changes in non-cash working capital:				
Receivables	189,197	5,115	208,379	17,420
Accounts payable and accrued liabilities	(2,319,961)	(25,622)	(1,950,643)	(130,994)
Income taxes	-	-	(1,367)	-
Other current assets	8,146	(7,000)	(54,842)	(4,725)
Cash used in operating activities	(2,383,158)	(230,492)	(2,521,614)	(853,268)
Investing activities				
Arrangement costs (note 4)	(472,455)	-	(914,829)	-
Cash acquired on arrangement (note 4)	8,938,100	-	8,938,100	-
Loan to Ivory Resources Inc. (note 4)	-	-	(1,500,000)	-
Mineral interest expenditures (note 6)	(726,238)	-	(736,238)	(14,325)
Proceeds on sale of property, plant and equipment	49,103	-	49,103	-
Purchases of equipment	-	-	-	(879)
Cash used in investing activities	7,788,510	-	5,836,136	(15,204)
Financing activities				
Agent warrants exercised (note 7)	-	-	5,000	-
Cost of share issuance	-	-	(57,834)	(37,639)
Advanced share subscriptions	(444,717)	-	-	-
Private placements (note 7)	11,367,167	-	11,367,167	1,022,750
Options exercised (note 7)	1,875	-	1,875	-
Warrants exercised (note 7)	-	-	56,667	-
Cash provided by (used in) financing activities	10,924,325	-	11,372,875	985,111
Net increase (decrease) in cash	16,329,677	(230,492)	14,687,397	116,639
Cash, beginning of period	2,633,425	4,670,311	4,275,705	4,323,180
Cash, end of period	\$ 18,963,102	\$ 4,439,819	\$ 18,963,102	\$ 4,439,819
Cash is composed of:				
Cash and cash equivalents	\$ 15,772,640	\$ 4,414,819	\$ 15,772,640	\$ 4,414,819
Restricted cash current	3,165,462	-	3,165,462	-
Restricted cash non-current (note 3)	25,000	25,000	25,000	25,000
	\$ 18,963,102	\$ 4,439,819	\$ 18,963,102	\$ 4,439,819

Brilliant Mining Corp.

Notes to the Consolidated Financial Statements

For the three and nine months ended June 30, 2011 and 2010

(unaudited)

1. Nature of operations

Brilliant Mining Corp. (“Brilliant” or 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 Company is a resource Company with a grass roots exploration property in Labrador, Canada and is in search of undervalued resource opportunities. The Company has recently acquired preferential rights to explore for resources in Equatorial Guinea, West Africa. (note 4)

Brilliant is in the business of acquiring and exploring mineral properties. The Company has not yet determined whether these properties contain mineral reserves that are economically recoverable and the Company is presently, or is planning to carry out active exploration efforts on its mineral properties. The Company has not yet earned significant revenues and is considered to be in the development stage. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, 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. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets should the Company be unable to continue as a going concern.

2. Significant accounting policies

Future accounting pronouncements

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.

3. Cash and cash equivalents

Cash consists of cash on demand deposit with accredited financial institutions in Canada and Australia. The Company has provided \$25,000 of cash as security to one of the Company’s financial institutions for corporate credit card liabilities. This is classified as a non-current restricted cash on the consolidated balance sheets. As at June 30, 2011 the Company has provided cash of \$3,165,462 to third party to be held in escrow and released on management approval for payment of invoices relating to an airborne survey and is classified as current restricted cash on the consolidated balance sheet.

4. Acquisition of Ivory Resources Inc.

On May 11, 2011, the Company completed the acquisition of all of the issued and outstanding common shares of Ivory Resources Inc. (“Ivory”), a private Cayman Islands corporation. Ivory, through a wholly owned subsidiary, has the rights through an agreement with the Government of Equatorial Guinea to carry out an airborne geophysical survey (the “Survey”) in exchange for certain preferential rights to acquire mineral rights based on the results of the Survey. The Survey commenced collecting geophysical data at the end of November, 2010 and has been ongoing since then. Funds lent into Ivory through the Investor Loans have financed the survey to date, as well as the general and administrative expenses of Ivory and its subsidiaries.

Brilliant Mining Corp.

Notes to the Consolidated Financial Statements

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(unaudited)

Assets acquired:

Cash	\$ 7,062,089
Other current assets	5,010
Investments in subsidiary	200,001
Restricted cash	1,876,011
Equatorial Guinea project	<u>12,706,604</u>

21,849,715

Less: liabilities assumed

Accounts payable and accrued liabilities	(2,302,058)
Notes payable to Brilliant Mining Corp.	<u>(1,500,000)</u>

\$ 18,047,657

Purchase consideration:

Units issued in exchange for shares of Ivory Resources

Share exchange, units issued 50,491,958 at \$0.27 per unit (i)	\$ 13,632,828
Other share payments, units issued 11,111,111 at \$0.27 per unit (ii)	<u>3,000,000</u>

16,632,828

Shares issued in exchange for share of Ivory Resources

Other share payments, shares issued 1,851,851 at \$0.27 per share (ii)	<u>500,000</u>
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17,132,828

Other considerations

Due diligence and transaction costs (iii)	<u>914,829</u>
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Total purchase consideration

\$ 18,047,657

- (i) The Company completed the acquisition of all of the issued and outstanding common shares of Ivory, by issuing 50,491,958 units of the Company (each, a “Unit”) at a deemed price of \$0.27 per Unit. Each Unit consisted of one common share of the Company (“Common Share”) and one Common Share purchase warrant (“Warrant”) entitling the holder to acquire one additional Common Share at a price of \$0.45 per Common Share until May 11, 2013.

Certain investors had previously loaned a total of \$11,632,829 to Ivory pursuant to various credit facility agreements (“Investor Loans”). Immediately prior to the Company’s acquisition of Ivory, the Investor Loans were converted to common shares of Ivory, which were then exchanged for Units of the Company, included in the total above, on the ultimate basis of one Unit for each \$0.27 lent to Ivory. In addition, the Company had lent \$1,500,000 to Ivory pursuant to a credit facility agreement which was not converted to Ivory Shares, and is eliminated on consolidation, in the consolidated balance sheet, at June 30, 2011.

- (ii) The Company issued additional units to of 11,111,111 as consideration to for assistance in securing the rights to the Survey, the Company issued 7,407,407 units to an arm’s length party and 3,703,704 Units to a trust company which will distribute such units to additional parties who have assisted with the Transaction.

Brilliant Mining Corp.

Notes to the Consolidated Financial Statements

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Pursuant to a separate compensation agreement dated April 8, 2011, the Company issued 740,740 Common Shares at a deemed value of \$0.27 per Common Share to an arm's length individual for assistance in completion of the acquisition of Ivory and the Private Placement.

Pursuant to two additional separate compensation agreements dated April 8, 2011, the Company paid an aggregate \$225,000 and issued 1,111,111 Common Shares at a deemed value of \$0.27 per Common Share to two arm's length parties for assistance in completing the acquisition of Ivory and the Private Placement.

- (iii) In addition, to the units and shares issued in consideration for the purchase of Ivory the Company incurred costs totaling \$914,829. These costs were incurred in the process of acquisition and include, fees relating to due diligence, and legal fees.

Concurrent with the acquisition of Ivory, the Company completed a private placement of 42,100,617 Units at a price of \$0.27 per Unit for gross proceeds of \$11,367,166 (the "Private Placement") (note 7).

5. Investments

As at	June 30, 2011	September 30, 2010
Available for sale financial assets (note 9)	\$ 2,926,927	\$ 4,159,049
Held for trading financial assets (note 9)	\$ 1,627,210	\$ 1,467,540
Investment in subsidiary	\$ 1	-
Investments	<u>\$ 4,544,138</u>	<u>\$ 5,626,589</u>

6. Mineral interests

Additions	Equatorial Guinea	Michikamau	Total
Balance, September 30, 2009	\$ -	\$ 1,876,920	\$ 1,876,920
Acquisition cost	-	10,000	10,000
Claims and land use	-	4,325	4,325
Balance, June 30, 2010 and September 30, 2010	-	1,891,245	1,891,245
Acquisition cost	12,706,604	10,000	12,716,604
Airborne survey	926,238	-	926,238
Balance June 30, 2011	<u>\$ 13,632,842</u>	<u>\$ 1,901,245</u>	<u>\$ 15,534,087</u>

Brilliant Mining Corp.

Notes to the Consolidated Financial Statements

For the three and nine months ended June 30, 2011 and 2010

(unaudited)

On May 11, 2011, the Company acquired Ivory Resources Inc. (note 4) who through a wholly owned subsidiary, has the rights through an agreement with the Government of Equatorial Guinea, to carry out an airborne geophysical survey in exchange for certain preferential rights to acquire mineral rights based on the results of the Survey. The Survey commenced collecting geophysical data at the end of November, 2010 and has been ongoing. Funds lent into Ivory through the Investor Loans, ultimately converted to shares of Ivory, and exchanged for shares of the Company have financed the survey to date, as well as the general and administrative expenses of Ivory and its subsidiaries. As at the date of acquisition of Ivory, the Survey had completed mobilization and approximately 37,000 line kilometers and approximately 43,500 line-kilometres at June 30, 2011. An additional approximate 23,700 line-kilometres are required to complete the Survey, at an approximate cost of 2.8 million, plus additional charges due to stand-by and fuel surcharges.

7. Share capital

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

Private placement

On October 16, 2009, the Company closed on a non-brokered private placement of 6,666,666 units of the Company at a price of \$0.15 per Unit for gross proceeds of \$1,000,000. Each Unit consisted of one common share of the Company ("Common Share") and one non-transferable share purchase warrant ("Warrant") entitling the holder to acquire one additional Common Share at a price of \$0.20 per Common Share until October 15, 2014. The Company paid \$15,000 in finder's fees and issued non-transferable share purchase warrants to acquire an aggregate of 100,000 Common Shares on the same terms as the Warrants. The Company assigned the full amount of the proceeds to the Common Shares and none to the warrants.

On May 11, 2011, the Company completed a private placement, concurrent with the acquisition of Ivory (note 4), of 42,100,617 units of the Company at a price of \$0.27 per Unit for gross proceeds of \$11,367,167. Each Unit consist of one Common Share and one non-transferable Warrant entitling the holder to acquire one additional Common Share \$0.45 per Common Share until May 11, 2013. The Company assigned the full amount of the proceeds to Common Shares and none to the Warrants.

Pursuant to the acquisition of Ivory, the Company issued a total 105,555,537 Common Shares and 103,703,686 Common Share Purchase warrants in relation to the acquisition of Ivory and the concurrent private placement.

Per share calculations

For the three and nine months ended June 30, 2010, the basic and diluted weighted average number of common shares outstanding was 101,704,555 and 62,939,217 nine months respectively (2010 - 43,398,399). For the three and nine months ended June 30, 2011 and 2010, the effect of stock options, warrants, and agents' warrants would be anti-dilutive as the Company was in a net loss position.

Brilliant Mining Corp.

Notes to the Consolidated Financial Statements

For the three and nine months ended June 30, 2011 and 2010

(unaudited)

Warrants

The following table summarizes activity related to warrants:

	Nine months ended June 30, 2011		Year ended September 30, 2010	
	Number of warrants #	Weighted average exercise price \$	Number of warrants #	Weighted average exercise price \$
Balance – beginning of period	6,666,666	0.20	-	-
Issued	103,703,686	0.45	6,666,666	0.20
Exercised	(283,333)	0.20	-	-
Balance – end of period	110,087,019	0.44	6,666,666	0.20

The following table summarizes information about warrants outstanding:

Number of warrants outstanding #	Weighted average exercise price \$	As at June 30, 2011	Number of warrants outstanding #	Weighted average exercise price \$	As at September 30, 2010
		Weighted average remaining contractual life Years			Weighted average remaining contractual life Years
6,383,333	0.20	3.3	-	-	-
103,703,686	0.45	1.9	6,666,666	0.20	4.05

Agents' Warrants

The following table summarizes activity related to agents' warrants:

	Nine months ended June 30, 2011		Year ended September 30, 2010	
	Number of options #	Weighted average exercise price \$	Number of options #	Weighted average exercise price \$
Balance – beginning of period	100,000	0.20	-	-
Issued	-	-	100,000	0.20
Exercised	(25,000)	0.20	-	-
Balance – end of period	75,000	0.20	100,000	0.20

Brilliant Mining Corp.

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(unaudited)

The following table summarizes information about agents' warrants outstanding:

		As at June 30, 2011		As at September 30, 2009	
Number of agents' warrants outstanding #	Weighted average exercise price \$	Weighted average remaining contractual life Years	Number of agents' warrants outstanding #	Weighted average exercise price \$	Weighted average remaining contractual life Years
75,000	0.20	3.3	100,000	0.20	4.0

On October 16, 2009, the Company issued non-transferable share purchase warrants to acquire an aggregate of 100,000 Common Shares on the same terms as the Warrants issued in the private placement closing on the same date as previously described. The estimated share issuance cost related to the 100,000 stock agents' warrants granted on October 16, 2009 was calculated using the Black Scholes option pricing model using the following weighted average grant-date assumptions: grant date stock price \$0.17; risk free interest rate 2.78%; expected volatility 80.0%, and expected annual dividends of 0%.

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:

	Nine months ended June 30, 2011		Year ended September 30, 2010	
	Number of options #	Weighted average exercise price \$	Number of options #	Weighted average exercise price \$
Balance – beginning of period	3,522,500	0.15	3,647,500	0.15
Exercised	(12,500)	0.15	(125,000)	0.18
Expired	(67,500)	0.32	-	-
Balance – end of period	3,442,500	0.15	3,522,500	0.16

Brilliant Mining Corp.

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(unaudited)

The following table summarizes information about stock options outstanding:

	As at June 30, 2011			As at September 30, 2010		
Number of options outstanding #	Weighted average exercise price \$	Weighted average remaining contractual life Years	Number of options outstanding #	Weighted average exercise price \$	Weighted average remaining contractual life Years	
-	-	-	67,500	0.32	0.1	
67,500	0.15	0.3	67,500	0.15	0.8	
1,475,000	0.15	0.5	1,475,000	0.15	1.0	
12,500	0.15	1.1	12,500	0.15	1.6	
275,000	0.15	1.5	275,000	0.15	2.0	
400,000	0.15	1.6	400,000	0.15	2.1	
1,175,000	0.15	3.2	1,175,000	0.15	3.7	
50,000	0.175	3.4	50,000	0.175	3.9	
3,455,000	0.15	1.7	3,522,500	0.15	2.1	

8. Related party transactions

During the three months ended June 30, 2011, the Company incurred management consulting fees included in management fee expenses of \$41,906 (2009 - \$34,884) to directors and officers or companies controlled by directors. All amounts were fully paid at/or subsequent to June 30, 2011 and 2010.

At June 30, 2011 the Company outstanding accounts payable to companies with common directors \$1,662 (September 30, 2010 – \$88,281) relating to the reimbursement of shared office, staff, and administrative costs. These amounts were fully paid subsequent to June 30, 2011 and September 30, 2010.

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.

9. Financial instruments

As at	June 30, 2011	September 30, 2010
Available for sale financial assets	\$ 2,926,927	\$ 4,159,049
Held for trading financial assets	\$ 1,627,210	\$ 1,467,540
Investments	\$ 4,544,137	\$ 5,626,589

Brilliant Mining Corp.

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(unaudited)

Available for sale financial assets

During the year ended September 30, 2008, the Company acquired marketable securities for a gross cost of \$2,258,910. This investment has been classified as available-for-sale; consequently the investment is carried at its fair value (with reference to the quoted stock exchange price (Level 1)) with unrealized gains and losses recognized as a component of other comprehensive income. The fair value of the marketable securities at June 30, 2011 was \$3,391,648 (September 30, 2010 - \$1,467,540). The change in fair value of these marketable securities has been recorded, net of future income taxes, as a component of other comprehensive income on the statement of changes in shareholders' equity.

Held for trading financial assets

In the year ended September 30, 2009 the Company was issued stock options in Panoramic Resources Ltd. ("Panoramic") as partial consideration for a transaction with Panoramic. The Panoramic stock options issued to the Company, were initially recognized at their estimated fair value of \$370,321 as determined using the Black Scholes option pricing model (Level 3). The Panoramic stock options consist of 3,000,000 unlisted options to purchase ordinary shares of Panoramic at AUD 1.50 per share, until December 31, 2012. At June 30, 2011, the estimated fair value of the Panoramic stock options is \$1,627,210 (September 30, 2010 - \$4,159,049). The unrealized loss of \$2,531,839 during the nine months ended June 30, 2011 has been recognized in the consolidated net loss for the period. The assumptions used in the calculation of the fair value of the Panoramic stock options at June 30, 2011 are as follows: stock price \$1.75; risk free interest rate 1.58 %; expected volatility 47%, and expected annual dividends of 2%.

The following table shows a reconciliation of movements in fair value of the Panoramic Options categorized within level 3 for the period ended June 30, 2011 and the year ended September 30, 2010.

	2011	2010
Opening Balance	\$ 4,159,049	\$ 3,765,479
Unrealized gain (loss) on held for trading financial assets (included in net income/loss)	<u>(2,531,839)</u>	<u>393,570</u>
Closing Balance	<u>\$ 1,627,210</u>	<u>\$ 4,159,049</u>

During the three and nine months ended June 30, 2011 and 2010, there were no transfers of instruments between level 1, 2 or 3.

Loans and Receivables

Fair value

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

Investments are presented on the consolidated balance sheet at fair value.

Capital management

The Company's capital consists of share capital.

The Company's objectives in managing its capital are: 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.

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The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, 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 working capital deficits.

The Company may also utilize debt facilities or instruments, including convertible debt instruments, for capital management.

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.

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 \$18.96 Million in cash and cash equivalents at June 30, 2011, on which it may earn variable rates of interest, and may therefore be subject to a certain amount of risk, though this risk is deemed to be immaterial to management of the Company.

Credit risk

Credit risk is the risk of potential loss to the Company if 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, and accounts receivable.

The Company has assessed its exposure to credit risk and has determined that such risk is minimal. 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.

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 maintains its cash reserves primarily in Canadian Dollars. Some cash may be denominated in various other currencies, and is therefore subject to fluctuations in foreign exchange rates. The effect of exchange rate movements on the Company's cash and other working capital balances is not considered material by management. The Company's corporate costs and share capital, as well as the Company's reporting currency, is in Canadian Dollars.

Liquidity risk

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

As at June 30, 2011, the Company has consolidated working capital of \$18,767,146, and does not have any long-term liabilities. As such the Company has determined that its liquidity risk is nominal.

Brilliant Mining Corp.

Notes to the Consolidated Financial Statements

For the three and nine months ended June 30, 2011 and 2010

(unaudited)

10. Comparative figures

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