



Management's Discussion and Analysis
For the year ended September 30, 2011

Brilliant Resources Inc. (formerly Brilliant Mining Corp.)
Management Discussion and Analysis
For the year ended September 30, 2011

Containing information up to and including January 30, 2012

Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the audited annual consolidated financial statements of Brilliant Resources Inc. and the notes thereto for the years ended September 30, 2011 and 2010 (the "Financial Statements"). Consequently, the following discussion and analysis of the results of operations and financial condition for Brilliant Resources Inc. ("Brilliant", "BLT" or the "Company"), should be read in conjunction with the Financial Statements which have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

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 Resources Inc. (BLT: 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.

As at January 30, 2011, Brilliant is a TSXV-listed Tier-1 junior mining issuer with:

- approximately \$14.5 million in unallocated working capital, \$62.7 million on a fully diluted basis;
- marketable securities with fair market value of approximately \$1.5 million;
- No long term debt
- 149,454,769 common shares issued and outstanding (261,529,288 fully diluted);
- A 100% interest in the prospective Michikamau exploration property in the Province of Newfoundland and Labrador, Canada;
- A 100% interest in the Equatorial Guinea project.

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 a nickel exploration project in Canada, the Michikamau property in central Labrador.

On May 26, 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. had a 25% interest in the unincorporated Lanfranchi Joint Venture (“LJV”) consisting of a producing nickel mine property on an approximately 50 km² 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 in the LJV, in exchange for 12,000,000 ordinary shares of Panoramic (“Panoramic Shares”) and 3,000,000 ordinary share purchase options 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 were subject to a voluntary escrow period of six months, during which time the Panoramic Shares were held in trust by the Company on behalf of their beneficial owners.

On June 1, 2009, the Company’s post-consolidated shares began trading on the TSXV Exchange with a new symbol, “BLT”.

On May 11, 2011, the Company completed the acquisition of Ivory Resources Inc. and a concurrent private placement as described below in the section “*Acquisition of Ivory Resources Inc. and Concurrent Private Placement*”.

On June 22, 2011, shareholders approved a special resolution to effect the name change of the Company to Brilliant Resources Inc. (formerly Brilliant Mining Corp.). On November 23, 2011, the Company received TSXV Exchange acceptance and officially changed its name to Brilliant Resources Inc. The Company’s management has made the change to reflect Brilliant’s broader mandate to include the possible exploration and potential development of hydrocarbon resources in addition to base and precious metals resources.

Acquisition of Ivory Resources Inc. and Concurrent Private Placement

Memorandum of Understanding

On December 1, 2010, the Company announced that it had entered into a memorandum of understanding (“MOU”) with Salida Capital L.P. (“Salida”) whereby the Company was to complete a private placement with a number of parties, including Salida, in conjunction with the acquisition of Ivory Resources Inc. (“Ivory”), a private Cayman Islands corporation with rights to carry out an airborne geological survey (the “Survey”) in Equatorial Guinea and certain preferential rights to acquire mineral interests based on the results of the survey.

In accordance with the original terms of the MOU, the Company loaned \$1.5 million to Ivory (the “Brilliant Loan”) under a credit facility and convertible debenture to continue to fund the Survey. Several other investors participating in the transaction also loaned funds to Ivory under convertible credit facility agreements (“Investor Loans”) with the same terms as the Brilliant Loan in order to have equal preferential rights to Ivory and its assets as Brilliant. The Investor Loans were designed, upon closing of the proposed private placement and acquisition of Ivory, to be converted to shares of Ivory and ultimately sold to Brilliant in exchange for units of Brilliant as described below.

The end result was each investor who had advanced Investor Loans to Ivory were ultimately compensated with one unit of Brilliant for each \$0.27 lent into Ivory as if they had participated in the private placement, but with the advantage that funds were available to Ivory to continue with the Survey.

The total value of the transaction, as contemplated by the MOU, was approximately \$28 million and consisted of: the cash portion of the transaction, including both Investor Loans and the direct private placement, totalling \$23 million; the value of Ivory, notwithstanding the Investor Loans, of approximately \$2 million; and, finder’s fees and additional compensation payments (described below) contemplated by the MOU totalling approximately \$3 million. Additional costs of approximately \$1 million were incurred to complete the transaction.

Completion of the acquisition of Ivory

On May 11, 2011, 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.

As described above, certain investors had previously loaned a total of \$11,632,829 to Ivory pursuant to various 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 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.

Ivory has the rights through an agreement with the Government of Equatorial Guinea (“EG Agreement”), a West African country, to carry out an airborne geophysical survey (the “Survey”) in exchange for certain preferential rights to acquire mineral rights, including oil and gas rights, based on the results of the Survey. The Survey, with a total base cost of approximately \$8.2 million, commenced collecting geophysical data at the end of November, 2010 and has been ongoing since then. 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 38,700 line kilometers and at September 30, 2011 approximately 54,520 line-kilometres. An additional approximate 13,000 line-kilometres were required to complete the Survey at September 30, 2011, at an approximate cost of \$1.5 million, plus additional charges for stand-by and fuel surcharges. The costs required to complete the Survey excluding charges for stand-by and fuel surcharges will be paid from the non-current restricted cash balance at September 30, 2011.

Subsequent to September 30, 2011 the Survey was completed and demobilized. A total of 67,518 line kilometers were flown to complete the Survey.

As consideration 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.

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.

Completion of private placement

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 \$11,367,167 (the "Private Placement").

In total, the Company has issued 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 pursuant to the MOU.

About the EG Agreement

Ivory, has acquired the EG Agreement with the government of the Republic of Equatorial Guinea (the "Government") whereby Ivory will fund and conduct the Survey over the Republic of Equatorial Guinea on behalf of the Government. As compensation for financing the costs of Survey, Ivory will have certain preferential rights to acquire mineral rights based on the results of the Survey (with the exclusion of any reserved areas of the State) for a period beginning with the initiation of Survey and ending two months following delivery of the Survey results to the Government.

Once the Survey has been concluded and the data interpreted, such results will be delivered to the Government at which time Ivory will be in a position to exercise its preferential rights.

CANADIAN OPERATIONS

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.

In the year ended September 30, 2011, the Company impaired the full carrying value of the Michikamau property as there has been no activity on the property within the last 3 years, in accordance with GAAP requirements. The Company still maintains underlying ownership of the Michikamau property and has completed a sufficient amount of work to maintain the claim assessed to be of the highest prospectivity until 2014.

FINANCIAL MD&A AND OTHER DISCLOSURE

Selected Annual Financial Information

Year ended	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2009
	\$	\$	\$
Total assets	35,175,610	12,308,956	11,386,969
Long-term liabilities	-	-	-
Revenues	61,875	43,455	28,282
Net income (loss) from continuing operations	(7,138,029)	(642,020)	11,884,395
Basic net income (loss) from continuing operations per common share	(0.08)	(0.01)	0.33
Diluted net income (loss) from continuing operations per common share	(0.08)	(0.01)	0.32
Net income (loss)	(7,138,029)	(642,020)	2,934,649
Basic net income (loss) per common share	(0.08)	(0.01)	0.08
Diluted net income (loss) per common share	(0.08)	(0.01)	0.08

Financial Condition, Liquidity, and Capital Resources

At January 30, 2011, the Company’s working capital is approximately \$14.5 million, or approximately \$62.7 million on a fully diluted basis (i.e. assuming the exercise of all outstanding options and warrants). In addition to this, the Company holds marketable securities with a market value of approximately \$1.5 million (as at January 30, 2011). Undiluted working capital and marketable securities combine for net liquid assets of approximately 16 million.

The Company currently has sufficient financial resources to complete the Survey and to sustain its operations over the coming year. The Company currently has no source of operating cash flows and its operations have primarily been financed through the issuance of share capital. The Company may require additional equity financing to advance its project in Equatorial Guinea, and, although the Company and its management has a successful history of financing, there is no assurance that the Company will be successful in raising additional capital.

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 (in Dollars)	Sept 2011 (Q4)	Jun 2011 (Q3)	Mar 2011 (Q2)	Dec 2010 (Q1)	Sep 2010 (Q4)	Jun 2010 (Q3)	Mar 2010 (Q2)	Dec 2009 (Q1)
Net income (loss)	(4,052,323)	(1,429,458)	(1,321,457)	(334,791)	1,487,382	(925,529)	(460,441)	(743,432)
Basic and Diluted net income (loss) per share	(0.01)	(0.02)	(0.03)	(0.01)	0.03	(0.02)	(0.01)	(0.02)

Results for the Quarter Ended September 30, 2011

The Company incurred net loss for the quarter ended September 30, 2011 of \$4,052,323 (2010 – net income of \$1,487,382). This amount included general and administrative expenses of \$757,754 (2010 - \$182,637), a significant increase from the comparative period’s general and administrative expenses due to the Company’s acquisition of Ivory and a concurrent increase in activity. The Company also realized interest income of \$25,460 (2010 – \$10,366) on its cash deposits, a significant increase from the comparative period due to increased cash on deposit with the Company’s financial institutions.

The Company also recorded foreign exchange loss of \$1,497 (2009 – gain of \$62,573) and an unrealized loss on held for trading financial assets (the Panoramic Options) of \$1,264,141 (2010 - unrealized gain of \$1,789,467) resulting in the period’s net loss before income taxes of \$3,898,435 (2010 – net income before income taxes \$1,410,947). The fair value of the Panoramic Options is calculated using the Black Scholes option pricing model, using assumptions based on the reporting date.

During the quarter ended September 30, 2011 the Company recorded a mineral interest write down of \$1,901,245 to record the impairment of the full carrying value of the Michikamau Property.

The Company recognized a future income tax expense of \$153,888 (2010 - \$76,435 future income tax recovery) in the current quarter resulting from the recognition of a valuation allowance against future income tax assets recorded in the revaluation of the Company’s investments in marketable securities classified as available-for-sale financial assets.

The Company also recognizes other comprehensive income related to the changes in the fair value of available-for-sale financial assets, consisting of marketable securities. For the quarter ended September 30, 2011, the Company recorded an unrealized loss of \$1,077,215 (2010 - \$535,040), net of \$153,888 (2010 - \$76,435) in future income taxes, as the sole component of other comprehensive income.

Results for the Year Ended September 30, 2011

The Company incurred a net loss for the year ended September 30, 2011 of \$7,166,565 (2010 - \$642,020) which included: general and administrative expenses of \$1,536,837 (2009 - \$930,347), a significant increase from the comparative period's general and administrative expenses due to the Company's acquisition of Ivory and a concurrent increase in activity. These expenses were offset by interest earned on cash deposits of \$61,875 (2010 - \$28,562), a significant increase from the comparative period due to increased cash on deposit with the Company's financial institutions. The period's net loss was also affected by a gain on foreign exchange of \$8,900 (2010 - \$20,728) and an unrealized loss on the estimated fair value of the Panoramic Options of \$3,795,980 (2010 - unrealized gain on the estimated fair value of \$393,570).

The Company recognized a future income tax recovery of \$28,536 (2010 - \$97,838) in the year ended September 30, 2011 related to the recognition of previously unrecognized income tax assets against a future income tax liability arising from fair value adjustments to the carrying value of available-for-sale financial assets.

During the year ended September 30, 2011 the Company recorded a mineral interest write down of \$1,901,245 to record the impairment of the full carrying value of the Michikamau Property.

The Company also recognizes other comprehensive income related to the changes in the fair value of available-for-sale financial assets, consisting of marketable securities. For the year ended September 30, 2011, the Company recorded an unrealized gain of \$199,748 (2010 - \$684,850), net of \$28,536 (2010 - \$97,838) in future income taxes, as the sole component of other comprehensive income.

The comparative period's net income from operations included other revenue of \$14,893 including rental income from renting a portion of the Company's Australian offices to other parties. In the comparative period the Company also recognized a provision against the receivable from the purchaser of a subsidiary in the amount of \$264,526 due to uncertainty of collection.

Financial Instruments

Available-for-sale financial assets

Investments – marketable securities

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 bid price (Level 1)) with unrealized gains and losses recognized as a component of other comprehensive income. The fair value of the marketable securities at September 30, 2011 was \$1,695,824 (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

Investments – unlisted options

The Company holds options of Panoramic Resources Ltd. (the “Panoramic Options”) received as partial consideration for the sale of a subsidiary. In the year ended September 30, 2009 the Panoramic Options were initially recognized at their estimated fair value of \$370,321 as determined using the Black Scholes option pricing model (Level 3). The Panoramic 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 September 30, 2011, the estimated fair value of the Panoramic Options is \$363,069 (September 30, 2010 - \$4,159,049). The resulting unrealized loss of \$3,795,980 (2010 – gain of \$393,570) for the current year has been recognized in the consolidated net loss for the year. The assumptions used in the calculation of the fair value of the Panoramic Options at September 30, 2011 are as follows: stock price \$1.19 (2010 – \$2.69); risk free interest rate 0.91% (2010 – 1.40%); expected volatility 46% (2010 – 47%), and expected annual dividends of 5% (2010 – nil).

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

	2011	2010
Opening Balance	\$ 4,159,049	\$ 3,765,479
Unrealized gain (loss) on held for trading financial assets (included in net loss)	<u>(3,795,980)</u>	<u>393,570</u>
Closing Balance	<u>\$ 363,069</u>	<u>\$ 4,159,049</u>

The Company has determined that the volatility input results in the most measurement uncertainty. The Company used an estimated volatility of 46% to value the Panoramic Options in the current year. If the Company had estimated volatility at 36% the estimated fair value of the Panoramic Options would decrease by approximately \$140,000 and net loss before income taxes would increase by the same. If the Company had estimated a volatility of 56% the estimated fair value of the Panoramic Options would increase by approximately \$148,000 and net loss before income taxes would decrease by the same.

During the years ended September 30, 2011 and 2010, there were no transfers of instruments between level 1, 2 or 3.

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 their fair value.

Capital management

The Company’s capital consists of shareholders equity.

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.

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. No changes to the Company's capital management have occurred since the prior year and the Company has no externally imposed capital requirements.

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

The Company had approximately \$14.93 Million in cash and cash equivalents at September 30, 2011 (2010 – 4.25 Million). As the Company's cash and cash equivalents earn variable rates of interest and are carried at fair value, the Company is 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, restricted cash, and accounts receivable. The maximum exposure to credit risk is therefore \$17,782,733 at September 30, 2011 (2010 – 4,524,030) The Company has assessed minimal credit risk related to these financial instruments and does not maintain a strategy to manage this minimal risk.

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.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. As at September 30, 2011, the Company has consolidated working capital of \$14,928,082 and does not have any long-term liabilities. As such the Company has determined that its liquidity risk is nominal.

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.

The Company's management information circular dated April 16, 2009, available on SEDAR, includes extensive disclosure on material risks to the company's operations. Information concerning risks related to financial instruments is included in the Financial Statements.

Related Party Transactions

During the year ended September 30, 2011, the Company incurred management consulting fees included in management and consulting fees of \$184,582 (2010 - \$190,712) to directors and officers, or companies controlled by them. All amounts were fully paid as at September 30, 2011 and 2010.

At September 30, 2011 the Company had accounts payable to a company with common directors in the amount of \$28,347 (2010 – nil) relating to the reimbursement of shared office, staff, and administrative costs. The amounts were paid subsequent to September 30, 2011. At September 30, 2011 the Company had accounts receivable from a company with common directors in the amount of \$10,216 (2010 – nil) relating to shared office. The amounts were received subsequent to September 30, 2011.

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.

During the year ended September 30, 2011, the Company and a corporation with common directors entered into a five year office premises lease agreement. Basic rental payments, excluding operating costs, is approximately \$140,000 per year. The office rental and operating costs are shared between several companies, and the Company only pays its pro rata share of the total cost of the office rental.

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 January 30, 2012, the following common shares and stock options were outstanding:

Class A common shares issued				149,454,769
Fully diluted				261,529,288
Options outstanding	12,500	@	\$0.15 to May 1, 2012	
	275,000	@	\$0.15 to October 5, 2012	
	400,000	@	\$0.15 to November 7, 2012	
	1,175,000	@	\$0.15 to June 19, 2014	
	50,000	@	\$0.175 to August 25, 2014	
Total Options Outstanding	1,912,500	@	\$0.15 (avg.) = \$288,125	
Warrants outstanding	6,383,333	@	\$0.20 to October 16, 2014	
	103,703,686	@	\$0.45 to May 11, 2013	
Total Warrants Outstanding	110,087,019	@	\$0.44 (avg.) = \$47,943,325	
Agents' Warrants outstanding	75,000	@	\$0.20 to October 16, 2014	
Total Agents' Warrants Outstanding	75,000	@	\$0.20 (avg.) = \$15,000	

On May 11, 2011 the Company completed the acquisition of Ivory Resources Inc. and closed a private placement of units as described in the section “*Acquisition of Ivory Resources Inc. and Concurrent Private Placement*”. Pursuant to the private placement, the Company issued 42,100,617 Units at a price of \$0.27 per Unit for gross proceeds of \$11,367,167. Relating to the acquisition of Ivory, the Company issued an additional 61,603,069 Units and 1,851,851 Common Shares. Further disclosure of the private placement concurrent with the acquisition of Ivory Resources Inc. refer to the section, “Acquisition of Ivory Resources Inc. and Concurrent Private Placement”, above

Change in accounting policies

International Financial Reporting Standards (“IFRS”)

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises would be required to adopt IFRS for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the conversion to IFRS will be applicable to the Company’s reporting in the first quarter of 2012, ending December 31, 2011, with restatement of comparative information presented. The conversion to IFRS will impact the Company’s accounting policies, information technology and data systems, internal controls over financial reporting, and disclosure controls and procedures.

The Company identified the following three phases of its conversion plan: initial scoping and impact assessment analysis, evaluation and design, and implementation and review.

The adoption of IFRS will result in changes to the Company’s accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in the Company’s financial statements. The following summarizes potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas the Company has identified as having the most potential for a significant change.

Share-based Compensation

Canadian GAAP allows entities the option of recognizing stock options that vest in installments (i.e. graded vesting) as separate arrangements or as a single pool with a fair value based on the average life of the option. Under IFRS 2, Share-Based Payment, each installment must be accounted for as a separate arrangement with its own distinct fair value measurement. This is the case due to the fact that each installment has a different vesting period and hence the fair value of each installment is likely to be different. The compensation cost for each tranche is recognized over its own distinct vesting period. The Company’s stock options issued to the date of this MD&A have vested on issuance, therefore the Company does not expect any adjustment to historical transactions related to the transition to IFRS.

Impairment

Per International Accounting Standard 36, Impairment of Assets (“IAS 36”), an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity should estimate the recoverable amount of the asset. The indicators of impairment are generally consistent with those of Canadian GAAP. An asset should be written down to its recoverable amount if the recoverable amount is less than its carrying value. Further, under IAS 36, the Company would be required to reconsider whether there is any indication that an impairment loss recognized, if any, in a prior period may no longer exist or has decreased on transition and thereafter on an annual basis. If such indicators exist, a new recoverable amount should be calculated and all or part of the impairment charge should be reversed to the extent the recoverable amount exceeds its carrying value. This treatment under IFRS differs from Canadian GAAP, where reversals of impairment charges are not permitted. The Company has assessed that no impairment charges against the carrying value of its long-term assets is required at this time and it has not to date recorded any impairments to be reassessed for reversal.

Effects of Changes in Foreign Exchange Rates

Under Canadian GAAP, the Company is required to determine, for each foreign subsidiary within the consolidated group, whether such subsidiary is an “integrated” foreign subsidiary, or a “self-sustaining” foreign subsidiary, in order to determine the accounting treatment of changes in foreign exchange rates on consolidation. The Company had tentatively determined that its foreign subsidiaries were integrated foreign subsidiaries. As a result, the effect of changes in foreign exchange rates in the consolidation of the foreign subsidiaries’ assets and liabilities into Canadian dollars for consolidated reporting purposes were included in net loss in the periods in which they occur.

IFRS requires the Company to separately determine the functional currency of each economic entity in the consolidated group. The Company has determined that the functional currency of its foreign operations is the Canadian dollar, the same as the functional currency of the parent company, based on an assessment of the indicators contained in IAS 21 – The effects of changes in foreign exchange rates. Pursuant to this determination and IAS 21, the effects of changes in foreign exchange rates in the translation of the Company’s foreign operations for consolidated reporting purposes are included in the period’s net loss, except for the effects of changes in foreign exchange rates on the parent company’s net investment in the foreign operations which are taken up in other comprehensive income and held as a component of accumulated other comprehensive income in equity until the Company’s net investment in the foreign operations changes, at which time the related portion of accumulated foreign exchange gains or losses are recognized in net income or loss of the period of the change.

Income Tax

International Accounting Standard 12, Income Taxes (“IAS 12”), requires the recognition of deferred tax assets or liabilities for all deductible and taxable temporary differences except in certain circumstances. Under IFRS, a deferred tax asset is recognized to the extent it is “probable” that taxable profit will be available against which the deductible temporary differences can be utilized. Under Canadian GAAP, future income tax assets are recognized if it is “more likely than not” that such an asset will be realized. The term “probable” is not defined in IAS 12. However, entities have often used a definition of “more likely than not” similar to Canadian GAAP. IAS 12 does not preclude a higher threshold. Accordingly, a difference will not result as long as the Company uses “more likely than not” as its definition of “probable”.

IFRS 1, First-time Adoption of International Financial Reporting Standards (“IFRS 1”), sets forth guidance for the initial adoption of IFRS. Commencing for the prior period ending December 31, 2010, the Company will re-state its comparative fiscal 2011 consolidated financial statements for annual and interim periods to be IFRS compliant. In addition, the Company will reconcile equity and net earnings from the then previously reported fiscal 2011 Canadian GAAP amounts to the re-stated fiscal 2011 IFRS amounts. IFRS generally requires that first-time adopters retrospectively apply all IFRS standards and interpretations in effect as at the first annual reporting date. IFRS 1 provides for certain mandatory exceptions and certain optional exemptions. Changes to estimates previously made are not permitted. The estimates previously made by the Company under Canadian GAAP will not be revised for application of IFRS except where necessary to reflect any changes resulting from differences in accounting policies. The Company is currently reviewing the optional exemptions to ascertain those it will use, if any. The Company does not anticipate material changes to the recognition and measurement of historical transactions upon the conversion to IFRS.

Other IFRS Transition Matters

To date, the Company has not identified any contractual arrangements that may be affected by potential changes to significant accounting policies. The Audit Committee has been regularly updated on the progress of the IFRS conversion plan and made aware of the evaluation to date of the key aspects of IFRS affecting the Company.

The implementation and review phase involves the design of business, reporting and system processes to support the compilation of IFRS compliant financial data for the opening balance sheet at October 1, 2010, fiscal 2011 and thereafter. Due to the small size of the Company, and the relative simplicity of the transactions that it has entered into in prior periods, and for the foreseeable future, the Company has assessed that no significant changes are required to be made currently to the Company’s business, reporting, and system processes upon the conversion to IFRS.

Investor Relations

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

Approval

The Board of Directors of the Company has approved the disclosures contained in this MD&A upon recommendation of the Audit Committee. A copy of this MD&A will be provided to anyone who requests it.