

Cadillac Mining Corporation
(formerly "Eclips Inc.")

FOR THE QUARTER & YEAR ENDED AUGUST 31, 2007

FORM 51-102 F1

MANAGEMENT DISCUSSION AND ANALYSIS

DATE: DECEMBER 28, 2007

Cadillac Mining Corporation ("the Company" or "CMC") provides this MD&A as of December 28, 2007 and is in respect of the quarter ended August 31, 2007.

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles, and these statements are filed with the relevant regulatory authorities in Canada. All currency amounts are expressed in Canadian dollars unless otherwise noted.

FORWARD-LOOKING INFORMATION AND REPORT DATE

This MD&A contains certain forward-looking information. All information, other than historical facts included herein, including without limitation data regarding potential mineralization, exploration results and future plans and objectives of the Company, is forward-looking information that involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate and future events and actual results could differ materially from those anticipated in the forward-looking information.

The forward-looking information is provided only as of the date of this MD&A, December 28, 2007 (the "Report Date").

OVERVIEW OF BUSINESS

CMC is a junior mining exploration company actively engaged in the acquisition, exploration and development of mineral resource properties, to date in the Provinces of Quebec and British Columbia. The Company's core management and technical team are mining professionals, with extensive domestic and international experience in all aspects of mineral exploration, operations and venture capital markets.

RESULTS OF OPERATIONS

As a consequence of the difficulties described below in respect of its core West Cadillac Project, management determined early in the calendar year that the Company should expand exploration activities to include other North American opportunities that offer significant potential. The selection criteria was restricted to under-explored and/or undervalued projects with potential for exceptional returns for modest investment.

A large number of exploration projects were reviewed and examined over several months, with the result that the Company effected three significant acquisitions in British Columbia in the latter part of 2007. These projects have recently been inactive, but in management's opinion, offer good potential for success from low-cost initial programs. All three of the new acquisitions were drilled in first-stage programs described below. Projects located in the western USA and Mexico are also under active consideration.

Property Holdings

West Cadillac Project

The Company holds a regional-scale claim position, covering approximately 11,000 hectares in Beauchastel, Dasserat, Montbray and Rouyn Townships, lying immediately west of the mining center of Rouyn-Noranda, Quebec. Adequate assessment work was conducted during 2006 to retain all but a minor proportion of the claims until the next cycle anniversary in 2008.

CMC also acquired options from Richmond Mines Inc. in April 2004 to earn a 50% interest in a further 2185 hectares in 77 claims. The Company satisfied the second-year expenditure requirements of the Norcoeur and

Lac Fortune options. However results from the 2006 and 2007 programs were not sufficiently encouraging to warrant the third-year combined expenditure requirement of \$1,300,000, and the Company has relinquished the options.

Santa Maria Project

Late in August the Company announced the signing of an agreement with Bearclaw Capital Corp. ("BCC") to earn a majority interest in the 677-hectare Santa Maria polymetallic prospect located approximately 40 kms south of Smithers in west-central British Columbia.

Pursuant to an agreement the Company paid Bearclaw \$10,000 and issued 100,000 CMC shares on regulatory approval. The agreement requires CMC to expend \$450,000 on exploration, and pay BCC a further 300,000 CMC shares over a three-year period to earn a 60% interest in the property. CMC has the further option to increase its interest in the Santa Maria property to 75% by expending an additional \$200,000 and paying a further 100,000 shares in the fourth year of the option, prior to entering into a joint venture relationship with BCC.

Osilinka-Cat Mountain Project

In September the Company announced the execution of an option agreement with Lysander Minerals Corporation to earn a 50% interest in the 9002-hectare Osilinka-Cat Mountain porphyry copper-gold prospect located in north-central British Columbia, about 170 km northwest of Mackenzie.

The option requires CMC to expend \$2,000,000 (including an administration allowance) on exploration, and pay Lysander 250,000 CMC shares over a four-year period to earn a 50% interest in the property, and retain operatorship of a subsequent joint venture. Cadillac issued 50,000 shares upon receipt of regulatory approval. CMC must expend \$350,000 on the property by the end of 2008 to maintain the option. The property is not subject to any underlying royalties.

Silver Streak Project

In November CMC announced the execution of an option agreement to acquire a 100% interest in the 605-hectare Silver Streak silver-copper prospect located south of the town of Houston in west-central British Columbia.

The option requires CMC to pay a group of private prospectors \$105,000 and 250,000 Cadillac shares over a four-year period to earn a 100% interest in the property, subject to a 1% production royalty that can be purchased for \$1,000,000. Cadillac has paid \$5,000 and will issue 25,000 shares upon receipt of regulatory approval, and has firmly committed to expend at least \$50,000 on the property by the end of 2007.

General Geology & Exploration Potential

West Cadillac Project

The 200km-long Cadillac-Larder Lake Deformation Zone has produced a spectacular array of gold and base metal deposits over many decades. Recent years have seen the discovery of one large new low grade gold deposit near the village of Malartic and the structure is currently the active focus of extensive exploration.

The West Cadillac project is located within the Noranda volcanic complex, primarily under a section of the Cadillac Break west of Rouyn-Noranda that had never been explored because a localized cover of Proterozoic (Cobalt) formation. The principal focus of the Project is the roughly 20 kms of this unexplored section of the Break (in Beauchastel and Dasserat Townships) held by CMC.

Drill targeting through the Proterozoic cover proved to be more difficult than anticipated. The Cobalt sediments are thicker than geophysics predicted, and lithochemistry has not provided the definitive drilling targets expected. However drilling completed on the Break has revealed considerable new geological information that will guide further exploration. The Company will refine its geological model by incorporating all newly acquired information, and re-interpreting 2004 geophysical surveys, before proceeding with the next stage of drilling in 2008.

Santa Maria Project

The Santa Maria property hosts structurally controlled Cu-Ag-Au massive to disseminated sulphide mineralization within a series of stacked rhyolite flows/domes extending over a strike length of at least 500 meters. The prospect was discovered in 1916, subsequent to which production of 69,400 g Ag and 33,200 kg copper from 217 tonnes of ore has been reported.

Modern exploration on the prospect includes mapping, soil sampling, geophysical surveys, trenching and 2290 m of core and percussion drilling in 19 holes. The majority of historical exploration, which was conducted in 1966 and 1970 (Minfile records), focused on drilling along EM conductors and returned significant values ranging to 2.55% Cu and 23 g/t Ag over 6.1 meters. However, drilling at that time was restricted to relatively shallow holes, core recovery is reported to have been very poor, and no gold analyses were performed.

Management is of the opinion that prior exploration has left considerable latitude for further work, particularly with recent advances in modeling of volcanogenic and sub-volcanic deposits. In particular, the similarity in style of mineralization and proximity to the mined out Equity Silver Mines deposits located some 80 km to the east of the Santa Maria is most encouraging.

Osilinka-Cat Mountain Project

The Osilinka-Cat Mountain property is located within a geological trend referred to as the Quesnel Trough, and is readily accessible by the Kemess mine road. Mineralization consists of alkalic intrusion-hosted copper and gold-bearing disseminated sulphides. This is similar in character to the Kemess, Mount Milligan, and the recently discovered Kwanika deposits, the closest to the Osilinka prospect of several such deposits within this very active trend.

Modern exploration, which dates to the acquisition of the prospect by BP Minerals in 1975, has included mapping, geochemical and geophysical surveys, trenching and core drilling. This work has outlined strongly elevated Cu and Au values covering an area roughly one kilometer in diameter on Cat Mountain. Much of the previous drilling has focused on the Bet Zone on the west of this area, revealing a sub-economic porphyry system exhibiting intense K-feldspar alteration, and pyrite, chalcopyrite and magnetite mineralization. The most recent work, an airborne survey completed earlier this year, shows an anomalous response coincident with the 800 meter by 200 meter Hoffman Zone copper-in-soil geochemical anomaly. Two core holes tested the southern limit of the Hoffman Zone in 2005, with encouraging results.

Management is of the opinion that prior exploration on Cat Mountain has defined several targets within a well mineralized intrusive complex. The similarity of the style of mineralization to other alkalic porphyry deposits in the region is very encouraging.

Silver Streak Project

The property is readily accessible by main line logging roads approximately 25 km south of Houston, B.C. Prior workers have described the prospect as a structurally controlled discordant epithermal system comprised mainly of disseminated and stringer sulphides with associated carbonate or quartz-carbonate veinlets and breccia zones. Several parallel, 3 to 13 meters wide, north-northeast striking, sub-vertical mineralized lenses, contained within an overall zone width of 35 to 60 meters, have been identified over a strike length of 80 meters, and to a depth of 140 meters by previous drilling. Mineralization displays similarities to that of the Equity Silver deposit located approximately 30 km to the east, though the likelihood of common genesis is in dispute.

Largely overburden covered, the Silver Streak mineralization was not discovered until 1989. Previous exploration comprised geochemical and geophysical surveys, trenching and core drilling. Trenching produced significant results which included 1.99% Cu and 338 g/t Ag over 33 meters. An angle core hole drilled under this trench in 1991 intercepted 8.8 meters of 0.49% Cu and 258 g/t Ag, within 21.1 meters averaging 0.27% Cu and 127 g/t Ag. Another trench excavated in 2002 returned 0.26% Cu and 191 g/t Ag over 16.7 meters. These historical trenching and drill results, which Cadillac has yet to verify, suggest a general north-south trend to the system with a sub-vertical dip. However neither the width nor length of this multi-zone system, nor its economic potential can be estimated from the limited work completed to date.

Exploration Programs & Results

West Cadillac Project

Since 2004 the Company has conducted several exploration programs on its optioned and 100%-owned claims. Geophysical and lithochemical surveys provided the basis for defining drill targets, particularly on the Cadillac Break. By far the greatest expenditure has been on core drilling where in three campaigns the Company has completed 30 holes, for an aggregate of 17,421 meters on staked and optioned claims. No potentially economic mineralization has been intercepted to date.

Drilling on the claims optioned from Richmond Mines Inc. began in 2005 with 7 holes comprising 2496 meters. Subsequent campaigns on the Richmond claims comprised 4828 meters in 7 holes in 2006, and 1997 meters in 3 holes in early 2007. Drilling included a single deep drill hole extending sub-vertically from the Lac Fortune mine to the projected trace of the Cadillac Break at 1600m depth which ended in bad ground.

Results, and a complete compilation of the Arntfield database, failed to generate new targets meeting the Company's criteria for further exploration.

Santa Maria Project

The Company embarked on an initial four-hole program in November to determine the validity of prior interpretations of the geological environment of the mineralization identified to date. Unfortunately the campaign had to be terminated after only two holes comprising 316 meters due to severe weather conditions. Assay results are expected in January.

Osilinka-Cat Project

Cadillac's diamond drilling program which was completed in October comprised a total of 1297 meters cored in seven holes, DDH's 07-18 through 24. All mineralized sections of core were split by diamond saw and have been submitted for multi-element analysis. Assay laboratories have been severely back-logged, but results are now expected shortly.

Silver Streak Project

A total of 550 meters in 4 holes were drilled in December, in an attempt to extend mineralization discovered in 1992. Assays are expected in January.

DIRECTORS and MANAGEMENT

The Company's core management and technical team comprise proven professionals, with extensive domestic and international experience in all aspects of mineral exploration, operations and venture capital markets. Details of individual backgrounds can be found in prior filings.

Victor F. Erickson, P. Eng., MBA - President & CEO & Director

Andre J. Audet, P. Eng. – Vice-President, Exploration & Director

Michael J. Brickell, F.C.A. – Director

Elmer B. Stewart, P. Geol. – Director

David W. Childs, P. Eng., MBA - Director

Larry D. Sorenson, C.A. – Secretary & CFO

RISKS & UNCERTAINTIES

Inherent to the business of acquiring, exploring mineral properties, the Company is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue

other than project management fees, and interest on cash balances. The Company will rely mainly on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be exposed.

Early Stage – Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Exploration and Development

Mineral exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are of insufficient size and/or grade to return a profit from production.

All of the mineral claims to which the Company holds or has a right to acquire an interest are in the exploration stages only, and are without a known body of commercial ore. Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before its economic viability can be determined. Development of the subject mineral properties would follow only if favorable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

Operating Hazards and Risks

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Although the Company maintains liability insurance in an amount, which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial conditions.

Supplies, Infrastructure, Weather and Inflation

Recent, improved market conditions for resource commodities after several years of record low prices have resulted in a dramatic increase in mineral exploration causing widespread shortages of experienced technical personnel, and heavy demand for drillers, and crews, and geophysical surveying crews, as well as other goods and services required by exploration companies to perform work.

It is difficult at this stage to quantify the effect of the increased demand for exploration goods and services, but it is forecast that field costs for the upcoming field season will be higher than the rate of inflation prevailing in other sectors of the economy. Exploration companies can also expect to experience difficulty in scheduling drill contracts, geophysical surveys, and other services that are key components of early stage exploration programs.

Metal Prices

The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of the Company and may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production

and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that they can be mined at a profit.

Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements, or transfers, or native claims, and title may be affected by undetected defects.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in Quebec provides restrictions and prohibition on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

A significant portion of the Company's claims lie within the boundaries of a newly established study area in which some or all of the lands may become subject to a special designation following assessment. This study area was established well after mineral titles were acquired by CWE. New claims are not being granted within these boundaries, however, existing titles are not encumbered and title holders retain of all pre-existing rights to conduct exploration and develop resulting mineral resources, subject only to regulations prescribed in the Mining Act.

The current operations of the Company require permits, while such operations are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental, mine safety and other matters.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Cadillac and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

The Company believes that it is in substantial compliance with all material laws and regulations, which currently apply to its activities. There can be no assurance, however, that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability. Unfavorable economic conditions could also increase the Company's financing costs, decrease net income or increase net loss, limit access to capital markets and negatively impact any of the availability of credit facilities to the Company.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

SUMMARY OF QUARTERLY RESULTS

As at the quarter ending August 31, 2007 the Company had a working capital surplus of \$811,893. During the three month period ended August 31, 2007 the Company had interest income of \$26,273; amortization of \$320; mineral exploration costs written off \$1,157,674; general and administration expenses of \$41,555, professional fees of \$ nil; and regulatory and filing fees of \$7,306; for a net loss of \$975,241.

	Q4 2007 \$	Q3 2007 \$	Q2 2007 \$	Q1 2007 \$	Q4 2006 \$	Q3 2006 \$	Q2 2005 \$	Q1 2005 \$
Total Revenue	26,273	3,312	5,534	9,387	19,370	0	641	0
Net Income (loss)	(975,241)	251,358	(55,594)	(59,215)	(59,215)	(89,156)	(243,748)	(17,184)
Income (Loss) Per Share	(0.040)	0.100	(.002)	(.002)	(.004)	(0.001)	(.009)	(.001)

LIQUIDITY & CAPITAL RESOURCES

In 2005, the Company completed flow-through private placement comprising of 600,000 special warrants which were issued at \$0.20 per special warrant, raising \$120,000.

In February of 2006, the Company completed a private placement comprising 625,000 units consisting of one common share and one common share purchase warrant which were issued at \$0.20 per special warrant. Each warrant entitled the holder to purchase one common share at a price of \$0.25 on or before February 28, 2007, raising \$125,000.

On May 31, 2006, the Company completed the first closing of a brokered private placement comprising 425 A units and 137 B Units at a price of \$5,000 per unit. The A units consisted of 2,500 common shares, 7,500 flow-through shares and 2,500 share purchase warrants. The B units consisted of 10,000 and 10,000 share purchase warrants. Each whole warrant entitles the holder to purchase one common share at a price of \$0.55 on or before July 10, 2007 and at a price of \$0.75 on or before July 10, 2008. This financing raised \$2,372,863 net of issuance costs of \$437,137.

On July 7, 2006 the Company completed the second closing of the brokered private placement which in aggregate comprised 6,420,000 shares by issuing an additional 57 A units and 25 B Units at a price of \$5,000 per unit on the same terms as described above. This financing raised an additional \$380,764 net of issuance costs of \$29,236.

In March 2007, the Company renounced \$1,807,500 of Canadian Exploration Expenses in respect the flow-through portion of its 2006 share placements.

The exploration expenditures by the Company in the Province of Quebec are eligible for a 35% refundable tax credit as administered by Revenu Quebec. To date the Company has received \$571,263 in respect of expenditures made through August 31, 2006 under this incentive program. The Ministre des Ressources Naturelles administers the Mining Duty program, under which exploration expenditures are eligible for a further net 7.8% rebate. To date the Company has received \$26,952 under this program in respect of expenditures completed through May 31, 2006.

OFF BALANCE SHEET ARRANGEMENTS

The company has no off Balance Sheet Arrangements.

TRANSACTIONS WITH RELATED PARTIES

As at August 31, 2007 - \$ 266,149 (May 31, 2007 - \$215,057, November 30, 2006 - \$184,589, August 31, 2006 - \$277,618, May 31, 2006 - \$265,893) was owed to companies controlled by directors and officers.

The following related party transactions were incurred in the normal course of operations and were measured at their fair value as determined by management.

	August 31 2007 \$	May 31 2007 \$	February 28 2007 \$	November 30 2006 \$	August 31 2006 \$	May 31 2006 \$
Management fees charged by a company controlled by the President	15,000	15,000	15,000	15,000	15,000	25,000
Consulting and management fees charged by companies controlled by a directors	-	-	-	-	-	22,000
Geological consulting fees charged by company controlled by a director	43,520	-	33,600	26,280	55,200	11,400
Consulting and accounting fees charged by a company controlled by an officer	5,875	3,000	8,267	3,250	-	42,290

Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and the best interest of the Company.

ACCOUNTING

Critical Accounting Estimates

Please refer to Note 3 of the Company's Financial Statements for additional information under "Significant Accounting Policies".

Changes in Accounting Policies Including Initial Adoption

Effective January 1, 2002 a new accounting standard for stock-based compensation plans was retroactively adopted. The standard encourages use of the fair-value based method for direct awards of stock options. No compensation expense is recognized for the plan when stock options are issued to employees at an exercise price that exceeds or equals the fair value of the Company's common shares at the date of the grant. Pro-forma earnings per share have not been presented to reflect the effect of options granted to employees prior to January 1, 2002. As no options have been granted during 2003, pro-forma net income and earnings per share have not been disclosed. Any consideration paid by employees on exercise of stock options or purchase of stock is credited to share capital.

Financial & Other Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable, accrued liabilities and advances. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from financial instruments. The fair value of

these financial instruments approximates their carrying value due to their short-term maturity or capacity for prompt liquidation

Disclosure of Outstanding Share Data

The following table states the diluted share capital of the Resulting Issuer

	Shares Outstanding (Diluted)
Balance December 31, 2004, & 2005	22,794,835
Issued for:	
Share consolidation (8 for 1) ⁽¹⁾	(19,945,480)
Private placement ⁽²⁾	5,620,000
Consulting ⁽³⁾	377,921
Debt settlement ⁽⁴⁾	230,094
Acquisition of CWE ⁽⁵⁾	13,975,762
Total common shares issued and outstanding as at May 31, 2006	23,053,132
Private placement completion ⁽⁶⁾	820,000
Share gross up ⁽⁷⁾	159,111
Debt settlement ⁽⁸⁾	16,666
Total common shares issued and outstanding as at May 31, 2007	24,049,709
Share gross up ⁽⁷⁾	429,961
Total common shares issued and outstanding as at August 31, 2007	24,478,870
Shares reserved for issuance pursuant the exercise of the Warrants ⁽⁹⁾	4,880,600
Shares reserved for issuance pursuant the exercise of the Options ⁽¹⁰⁾	1,600,000
Shares reserved for issuance pursuant the top-up ⁽¹¹⁾	200,000
Total common shares fully diluted as at August 31, 2007	31,159,470

- 1) During the period, the Company consolidated its share capital on an 8 for 1 basis.
- 2) On May 31, the Company completed a private placement comprising 425 A units and 137 B Units at a price of \$5,000 per unit. The A units consisted of 2500 common shares, 7500 flow-through shares and 2500 share purchase warrants. The B units consisted of 10,000 common shares and 10,000 share purchase warrants. Each share purchase warrant entitles the holder to purchase one common share at a price of \$0.55 on or before July 10, 2007 and at a price of \$0.75 on or before July 10, 2008.
- 3) During the period, the Company issued 377,921 common shares in exchange for consulting services.
- 4) During the period, the Company issued 230,094 common shares in settlement of a number of debt obligations amounting to \$306,303 of debt.
- 5) The Company acquired Cadillac West Explorations Inc. (CWE) by the issuance of 13,975,762 common shares in exchange for all the issued common shares of CWE, pursuant to the terms of the Share Exchange Agreement dated January 31, 2006 between Eclips Inc., CWE and its principal shareholders.
- 6) To complete the brokered private placement of 6,420,000 common shares at \$0.50 per share, 5,620,000 of which were issued on May 31, 2006, the Company issued an additional 57 A units and 25 B Units at a price of \$5,000 per unit. The A units consisted of 2,500 common shares, 7,500

flow-through shares and 2,500 share purchase warrants. The B units consist of 10,000 common shares and 10,000 share purchase warrants. Each share purchase warrant entitles the holder to purchase one common share at a price of \$0.55 on or before July 10, 2007 and at a price of \$0.75 on or before July 10, 2008.

- 7) The Company issued 159,111 common shares to former Eclips Inc. shareholders as part of an undertaking to ensure each former shareholder owned a minimum of 500 common shares in the Company.
- 8) The Company issued 16,666 common shares valued at \$20,000 pursuant to a debt settlement agreement on September 9, 2006.
- 9) Outstanding warrants include 1,476,000 share purchase warrants exercisable at \$0.24 per common share on or before November 30, 2008, and 3,404,600 share purchase warrants exercisable at \$0.55 per common share on or before July 10, 2007 and exercisable at \$0.75 per common share on or before July 10, 2008
- 10) Outstanding stock options are 1,400,000 options exercisable at \$0.50 per common share until June 1, 2011, and 200,000 options are exercisable on or before July 10, 2008.
- 11) The Company has issued 589,071 common shares to former Eclips Inc. shareholders as part of an undertaking to ensure each former Eclips Inc. shareholder owned a minimum of 500 common shares in the Company. Management of the Company can not reasonably estimate the number of shares that may be further required in this regard.

Commitments

The Company has entered into a contract with a private company, First Canadian Capital Corporation, to provide investor relations for a fee of \$5,000 per month for a period of 12 months. First Canadian was also granted 200,000 options at an exercise price of \$0.50. The option is exercisable on or before July 10, 2008.

Recent Developments and Outlook

The Company expects to obtain financing in the future primarily through further equity and/or debt financing, as well as through joint venturing and/or optioning out the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

Disclosure Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Company. Based on an evaluation of the Company's disclosure controls and procedures as of the end year covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com or on the Company's website at www.cadillacmining.com.