

Cadillac Mining Corporation

FOR THE QUARTER AND YEAR ENDED AUGUST 31, 2011

FORM 51-102 F1

MANAGEMENT DISCUSSION AND ANALYSIS

DATE: DECEMBER 20, 2011

Cadillac Mining Corporation (the "Company" or "Cadillac") releases this MD&A as of December 20, 2011 and is in respect of the year ended August 31, 2011.

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 20, 2011 (the "Report Date").

OVERVIEW OF BUSINESS

Cadillac Mining Corporation 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. Cadillac commenced acquisition and exploration activities in the Great Basin in the USA in late 2010.

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. Cadillac is focused primarily on developing fresh concepts for targeting high-value precious and base metal deposits. While of inherently higher risk, management feels that the economic potential of such an exploration strategy is the preferred niche for Cadillac.

The Company's initial campaign of aggressive exploration in 2006-07 failed to produce adequate results to permit a new round of financing at that time without prejudicing the Company's capital structure. Subsequently, at the end of the Company's 2008 fiscal year-end, worsening economic and market conditions caused management to adopt a very conservative approach to exploration activity. During this period, the overriding strategy was to preserve cash resources, and maintain the Company's capital structure by avoiding highly dilutive financings. As a consequence, expenditures during the 2009 fiscal year were limited, with primary focus on the in-house development of fresh exploration concepts. During that period the Company maintained the preponderance of its claims in Quebec. However none of the Company's British Columbia projects lived up to expectations, and all were returned to the respective vendors between 2008 and 2010.

Research conducted during this period led management to conclude that despite a significant record of discoveries by the industry in the Great Basin of the western USA, exploration opportunities still exist as a result of the constant evolution of the understanding of deposit models.

The renewed interest in exploration for gold in western Quebec enabled the Company to share some of that project risk by engaging in a farm-out of much of its property interests on the Break and in the Noranda Basin to a qualified partner. Cadillac has however retained outright two smaller properties located adjacent to projects currently under active exploration and development. This strategy will assist the Company to pursue a policy of more aggressive acquisition and exploration in respect of new projects, the first of which was the Goldstrike project in the Great Basin in southwestern Utah State, as announced in January 2011.

Going forward, the Company now holds significant interests in two historical gold camps in diverse jurisdictions that both rate very highly in overall exploration attractiveness.

RESULTS OF OPERATIONS

Cadillac was formed in 2004 to explore approximately 9500 hectares of mining titles acquired earlier by two of the Company's founding shareholders on the Cadillac Break and the Noranda Basin. This land position represented one of the largest consolidations ever accomplished in the region. A further approximately 2200 hectares contiguous with Cadillac's properties were optioned from Richmond Mines Inc. in 2004.

Later that year the Company conducted several exploration programs on the optioned and 100%-owned claims. Geophysical and lithochemical surveys provided the basis for defining some drill targets, particularly on the Cadillac Break. In 2005 the Company drilled seven holes on the Richmond ground.

Subsequent to effecting a reverse take-over of Eclips Inc. in mid-2006, Cadillac conducted major drilling programs on the Cadillac Break in 2006 and 2007 that failed to produce economic intersections. In 2007, partly to meet Federal Income Tax Act requirements consequent to the Company's 2006 flow-through financing, Cadillac acquired four exploration projects in British Columbia which offered good potential for success from low-cost first-stage drill programs. Results, as previously disclosed, were varied. In December 2008 the Company optioned a fifth BC property, the Herd Dome prospect, and subsequently relinquished the Santa Maria option.

During 2008, due to worsening economic and market conditions noted above, the Company conducted only limited exploration, funded primarily by a \$200,000 flow-through share placement. A short drill program was conducted on the Beauchastel East gold prospect in Quebec in July 2008, while a ground magnetic survey was completed in August 2008 on the Osilinka-Cat Mountain property. The Tuzo Creek molybdenum property was drilled in August 2008 to test for extensions of mineralization encountered in 2007, but results were inadequate to justify extension of the option.

During the fiscal year ended August 31, 2009, consistent with the strategy described above, management restricted activities to in-house research, data analysis, and prospecting as the initial stages of new grass-roots exploration programs for precious and base metals.

The Osilinka-Cat Mountain agreement was written-off as of the end of the 2009 fiscal year when the potential size of the exploration target was downgraded by Cadillac's 2007 drilling and 2008 magnetic survey. Management also determined that, under market conditions existing at the time, the potential of the Herd Dome property did not warrant the high expenses and uncertainties related to access and permitting in British Columbia, and it was returned to the vendor.

In July 2010 the Company conducted a modest three-hole 830-meter drill program on its Wasa and Kekeko East properties in the Break Project. Performed in part to satisfy assessment requirements, the drilling served to investigate previously identified targets, and in both cases confirmed the desirability for further exploration.

While agreement was reached in December 2009 to revise the terms of the Silver Streak option, geochemical and geophysical surveys conducted in 2010 failed to locate any compelling drill targets. Consequently the option was relinquished, and the property was written off as of the end of the 2010 fiscal year.

As indicated below, an option agreement was reached in December 2010 with Visible Gold Mines Inc. of Rouyn-Noranda in respect of much of the Company's property interests on the Break and in the Noranda Basin.

On January 17, 2011, Cadillac announced the assembly of a large land position in the Goldstrike (also known as Bull Valley) Mining District in western Washington County, southwestern Utah. Formerly operated as a heap-leach gold mine, and previous to that as a number of small but high-grade underground mines, the Goldstrike project has been the primary focus of the Company's efforts during 2011.

Property Holdings

Cadillac Break Project

The Company continues to hold a regional-scale land position, comprising 228 claims covering approximately 7755 hectares in Beauchastel, Dasserat, and Rouyn Townships, lying immediately west of the mining center of Rouyn-Noranda, Quebec. All of the mineral titles have been renewed and are currently in good standing to at least their anniversary date in 2012. The limited drilling program conducted during July on the Wasa and East Kekeko claim groups supplemented existing assessment credits. The optionee, Visible Gold Mines Inc. (see below) conducted a substantial drill program during 2011, but details are not yet available as to the consequences to assessment credit requirements.

In August 2010, Cadillac received \$35,000 from the sale of 17 semi-contiguous claims in northeast Dasserat Township to Mines Richmond Inc., and retained a production royalty comprising 2.5% of net smelter return. The Company drilled three holes in 2006 in the area, and subsequently wrote off those expenditures.

Effective December 1, 2010 Cadillac and Visible Gold Mines Inc. of Rouyn-Noranda entered into an option agreement (the "Option") pursuant to which the Company granted Visible Gold an exclusive option to earn a 60% interest in 217 of Cadillac's 228 claims. The Option covers approximately 7423 hectares of Cadillac's mineral titles in Rouyn, Beauchastel and Dasserat Townships. Under the terms of the Option, Visible Gold may earn a 60% undivided interest in the property over a period of four years by completing aggregate exploration expenditures of \$4.2 million, issuing an aggregate 500,000 Visible Gold common shares to Cadillac and paying Cadillac a total of \$100,000 cash. The initial and first anniversary payments of \$25,000 cash and 100,000 common shares each have been received by the Company. The balance of the payments to Cadillac are due in annual installments with the final 100,000 shares due in 2014. Preliminary indications are that Visible Gold has to date expended an amount on exploration that is well in excess of the \$500,000 required in the first year of the Option.

Goldstrike Project

The Goldstrike project is situated about 8 miles east of the Nevada border, is easily accessible by approximately 35 miles of paved and gravel roads from the city of St. George, Utah. Cadillac holds four lease agreements covering 40 patented claims, and has acquired a further 208 Federal claims by staking, surrounding and contiguous with the patented claims. Only the leases are subject to a production royalty of 2.5% of net smelter return, as commonly defined in the industry, while no securities will be issued under the agreements. Initial advance royalty payments for all of the patented properties aggregated US\$39,500. These escalate to a maximum exposure of US\$91,000 per year, beginning as of the fifth anniversary of the agreements. The property comprises approximately 4700 acres in total, covering all of the known hard-rock gold occurrences of the historic Goldstrike District.

General Geology & Exploration Potential

Break Project

The 200 km-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 delineation of one large new low grade gold deposit by Osisko Mining Corp. at the village of Malartic, while several other segments of this structure are currently the focus of extensive exploration.

The Break project is located within and west of the Noranda volcanic complex, the Noranda Basin, primarily on a section of the Cadillac Break west of Rouyn-Noranda that had never been explored because it is obscured by a localized cover of Proterozoic (Cobalt) sediments. The principal focus of the Project is the roughly 20 kilometers of this unexplored section of the Break (in Beauchastel and Dasserat Townships) held by the Company.

Wasa Project

Cadillac's 100%-owned Wasa property comprises 164 hectares in seven claims contiguous with the north boundary of Richmond Mines' Wasamac project, where Richmond has announced a NI43-101 measured, indicated, and inferred resource of approximately 1.4 million ounces of gold, and completion of 50,000 meters of drilling in 2011. Richmond has publicly reported that it expects to release a new resource calculation in the near future. As the Wasamac shear zone that hosts Richmond's resource dips northerly, it can reasonably be expected to extend past the common claim boundary onto the Wasa property. Consequently, the potential for gold mineralization on the Wasa claims at depth appears to be reasonably strong.

Wasamac mineralization is confined to a broad persistent shear zone striking about 080 degrees with a north dip averaging 55 degrees. Gold-bearing zones occupy broad tongue-like shoots raking gently easterly. They consist of pyritic quartz-carbonate veins, stringers and silica replacement, all within a chloritic envelope (see the longitudinal section in Cadillac's June 28, 2011 release). The Wasamac shear and related mineralization is known to extend eastward in a semi-continuous fashion for more than 4000 meters.

The two most westerly zones, identified as 'Main Zone' and 'Zone #1', from which some 252,900 oz of gold were mined between 1965 and 1971, are of particular interest to Cadillac due to their proximity to the Wasa property. The Main Zone was developed by an inclined shaft to about 300 meters (1000-ft level), while Richmond's diamond drilling has since traced it to about 600 meters vertically. These mineralized shoots range up to 68 and 20 meters in width over strike lengths of 300 and 150 meters respectively. Current measured and indicated resource blocks, which total 5,093,180 tonnes at 2.51 g Au/tonne, appear to be continuous and predictable along both strike and dip. More than 50% of all resource categories are currently contained in the Main and #1 Zones.

Recent drill results released by Richmond for DDH's 56, 61 & 66A confirm that the Main Zone extends to within 350 meters of Cadillac's south boundary. Mineralized zones reach 68 meters in width at this location. (See the 66A section in Cadillac's June 28, 2011 release). It is important to note that all three drill holes appear to coincide with the expected intersection of the Wasamac shear and the vertically dipping Horne Creek Fault. At this location, nothing is known about the relationship between these two structures, the geometry of their intersection, or how mineralization may have been influenced at their confluence.

It must be noted that it has not been established that the Wasamac shear will extend northward past the Horne Creek Fault, and onto the Cadillac claims. However, Cadillac believes the balance of probabilities supports a positive interpretation (as shown in the 66A cross-section) for the following reasons:

- i) gold mineralization along the Cadillac Break occurred late in the evolution of geological events and generally post-dates all but the latest fault movement;
- ii) the Horne Creek and related faults have moved very little since earliest Proterozoic time, as determined by exhaustive studies of these structures at the Horne Mine; and
- iii) drilling by Minnova in 1986 confirmed that the previously mined Donalda gold-quartz vein near Rouyn-Noranda continues down-dip past the Horne Creek Fault with little or no disruption, contrary to earlier theories.

In addition, Cadillac's management believes that this environment has potential for also hosting VMS mineralization. The Wasa property lies at the intersection of the Horne Creek and Beauchastel faults, which bound the 'prospective' Powel pluton. More importantly, the Horne Creek fault is intimately associated with Noranda Mines' former world-class Horne Mine 15 km to the east, and the Aldermac deposit 2.5 km to the west. These structures and associated splays are currently regarded to have been essential components of a complex synvolcanic plumbing system that focused mineralization in the camp. Accordingly, Cadillac's discovery of an alteration pipe in this context as discussed below is felt to be significant.

Goldstrike Project

Hardrock mining in the Goldstrike District dates to the early 20th century, when narrow 'bonanza' grade veins were mined from shallow shafts and adits. In the 1980's the advent of heap leaching of oxidized low-grade ores encouraged Tenneco Minerals to place the property into production. Published records indicate that between 1988 and 1996, 209,835 oz. gold and 197,654 oz. of silver were recovered by Tenneco and its successor USMX from 6,858,000 short tons of ore mined from twelve near-surface deposits, extending over a roughly four mile-long trend. Over the life of the heap leach operation, where large-scale mining ceased in 1994, the average grade delivered to the pads was reported at about 0.035 oz. gold per ton, or 1.19 gram per tonne.

The Goldstrike District lies within a recognized SW-NE trending corridor that stretches approximately 115 miles from the Delamar gold deposit in Nevada, to the Parowan iron deposits in Utah. It is thought to be the expression of a deep-seated mineralizing system tapping a basement lineament. The project is situated at the southern edge of a Tertiary volcanic field where it overlaps deformed Paleozoic rocks and overlying Eocene-Oligocene sediments. Mineralization is controlled by a complex and poorly understood structural regime that includes a low-angle thrust fault and a northeast-striking set of arcuate high-angle faults. The latter bound a sequence of horsts and grabens along which silica-related gold mineralization was introduced. Gold is associated with widespread silicification, locally described as intense. Low-grade disseminated gold occurs in silicified hydrothermal breccias, silica flooded sandstone, and jasperoidal limestone. Mineralization, which is associated with arsenic, mercury, and antimony, resembles "Carlin-type" in many respects.

In addition to exploring known trends for extensions to the previously mined deposits (that would be particularly attractive at today's elevated gold prices), it will be the Company's strategy to drill for higher grade mineralization at depth. This strategy has been successfully applied at several of the open pits in Nevada where the geological environment is similar.

Exploration Programs & Results

Break Project

Since 2004 the Company has conducted several exploration programs on optioned and 100%-owned claims. Geophysical and lithogeochemical 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.

Drill targeting through the Proterozoic cover in 2006 proved to be more difficult than anticipated. The Cobalt sediments are thicker than geophysics predicted, and lithogeochemistry conducted in 2005 in retrospect failed to generate meaningful drilling targets. However Cadillac drilling on the 'Break' did reveal considerable new geological information that will guide future exploration. In particular, a shear-hosted, (sub-economic) gold-bearing quartz vein intersected in DDH 06-20 may be indicative of a deep-seated hydrothermal system. In addition, the hole encountered more than 200 meters of sulphide-bearing sediments, which despite returning only anomalous gold values; suggest potential for a large mineralizing event in the area. Further drilling will be required to test this target.

Drilling on the claims optioned from Richmond Mines Inc. totaled 9321 meters in 17 holes in three campaigns. These programs targeted mineralization on the Francoeur Shear, extensions to the Lac Fortune deposit, and on the Cadillac Break. Results, which did in fact include some high-grade intercepts, and a complete compilation of the Arntfield area database, failed to indicate adequate potentially economic mineralization to justify further exploration. The Richmond option was relinquished in 2007.

In July 2008, Cadillac drilled a single NQ hole on its East Beauchastel claim group located in Beauchastel Township. Drilled to a depth of 215 meters, DDH 08-01 targeted a prospective zone of gabbroic intrusives that follows a distinct linear magnetic anomaly extending westward from Alexis Minerals' Lac Pelletier deposit. The hole intersected alternating intervals of volcanic units intruded by medium-grained gabbro. All rock types were strongly carbonate altered, but no significant sulphide-bearing zones, nor gold values of significance were intersected.

In July 2010 two NQ core holes were drilled on the projection of the south branch of the Cadillac Break near the northwest margin of Lac Beauchastel. At this location, the Break is obscured by a shallow slab of post-mineralization sediments. DDH CM10-21 and 10-22 were drilled from a single set-up, one to the north and a second to the south-east. Both targeted subtle airborne magnetic anomalies identified by the Company in 2004. DDH10-21 was collared west of a series of short holes drilled in the 1930's and '40's, one of which reportedly returned an assay of 43.5 g/t silver over 0.5 meter. Gold mineralization in 10-21, though sub-economic, demonstrates the presence of mineralization in a completely untested section of the Cadillac Break. The copper zone intersected in hole CM10-22 corresponds with a subtle north-east striking magnetic anomaly, roughly

parallel to a set of weak airborne conductors identified by Cadillac in 2004. This system lies under Lac Beauchastel and no record of it appears in Ministry reports.

Visible Gold Mines Inc. has recently disclosed that as of July 31, 2011, its fiscal year-end, it had completed 19 core holes aggregating approximately 12,564 meters on Cadillac's Kanasuta and Kekeko claims, and that a subsequent 5-hole, 2000-meter drill program had commenced on the East Beauchastel claims. Complete results, showing no economic values, have been released for only the three holes drilled on Cadillac's Kanasuta claims in Dasserat Township, situated within approximately 800 meters of Vantex Resources' Moriss Zone discovery on its Galloway project. Visible Gold further reported that numerous samples are awaiting assay.

Wasa Project

As discussed above, Cadillac anticipates that the Wasamac mineralizing system is likely to extend across the Horne Creek fault and continue down-dip through the common boundary with Richmond Mines Inc. at depth. The Company awaits results of ongoing drilling by Richmond before embarking on exploration on its side of the boundary.

Cadillac DDH CM06-12, cored to 383 meters at 50 degrees in August of 2006 in unexplored ground covered by glacial drift, identified weak but significant copper and zinc mineralization in the bottom 83 meters of the hole. Cadillac extended this hole in July 2010 to a final depth of 596 meters, where uniform low-grade base metal values persist to EOH. Coring from 330 meters to the bottom of the hole intersected variably textured chloritic alteration, possibly of basaltic origin, that carries strongly anomalous copper and zinc values over the entire interval. Analytical results over the interval average 267ppm and 279 ppm, copper and zinc respectively, with copper values ranging to 2050 ppm over short sections. .

This 270-meter thick altered zone is comprised mainly of mafic flows, with tuffaceous sections, and minor felsic to mafic intrusions. All units are strongly chloritic with several broad zones of banded black chlorite, and no detectable over-printed foliation. Pyrite content is generally low, ranging from trace to 5%. While none of the intercepts are of economic tenor, this zone is interpreted as a feeder system typical of 'stringer zones' found under volcanogenic massive sulphide (VMS) systems in the Noranda Camp. Unfortunately, the relationship between structure, stratigraphy and the timing of deposition in this setting is uncertain.

The Company has considered a down-hole electromagnetic (EM) survey to identify any potential proximal mineralization, and deep-penetrating surface EM and IP surveys prior to further drilling, but the target area lies directly beneath a Hydro-Quebec transmission line, ONR tracks, a natural gas pipeline, and other cultural sources of interference. As a result, geophysical contractors have advised that extraneous currents generated by these infrastructural features will mask any response from conventional survey methods, and it is unlikely that mineralization could be identified. Consequently, systematic or sequential drilling may be the only exploration approach available to the Company.

Goldstrike Project

The only exploration conducted subsequent to the termination of mining operations in 1996 comprised three angle core holes of between 660' and 800' under each of the main pits, and finally a six-hole RC program in 1999, mainly near the largest pit, to reported depths of 1200' to 1680'. Results were deemed inadequate at the time to justify further exploration.

The Company continues to process and analyze a very significant quantity of production and exploration data received in both hard copy and in digital form, including exploration and mining information, and samples obtained recently from third parties. All such data is being assembled in a digital model to gain a clearer understanding of the complex geological setting, and controls to the gold-silver mineralization over the breadth of the district.

This historical data was recently utilized in respect of an orientation drilling program comprising three reverse circulation holes aggregating 567 meters (1860 ft). This work was sited in part to satisfy lease obligations, and in part to test mineralization in an un-mined structural target delineated by prior operators. Mineralized intervals have been sampled and shipped to an accredited laboratory for analysis.

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

Elmer B. Stewart, P. Geol. – Director

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

Larry D. Sorenson, CA – 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 December 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 December be subject to prior unregistered agreements, or transfers, or native claims, and title December 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.

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 December, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party and it December 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 December 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 ANNUAL RESULTS

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and are expressed in Canadian dollars. For August 31, 2011 general and administrative expenses comprise advertising and promotion \$592 (August 10 - \$322), bank charges \$260 (August 10 - \$160), consulting \$64,250 (August 10 - \$60,250), investor relations \$34,684 (August 10 - \$1,960), office & miscellaneous \$23,940 (August 10 - \$19,627), general exploration \$2,292 (August 10 - \$34,330), and stock based compensation 44,460 (August 10 - \$nil) and travel and accommodation \$4,968 (August 10 - \$6,648).

. As at	August 31 2011 \$	August 31 2010 \$	August 31 2009 \$	August 31 2008 \$	August 31 2007 \$	August 31 2006 \$
Current assets	208,191	400,898	385,231	594,622	1,192,375	1,922,590
Investment	37,000	-	-	-	-	-
Equipment	2,488	4,616	1,287	1,839	2,627	3,753
Mineral Properties	480,639	317,927	319,141	701,664	856,614	1,789,417
Total assets	728,318	723,441	705,659	1,298,125	2,051,616	3,715,760
Current liabilities	542,233	510,308	445,398	416,219	380,482	493,051

Other liabilities	-	-	-	-	-	100,000
Shareholders' equity	186,085	213,133	260,261	881,834	1,671,134	3,122,709
Total shareholders' equity & liabilities	728,318	723,441	705,659	1,298,125	2,051,616	3,715,760
Working capital (Deficiency)	(342,042)	(109,410)	(60,167)	178,331	811,893	1,109,539
Amortization	2,128	917	552	788	1,126	226
General and administration	178,637	123,297	186,000	173,614	262,921	81,990
Professional fees	62,475	43,254	40,383	63,040	52,136	13,889
Regulatory & filing fees	13,045	16,256	15,349	21,724	26,061	12,415
Total Expenses	256,285	183,724	242,284	259,166	342,244	108,520
Write off of mineral properties	-	125,516	402,778	821,181	1,157,674	-
Future income tax recovery	-	-	(52,000)	-	(616,719)	-
Recoveries of mineral properties written-off	-	(35,000)	-	-	-	-
Part XII.6 tax recovery	10,377					
METC refund on mineral properties written-off (expense)	(33,647)	(224,300)	-	-	-	-
Interest income	(3,191)	(812)	(6,189)	(16,390)	(44,506)	(19,370)
Loss for year	273,173	49,128	586,873	1,063,957	838,693	89,150
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)	(0.04)	(0.04)	(0.02)
Weighted average number of common shares outstanding	25,934,061	25,075,513	25,038,047	23,972,451	24,298,067	23,053,132

SUMMARY OF QUARTERLY RESULTS

As at the quarter ending December 31, 2011, the Company had a working capital deficiency of \$342,042. During the three month year ended December 31, 2011, the Company had interest income of \$1,953; amortization of \$595; general exploration costs of \$145; general and administration expenses of \$55,962, professional fees of \$11,440; and regulatory and filing fees of nil; for a net loss of \$6,719.

	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
	\$	\$	\$	\$	\$	\$	\$	\$
Total Revenue	615	1,953	438	185	92	225	245	280
Net Income (Loss)	(251,506)	(66,189)	53,024	34,832	85,609	(36,281)	(60,270)	(38,186)
Income (Loss) Per Share	(.01)	(0.003)	0.002	0.001	0.003	(0.001)	(0.002)	(0.002)

LIQUIDITY and 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.

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 \$910,764 in respect of expenditures made through

August 31, 2008 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 \$190,764 under this program in respect of expenditures completed through August 31, 2008.

On July 22, 2008, the Company completed a private placement of 2,000,000 units at a price of \$0.10 per unit. Each unit was comprised of one flow-through common share and one share purchase warrant, exercisable into one share at \$0.15 per warrant on or before January 23, 2010.

The Company as of August 31, 2010 has received \$254,484 from Canada Revenue Agency pursuant to the Company's METC application in respect of British Columbia exploration expenditures made during the year ended August 31, 2009.

In August 2010, Cadillac received \$35,000 cash from the sale of 17 semi-contiguous claims in northeast Dasserat Township to Mines Richmond Inc., and retained a production royalty comprising 2.5% of net smelter return.

Effective December 1, 2010 the Company entered into an agreement with Visible Gold Mines Inc. of Rouyn-Noranda pursuant to which the Company granted Visible Gold an exclusive option to earn a 60% interest in 217 of Cadillac's 228 claims in the area. Pursuant to the option agreement Visible Gold must issue an aggregate 500,000 Visible Gold common shares and pay to Cadillac a total of \$100,000 cash over four years. Visible Gold has made initial and first anniversary payments, each comprising \$25,000 cash and 100,000 common shares, to Cadillac. The balance of the payments to the Company are due in like annual installments.

See Subsequent Events below for details of recent private placement financing.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off Balance Sheet Arrangements.

TRANSACTIONS WITH RELATED PARTIES

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

	Q3 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
	\$	\$	\$	\$	\$	\$	\$	\$
Exploration consulting /management fees charged by a company controlled by the President	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Geological consulting fees charged by company controlled by a director	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Consulting and accounting fees charged by a company controlled by an officer	10,835	12,020	12,300	6,500	5,831	6,100	7,444	5,800
Amounts owed to companies controlled by directors and officers	402,645	384,844	481,654	454,510	451,197	403,808	428,881	418,515

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 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
Private placement completion ⁽⁶⁾	820,000
Share gross up ⁽⁷⁾	588,261
Debt settlement ⁽⁸⁾	16,667
Shares issued for mineral properties ⁽⁹⁾	625,000
Share relinquished pursuant to escrow agreement ⁽¹⁰⁾	(2,059,042)
Private placement ⁽¹¹⁾	2,000,000
Shares issued for mineral properties ⁽¹²⁾	50,000
Shares issued pursuant to exercise of options ⁽¹³⁾	208,000
Total common shares issued and outstanding as at August 31, 2011	27,174,828
Shares reserved for issuance pursuant the exercise of the Options ⁽¹⁴⁾	350,000
Total common shares fully diluted as at August 31, 2011	27,524,828

- 1) During the period ending May 31, 2006, the Company consolidated its share capital on an 8 for 1 basis.
- 2) On December 31, 2006 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 ending May 31, 2006, the Company issued 377,921 common shares in exchange for consulting services.
- 4) During the period ending May 31, 2006, 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 December 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 and issued an additional 429,160 for a total to date of 588,261 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. Management of the Company cannot reasonably estimate the number of shares that May be further required in this regard.
- 8) The Company issued 16,666 common shares valued at \$20,000 pursuant to a debt settlement agreement on September 9, 2006.
- 9) Shares issued pursuant to property option agreements:
 - a) The Company issued 100,000 common shares at a deemed price of \$0.105 per share pursuant to an option agreement dated August 23, 2007 to earn up to a 75% interest in the "Santa Maria" property located in the Omineca Mining Division, BC.
 - b) The Company issued 50,000 common shares at a deemed price of \$0.125 per share pursuant to a Memorandum of Understanding dated September 26, 2007 in respect of an option to earn a 50% interest in 23 mining claims in the Omineca Mining Division, BC, the "Osilinka-Cat Mountain" property.
 - c) The Company issued 25,000 shares at a deemed price of \$0.08 pursuant to an option agreement dated November 6, 2007 and issued a further 25,000 shares at a deemed price of \$0.01 with three unrelated vendors to earn a 100% interest in nine mineral claims in Omineca Mining Division, BC, the "Silver Streak" property.
 - d) The Company issued 400,000 shares at a deemed price of \$0.085 in respect of an Assignment & Option Agreement dated December 21, 2007 to acquire a 100% interest in the "Tuzo Creek" property in the Greenwood Mining Division, BC.
 - e) The Company entered into an agreement dated December 21, 2008 with an arms-length vendor by which the Company acquired the option to earn a 100% interest in 567 hectares of mineral claims comprising the "Herd Dome" property in the Omineca Mining Division, BC for expenditures of \$350,000 and payment of \$135,000 and 300,000 shares. The Company issued 25,000 shares at a deemed price of \$0.01 pursuant to an option agreement.
- 10) The Company relinquished its option on the Lac Fortune and Norcoeur properties, and pursuant to an escrow agreement 2,059,042 common shares were returned to treasury. In 2007.
- 11) On July 22, 2008, the Company completed a private placement of 2,000,000 units at a price of \$0.10 per unit. Each unit was comprised of one flow-through common share and one share purchase warrant, exercisable into one share at \$0.15 per warrant on or before January 23, 2010. Finders' fees included 200,000 Agent Options, exercisable into units with the same terms as the offering, and payment of \$10,000. Issuance costs of \$17,165 were netted against the proceeds.
- 12) The Company issued 50,000 common shares at a deemed price of \$0.04 per common share pursuant to an option agreement dated November 6, 2007 and amended November 28, 2008 and December 14, 2009 to earn a 100% interest in nine mineral claims comprising the Silver Steak property in the Omineca Mining Division, BC.
- 13) The Company issued 2,080,000 common shares pursuant the exercise of stock options valued at \$208,000 during the year ending December 31, 2011, while 200,000 options exercisable to April 28, 2011 at \$0.10 per common share have expired.
- 14) As of August 31, 2011, shares reserved for issuance pursuant to outstanding stock options comprise 200,000 options exercisable at \$0.10 per common share until April 26, 2012, 150,000 options exercisable at \$0.25 per common share until January 23, 2014.

Commitments

The Company has no outstanding commitments.

Recent Developments and Outlook

The Company expects to obtain financing in the future primarily through further equity 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.

SUBSEQUENT EVENTS

As of October 13th, the Company entered into an investor relations contract with Bay Street Connect, whereby services are to be provided at a rate of \$7,500 per month. The Company also agreed to grant 300,000 stock options exercisable at \$0.10 per share for one year and vesting at a rate of 75,000 quarterly.

The Company has negotiated a private placement, subject to regulatory approval, of up to 2 million units at \$0.075 per unit. Each unit will comprise one common share and one warrant exercisable into one share at \$0.15 for two years. Finder's fees are to be paid on a minor portion of the financing: 8% in cash and 10% in brokers' warrants (exercisable at \$0.15 for eighteen months).

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 disclosures 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.