

Cadillac Mining Corporation
(formerly "Eclips Inc.")

FOR THE QUARTER ENDED MAY 31, 2007

FORM 51-102 F1

MANAGEMENT DISCUSSION AND ANALYSIS

DATE: JULY 25, 2007

Cadillac Mining Corporation ("the Company") provides this MD&A as of July 25, 2007 and is in respect of the fourth quarter ended May 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, July 25, 2007 (the "Report Date").

RESULTS OF OPERATIONS

Drill targeting through the Proterozoic cover on the 24 kilometers of the Cadillac Break held by the Company has proven to be more challenging than early surveys indicated. The Cobalt sediments are thicker than geophysics predicted, and litho-geochemistry appears not to be definitive. However the portion of drilling completed specifically on the Break has provided considerable new geological information that will guide the next phase of exploration. The Company is refining its geological model by incorporating all newly acquired information, and re-interpreting 2004 geophysical surveys, before proceeding with the next stage of drilling along this section of the Break.

The winter 2007 follow-up drill program on the Norcoeur option failed to extend the high-grade intercept returned in 2005, and did not identify a down-dip continuation of the Arntfield #2 deposit. However, this work, along with significant drill intercepts in several holes completed between 1986 and 1989, appears to have confirmed the presence of an open, NE-plunging mineralized zone, measuring about 200 meters by 100 meters in plan. In addition, a number of unanticipated gold intercepts were recognized in the upper portions of all three holes. These intersections, situated north of most of the historical work, lie along an east-west trend parallel to the Arntfield structure, raising the potential for a previously unrecognized mineralized zone.

As a consequence of the difficulties described above, management has determined that the Company should diversify exploration activities to other North American opportunities that offer significant potential. In this regard a large number of exploration projects have been reviewed and examined over the quarter, with the result that the Company expects to be in a position to announce significant acquisitions in the near future.

Property Holdings

The Company holds a regional-scale claim position, the majority of which were staked in 2002. The CMC groups of properties cover more than 14,000 hectares in Beauchastel, Dasserat, Montbray and Rouyn Townships, and lie immediately west of the mining center of Rouyn-Noranda, Quebec. The Company

holds outright more than 12,000 hectares; and holds options granted by Richmond Mines Inc. in April 2004 to earn a 50% interest in a further 2,185 hectares in 77 claims. Adequate assessment work was conducted during 2006 to retain all but a very minor proportion of the staked claims until the next cycle anniversary in 2008.

The second-year combined expenditure requirement of \$700,000 for the Richmond Norcoeur and Lac Fortune Options has been satisfied. A further \$1.9 million and \$1.2 million respectively must be expended by November, 2008 to satisfy the earning requirements. Either or both options may be terminated without penalty at any time by CMC should results or circumstances warrant.

General Geology & Exploration Potential

The 200km-long Cadillac-Larder Lake Deformation Zone, which extends from Kirkland Lake, Ontario to well east of Val d'Or in Quebec, has been the focus of major mineral exploration since the 1920's that has resulted in a spectacular array of gold and base metal deposit. Recent years have seen the discovery of large new deposits along this structure and it is currently the active focus of deep exploration drilling. The Kirkland Lake area mines (including Kerr Addison) produced an aggregate of 37 million oz from the Larder Lake segment of the fault zone while in Quebec, deposits along the structure, locally referred to as the Cadillac Break, have produced about 36 million oz gold.

Potential for gold mineralization extends for several kilometers to the north of the 'Break' as evidenced by the Francoeur, Arntfield and Wasamac deposits. These shear-hosted zones of mineralization occupy second and third order structures related to the 'Break' but are far enough away to be classed as distinct systems.

The region is also geologically prospective for base metal VMS type mineralization as is demonstrated by the Aldermac copper-rich massive sulphide deposit located nearby.

The project is located within the Noranda volcanic complex, which is bounded to the north by the Porcupine-Destor Fault and on the south by the Cadillac-Larder Lake Fault.

Gold mineralizing events spanned several million years, beginning during the late stages of felsic volcanism and continued through a period of crustal adjustment that created fracture systems to accommodate fluid migration. Gold deposits are found mainly in second- and third-order structures in the volcanics, and within a few kilometers north of the Break. Typical medium-sized gold deposits include the Sigma, Lamaque, Camflo and Kiena Mines, which, individually produced between one to four million ounces. Large complex deposits found directly in or very near the Break include the Malartic camp, Kerr Addison, Kirkland Lake and Doyon-Bousquet-LaRonde mines, each producing in excess of 7 million oz. With few exceptions, gold deposits are intimately associated with felsic intrusives that mark the centers of late-stage volcanic events.

A section of the Cadillac Break west of Noranda had never been explored because a localized cover of Proterozoic (Cobalt) sediments presented a physical and psychological barrier. This section is known to contain prospective syenite intrusions and geological features similar to those found in the Malartic and Kirkland Lake camps. More than 24 km of this unexplored section of the Break (in Beauchastel and Dasserat Townships) is held by CMC, and is the principal focus of the Cadillac West Project. Recent drilling by Cadillac has demonstrated that while the Cobalt cover is thicker than originally anticipated, it still can be effectively penetrated by drilling to explore the underlying Archean strata, albeit at greater cost than initially projected.

The Francoeur Mine region is host to synvolcanic rhyolite-hosted VMS base metal deposits and to shear-hosted gold mineralization. The Aldermac Mine produced 34,000 tons of copper from 2.1 million tons of ore, while the combined past production, reserves and resources for gold deposits situated along the 10 km corridor related to the Francoeur and Wasamac structures amounts to 1.5 million ounces. These gold mines occupy second-order structures that are nearly certain to tap the Cadillac Break at depth. The timing of mineralization and its relationship to nearby last stage syenitic plutons has not been studied. However, it is hypothesized that there is a direct relationship between the deep-seated Cadillac Break and second-order mineralized structures in the region.

The southern half of the Arntfield property, in addition to limited historical gold production, has seen semi-methodical drilling for north-dipping shear-hosted mineralization. However, the potential for economically attractive steeply south-dipping vein mineralization remains largely unexplored, as is the northern half of these claims.

Modern exploration on the Lac Fortune property resulted in the modest resources identified in the 1980's. These occupy in a series of near-surface moderately dipping mineralized shears. However, investigations had stopped short of the search for deeper feeder systems.

Exploration Programs

Since 2004 the Company has conducted several exploration programs on its 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 three campaigns have completed 30 holes, for an aggregate of 17,421 meters.

Drilling targets cover the full spectrum of geological potential. Those located directly on or immediately adjacent to the Cadillac Break are obscured by overlying Cobalt sediments and consequently necessitate unusually long drill holes. Primary attention has been on the Kanasuta and Kekeko regions where magnetic and coincident geochemical anomalies imply a potential for syenite-hosted gold mineralization. The southwestern section of the Richmond Option located along the Break is similarly prospective. Shear-hosted systems previously worked at the Francoeur and Arntfield Mines are also a priority because their economic potential has been established. In the early 1990's, Richmond Mines Inc., exploring from underground, discovered a south-dipping gold system that proved important to the economics of the Francoeur Mine. CMC believes that similar systems may exist on strike from the mine area and on parallel structures in the region generally.

Other less-developed targets on the Company's claims include a strong but poorly explored shear zone on the Gan claims, and under-explored base metal potential on the North Dasserat ground.

Drilling began in 2005 with 7 holes comprising 2496 meters to test claims optioned from Richmond Mines Inc. Subsequent campaigns in 2006 comprised 12,928 meters in 20 holes, and 1997 meters in 3 holes in early 2007. The objectives of these programs were to test:

- the Arntfield Mine area for south-dipping zones similar to those mined at the Francoeur Mine.
- the eastern extremity of the Arntfield workings for extensions to mineralization.
- the Lac Fortune Mine for south-dipping structures below the historical north-dipping zones.
- the Guinard plug and coincident Cadillac Break below a shallow shaft sunk in the 1930's.
- selected geochemical targets on the Kekeko Hills for underlying mineralization.
- the Kanasuta area, based on geochemical and geophysical features.
- a prospective and under-explored group of claims located in northeastern Dasserat Twp. and northwestern Beauchastel Twp.

During the quarter the only property on which CMC conducted physical work was the Norcoeur option. This is reported below. For prior work the reader is directed to previously filed quarterly and annual reports.

Norcoeur (Arntfield- Arncoeur) Property:

The Arntfield target is underlain by the abandoned workings of the Arntfield Mine which closed in 1945 after a relatively short production history. Mining was confined to a single north-dipping shear structure that corresponds with the projected eastward extension of the Francoeur Mine 'principal' zone. Nine holes in 2005 and 2006 aggregating at 3217 meters explored the potential for cross-trend mineralization to the north of the known structure. This work returned one very promising intercept of 3.3 meters grading 18.45 g Au/t. Further drilling in 2007 in a three-hole 1997-meter program failed to confirm cross-trend structures, but favourable mineralization was intersected down-dip from early underground workings on the Arntfield structure. 2007 drilling results, combined with the recent compilation of several intercepts in holes completed between 1986 and 1989, have indicated the presence of a broad NE-plunging mineralized zone, measuring about 200 meters by 100 meters in plan, which remains open down-plunge. The final hole intersected the Arntfield shear about 200 meters down-dip from the deepest workings of the Arntfield #2 Mine. However no economic values were returned.

Notably, a number of unanticipated gold intercepts were returned in the upper portions of all three holes drilled in early 2007. These intersections, situated north of most of the historical work, lie along an east-west trend parallel to the Arntfield structure. This raises the possibility of a previously unrecognized mineralized zone. Gold values are low but notable, in that two of the intercepts are exceptionally broad. Further work is needed to assess the significance of these results.

The Company has completed a digital compilation of its 2005 – 2007 Norcoeur drilling results, and all available historical Arntfield data (including extensive underground workings and all recorded surface drill holes). This information will be used to generate a comprehensive 3D model which will facilitate the analysis of all data produced since the early 1930's.

Directors and Management Team

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 and 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 May 31, 2007 the Company had a working capital surplus of \$796,240. During the three month period ended May 31, 2007 the Company had interest income of \$3,312; amortization of \$259; general and administration expenses of \$37,929, professional fees of \$18,566; and regulatory and filing fees of \$2,390; for a net loss of \$52,301.

	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2005	Q1 2005
	\$	\$	\$	\$	\$	\$	\$	\$
Total Revenue	3,312	5,534	2,388	1,932	0	641	0	0
Net Income (loss)	251,358	(55,594)	(52,301)	(50,071)	(35,948)	(243,748)	(17,184)	(9,822)
Loss Per Share	0.100	(.002)	(.002)	(.004)	(0.001)	(.009)	(.001)	(0.001)

LIQUIDITY & CAPITAL RESOURCES

In 2005, the Company completed a 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 \$230,821 in respect of expenditures made through May 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 December 31, 2004.

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

OFF BALANCE SHEET ARRANGEMENTS

The company has no off Balance Sheet Arrangements.

TRANSACTIONS WITH RELATED PARTIES

As at 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.

All amounts due to, or from, related parties are unsecured, bear no interest and have no fixed terms for repayment with the exception of \$100,000 due to companies controlled by the President and one director for which repayment will not be demanded until after fiscal 2007.

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

	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	25,000

Consulting and management fees charged by companies controlled by a director	-	-	-	-	22,000
Exploration fees charged by company controlled by a director	-	33,600	26,280	55,200	11,400
Consulting and accounting fees charged by a company controlled by an officer	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 in 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
Shares reserved for issuance pursuant the exercise of the Warrants ⁽⁹⁾	5,510,600
Shares reserved for issuance pursuant the exercise of the Options ⁽¹⁰⁾	1,600,000
Shares reserved for issuance pursuant the top up ⁽¹¹⁾	429,160
Total common shares fully diluted as at May 31, 2007	31,588,670

- 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 650,000 share purchase warrants exercisable at \$0.24 per common share on or before February 28, 2007, 1,456,000 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 issued 429,160 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.