

Cadillac Mining Corporation
(formerly "Eclips Inc.")

FOR THE QUARTER ENDED MAY 31, 2008

FORM 51-102 F1

MANAGEMENT DISCUSSION AND ANALYSIS

DATE: JULY 10, 2008

Cadillac Mining Corporation (the "Company" or "CMC") provides this MD&A as of July 10, 2008 and is in respect of the quarter ended May 31, 2008.

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 10, 2008 (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

Management determined early in 2007 that the Company should expand exploration activities to include North American opportunities that offer significant potential, beyond its West Cadillac project. The selection criteria was restricted to under-explored and/or undervalued projects with potential for exceptional returns for modest investment.

In the latter part of 2007 the Company completed an acquisition program in British Columbia comprising four recently inactive projects, which in management's opinion, offer good potential for success from low-cost initial programs. All of the new acquisitions were drilled in first-stage programs in late 2007, while analytical results were not all received until early 2008. Activities during the current period has primarily comprised planning for the 2008 field season.

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 the majority of the claims until the next cycle anniversaries in 2008 and 2010.

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 relinquished the options in late 2007.

Santa Maria Project

In August 2007 the Company concluded an agreement with Bearclaw Capital Corp. ("BCC") to earn a majority interest in the 677-hectare Santa Maria polymetallic prospect located approximately 40 km south of Smithers in west-central British Columbia in the Omineca Mining Division.

The Company paid BCC \$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 2007 the Company concluded 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, in the Omineca Mining Division, 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

CMC executed an option agreement in November 2007 to acquire a 100% interest in the 605-hectare Silver Streak silver-copper prospect located 25 km south of the town of Houston in west-central British Columbia in the Omineca Mining Division.

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 issued 25,000 shares, and firmly committed to expend at least \$50,000 on the property by the end of 2007, which amount has been satisfied.

Tuzo Creek Project

Early in January 2008 CMC announced the execution of an assignment agreement whereby it has obtained the option to purchase a 100% interest in the 1746-hectare Tuzo Creek molybdenum prospect located near the town of Beaverville in the West Kettle Valley, south-central British Columbia in the Greenwood Mining Division.

The assignment and option require Cadillac to pay the claim owner and the current optionee an aggregate of \$90,000 and 1,100,000 Cadillac shares over a two-year period to acquire a 100% interest in the property. The agreement is subject to a 2% production royalty that can be purchased for \$1,000,000. CMC made an initial \$20,000 payment, and has to date issued 300,000 shares.

Herd Dome Project

During the period the Company announced the conclusion of an option agreement with the Estate of Frank Onucki to acquire 567 hectares of mineral claims comprising the Herd Dome copper property. Located in the Omineca Mining Division of west central British Columbia, the prospect is situated 70 kilometers southwest of Houston, B.C. in a region which hosts several significant porphyry copper deposits.

Subject to regulatory approval, Cadillac can acquire a 100% interest in the Herd Dome property by expending \$350,000 on exploration over five years, and making payments totaling \$135,000 and 300,000 shares over a 4-year period. The initial payment will comprise \$5000 and 25,000 shares. The vendor will retain a production royalty comprising 3% of net smelter return, of which Cadillac can purchase two-thirds or 2% for \$2,000,000 and 50,000 shares.

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 litho geochemistry 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 that extends over a strike length of at least 500 meters within a series of stacked rhyolite fragmentals and related intrusives or feeder systems. 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 meters 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 and core recovery is reported to have been poor.

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. The abbreviated November 2007 drill program as described below intersected geology and a style of mineralization suggesting potential for a large disseminated copper-silver deposit.

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 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 associated with pyrite, chalcopyrite and magnetite mineralization. A recent airborne survey completed by Lysander in mid-2007 shows linear high-gradient responses coincident with the Cat-Mountain zone of strongly anomalous geochemical copper in soils.

Prior to CMC's involvement in the property, exploration on Cat Mountain had focused on disseminated, low-grade copper targets within a well mineralized volcanic complex located on the eastern edge of the Hogem batholith. Following a preliminary review of its September-October 2007 drilling results, management is of the opinion that mineralization on the Osilinka-Cat Mountain property is not consistent with the classic porphyry model used by earlier workers. Rather, the potassic alteration envelope recognized through earlier exploration, combined with mineral associations observed in the recent drilling, are felt to be indicative of an Iron-Oxide Copper-Gold (IOCG) deposit type that offers potential for both large low-grade, and smaller high-grade deposits.

Silver Streak Project

The Silver Streak 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 and a sub-vertical dip. However the size and economic potential of this multi-zone system can not be estimated from the limited work completed to date.

Tuzo Creek Project

Located 7 km south of Beaverdell, the property is readily accessible by Highway #33 and approximately 6 km of well-established forest access road. Molybdenum was discovered on the property in 1962 following early exploration for lead,

zinc, copper and silver veins in the immediate area. Amax Exploration Inc. acquired the principal claims in 1964 to cover a large area of altered quartz-feldspar porphyry within a quartz monzonite stock.

Early in this period, a detailed geological study was conducted as part of a Masters level thesis. A zoned alteration "shell" comprising argillization, silicification, and potash metasomatism was found to enclose a "mineralized" zone consisting of disseminated, stringer and fracture-fill sulphides. This dominantly pyrite-rich zone, which grades outward to a hematite envelope, measures more than 1600 meters along a WSW strike and reaches about 500 meters in width. Work in the 1960's, for which detailed records are not presently available, consisted of detailed mapping, geochemical surveys, 13 packsack drill holes, and a four-hole diamond drilling program restricted to the (apparent) eastern part of the zone. The thesis reports that mineralization varied in thickness from 161 to 313 meters. A 15 meter section in DDH66-1 is reported to have returned 0.28% Mo within lower grade values in the hangingwall and footwall. In 1981 Amax completed a fifth and final diamond drill hole to a depth of 756 meters. Strong molybdenum values were intersected in the upper part of the hole, with about 45 meters carrying 0.06% Mo including 15 meters at 0.10% Mo. It is notable however that the potential for both western and eastern extensions of the system remains untested but for a few shallow packsack holes.

No work of consequence was conducted on the prospect after 1991 when the Amax claims lapsed, primarily as a consequence of depressed metal prices and the adverse exploration environment in British Columbia for several years.

Herd Dome Project

Despite encouraging prospecting results over several decades, the Herd Dome prospect has not been methodically mapped or sampled, nor has there been any drilling. It and the surrounding area are virtually unexplored, due primarily to the rugged terrain and previously difficult access. More recently, a network of logging roads has penetrated to within 1.5 km of the main showing on the prospect. Extending one of the existing roads would therefore provide direct access to the upper reaches of the property.

The Herd Dome prospect was discovered in the 1970's by 'grassroots' prospecting for porphyry copper mineralization. The claims staked at that time lapsed as the industry subsequently retrenched. Systematic chip sampling by the prospector-owner in 1982 produced encouraging results which included 15 meters of greater than 1.0% copper, 80 meters of 0.42% copper and 25 meters of 0.42% copper.

Strong copper mineralization is seen in three zones extending over an area measuring 1500 by 2000 meters in a mountainous setting. The most prominent showing is related to a breccia pipe carrying strong, broadly distributed copper mineralization, and also exhibiting localized silver values up to approximately 4 oz per tonne. This zone was estimated by Placer Dome Mines, who held the property under option in 1992, to measure at least 250 meters in diameter. It also shows as a prominent air photo-identifiable feature of the same magnitude. Copper-bearing minerals chalcopyrite, bornite, covellite, malachite and chalcocite occur as veinlets, stringers, disseminations and pods. Two additional nearby copper showings exhibit very similar mineralogical characteristics, but with lower silver values.

Copper mineralization related to hydrothermal breccia-pipes is believed to represent the upper level expression of a porphyry copper-moly-gold-silver system. These are often found in copper districts where mineralized breccia pipes emanate from large economic porphyry deposits at depth. Examples include the Cananea Mine, Mexico, Galore Creek, British Columbia, and the Rio Blanco-Los Bronces Mine in Chile.

Exploration Programs & Results

West Cadillac Project

Since 2004 the Company has conducted rigorous exploration programs on its optioned and 100%-owned claims. Geophysical and litho-geochemical 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 on the Richmond claims.

Santa Maria Project

The Company embarked on an initial four-hole program in November 2007 to determine the validity of prior interpretations of the geological environment. Unfortunately the campaign was terminated after completing only two holes totaling 316 meters due to severe weather conditions. These were drilled from a single set-up a short distance from underground workings, no

economic mineralization was intersected in either hole, which notably were originally of secondary priorities in the drill program. However, the entire lengths of both holes intersected fine-grained acid volcanoclastics, probably an ignimbrite, carrying elevated base metals and silver throughout. Minfile reports that economically significant mineralization is confined to the margins of a felsic intrusive associated with the pyroclastic unit. Cadillac's drilling encountered no evidence of intrusive rocks but did intersect uniform micro-fracturing carrying broad zones of sub-economic mineralization which suggest potential for a large disseminated copper-silver deposit. Induced polarization (IP) surveys are well suited for exploration of such a deposit type. Accordingly, Cadillac is considering an IP survey using modern technology that can provide deeper penetration and improved definition over what was survey conducted decades ago.

Osilinka-Cat Project

Seven NQ-caliber core holes, 07-18 through 07-24, totaling 1297 meters, were drilled on Cat Mountain to test 300 meters of a northerly trending copper-gold geochemical anomaly that appeared to follow a suspected intrusive having potential for classic "porphyry-style" mineralization.

All drill holes intersected significant mineralization, ranging from geochemically anomalous copper to semi-massive sulphides associated with considerable magnetite. DDH 07-21 intersected 5.15 meters of semi-massive chalcopyrite, pyrite and magnetite which returned 5.7% Cu and coincident gold, silver and cobalt values grading 3.1g/t, 4.6g/t, and 500ppm respectively. This intercept includes maximum values of 9.9% Cu, 5.8g/t Au and 0.09% Co over 1.5 meters.

Two other drill holes, DDH 07-18 and 07-24 intersected very strong to massive pyrite-chalcopyrite-magnetite mineralization over widths ranging from 1.5 to 3.5 meters that returned copper values between 1.5% and 1.9% Cu. Elevated gold, silver and cobalt tenors ranging to 2.1g/t, 16g/t and 850ppm respectively, are seen in these zones generally, but do not correspond directly with highest copper values.

An airborne magnetic survey completed in early 2007 by property optionor Lysander Minerals Corporation is being reprocessed to extract high-gradient trends. These structurally related features are expected to reflect the geometry and extent of magnetite-rich zones, which Cadillac believes key to understanding mineralization, and to the targeting of further exploration. Unfortunately this work has yet to be delivered by the contractor, but is expected shortly. All historical geological data will also be integrated in a single data-base and assessed. A focused high-definition ground survey is planned to glean details from magnetic patterns identified by the airborne survey. This work is expected to generate diamond drilling targets.

Silver Streak Project

Cadillac's four-hole, 549-meter program completed in December 2007 was designed to test for continuity of the mineralization discovered in 1992. DDH SS07-1 was drilled under Trench 2002-3 that had uncovered three mineralized sections. DDH SS07-02, located nearly on the same section sought to intersect the same targets at lesser depth. SS07-1 failed to intersect mineralization of consequence, but SS07-2 intersected 28.2 g/t Ag over 28.4 meters from 16.4 to 44.8 meters in graphitic argillites. Unfortunately the hole was abandoned at 44.8 meters in better mineralization due to bad ground conditions in a fault.

These results are difficult to reconcile with those obtained by earlier workers. Consequently, it is believed that structural complexities have offset or otherwise complicated the anticipated linear projection of the system overall. Weak results from holes SS07-3 & 4 drilled farther south indicate that an implied east-west fault probably delimits or offsets mineralization in that direction. However, further drilling is warranted to the north, while geochemical methods are being considered to investigate potential beyond the 'showing' area.

Tuzo Creek Project

As a follow-up to the limited work completed primarily by Amax Exploration, the Company conducted a preliminary four-hole, 780-meter drill program in December 2007 to assess the character of known mineralization, and to test geological conditions on the apparent westerly strike of the system as a first step in the assessment of the economic potential of this multi-zone system.

Cadillac management is particularly encouraged by angled DDH TZ07-04 which returned molybdenum values over its total length of 173 meters, and bottomed in mineralization. The hole averaged 0.038% Mo over 170 meters, including 0.074% Mo over 48 meters from 59 to 107 meters. TZ07-04 was an offset of Amax Explorations DDH81-05 which intersected 0.060% Mo over 33.5 meters.

All Cadillac and Amax drilling, which extends over 700 meters in a roughly east-west trend, shows elevated molybdenum mineralization in broad zones of brecciation and related patterned fractures carrying fine molybdenite in gray quartz and as fracture fillings. The December 2007 drilling also intersected broad widths of strongly mineralized breccia carrying elevated but sub-economic zinc values (0.33% Zn over 103 meters), and unusually strong pyrite. This style of mineralization is similar to that of many of the better molybdenum prospects in British Columbia.

The attitude, geologic constraints, and size of the multi-zone system cannot yet be determined with certainty from available data. However, detailed examination of current and historical results has indicated a northeast rather than westerly direction to molybdenum mineralization, along a trend that has not been regarded as prospective in the past. The just permitted 2008 program will comprise up to six drill holes on this trend.

Herd Dome Project

The Company will conduct first-stage exploration of the Herd Dome property this summer, based initially on the deposit model described above.

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, C.A. – Secretary & CFO

In mid-January Michael J. Brickell resigned as Director, concurrent with the sale by Resource Finance & Investment Ltd. of 4,161,842 free-trading shares of CMC and the optioning of a further 3,405,146 escrowed shares of CMC to a group of investors, which includes insiders of the Company.

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 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, 2007 general and administrative expenses consist of advertising and promotion \$ 507 August 06 - \$2,527), bank charges \$370 (August 06 - \$808), consulting \$60,000 (August 06 - \$15,000), investor relations \$55,268 (August 06 - \$10,686), office \$34,073 (August 06 - \$10,923), and travel and accommodation \$8,515 (August 06 - \$455), part XII 6 tax penalty \$44,678 (August 06 - \$ nil), general exploration \$59,510 (August 06 - \$ nil), stock based compensation \$ nil (August 06 - \$ 41,440).

| As at | August 31 2007 \$ | August 31 2006 \$ | May 31 2006 \$ | December 31 2005 \$ |
|--|----------------------------|----------------------------|-------------------------|------------------------------|
| Current assets | 1,192,375 | 1,922,590 | 2,516,831 | 27,097 |
| Exploration advances | - | - | 161,932 | 200,000 |
| Equipment | 2,627 | 3,753 | 2,267 | 1,606 |
| Mineral Properties | 856,614 | 1,789,417 | 728,838 | 547,723 |
| | | | 3,409,868 | 775,942 |
| Total assets | 2,051,616 | 3,715,760 | | |
| Current liabilities | 380,482 | 493,051 | 516,287 | 14,500 |
| Other liabilities | - | 100,000 | 100,000 | 120,000 |
| Shareholders' equity | 1,671,134 | 3,122,709 | 2,793,581 | 641,442 |
| Total shareholders' equity & liabilities | 2,051,616 | 3,715,760 | 3,409,668 | 775,942 |
| Working capital (Deficiency) | 811,893 | 1,109,539 | 2,000,544 | 12,597 |
| Amortization | 1,126 | 226 | 200 | 229 |
| General and administration | 262,921 | 81,990 | 278,073 | 261,290 |
| Professional fees | 52,136 | 13,889 | 45,933 | 64,420 |
| Regulatory & filing fees | 26,061 | 12,415 | 1,688 | - |
| Total Expenses | 342,244 | 108,520 | 325,894 | 325,939 |
| Write off of mineral properties | 1,157,674 | - | - | - |
| Future income tax recovery | (616,719) | - | - | - |
| Gain on forgiveness of debt | - | - | - | 68,756 |
| Interest income | (44,506) | (19,370) | (2,583) | (641) |
| Loss for year | 838,693 | 89,150 | 323,111 | 256,542 |
| Charge to deficit upon acquisition of subsidiary | - | - | 598,039 | - |
| Basic and diluted loss per share | (0.03) | \$(.02) | \$(0.02) | \$(0.02) |
| Weighted average number of common shares outstanding | 24,298,067 | 23,053,132 | 13,975,7621 | 13,975,762 |

SUMMARY OF QUARTERLY RESULTS

As at the quarter ending May 31, 2008 the Company had a working capital deficiency of \$61,713. During the three month period ended May 31, 2008 the Company had interest income of \$794; amortization of \$199; mineral exploration costs written off \$nil; general and administration expenses of \$87,197, professional fees of \$ 21,825; and regulatory and filing fees of \$nil; for a net loss of \$108,427.

| | Q3 2008 | Q2 2008 | Q1 2008 | Q4 2007 | Q3 2007 | Q2 2007 | Q1 2007 | Q4 2006 |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Total Revenue | 794 | 2,451 | 3,349 | 26,273 | 3,312 | 5,534 | 9,387 | 19,370 |
| Net Income (loss) | (108,427) | (53,677) | (23,721) | (910,396) | 251,358 | (55,594) | (59,215) | (89,150) |
| Income (Loss) Per Share | (0.005) | (0.002) | (0.001) | (0.040) | 0.100 | (.002) | (.002) | (.004) |

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.

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 \$653,014 in respect of expenditures made through August 31, 2007 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 \$141,470 under this program in respect of expenditures completed through August 31, 2007.

OFF BALANCE SHEET ARRANGEMENTS

The company has no off Balance Sheet Arrangements.

TRANSACTIONS WITH RELATED PARTIES

As at February 29, 2008 - \$249,034, (Q1 2008 - \$ 242,115, Q4 2007 - \$ 266,149, Q3 2007 - \$ 215,057, Q2 2007 \$204,197, Q1 2007 - \$ 184,589, Q4 2006 - \$277,618, Q3 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.

| | Q3 2008 | Q2 2008 | Q1 2008 | Q4 2007 | Q3 2007 | Q2 2007 | Q1 2007 | Q4 2006 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 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 | 22,000 | 20,000 | 43,520 | - | 33,600 | 26,280 | 55,200 |
| Consulting and accounting fees charged by a company controlled by an officer | 6,500 | 3,375 | 7,500 | 5,875 | 3,000 | 8267 | 3,250 | - |

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 |
| Private placement completion ⁽⁶⁾ | 820,000 |
| Share gross up ⁽⁷⁾ | 159,111 |
| Debt settlement ⁽⁸⁾ | 16,667 |
| Total common shares issued and outstanding as at May 31, 2007 | 24,049,710 |
| Share gross up ⁽⁷⁾ | 429,160 |
| Total common shares issued and outstanding as at August 31, 2007 | 24,478,870 |
| Shares issued for mineral properties ⁽¹¹⁾ | 475,000 |
| Share relinquished pursuant to escrow agreement ⁽¹³⁾ | (2,059,042) |

| | |
|---|-------------------|
| Total common shares issued and outstanding as at May 31, 2008 | 22,894,828 |
| Shares reserved for issuance pursuant the exercise of the Warrants ⁽⁹⁾ | 4,860,600 |
| Shares reserved for issuance pursuant the exercise of the Options ⁽¹⁰⁾ | 2,270,000 |
| Shares reserved for issuance pursuant the gross-up ⁽⁷⁾ | 200,000 |
| Shares reserved for issuance pursuant to option agreement ^(11a) | 300,000 |
| Shares reserved for issuance pursuant to memorandum of understanding ^(11 b) | 200,000 |
| Shares reserved for issuance pursuant to option agreement ^(11 c) | 250,000 |
| Shares reserved for issuance pursuant to an assignment and option agreement ^(11 d) | 800,000 |
| Shares reserved for issuance pursuant to option agreement ^(11 e) | 300,000 |
| Total common shares fully diluted as at May 31, 2008 | 32,075,428 |

- 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 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 can not 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) 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 2,270,000 options exercisable at \$0.10 per common share until April 27, 2011.
- 11) Shares reserved for issuance pursuant to property option agreements:
 - a) The Company issued 100,000 common shares at a price of \$0.105 per share pursuant to an option agreement dated August 23, 2007 to earn up to a 75% interest in one MTO claim in the Omineca Mining Division, BC, the "Santa Maria" property (reserved 300,000 common shares).
 - b) The Company issued 50,000 common shares at a 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 (reserved 200,000 common shares).
 - c) The Company entered into an option agreement dated November 6, 2007 with three unrelated vendors to earn a 100% interest in nine MTO claims in Omineca Mining Division, BC, the "Silver Streak" property (reserved 250,000 common shares). The Company issued 25,000 shares in respect of an Assignment &

Option Agreement dated December 21, 2007 to acquire a 100% interest in four MTO claims comprising the "Tuzo Creek" property in the Greenwood Mining Division, BC (reserved 800,000 common shares).

- d) The Company issued 300,000 shares in respect of an Assignment & Option Agreement dated December 21, 2007 to acquire a 100% interest in four MTO claims comprising the "Tuzo Creek" property in the Greenwood Mining Division, BC (reserved 800,000 common shares).
 - e) The Company signed an option agreement dated May 21, 2008 with an arms length vendor by which the Company acquired the option to earn a 100% interest in 567 hectares mineral claims in the Omineca Mining Division, BC, subject to a 3% NSR royalty which the company can purchase two-thirds (2% of Net Smelter Royalty) for \$1,000,000 and 25,000 common shares of the Company for each one third. Consideration is exploration expenditures of \$350,000 over five years and payment of \$135,000 and 300,000 common shares in stages over four years. Payment of \$5,000 and 25,000 common shares at \$0.10 per common share are to be issued pursuant to this agreement (\$5,000 was paid subsequent to the May 31, 2008 period ended).
- 12) The Company did not earn its option on the Lac Fortune and Norcoeur properties and pursuant to an escrow agreement 2,059,042 common shares were returned to treasury.

Commitments

None

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.