Cadillac Ventures Inc.
Management's Discussion and Analysis
Three months ended
August 31, 2018

CADILLAC VENTURES INC. – MANAGEMENT’S DISCUSSION AND ANALYSIS

Three months ended August, 31, 2018

Introduction

The Management’s Discussion and Analysis (“MD&A”), dated October 19, 2018 provides a review of the financial condition and results of the operations of Cadillac Ventures Inc. (“Cadillac” or the “Company”) and constitutes management’s review of the factors that affected the Company’s financial and operating performance for the three months ended August 31, 2018. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. The review is provided to enable the reader to assess the significant changes in the financial condition of the Company as at and for the three months ended August 31, 2018. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended August 31, 2018 together with the notes thereto and the audited annual consolidated financial statements of the Company for the years ended May 31, 2018 and 2017, together with the notes thereto. The Company’s financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). All amounts presented are stated in Canadian dollars, unless otherwise noted. Information contained herein is presented as of October 19, 2018 unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Cadillac’s common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. Additional information about the Company is available on SEDAR at ***www.sedar.com*** or at the Company’s website ***www.cadillacventures.com***.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward- looking statements.

Forward-looking information	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of base metals and other metals	Financing will be available for future exploration of the Company's properties; the actual results of the Company's exploration activities will be favourable; operating and exploration costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions will be favourable to the Company; the price of applicable metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	Metal price volatility; uncertainties involved in interpreting geological data and retaining title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending August 31, 2019	The operating and exploration activities of the Company for the twelve-month period ending August 31, 2019, and the costs associated therewith, will be dependent on raising sufficient additional capital consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company	Adverse changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions

The Company's ability to carry out anticipated exploration on its property interests	The exploration activities of the Company for the twelve months ending August 31, 2019 and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; receipt of applicable permits
Management's outlook regarding future trends	Financing will be available for the Company's exploration and operating activities; the price of applicable metals will be favourable to the Company	Metal price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions
Asset values for fiscal year 2019	Management's belief that no write-down is required for its exploration and evaluation assets resulting from continuing efforts to raise capital (debt or equity, or a combination of both) to implement planned work programs on the Company's projects.	If the Company does not obtain equity or debt financing on terms favorable to the Company or at all, a decline in asset values that could be deemed to be other than temporary, may result in impairment losses
Sensitivity analysis of financial instruments	The Company has no significant Interest rate risk due to low interest rates on its cash balances.	Changes in debt and equity markets; interest rate and exchange rate fluctuations
Prices and price volatility for metals	The price of metals will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of metals will be favourable	Changes in debt and equity markets and the spot prices of metals; interest rate and exchange rate fluctuations; changes in economic and political conditions

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Cadillac's ability to predict or control. Please also refer to those risk factors referenced in the "Risk and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Cadillac's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Date of MD&A

This MD&A was prepared on October 19, 2018.

Description of Business

Cadillac is a development focused exploration Company and was incorporated on October 19, 1995. Cadillac has two main Canadian exploration projects located in regions that have been historically active. The Thierry property is located in north-western Ontario adjacent to the town of Pickle Lake which includes the past producing Thierry mine which was last operated by UMEX and shut down in 1982 due primarily to the decline in the price of copper. Cadillac reported in July 2016 that it had entered an option agreement with Northern Fox Resources Inc. (NFR), an arm's length private Ontario Company, whereby NFR can earn a 70% interest in the Thierry Property.The Burnt Hill property is a 51% owned tungsten tin property located outside of Fredericton, New Brunswick. During fiscal 2018, Cadillac amended and restated the option agreement with Noront Resources Ltd. regarding the acquisition by Cadillac of Noront's remaining 49% interest in the Burnt Hill property.

Cadillac is a reporting issuer in the provinces of British Columbia, Alberta and Ontario and trades on the TSX Venture Exchange ("TSXV'') under the symbol "CDC" and on the Frankfurt Stock Exchange under the symbol "CIV1''.

Overview of the First Quarter

Cadillac reported a net loss of $ 175,965 for the three months ended August 31, 2018 compared with a net loss of $ 233,745 for the three months ended August 31, 2017.

The Company had cash and $ 32,733 as at August 31, 2018 compared with $ 66,882 at May 31, 2018. Cadillac had working capital deficit of $ 472,139 at August 31, 2018 compared with a working capital of $ 222,807 at May 31, 2018.

Total long-term assets totalled $ 23,129,196 (May 31, 2018 - $ 23,053,451) and comprised of exploration and evaluation assets of $ 22,691,292 (May 31, 2018 – 22,613,752), restricted cash of $400,000 (May 31, 2018 - $ 400,000) and property plant and equipment of $37,904 (May 31, 2018 - $ 39,699). No significant work of a material nature was carried out on the Company's exploration and evaluation assets during the year. Expenditures on exploration and evaluation assets during the quarter totalled $ 77,540 being $ 21,973 on the Burnt Hill property and $ 55,567 on the Thierry property.

Current liabilities increased to $1,430,283 from $1,273,756 at May 31, 2018, and comprised of accounts payable and accrued liabilities of $ 962,659 (May 31, 2018 - $ 815,895) and convertible debentures of $467,624 (May 31, 2018 - $ 457,861). Long-term liabilities consist of a decommissioning provision in the amount of $ 440,445 (May 31, 2018 - $ 438, 067). The increase is due to the accretion expense for the period.

Results of Operations

Quarter ended August 31, 2018

Cadillac reported a net loss of $ 175,965 for the quarter ended August 31, 2018 compared with a net loss of $ 233,745 for the quarter ended August 31, 2017, as detailed below:

Operations	Quarter Ended 31-Aug-18	Quarter Ended 31-Aug-17
	$	$
Expenses		
Management and consulting fees	36,875	55,250
Shareholder relations	1,779	4,204
Legal and audit	6,363	11,690
Office and general	43,829	56,766
Travel	5,236	1,507
Accounting and corporate services	11,117	10,926
Advertising, promotion and investor relations	2,000	3,250
Depreciation	1,795	2,219
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Net operating (loss) before the following:	**108,994**	**145,812**
Accretion expense	2,378	2,378
Finance interest and accretion expense	15,028	15,911
Interest and other income	(820)	(581)
Loss on marketable securities	50,385	70,225
Net Loss for the Year	**175,965**	**233,745**

Management and consulting fees decreased as management charged lower fees in the current quarter. Shareholder relations consist of filing services costs and transfer agents' fees. Legal and audit consist of $5,265 (2017 - $5,740) in audit fee accruals, and Legal fees of $1,098 (2017 - $5,950). The decrease is due to less transactional legal costs in the current quarter. Office and general consist mainly of rent, payroll, insurance, telephone, website and IT costs, bank charges, and various other administration expenses. Most office and general expense line items remain consistent with the comparative quarter. The Decrease is mainly due to a foreign exchange loss of approximately $6,000 included in the comparative quarter. Accounting and corporate services include bookkeeping and corporate secretarial services, and remained consistent with the comparative quarter. Depreciation is expense related to the Company's property, plant and equipment.

Cadillac records an accretion expense in connection with its decommissioning liability as set out in note 8 of the consolidated financial statements. Finance interest and accretion expense for the quarter includes convertible debenture interest and accretion. Loss on marketable securities includes a realized loss on the sale of marketable securities in the amount of $17,663 (2017 – gain of $3,191) and an unrealized gain of $32,722 (2017 - $73,416) as a result of the change in the fair market value of the marketable securities.

This has resulted in a net loss and comprehensive loss for the three months ended August 31, 2018 of $ 175,965 compared to a net loss and comprehensive loss of $ 233,745 for the three months ended August 31, 2017.

Summary of Quarterly Results

Cadillac's financial results for the quarter ended August 31, 2018 and for the seven preceding quarters are summarized below:

Quarter Ended	Accounting Policies	Interest and other income	Net Profit (Loss)	Net Profit (Loss) per share & per share diluted
August 31, 2018	IFRS	$ 820	$ (175,965)	$ (0.00)
May 31, 2018	IFRS	$ 931	$ (61,718)	$ (0.00)
February 28, 2018	IFRS	$ 752	$ (201,587)	$ (0.01)
November 30, 2017	IFRS	$ 730	$ (272,680)	$ (0.00)
August 31, 2017	IFRS	$ 581	$ (233,745)	$ (0.00)
May 31,2017	IFRS	$ 541	$ (124,269)	$ (0.00)
February 28, 2017	IFRS	$ 537	$ (128,940)	$ (0.00)
November 30, 2016	IFRS	$ 546	$ (163,522)	$ (0.01)

See discussion of current quarter in Results of Operations

Exploration and Evaluation Assets

Expenditures on the Burnt Hill Property for the three months ended August 31, 2018 included consulting fees ($13,500), and other expenses of $8,473 (mainly renewal fees).

Expenditures on the Thierry Mine Project for the three months ended August 31, 2018 included consulting fees ($24,000), property taxes ($12,600), administration $3,967 and other expenses of $15,000.

Burnt Hill

The 51% owned Burnt Hill tin, tungsten and molybdenite project acquired by Cadillac in 2008 located near Fredericton, New Brunswick is one claim block covering more than 10,000 hectares. The remaining 49% interest is held by Noront Resources Inc. During the second quarter Cadillac announced that it has amended and restated the option agreement with Noront regarding the acquisition of Noront's remaining 49% interest in the Burnt Hill Tungsten project. This Project includes both a mine site with a decline in place which was previously operated in the 1980's to a pilot plant stage and several separate projects, based upon known historic showings (Tin Hill, Todd Mountain, McLean Brook and Two and a Half Mile Brook).

The completion of an exploration program carried out by Cadillac in early 2008 confirmed that the Burnt Hill project contained widespread tungsten and molybdenite mineralization in multiple zones along and across strike and down dip from historically defined mineralization. During 2009 the Company completed of the initial resource estimate and subsequently completed a NI 43-101 compliant Technical Report and Resource Estimate which was filed on SEDAR (www.sedar.com). In subsequent years Cadillac completed a number of prospecting, exploration and diamond drill programs both on the extensions of various mineralized zones previously discovered on the property in the vicinity of the historic Burnt Hill mine workings and in areas outside of known mineralization. The holes drilled outside the areas of known mineralization intersected mineralization thus expanding the area of interest on the Burnt Hill mine site and confirming that there is a larger system with similar mineralization present on the property.

In July 2013, Cadillac announced the results of their multi-year (6 year) exploration program as contained in an updated, independently produced, resource statement on the Burnt Hill project, prepared by Southampton Associates Inc. The technical report was filed on Sedar.com on August 29, 2013. Southampton estimated an indicated resource of 1,761,000 tonnes averaging 0.292% WO3, 0.007% MoS2 and 0.008% SnO2 as well as an inferred resource of 1,520,000 tonnes averaging 0.263% WO3, 0.008% MoS2 and 0.005% SnO2 using a cut-off grade of 0.07% WO3 in open pit and 0.16% WO3 in underground mining. The following table is an excerpt from the NI 43-101 resource report that summarized the resource statement for the Burnt Hill deposit as at July 2013:

PARAMETERS		INDICATED				INFERRED			
Mining	Cut-off	TONNES	WO3	MoS2	SnO2	TONNES	WO3	MoS2	SnO2
Method	% WO3		(%)	(%)	(%)		(%)	(%)	(%)
Open Pit	0.07	527,000	0.303	0.005	0.005	82,000	0.147	0.003	0.003
Underground	0.16	1,234,000	0.287	0.008	0.009	1,438,000	0.27	0.008	0.005
Total		1,761,000	0.292	0.007	0.008	1,520,000	0.263	0.008	0.005

- The terms Inferred Resource and Indicated Resource are in compliance with the CIM Standards on Mineral Resources and Reserves.
- Inferred resources are uncertain in nature as there has been insufficient exploration to define these as Indicated or Measured Resources.
- Mineral Resources do not have a demonstrated economic viability and may be affected by economic, environmental, or other factors.
- All tonnages have been rounded to the nearest 1,000 tonnes.

The contained metal represented by this resource statement after converting the metal compound to contained metal equivalents for the respective metal compounds is as follows:

Mineral Resources Contained Metal		Tungsten (million pounds)	Molybdenum (thousand pounds)	Tin (thousand pounds)
Open pit	Indicated	(1) 2.79	34.82	45.76
Underground	Indicated	6.19	130.46	192.867
Total	Indicated	8.99	162.91	244.64
Open pit	Inferred	0.21	3.25	4.27
Underground	Inferred	6.79	152.03	124.86
Total	Inferred	6.99	160.7	131.98

(1) $$\frac{(0.303\%\text{WO3})\ (79.29\%\ \text{Weight Percent Tungsten})\ (2{,}205\ \text{lbs./tonne})\ (527{,}000\ \text{tones})}{1{,}000{,}000} = 2.79$$

Later in 2013 the exploration program focused on prospecting several specific areas of the property outside of the Burnt Hill mine area itself following which Cadillac reported the discovery of a second mineral occurrence, Wolf Ridge, at the Burnt Hill project, located between 3 and 6 kilometres to the west of the existing Burnt Hill mine, with similar size and mineralization to the Burnt Hill mine deposit. Cadillac also completed a drilling program at the Burnt Hill mine site consisting of six drill holes designed to further extend mineralization at the mine site. For further information see press releases dated November 5, 2013, December 12, 2013 and January 29, 2014.

During the second quarter Cadillac announced that it has amended and restated the option agreement with Noront regarding the acquisition of Noront's remaining 49% interest in the Burnt Hill Tungsten project. Once all milestones and/or date sensitive payments are made, Noront will receive an aggregate of $1.8 million through a combination of cash and shares for their 49% interest over the course of 3.5 years (see press release dated September 27, 2017). Under the terms of the agreement Cadillac then made an initial payment of $ 50,000 in cash and issued 1,000,000 common shares of Cadillac valued at $ 50,000 to Noront. In April 2018 Cadillac made the second of the three payments provided for under the amended and restated option agreement paying $ 75,000 in cash and issuing 1,500,000 common shares of the Company to Noront valued at $ 45,000. The remaining payment for the 49% interest will be payable on the earlier of completion of a pre-feasibility study on the project and March 26, 2019.

No significant work of a material nature has, as yet, been subsequently carried out on the property. Cadillac is presently pursuing solutions which will permit the recommencement of activities at Burnt Hill.

Burnt Hill Property	Quarter Ended 31-Aug-2018	Cumulative Expenditure 31-Aug-2018	Cumulative Expenditure 31-May-2018
Acquisition cost	-	$ 2,848,055	$ 2,848,055
Drilling	-	823,243	823,243
Geology and geophysics	-	733,815	733,815
Equipment Rental	-	254,920	254,920
Management fees	-	203,837	203,837
Claims management	-	149,300	149,300
Lab analysis	-	362,785	362,785
Administrative	40	123,058	123,018
Meals and accommodation	-	155,221	155,221
Planning	-	26,700	26,700
Auto, transportation and fuel	-	80,752	80,752
Drafting	-	12,676	12,676
Licence agreement	-	12,500	12,500
Travel and related costs	-	41,011	41,011
Consulting	13,500	549,420	535,920
IP Surveys	-	22,484	22,484
Storage	-	9,740	9,740
Other	8,433	148,116	139,683

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Total Burnt Hill Property	$ 21,973	$ 6,557,633	$ 6,535,660
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Thierry Property

In January 2010, the Company acquired Richview Resources Inc. through the amalgamation of Richview with a wholly owned subsidiary of Cadillac pursuant to a three-cornered amalgamation. Pursuant to the amalgamation Cadillac acquired the Thierry property in north-western Ontario adjacent to the Town of Pickle Lake which included the past producing Thierry mine which was last operated by UMEX and shut down in 1982 due primarily to the decline in the price of copper. Outside of the Thierry underground mine area the eastern component of the property encompasses a project referred to as K1-1 which lies three kilometers east of the Thierry mine. The Thierry property now comprised of 27 mining leases encompasses a land position of 7,015 hectares and 3 unpatented contiguous claims totalling 750 hectares.

Following the amalgamation Cadillac obtained access to the detailed geological and technical information on Thierry that became available. This data including the additional data generated by the drilling of 20 holes in 2007 and 2008 by the former operators of the property as well as the drilling used in previous NI 43-101 resource estimates was then evaluated with the objective of developing a comprehensive work program on the project. Cadillac subsequently completed a number of diamond drill programs adjacent to the underground mine in 2010 and 2011 which included a diamond drill program designed to test for shallower extension of mineralization from the known and modeled deposit. Cadillac retained P&E Mining Consultants Inc. to update the resource estimates for Thierry which are available under the Company's profile on SEDAR at www.sedar.com.

Outside of the Thierry underground mine area the eastern component of the property encompasses a project referred to as K1-1. This area, which lies three kilometers east of the Thierry mine, was historically drill tested by UMEX which defined the mineralization in 1973 and 1981 based upon drilling at that time. UMEX had identified an estimated 75,000,000 tonne resource containing 0.38% copper and 0.11% nickel which was not NI 43-101 compliant and is historic in nature, as cited in *"Technical Report and Updated Resource Estimate on the Thierry CU-NI-PGE Mine Property, Pickle Lake Area, Patricia Mining District, North-Western Ontario Canada"* by P & E Mining Consultants Inc. dated July 1, 2010 and filed by Cadillac on SEDAR (see press releases dated May 5, 2011 and May 6, 2011).

Earlier in 2011 Cadillac completed two drilling programs consisting of sixteen drill holes on the shallow K1-1 deposit designed to confirm the historic data calculation and facilitate an N1 43-101 compliant resource calculation at K1-1. Later in 2011 Cadillac completed a further exploration program on the K1-1 deposit utilizing two diamond drills rigs and completing a total of twenty six drill holes. The purpose of this drill program was to upgrade and expand the mineralization and models at K1-1 by infill drilling within the area of the pits and adjacent to the modeled pits, as well as targeting areas under the pits and along strike in the exploration program. Cadillac reported that the assay results of samples from the twenty six holes drilled (see press releases dated January 18, 2012, January 25, 2012 and February 2, 2012) enabled Cadillac to further update the initial K1-1 resource estimate. P&E Mining Consultants completed this mineral resource estimate which was based on a combination of historic drilling by previous project operators and the more recent drilling by Cadillac who reported that the updated inferred mineral resource at K1-1 had been estimated within an economically optimized Whittle pit shell consisting of 53,614,000 tonnes containing 0.38% Copper and 0.10% Nickel using an NSR cut off rate of $ 11/tonne (see press release dated February 14, 2012). The increase in this updated inferred resource over earlier reported inferred resource estimate was due to a number of factors including the results from the twenty-six holes drilled by Cadillac, an increase in the trailing average metal prices, lower projected operating costs at K1-1 which have been derived from a conceptual combination of operations at the K1-1 open pit deposit and the Thierry underground deposit and the inclusion of additional UMEX data not considered earlier. Cadillac subsequently completed a NI 43-101 compliant Technical Report and Resource Estimate which was filed on SEDAR (www.sedar.com) in March 2012. Mr. Brian H. Newton P.Geo, of Billiken Management Services Inc. is the qualified person pursuant to the requirement set out in National Instrument 43-101 has reviewed and approved the technical information above on behalf of the Company. The potential quantity and grade set out in the information above is conceptual in nature. In addition, there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.

During fiscal year 2013 Cadillac completed a further drilling program at K1-1 designed to test new areas of the K1-1 deposit in order to potentially increase the mineralized resource at K1-1 and consisted of eight drill holes with 2,200 meters being drilled. Cadillac subsequently reported that each hole had successfully encountered mineralization outside of the current Whittle Pit defined compliant resource and returned assayed grades comparable, or better than, those contained within the current Whittle Pit defined compliant resource (see press release dated September 13, 2012). Cadillac also completed a field prospecting/mapping program designed to provide field testing and sampling of correlated geophysical and coincident magnetic anomalies on the property outside of the area of the Thierry Mine and K1-1 during the year. Cadillac has evaluated the results of the aforementioned drilling and field prospecting/mapping programs with a view to determining the next phase of the exploration program at the Thierry Mine and K1-1.

Following the successful drilling program on the nearby K1-1 deposit in late 2011 (discussed above) Cadillac revised the Thierry underground resource based upon conceptually combining the operations of the Thierry underground and the K1-1 open pit deposit which has resulted in a $ 5/tonne decrease in the NSR cut off to $ 41/tonne. The further revised Thierry underground resource consisted of a Measured and Indicated resource of 8,815,000 tonnes containing 1.66% Copper and 0.19% Nickel and an Inferred resource of 14,922,000 tonnes containing 1.64% Copper and 0.16% Nickel using the revised NSR cut off of $ 41/tonne (see press release dated February 23, 2012). Cadillac subsequently completed a NI 43-101 compliant Technical Report and Resource Estimate which was filed on SEDAR (www.sedar.com) in March 2012.

In May 2012 Cadillac received a positive Preliminary Economic Assessment for the Thierry project which was independently prepared by P&E Mining Consultants Inc. This report demonstrates the technical and potential economic viability of reopening the Thierry Mine and processing material from both the underground Thierry mine deposit and the K1-1 open pit deposit on a combined basis (see press release dated May 12, 2012). This Preliminary Economic Assessment for the Thierry project was filed on SEDAR (www.sedar.com) in June 2012.

When this positive PEA was issued the copper price was more robust than the prices currently prevailing, therefore the mining approach of combining the deposits to mine a larger tonnage, while diluting the overall grade, was economically viable at that time. Management of Cadillac is today of the opinion that the Thierry Mine Project requires a more aggressive, less costly, mining approach focused upon the higher grade underground resource in the current commodity price environment, while recognizing that the long term outlook for copper is for a better price environment. Cadillac is now revisiting its initial focus at the Thierry underground deposit and is presently pursuing liquidity solutions, which will permit activity at Thierry. Going forward the focus will be on the underground deposit and Thierry will be re-assessed as a stand-alone underground project.

During fiscal year 2017 Cadillac reported that it had entered into an option agreement for its Thierry Property located in Pickle Lake, Ontario with Northern Fox Resources Inc. (NFR), an arm's length private Ontario Company, whereby NFR can earn a 70% interest in the Thierry Property. Salient points of the agreement are (i) payment of $ 100,000 to Cadillac (received in September 2016) (ii) issue of 6,000,000 shares of NFR to Cadillac (received in January 2017 and valued at $ 0.10 per share) (iii) issuance by NFR of a note for $ 8,000,000 to Cadillac as a first charge against NFR's option interest in the property. The note will be retired by Cadillac proportionate to work expenditures by NFR on the property as outlined below and issuance of an additional 8,000,000 NFR shares to Cadillac. The work program will consist of a total of $ 13,900,000 in total expenditures on the Project. The note retires at three points in the work program as follows; (a) after an expenditure of $ 8,000,000 in defined activity to be carried out over a 36 month period from closing, 30% of the note will be retired and there will be a proportional issuance of 2,400,000 shares as the work progresses (b) upon completion of a feasibility study by the 42nd month from closing, following which an additional 40% of the note will be retired and there will occur a further issuance of 3,200,000 shares and (c) the final 30 % of the note will be retired and a 2,400,000 share issuance will occur upon acceptance of an environmental study by the Ministry . Should the provisions in (i), (ii), and (iii) along with those of (a), (b) and (c) not be met the option agreement retires null and void. No finder's fees are associated with this transaction (see press release dated July 25, 2016). Cash and shares received under the option agreement with Northern Fox Resources Inc. during year ended May 31, 2017 amounted to $ 100,000 and $ 600,000 respectively.

During the second quarter of fiscal 2018, Cadillac reported that two further claim blocks, the East Extension and Airport blocks, totaling 2,343.5 Ha were staked on the Thierry property covering known mineralization and prospective targets and increasing the Thierry project's property size to 7,765.5 Ha. (see press release dated November 29, 2017). The staking of the East Extension block brings the eastern border of the Thierry property adjacent to the former PC Gold property and encompasses two areas of interest, the K1-1 extension and the Gateway occurrence. The K1-1 extension hosts the interpreted, via geophysics and drillholes, extension of the K1-1 mineralization and a parallel occurrence. Both the K1-1 extension and the parallel occurrence have been historically drilled with logs recording copper mineralization being encountered at both locations, no assays or core are available. This area is easily accessible along the road on the property and is a compelling follow-up target. The Gateway block, covering the Gateway Patricia gold occurrence, which has been historically drilled, outlining gold mineralization within a quartzite with disseminated sulphides, including arsenopyrite, over approximately 2 km of strike length. Logs indicate very little overburden in the area, along with outcrop noted in government geological mapping. The favourable setting of this gold mineralization gives Cadillac the opportunity to mount an efficient ground exploration program after compilation of the existing drillhole, trenching, geological and geophysical data. The Airport Block hosts at least two occurrences of highly folded banded iron formation, in conjunction with a VLF-EM conductor, which may represent either a sulphide body within the iron formation or associated with a local shear or fault structure. This area is largely unexplored and offers Cadillac the opportunity to engage in a compilation of the available data followed by an initial ground reconnaissance program.

Thierry Mine Project, Ontario	Quarter Ended 31-Aug-2018	Cumulative Expenditure 31-Aug-2018	Cumulative Expenditure 31-May-2018
Acquisition cost	$ -	$ 7,259,868	$ 7,259,868
Drilling	-	3,141,125	3,141,125
Geological	-	1,248,919	1,248,919
Meals and accommodation	-	552,440	552,440
Management fees	24,000	587,586	563,586
Equipment rental	-	465,458	465,458
Environmental studies	-	293,002	293,002
Auto, transportation and fuel	-	329,810	329,810
Lab analysis	-	253,569	253,569
Consulting	-	1,159,300	1,159,300
Drafting	-	90,555	90,555
Travel and related costs	-	122,794	122,794
Administration	3,967	43,987	40,020
Planning	-	41,964	41,964
Claims management	-	44,423	44,423
Property taxes	12,600	553,957	541,357
Site maintenance	-	85,997	85,997
Line cutting	-	40,179	40,179
Geophysics	-	47,655	47,655
Other	15,000	471,071	456,071
	---------------	----------------	----------------
Total expenditures	$ 55,567	$ 16,833,659	$ 16,778,092
Shares and cash received under the option agreement	-	(700,000)	(700,000)
	---------------	-------------	-------------
Total Thierry Mine Project	$ 55,567	$ 16,133,659	$ 16,078,092
	========	========	========

Kirkland Lake/Grenfell Gold Property

The Kirkland Lake/Grenfell Gold Property was acquired by Cadillac as part of its acquisition of Richview Resources Inc. in 2010. The property is located west of the town of Kirkland Lake, Ontario, within four kilometres of the producing Macassa Mine. Richview had previously carried out limited work on the property which it did not pursue.

During 2014 Cadillac entered into an earn-in option agreement with Anconia Resources Corp. whereby Cadillac granted an option to Anconia to acquire up to a 100% interest in the Kirkland Lake/Grenfell Gold Property. Under the terms of the agreement Anconia acquired a 60% interest in the property during fiscal year 2016 having completed agreed milestones. In April 2017 Anconia exercised its option to acquire 100% ownership interest in the property. Anconia issued 5,000,000 million common shares to Cadillac valued at

$ 150,000 to acquire the remaining 40% of the property. Cadillac will retain a 2% net smelter return royalty on the property, of which Anconia is entitled to purchase 1% at any time up to 2 years after the commencement of commercial production, for $1,000,000.

Trends

The Company is a Canadian base and precious metal exploration company, focused on exploring its current property interests, and on acquisitions of other mineral exploration properties, should such acquisitions be consistent with its objectives and acquisition criteria. The Company currently has operations in the Provinces of Ontario, and New Brunswick, Canada. The Company's financial success will be dependent upon the extent to which it can make discoveries and on the economic viability of any such discoveries. The development of such assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. To date, the Company has not produced any revenues. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond its control, such as the market value of the commodities produced.

There are significant uncertainties regarding the prices of base and precious metal and the availability of equity financing for the purposes of exploration and evaluation. The future performance of the Company is largely tied to the successful exploration, discovery and eventual development of its property interests, if they are proven successful, and other prospective business opportunities and the overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy. However, recently, equity markets in Canada have showed signs of improvement, with equities increasing significantly during this period. Strong equity markets are favourable conditions for completing a financing, public merger or acquisition transaction.

Liquidity and Financial Position

The Company, which is involved in exploration activities, has no source of operating revenue and does not anticipate receiving revenue in the foreseeable future. The activities of the Company are financed through equity offerings and the exercise of stock options and warrants.

Cash from in operating activities was $ 26,442 for the three months ended August 31, 2018. Significant items added back to the loss of $ 175,965 were (i) the loss on marketable securities of $ 50,385 and the changes in non-cash working capital items of $ 137,973 (mainly an increased in accounts payable in the amount of $ 146,764).

Cash used in investing activities was $ 60,591 comprising of expenditures on mining projects of $ 77,540, and proceeds from the sale of marketable securities in the amount of $16,949.

As at August 31, 2018, the Company had cash of $ 32,733 (excluding restricted cash balance of $ 400,000), short term investments of $30,009, marketable securities of $827,045, and receivables and prepaid of $68,357 for and total current assets of $958,144. Total current liabilities were $1,430,283 and included accounts payable and accrued liabilities of $962,659 and convertible debentures of $467,624. This resulted in a working capital deficit of $ 472,139 at August 31, 2018 (May 31, 2018 - $ 222,807).

The Company's use of cash is expected to continue to be focused on three principal areas, namely for settlement of its liabilities, exploration as described under the mineral property activities section discussed earlier and to support ongoing operating expenses.

Cadillac presently intends to principally rely on private placement financing to fund future expenditures. The Company will continue its efforts to raise funds for future developments and operations and to meet its ongoing obligations as they arise. There is however, no assurance that the Company will be successful in its efforts, in which case, the Company may not be able to meet its obligations.

Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated balance sheet.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on its financial performance or financial condition, including without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

Major Shareholders and Transactions with Related Parties

Major shareholders

To the knowledge of the directors and senior officers of the Company, as at August 31, 2018, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

Major Shareholders	Number of Common Shares	Percentage of outstanding Common Shares
Best Path Developments Limited	9,142,728	10.08%
Jieli Chen	10,428,636	11.50%
Renxia Qi	10,428,636	11.50%
Universal Precious Development Limited	9,705,385	10.70%

The Company's major shareholders do not have different voting rights than other holders of the Company's common shares. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Transactions with Related Parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Related parties include the Board of Directors, close family members and entities which are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions are in the normal course of business and are measured at fair value and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) The Company entered into the following transactions with related parties (continued):

	Three months ended August 31,	
	2018	**2017**
Norman Brewster (i)	$ 37,500	$37,500
Norman Brewster (i)	4,500	4,500
L. O’Shaughnessy & Associates (ii)	9,375	18,750
CFO Advantage Inc. (iii)	4,500	-
	$55,875	$60,750

(i) During the three months ended August 31, 2018, consulting fees of $37,500 and car allowance of $4,500 were accrued or paid to Norman Brewster, the President and Chief Executive Officer ("CEO") of the Company (comparative period - consulting fees $37,500 and car allowance $4,500). As at August 31, 2018, an amount of $72,197 was owing to the President and CEO of the Company and was included in accounts payable and accrued liabilities (May 31, 2018 - $25,322).

(ii) During the three months ended August 31, 2018, management fees of $9,375 (comparative period - $18,750) were accrued or paid to L. O'Shaughnessy & Associates, a registered business name, for services to be performed by the Chief Financial Officer ("CFO") of the Company. As at August 31, 2018, an amount of $83,013 was owing to the former CFO and was included in accounts payable and accrued liabilities (May 31, 2018 - $76,078).

(iii) During the three months ended August 31, 2018, management fees of $4,500 (comparative period - $nil) were accrued or paid to CFO Advantage Inc., a registered business name, for services to be performed by the CFO of the Company. As at August 31, 2018, an amount of $4,500 was owing to the current CFO and was included in accounts payable and accrued liabilities (May 31, 2018 - $nil).

(b) Directors and key management compensation of the Company was as follows:

	Three months ended August 31,	
	2018	**2017**
Salaries, benefits and fees	$ 59,375	$65,750

The Board of Directors do not have employment or service contracts with the Company. They are entitled to director fees and share-based compensation for their services. As at August 31, 2018, an amount of $100,000 was owing to directors and was included in accounts payable and accrued liabilities (May 31, 2018 - $96,500).

Proposed Transactions

Other than as set out on Page 21 of the MD&A – Events after Reporting Period - there are no proposed transactions of a material nature that have been finalized by the Company. However, Cadillac continues to review proposed transactions and to evaluate properties on an ongoing basis for investment or acquisition purposes.

Critical Accounting Estimates

The preparation of Cadillac's consolidated financial statements requires management to make certain estimates that affect the amounts reported in the financial statements. The accounting estimates considered significant are the valuation of the Company's exploration and evaluation assets and stock-based compensation. The Company's policy of capitalizing expenditures on mineral properties does not necessarily relate to the future economic values of those properties. The valuation is dependent entirely upon the discovery of economic mineral deposits. The Company uses the Black-Scholes model to determine the fair value of stock options. The main factor affecting the estimates of stock-based compensation is the stock price volatility used. The Company uses historical price data and comparables in the estimate of future volatility. Other items requiring estimates are Accounts receivable and prepaids, Marketable securities, Accounts payable and accrued liabilities, Convertible Debentures and Decommissioning provision.

Accounting Policies Including Initial Adoption

The Company applies International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as of August 30, 2018, the date the Board of Directors approved the statements. The accounting policies and methods of computation followed in these audited consolidated financial statements are set out on Note 2 of the annual consolidated financial statements as at and for the year ended May 31, 2018.

Change in Accounting Policies

Effective June 1, 2018, the Company adopted IFRS 9 - Financial Instruments ("IFRS 9"). In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no impact to the Company's unaudited condensed interim consolidated financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

The new hedge accounting guidance aligns hedge accounting more closely with an entity's risk management objectives and strategies. IFRS 9 does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it allows more hedging strategies used for risk management to qualify for hedge accounting and introduces more judgement to assess the effectiveness of a hedging relationship, primarily from a qualitative standpoint. The Company has elected to continue with IAS 39 for hedging. This does not have an effect on our reported results.

Recent Accounting Pronouncements

IFRS 16 - Leases was issued on January 13, 2016 to require lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 - Leases. The IASB issued its standard as part of a joint project with the Financial Accounting Standards Board ("FASB"). The FASB has not yet issued its new standard, but it is also expected to require lessees to recognize most leases on their statement of financial position. The new standard will be effective for annual periods beginning on or after January 1, 2019. Early application is permitted provided the new revenue standard, IFRS 15 - Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16. The Company is in the process of reviewing the implication of the new accounting pronouncements. Management does not anticipate the impact to be significant.

(iii) Various other accounting pronouncements that have no material impact to the Company are not included above. The Company has not early adopted these standards.

Financial Instruments and Related Risks

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and equity price risk).

Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations leading to a financial loss. The Company's credit risk is primarily attributable to cash, accounts receivable (includes HST), and short-term investments. Cash and short-term investments are held with a Canadian chartered bank, from which management believes the risk of loss to be minimal.

Financial instruments included in accounts receivable comprise of sales tax receivable from government authorities (includes HST) in Canada and deposits held with service providers. Accounts receivable are in good standing as of August 31, 2018. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is minimal.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2018, the Company had cash and short term investments of $ 62,742 (May 31, 2018 - $ 97,003) to settle current liabilities of $ 1,430,283 (May 31, 2018 - $ 1,273,756). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at August 31, 2018 $ 744,627 of accounts payable and accrued liabilities is past due. Cadillac had accounts receivable and prepaid expenses of $ 68,357 compared to $ 59,566 at May 31, 2018. Marketable securities totalled $ 827,045 compared to $ 894,380 at May 31, 2018.

The Company has had recurring losses and will require additional financing to fund its administration and continuing exploration efforts. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. The August 31, 2018 consolidated financial statements have been prepared on a going concern basis that assumes the Company will be able to continue to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

In the event the Company is not able to obtain adequate funding, there is uncertainty as to whether the Company will be able to maintain and complete the acquisition and development of its property interests. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. These adjustments could be material.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include:

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash and short-term investments balances and other than the convertible debentures has no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by the Company's Canadian chartered bank. Management monitors the interest rate risk on the floating financial assets on a regular basis. The Company considers the impact of interest rate risk on the floating rate financial assets as minimal given the short term nature of the assets. The Company’s loan payable and convertible debentures are at fixed interest rates. Accordingly the Company has no material interest rate risk.

Equity price risk
The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, as it relates to base and precious metals, and the stock market to determine the appropriate course of action to be taken by the Company. The Company's marketable securities including investments in Renforth Resources Inc., Anconia Resources Inc. and Northern Fox Resources Inc. and are subject to fair value fluctuations arising from changes in the equity markets and currently amount to $ 827,045 (May 31, 2018 - $ 894,380).

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period:

(i) Cash and short-term investments include guaranteed investment certificates that are subject to floating interest rates. The Company has no interest-bearing debt and receives low interest rates on its cash balances. As such the Company does not have significant interest rate risk.

(ii) The Company's marketable securities are subject to fair value fluctuations. As at August 31, 2018, if the fair value of the marketable securities had decreased/increased by 10% with all other variables held constant, comprehensive loss for the year ended August 31, 2018 would have been approximately $ 83,000 higher/lower. Similarly, as at August 31, 2018, reported shareholders' equity would have been approximately $ 83,000 lower/higher as a result of a 10% decrease/increase in the fair value of marketable securities.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and adjusts according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which is comprised of share capital, reserves, equity component of convertible debentures and accumulated deficit which at August 31, 2018 totalled $ 22,216,612 (May 31, 2018 - $ 22,392,577). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on its exploration activities. Selected information is provided to the Board of Directors of the Company. The Company’s capital management objectives, policies and processes have remained unchanged during the three months ended August 31, 2018.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX-V which requires adequate working capital or financial resources of the greater of (i) $ 50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of August 31, 2018, the Company is not compliant with Policy 2.5. The impact of this violation is not known and is ultimately dependent on the discretion of the TSX-V.

Outstanding Share Data

At October 19, 2018 the Company had 90,721,266 common shares outstanding, 19,579,615 warrants, exercisable between October 2018 and March 2019, to purchase common shares outstanding and 3,795,000 options exercisable between January 2021 and December 2021, were outstanding.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the audited annual consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the audited annual consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate do not make any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Events after the Reporting Period

(i) On October 2, 2018, 7,440,000 warrants with an exercise price of $0.05 expired unexercised.

Risks and Uncertainties

Current Global Financial and Economic Conditions

Current global financial and economic conditions have been characterized by extreme volatility. Several financial institutions and other major businesses have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by many factors as a result of the global financial crisis. This may impact the Company's ability to obtain funding in the future and on favourable terms. Additionally, global economic conditions may cause decreases in asset values that are deemed to be other than temporary. If such volatility and market turmoil continue, the Company's business and financial condition could be adversely impacted.

Additional Funding Requirements

The Company plans to expand its activities both within and outside Canada and because the Company is in the business of mineral exploration and at present does not derive any income from any of its mineral assets, the Company will be reliant upon additional equity financing in order to continue and expand its business and operations. There is no guarantee that future sources of funding will be available to the Company as and when required in the current volatile markets. If the Company is not able to raise additional equity funding in the future the Company will be unable to carry out its business going forward.

Uncertainty of Mineral Resource and Mineral Reserve Estimates

The estimates for mineral resources and mineral reserves are determined in accordance with NI 43-101 and CIM Standards. There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral resources and mineral reserves estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of recovery of metals from such resources may not be realized. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect in the future on the Company's financial position and results of operations. Estimated mineral resources may have to be recalculated based on changes in mineral resource prices, further exploration or development activity, or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence reserve or resource estimates. Market price fluctuations for mineral resources, increased production costs or reduced recovery rates, or other factors can render proven and probable mineral reserves uneconomical or unprofitable to develop at a particular site or sites. A reduction in estimated mineral reserves could require material write downs in investment in the affected mining property and increased amortization, reclamation and closure charges.

Uncertainty of Inferred Mineral Resources

Inferred mineral resources that are not mineral reserves do not have demonstrated economic viability and are considered too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that the estimated tonnage and grades as stated will be achieved or that they will be upgraded to measured and indicated mineral resources or proven and probable mineral reserves as a result of continued exploration.

Commodity Price Volatility

The prices of the various commodities for which the Company is exploring are beyond the Company's control, can fluctuate drastically and could adversely affect the Company. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even though commercial quantities of valuable minerals may be discovered in the future, a profitable market will exist for them. As of May 31, 2018 the Company was not a producer of valuable minerals. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may affect the Company's liquidity and its ability to meet its ongoing obligations.

Currency Fluctuations

Currency fluctuations may affect the Company’s future operations, financial position and results. The Company’s financial results are reported and funds are held primarily in Canadian dollars and to date costs have been mainly incurred in Canadian dollars. However with the Company’s expanding international activities, the Company will have increased exposure to fluctuations in the Canadian dollar against foreign currencies.

Title to Mineral Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds concessions or mineral leases or licenses, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law often are complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

Mineral Exploration

Mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration, and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many of which are outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company’s mineral exploration and exploitation activities will be successful.

Country Risk

The Company could be at risk regarding any political developments in the country in which it operates. At present the Company is active in Canada with plans to become active in Peru and possibly other areas outside Canada in the future. The Company’s mineral exploration may be adversely affected by political instability and legal and economic uncertainty in the countries where the Corporation operates or has plans to operate. These risks may include: political unrest; labour disputes; invalidation of governmental orders and permits; corruption; war; civil disturbances; terrorist activities; arbitrary changes in laws; regulations; policies;

taxation; price controls; exchange controls; delays in obtaining or the inability to obtain necessary permits; opposition to mining from environmental or other non-governmental organizations; limitations on foreign ownership; limitations on the repatriation of earnings; limitations on mineral exports; and increased financing costs. These risks may limit or disrupt the Company's projects, restrict the movement of funds or result in the deprivation of contractual rights.

Uninsurable Risks

Mineral exploration activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of the common shares of the Company. The Company does not maintain insurance against environmental risks.

Environmental Regulation and Liability

The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities themselves but also the possible effects of such activities upon the environment. Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploitation activities, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities.

Environmental legislation is evolving in a manner which may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers, and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards and laws and regulations which may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Regulations and Permits

The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could Stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Dependence on Key Employees

The Company's business is dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Share Price Fluctuations

In recent years, and particularly with the current global financial conditions, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly development stage companies, have experienced wide fluctuations in price that have not necessarily been related to the underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.