

Ressources Cartier Inc.

(formerly Investissements St-Pierre Inc. - see (note 2)
(an exploration company)

Financial Statements

Second quarter ended June 30, 2008

The financial statements for the period ended June 30, 2008 have not been reviewed by the company's external auditors

Ressources Cartier Inc.

Table of contents

	<u>PAGE</u>
Financial Statements	
Balance Sheets	3
Statements of Deficit	4
Statements of Earnings and Comprehensive Loss	5
Statements of Cash Flows	6
Notes to Financial Statements	7-16

Ressources Cartier Inc.

(an exploration company)

Balance Sheets

(Unaudited)

	June 30, 2008 (Unaudited) \$	December 31, 2007 (Audited) \$
Assets		
Current assets		
Cash and cash equivalents (note 13)	2,087,898	3,230,457
Accounts receivable (note 5)	689,775	604,753
Prepaid expenses	33,226	34,021
	<u>2,810,899</u>	<u>3,869,231</u>
Property, plant and equipment (note 6)	54,437	60,928
Mining properties (note 7)	1,439,284	1,433,234
Deferred exploration costs (note 8)	1,578,780	755,188
	<u>5,883,400</u>	<u>6,118,581</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	140,040	175,326
Future income taxes	497,203	404,262
	<u>637,243</u>	<u>579,588</u>
Shareholders' Equity		
Capital stock (note 9)	5,299,806	5,278,821
Stock options (note 10)	340,210	292,310
Warrants (note 11)	633,504	633,504
Deficit	(1,027,363)	(665,642)
	<u>5,246,157</u>	<u>5,538,993</u>
	<u>5,883,400</u>	<u>6,118,581</u>
Going concern (note 1)		
Commitments (note 18)		

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors

(signed) Philippe Cloutier, Director

(signed) Daniel Massé, Director

Ressources Cartier Inc.

(an exploration company)

Statements of Deficit

(Unaudited)

	Three month period ended		Six month period ended	
	June 30, 2008 (Unaudited) \$	June 30, 2007 (Unaudited) \$	June 30, 2008 (Unaudited) \$	June 30, 2007 (Unaudited) \$
Balance - Beginning of period	807,430	116,201	665,642	79,461
Net loss for the period	219,933	267,918	361,721	304,658
Balance - End of period	<u>1,027,363</u>	<u>384,119</u>	<u>1,027,363</u>	<u>384,119</u>

The accompanying notes are an integral part of these financial statements.

Ressources Cartier Inc.

(an exploration company)

Statements of Earnings and Comprehensive Loss (Unaudited)

	Three month period ended		Six month period ended	
	June 30, 2008 (Unaudited) \$	June 30, 2007 (Unaudited) \$	June 30, 2008 (Unaudited) \$	June 30, 2007 (Unaudited) \$
Administrative expenses				
Salaries	50,874	7,490	77,664	7,490
Consultants	44,216	36,492	93,452	36,492
Stock-based compensation	33,537	122,690	37,772	122,690
Professional fees	28,499	8,471	37,129	33,775
Rent	1,550	1,794	4,018	1,794
Business development	36,664	42,566	80,305	42,566
Insurance, taxes and permits	5,705	23,140	12,458	27,005
Interest and bank charges	11	532	729	609
Depreciation of property, plant and equipment	147	-	294	-
Stationery and office expenses	6,633	26,359	10,789	27,642
Telecommunications	2,123	-	3,633	-
Training and travelling	9,053	-	14,378	-
Advertising	5,888	-	9,109	-
Shareholder information	12,207	16,383	23,874	30,557
Interest income	(17,174)	(17,999)	(43,883)	(25,962)
Loss before income taxes	219,933	267,918	361,721	304,658
Future income taxes	-	-	-	-
Net loss and comprehensive loss for the period	219,933	267,918	361,721	304,658
Basic and diluted net loss per share (note 17)	0.01	0.03	0.02	0.04
Basic and diluted weighted average number of shares outstanding (note 17)	16,568,132	9,562,638	16,559,066	7,890,608

Going concern (note 1)

The accompanying notes are an integral part of these financial statements.

Ressources Cartier Inc.

(an exploration company)

Statements of Cash Flows

(Unaudited)

	Three month period ended		Six month period ended	
	June 30, 2008 (Unaudited) \$	June 30, 2007 (Unaudited) \$	June 30, 2008 (Unaudited) \$	June 30, 2007 (Unaudited) \$
Cash flows from operating activities				
Net loss for the period	(219,933)	(267,918)	(361,721)	(304,658)
Items not affecting cash and cash equivalents				
Depreciation of property, plant and equipment	147	-	294	-
Stock-based compensation	33,537	122,690	37,772	122,690
	(186,249)	(145,228)	(323,655)	(181,968)
Net change in non-cash working capital items				
Accounts receivable	446,590	(148,661)	423,664	(160,700)
Prepaid expenses	(472)	2,202	795	(10,611)
Accounts payable and accrued liabilities	(1,268)	138,810	(7,049)	146,827
	258,601	(152,877)	93,755	(206,452)
Cash flows from financing activities				
Issuance of shares and warrants	-	4,000,000	-	4,000,000
Share and warrant deferred issue expenses	-	(347,741)	-	(374,411)
Exercise of stock options	12,500	-	12,500	-
	12,500	3,652,259	12,500	3,625,589
Cash flows from investing activities				
Acquisition of mining properties	(6,050)	-	(6,050)	-
Additions to property, plant and equipment	-	(33,066)	-	(33,066)
Deferred exploration costs	(717,978)	(138,536)	(1,242,764)	(138,536)
	(724,028)	(171,602)	(1,248,814)	(171,602)
Increase (decrease) in cash and cash equivalents	(452,927)	3,327,780	(1,142,559)	3,247,535
Cash and cash equivalents - Beginning of period	2,540,825	1,166,330	3,230,457	1,246,575
Cash and cash equivalents - End of period	2,087,898	4,494,110	2,087,898	4,494,110

Additional information (note 12)

The accompanying notes are an integral part of these financial statements.

Ressources Cartier Inc.

(an exploration company)

Notes to Financial Statements

Six month period ended June 30, 2008

1. Incorporation, nature of operations and going concern

The company was incorporated under Part 1 A of the Quebec Companies Act on July 17, 2006. Its activities include mainly the acquisition and exploration of mining properties. The company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mining properties is dependent upon the existence of economically recoverable ore reserves, the ability of the company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

The company's ability to continue as a going concern depends on obtaining additional financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in future. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern. The application of generally accepted accounting principles on a going concern basis may be inappropriate, since there is a doubt as to the validity of the going concern assumption.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of revenues and expenses and the classification of balance sheet items were the going concern assumption inappropriate, and these adjustments could be material. Management did not take these adjustments into account as it believes in the validity of the going concern assumption.

2. Qualifying transaction and change of corporate name

On June 4, 2007, the company completed a qualifying transaction for the purposes of Policy 2.4 of the TSX Venture Exchange Inc. The qualifying transaction consisted of the acquisition of seven mining exploration properties totalling 396 claims located in Northwestern Quebec, of which the major one is the Kinojévis property, in consideration of 2,200,000 common shares of the company and the assumption of future income taxes amounting to \$442,707 since the tax rollovers were completed by the vendors. Following this transaction, the company changed its corporate name from Investissements St-Pierre inc. to Ressources Cartier inc.

Concurrently, the company completed a private placement of 8,000,000 units at \$0.50 per unit for total proceeds of \$4,000,000. Each unit consists of one common share and one-half share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one share at an exercise price of \$0.70 for a period of 24 months following the closing of the private placement.

3. Basis of presentation

These unaudited interim financial statements of the company have been prepared in accordance with Canadian generally accepted accounting principles and contain the financial position, results of operations and cash flows of the company. The same accounting policies used in the last annual report have been applied in the unaudited interim financial statements except the changes describes in note 4. The unaudited interim financial statements do not include all the information and notes required according to generally accepted accounting principles for annual financial statements, and should therefore be read in conjunction with the audited financial statements of the company in the annual report for the year ended December 31, 2007.

Ressources Cartier Inc.

(an exploration company)

Notes to Financial Statements

Six month period ended June 30, 2008

4. New accounting policies

On January 1, 2008, the company adopted the following new accounting standards issued by the CICA:

Capital disclosures

The CICA issued Section 1535, "Capital Disclosures". This section establishes standards for disclosing information about an entity's capital and management of its capital. The information provided by an entity should focus in particular on its objectives, policies and processes for managing capital, and disclose whether the entity has complied with imposed capital requirements and the consequences of non-compliance (note 15).

Financial Instruments - Disclosures and Financial Instruments - Presentation

The CICA issued new Sections 3862 and 3863, which replace Section 3861, "Financial Instruments - Disclosure and Presentation". These sections require the disclosure of additional detail of financial asset and liability categories as well as a detailed discussion on the risks associated with the entity's financial instruments, including how it manages these risks. These standards harmonize disclosures with International Financial Reporting Standards ("IFRS").

5 Accounts receivable

	June 30, 2008 (Unaudited) \$	December 31, 2007 (Audited) \$
Credit on duties and tax credit for resources refundable	604,943	521,070
Commodity taxes receivable	84,832	83,683
	<u>689,775</u>	<u>604,753</u>

6 Property, plant and equipment

		June 30, 2008 (Unaudited)		December 31, 2007 (Audited)	
	Depreciation period (years)	Cost \$	Accumulated depreciation \$	Cost \$	Accumulated depreciation \$
Leasehold improvements	5	51,730	8,695	51,730	3,521
Furniture and equipment	5	13,173	1,771	13,173	454
		<u>64,903</u>	<u>10,466</u>	<u>64,903</u>	<u>3,975</u>
Less:					
Accumulated depreciation		<u>10,466</u>		<u>3,975</u>	
Net amount		<u>54,437</u>		<u>60,928</u>	

Ressources Cartier Inc.

(an exploration company)

Notes to Financial Statements

Six month period ended June 30, 2008

7. Mining properties

			June 30, 2008 (Unaudited)	December 31, 2007 (Audited)
	Kinojévis \$	Other properties \$	Total \$	Total \$
Balance - Beginning of period	1,146,695	286,539	1,433,234	-
Additions of period	-	6,050	6,050	1,433,234
Balance - End of period	1,146,695	292,589	1,439,284	1,433,234

The company holds a 100% interest in eight mining properties that are all located in the northwestern region of Quebec. These properties are the following: Kinojévis, Bapst, Dieppe-Collet, La Morandière, Dalquier, Lac Castagnier Dollier and Manneville.

No royalties or other payments are related to these properties. During the period, exploration work was carried out on each of them. The major property is the Kinojévis property that covers a length of 48 km on the eastern extension of the Destor-Porcupine fault.

On February 7, 2008, the company signed an agreement with Xstrata Canada Corporation - Xstrata Zinc Canada Division ("Xstrata Zinc") entitling the company to acquire a 100% interest in five blocks of map designated claims totalling 50 units and covering approximately 2,088 hectares (the "Property"). The Property is located in Abitibi, in the northwestern region of Quebec. All blocks are contiguous to the company's Kinojévis project. In order to acquire a 100% interest in the Property, the company must incur work expenditures on the Property totalling \$1,000,000 on or before December 31, 2010 pursuant to the following schedule:

- an aggregate amount of at least \$100,000 on or before December 31, 2008;
- an aggregate amount of at least \$400,000 on or before December 31, 2009;
- an aggregate amount of at least \$1,000,000 on or before December 31, 2010;

These expenditures may be accelerated and charged to future years' expenses and accordingly, at the company's sole discretion, the option may be exercised sooner. The agreement allows Xstrata Zinc to:

- buy back a 50% undivided interest in the Property or portions thereof, or, if it waives this opportunity, to retain a 2% net smelter return royalty; and
- the right to purchase or treat concentrate produced from the Property.

Ressources Cartier Inc.

(an exploration company)

Notes to Financial Statements

Six month period ended June 30, 2008

8. Deferred exploration costs

			June 30, 2008 (Unaudited)	December 31, 2007 (Audited)
	Kinojévis	Other properties	Total	Total
	\$	\$	\$	\$
Balance - Beginning of period	677,551	77,637	755,188	-
Expenses incurred during the period				
Drilling	902,255	69,355	971,610	700,738
Geophysics	8,058	-	8,058	177,075
Stripping	-	-	-	128,808
Geology	91,837	4,571	96,408	-
Geology planning	8,285	-	8,285	-
Geology mapping	7,405	152	7,557	95,660
Geology compilation	5,051	10,063	15,114	45,890
Geochemistry	19,030	100	19,130	
Geotechnics	3,327	(901)	2,426	37,481
Core shack rental and maintenance	20,651	1,818	22,469	11,559
Office expenses	40,053	1,036	41,089	16,540
Duties, taxes and permits	17,826	5,156	22,982	14,523
Depreciation of exploration equipment	5,783	413	6,196	3,704
Stock-based compensation	17,814	799	18,613	44,280
	1,147,375	92,562	1,239,937	1,276,258
Tax credits	(386,432)	(29,913)	(416,345)	(521,070)
Net expenses during the period	760,943	62,649	823,592	755,188
Balance - End of period	1,438,494	140,286	1,578,780	755,188

Ressources Cartier Inc.
 (an exploration company)
Notes to Financial Statements
Six month period ended June 30, 2008

9. Capital stock

Authorized

Unlimited number of common shares, without par value, voting and participating

	June 30, 2008 (Unaudited)		December 31, 2007 (Audited)	
	Number	Amount \$	Number	Amount \$
Balance - Beginning of period	16,550,000	5,278,821	6,200,000	1,200,600
Shares issued				
Private placements			8,000,000	3,423,118
Acquisition of mining properties			2,200,000	990,000
Stock options exercised	50,000	20,985	150,000	62,955
	50,000	20,985	10,350,000	4,476,073
Issue expenses	-	-	-	(397,852)
	50,000	20,985	10,350,000	4,078,221
Balance - End of period	16,600,000	5,299,806	16,550,000	5,278,821

Quarter ended June 30, 2008

The Company also issued 50,000 common shares upon the exercise of options for a cash amount of \$12,500.

Issue of shares in 2007

During the period, the company issued, by way of a private placement, 8,000,000 units for proceeds of \$4,000,000 before issue expenses. Each unit consists of one common share and one-half share purchase warrant. Private placements are presented net of the value of the related warrants, which was established at \$576,882. Issue expenses totalling \$464,900 have been shared out between the capital stock and the warrants using their fair market value.

Pursuant to the qualifying transaction, the company acquired mining properties in consideration of the issuance of 2,200,000 common shares totalling \$990,000 (note 2).

Under this offering, the company paid its agents the following compensation:

- a cash commission corresponding to 10% of the subscribed amount;
- share purchase warrants entitling the holder to acquire up to 400,000 shares at a price of \$0.25 per share, which are exercisable any time until December 28, 2008.

Ressources Cartier inc.

(an exploration company)

Notes to Financial Statements

Six month period ended June 30, 2008

10. Stock options

Stock option plan

The company maintains a stock option plan on behalf of directors, officers and technical consultants. These stock options are exercisable during a period of up to five (5) years from the date of grant. The maximum number of common shares issuable under the plan may not exceed 10% of the issued and outstanding common shares (maximum of 5% of the issued and outstanding common shares to any optionee).

The following table summarizes information about stock options outstanding:

	June 30, 2008 (Unaudited)			December 31, 2007 (Audited)		
	Number	Carrying value \$	Weighted average exercise price \$	Number	Carrying value \$	Weighted average exercise price \$
Outstanding - Beginning of period	1,200,000	292,310	0.51	350,000	59,395	0.25
Granted pursuant to the qualifying transaction	-	-	-	800,000	-	0.54
Granted under the plan	200,000	-	0.45	200,000	-	0.62
Exercised	(50,000)	(8,485)	0.25	(150,000)	(25,455)	0.25
Cancelled	(50,000)	-	0.54	-	-	-
Compensation costs	-	56,385	-	-	258,370	-
Outstanding - End of period	1,300,000	340,210	0.50	1,200,000	292,310	0.51
Exercisable - End of period	950,000		0.49	825,000		0.47

The following table summarizes information about stock options outstanding and exercisable:

Date of grant	Exercise price \$	Options outstanding		Options exercisable	
		Number	Weighted average remaining contractual life (years)	Number	Weighted average remaining contractual life (years)
December 14, 2006	0.25	150,000	3.45	150,000	3.45
May 31, 2007	0.54	750,000	3.92	625,000	3.92
December 4, 2007	0.62	200,000	4.43	50,000	4.43
May 21, 2008	0.45	200,000	4.89	125,000	4.89
		1,300,000	4.09	950,000	4.00

Ressources Cartier inc.

(an exploration company)

Notes to Financial Statements

Six month period ended June 30, 2008

10. Stock options (continued)

The fair value of stock options granted was estimated using the Black-Scholes options pricing model with the following assumptions:

	2008	2007
Risk-free interest rate	2.99%	4.40%
Expected volatility	79%	85%
Dividend yield	Nil	Nil
Weighted average expected life	5 years	5 years
Weighted average fair value on the date of grant	0.29 \$	0.38 \$

11. Warrants

The following table presents the warrant activity:

	June 30, 2008 (Unaudited)			
	Number	Carrying value \$	Weighted average exercise price \$	Weighted average remaining contractual life (years)
Outstanding - Beginning of period	4,936,000	633,504	0.66	1.39
Granted	-	-	-	-
Issue expenses	-	-	-	-
Outstanding - End of period	4,936,000	633,504	0.66	0.89

	December 31, 2007 (Audited)			
	Number	Carrying value \$	Weighted average exercise price \$	Weighted average remaining contractual life (years)
Outstanding - Beginning of period	400,000	46,486	0.25	0.99
Granted	4,536,000	654,066	0.70	1.42
Issue expenses	-	(67,048)	-	-
Outstanding - End of period	4,936,000	633,504	0.66	1.39

Ressources Cartier inc.

(an exploration company)

Notes to Financial Statements

Six month period ended June 30, 2008

11. Warrants (continued)

Pursuant to the qualifying transaction, 4,536,000 share purchase warrants were granted. Of this number, 536,000 warrants were granted to the brokers as commission. Each whole share purchase warrant entitles the holder to acquire one share at an exercise price of \$0.70 for a period of 24 months following the closing of the private placement.

The fair value of warrants granted during the period 2007 was estimated at \$654,066. The fair value was estimated using the Black-Scholes valuation model with the following assumptions:

	2007
Risk-free interest rate	4.56%
Expected volatility	84%
Dividend yield	Nil
Weighted average expected life	2 years
Weighted average fair value on the date of grant	0.14 \$

12. Statement of cash flows

Additional information

	Three month period ended		Six month period ended	
	June 30,	June 30,	June 30,	June 30,
	2008	2007	2008	2007
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$	\$	\$	\$
Items not affecting cash and cash equivalents related to operating, financing and investing activities				
Tax credits applied against deferred exploration costs	186,104	100,599	416,345	100,599
Depreciation of property, plant and equipment transferred to deferred exploration costs	2,940	-	6,197	-
Deferred exploration costs included in accounts payable and accrued liabilities	49,160	138,536	90,212	138,536
Stock-based compensation reflected in deferred exploration costs	10,622	-	18,613	-

13. Cash and cash equivalents

	June 30,	December 31,
	2008	2007
	(Unaudited)	(Audited)
	\$	\$
Cash	787,108	153,714
Short-term investments	1,300,790	3,076,743
	<u>2,087,898</u>	<u>3,230,457</u>

Ressources Cartier inc.

(an exploration company)

Notes to Financial Statements

Six month period ended June 30, 2008

14. Financial instruments

Fair value

The fair value of cash and cash equivalents and accounts payable and accrued liabilities approximates their carrying value due to their short-term maturity.

Interest rate risk

At June 30, 2008, the company's exposure to interest rate risk is summarized as follows:

Cash and cash equivalents	Variable interest rate
Accounts payable and accrued liabilities	Non-interest bearing

15. Capital disclosures:

The company's objectives in managing capital are to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions. The company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The company's capital is composed of shareholders' equity. The company's primary uses of capital are to finance exploration expenditures and properties acquisition. To effectively manage the Company's capital requirements, the company has in place a rigorous planning and budgeting process to help determine the funds required to ensure the company has appropriate liquidity to meet its operating and growth objectives.

The company expects its current capital resources and its ability to obtain additional financing will support further exploration and development of its mineral properties.

16. Related party transactions

	Three month period ended		Six month period ended	
	June 30, 2,008 (Unaudited) \$	June 30, 2,007 (Unaudited) \$	June 30, 2008 (Unaudited) \$	June 30, 2007 (Unaudited) \$
Consultants	10,000	5,000	25,000	5,000

The company was provided consulting services from a company controlled by a director. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. There is no amount unpaid as at June 30, 2008.

Ressources Cartier inc.

(an exploration company)

Notes to Financial Statements

Six month period ended June 30, 2008

17. Earnings per share

For the quarter periods ended June 30, 2008 and 2007, the diluted net loss per share was the same as the basic net loss per share since the dilutive effect of stock options and warrants was not included in the calculation. Accordingly, the diluted net loss per share for those periods was calculated using the basic weighted average number of shares outstanding.

The following table sets forth the items that would have had a dilutive effect on the weighted average number of shares outstanding used in the diluted earnings per share calculation should the company's basic earnings per share have been positive:

	Three month period ended		Six month period ended	
	June 30, 2008 (Unaudited)	June 30, 2007 (Unaudited)	June 30, 2008 (Unaudited)	June 30, 2007 (Unaudited)
Basic weighted average number of shares outstanding	16,568,132	9,562,638	16,559,066	7,890,608
Weighted average number of stock options	85,869	229,548	91,825	202,440
Weighted average number of warrants	185,831	237,985	190,035	225,633
Diluted weighted average number of shares outstanding	16,839,832	10,030,171	16,840,926	8,318,681

18. Commitments

The company has agreed, under operating leases and equipment rental contracts, to pay a total amount of \$112,408 during the next five years. Minimum lease payments are as follows:

	\$
2008	24,859
2009	48,349
2010	22,800
2011	15,300
2012	1,100
	<hr/>
	112,408

19. Comparative figures

Certain comparative figures have been reclassified to conform with the current period presentation.