

## **Ressources Cartier inc.**

Management's Discussion and Analysis

For the third quarter ended September 30, 2008

The objective of this Management's Discussion and Analysis ("MD&A") prepared by Ressources Cartier inc. (the "Company" or "Cartier") is to allow the reader to assess our operating and exploration results as well as our financial position for the three and nine month periods ended September 30, 2008, compared to the corresponding periods ended September 30, 2007. This report, dated November 20, 2008, should be read in conjunction with the unaudited financial statements for the period ended September 30, 2008 and with the audited financial statements for the year ended December 31, 2007, as well as with the accompanying notes, prepared in accordance with Canadian generally accepted accounting principles. Unless otherwise indicated, all amounts are expressed in Canadian dollars. This MD&A has been prepared by management and has not been reviewed by the Company's external auditors.

The Company discloses, on a regular basis, additional information on its operations, which is recorded on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada at [www.sedar.com](http://www.sedar.com).

### **Nature of Activities**

The Company, incorporated on July 17, 2006 under Part 1A of the *Quebec Companies Act*, is a junior mining exploration company. Its activities include the acquisition, exploration and development of mining properties in Canada. The Company specializes in searching for auriferous deposits, primarily in the Abitibi, which is located in the north-western region of Quebec. This jurisdiction was selected due to its mineral potential, its accessibility, its clear existing agreements on claims and the access to services and a qualified workforce near the Company's properties.

### **Highlights**

#### **1. Agreement with Xstrata Canada Corporation – Xstrata Zinc Canada division**

On February 7, 2008, the Company signed an agreement with Xstrata Canada Corporation – Xstrata Zinc Canada Division ("Xstrata Zinc") which grants the Company an option 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 also located in the Abitibi. All blocks are contiguous to the Company's Kinojevis 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

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opportunity, to retain a 2% net smelter return royalty. Xstrata Zinc also has the right to purchase or treat concentrate produced from the Property.

### 2. Exploration Work

	Three month period ended September 30, 2008 \$	Three month period ended September 30, 2007 \$	Nine month period ended September 30, 2008 \$	Nine month period ended September 30, 2007 \$
Exploration costs	427,550	440,430	1,667,489	681,335
Tax credits	(144,285)	(151,217)	(560,632)	(233,471)
Net exploration costs	283,265	289,223	1,106,857	447,864

The exploration work in 2007 only started upon the completion of the qualifying transaction which occurred on June 4, 2007. The exploration work carried out on the Company's properties is capitalized to deferred exploration costs.

#### Summary

The main exploration activities of the quarter which ended on September 30, 2008 were the completion of Phase II drill programme and field work which consisted of sampling and trenching.

Sampling was conducted on the four following properties: Kinojevis, Dollier as well as the newly acquired Manneville and La Pause properties. A total of 578 samples were collected and sent for analysis.

Drilling was completed in July with hole KI-08-37 on the Xstrata Zinc option along the western extension of the MacCormack gold zones. Hole KI-08-37 was drilled to 447.0 meters, bringing the total amount of drilling to 13,838 meters since the drilling programme began in August 2007.

During the months of August and September 2008, nine trenches were excavated on the Kinojevis project (TR-08-14 to 21 and TR-08-11Ext). Five of these trenches were completed on the Xstrata Zinc option (TR-08-14, 18, 19, 20 and 21).

Results of drill holes KI-08-30, 31 and 34 confirmed that the north syenitic dykes contain gold over a strike length of 800 meters, located east of drill holes KI-08-22 and 23.

- KI-08-30: **0.40 g/t Au over 21.0 meters**
- KI-08-31: **0.17 g/t Au over 27.7 meters**
- KI-08-34: **0.33 g/t Au over 29.0 meters, including 2.4 g/t Au over 1.4 meters.**

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This gold-bearing intrusive has now been tested over one kilometre, with gold values found over considerable widths such as **0.35 g/t Au over 67.0 meters** (KI-08-23) and higher grade sections such as **7.27 g/t Au over 1.0 meter (KI-08-29)**. It should be noted that the easternmost gold intersection (KI-08-34) of **0.33 g/t Au over 29.0 meters** is associated to a swarm of thin dykes which mineralize the fuchsite-carbonate-quartz schist host unit.

The Company has acquired a new property which is located immediately southwest of its Kinojevis project. The La Pause property (refer to the press release of October 17, 2008) is located less than one kilometre from the Mouska mine (**0.8 Moz Au**) and covers two major faults, the Parfouru and the La Pause faults, over a section immediately adjacent to the Cadillac mining camp (**18.8 Moz Au**).

Compilation of all geoscientific data has been completed for the Kinojevis project. The Company has also initiated this type of compilation for the newly acquired Manneville and La Pause properties.

### **Field Sampling**

Sampling was conducted on the four following properties: Kinojevis, Dollier as well as the newly acquired Manneville and La Pause properties.

The surface sampling program on the above-mentioned different properties was conducted from early June until the end of August 2008.

Two types of sampling were conducted on the Kinojevis property:

- Litho geochemical sampling, pursuant to which the rock collected is sent for analysis of its gold content, major oxides (SiO<sub>2</sub>, Al<sub>2</sub>O<sub>3</sub>, etc.) and three other elements (Nb, Y and Zr).
- Assaying for metals, pursuant to which the rock collected is sent for analysis of its gold content and 35 other elements (such as Ag, Cu, Zn, As, Co, etc.)

### **Kinojevis Project:**

A total of 313 samples were collected of which 203 were analyzed for litho geochemistry and 120 for metals assaying. 10 samples were analyzed for both litho geochemical and metal values. Of these samples, 69 were analyzed for litho geochemistry and 18 metal assays were collected from the five different blocks that comprise the Xstrata Zinc option.

Field descriptions and litho geochemical results have enabled the Company to classify the samples into three types of rocks: volcanic flow (145 samples), intrusive (54 samples) and sedimentary (4 samples).

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Assaying returned five anomalous results. The best values are **1.45 g/t Au and 0.73 g/t Au**. These were taken in the eastern area, near the Rambull showing. The best values are associated with quartz veins within an ankerite-chlorite-tourmaline altered granodiorite with disseminated pyrite.

### **Manneville Project:**

A total of 132 samples were collected of which 55 were analyzed for litho geochemistry and 77 for metals assaying. Field descriptions and litho geochemical results have enabled the Company to classify the samples into three types of rocks: volcanic flow (39 samples), intrusive (15 samples) and sedimentary (1 sample).

A sample taken from a quartz vein within a gabbro returned a value of **119 ppb Au**. The gabbro unit is of particular interest since another sample returned **0.25% Ni**.

### **La Pause Project:**

A total of 79 samples were collected, of which 28 were analyzed for litho geochemistry and 51 for metals assaying. Field descriptions and litho geochemical results have enabled the Company to classify the samples into three types of rocks: volcanic flow (13 samples), intrusive (8 samples) and sedimentary (7 samples). This first phase of sampling did not return significant results.

### **Dollier Project:**

Prospecting provided 54 new samples that were sent for metals assaying. This prospecting provided:

- discovery of an outcropping sulphide zone over 750 meters east of drill hole 74A-12;
- discovery of several outcropping massive sulphide horizons;
- grab samples from sulphide zones which returned **0.11% Cu, 0.21% Zn and 0.42 g/t Au**;
- an opportunity to carry out low-cost field prospecting.

Anomalous gold or copper and zinc results are associated with basalts. Mineralized areas are easily located since they correspond to electromagnetic conductive horizons. Some areas of the property have been prospected in the past (trenching and sampling), however large portions of the property remain unexplored. Seven anomalous results in copper returned **0.08% to 0.11% Cu**, three anomalous results in zinc returned **0.12% to 0.21% Zn** and one result for gold returned **0.42 g/t Au**. These values were obtained from three separate mineralized horizons. Further prospecting, sampling and trenching is planned in order to confirm the mineral potential of this property and provide drill targets.

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### **Trenching**

During the months of August and September, nine trenches were excavated on the Kinojevis project (TR-08-14 to 21 and TR-08-11Ext). Five of these trenches were completed on the Xstrata Zinc option (TR-08-14, 18, 19, 20 and 21).

Trenches TR-08-14, 15, 18, 19, 20 and 21 provided new exposures of the shear and alteration zone (iron-carbonate, fuchsite and quartz schists) 1.7 kilometres west of, and 6.0 kilometres east of the MacCormack gold occurrence. The potential gold-bearing system is now seen in outcrop over 8.0 kilometres.

Trenches TR-08-15, 16, 17 and TR-08-11Ext provided new exposures of the extensions of the north rhyolite mineralized contact. Massive sulphide and sulphide stringer horizons, generally consisting of pyrite, were mapped and sampled. Last year, this area provided anomalous results of **0.90 g/t Au over 0.73 meter and 0.74 g/t Au over 0.96 meter**.

A total of 593 samples were sent to ALS-Chemex laboratory to be analyzed for gold and for 35 other elements. Results are still pending.

### **Drilling**

Results from drill holes KI-08-30 to KI-08-37 and the summary description of drill hole KI-08-37, which were all completed during the last quarter, are presented below.

#### **Drill Hole KI-08-30**

This drill hole aimed at testing the extension of the north gold bearing dyke system 100 meters east of holes KI-08-22 and 23.

The first dyke returned a weighted average of **0.40 g/t Au over 21.0 meters** (from 105.0 to 126.0 meters) with a best result of **1.1 g/t Au over 1.0 meter**. The second dyke was traversed from 140.8 to 163.2 meters and returned a highly anomalous gold background with values ranging between **0.02 and 0.12 g/t Au over 20.0 meters**.

From 300.0 to 322.0 meters, a fractured porphyritic intrusive strewn with quartz veins returned a highly anomalous gold background with values ranging between **0.1 to 0.23 g/t Au** as well as an anomalous silver intersection with a weighted average of **5.0 g/t Ag over 6.7 meters**. The lower portion of another dyke, from 363.0 to 364.0 meters, contains a peak value in silver of **38.0 g/t Ag and 0.37 g/t Au over 1.0 meter**. The latter gold and silver anomalies correspond to the western extension of the South Dyke Zone.

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### **Drill Hole KI-08-31**

This drill hole traversed the northern boundary of the shear zone. It is located north of drill hole KI-07-03 and 300 meters east of drill holes KI-08-22 and 23. The results of KI-08-31 demonstrate the lateral extension of both the North and South Dyke Zones.

The first dyke in the North Dyke Zone returned a weighted average of **0.17 g/t Au over 27.7 meters** (from 111.3 to 139.0 meters) with a higher grade section of **0.34 g/t Au over 7.0 meters** (132.0 to 139.0 meters). The second dyke in the above-mentioned zone traversed from 145.0 to 164.0 meters and shows, as is the case with drill hole KI-08-30, a highly anomalous gold background with values ranging between **0.09 to 0.19 g/t Au**. The South Dyke Zone, traversed from 258.0 to 298.9 meters, is also anomalous in gold and returned an intersection of **0.60 g/t Au over 1.5 meters** (from 258.0 to 259.5 meters).

Furthermore, the brecciated and mineralized (pyrite) rhyolite, intersected at the top of the hole, returned a weighted average of **0.17 g/t Au over 10.0 meters** (from 71.0 to 81.0 meters), including **0.60 g/t Au over 1.0 meter**.

### **Drill Hole KI-08-32**

This drill hole was collared 300 meters east of KI-08-31 and north of hole KI-08-24 in order to test the rhyolite, the North Dyke Zone and the northern boundary of the shear zone.

This hole was stopped short of the shear and alteration zone and did not reach the North Dyke Zone. The only anomalous result for this hole is **0.39 g/t Au over 1.5 meters** (from 150.0 to 151.5 meters) and is associated to an ultramafic flow injected with carbonate veins. The brecciated rhyolite is not anomalous in gold.

### **Drill Hole KI-08-33**

This drill hole was collared 200 meters east of KI-08-32 in order to drill test the eastern extension of the contact of the rhyolite.

This hole did not return significant gold values. It was stopped short of the shear zone. The felsic rocks located at the beginning of the hole are very slightly anomalous in gold (between 10 to 20 ppb Au) and in silver (between 2.0 to 3.8 g/t Ag).

### **Drill Hole KI-08-34**

This drill hole completes the stratigraphic section initiated with drill hole KI-08-33 and cuts through the deformation zone.

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From 246.5 to 275.5 meters, the hole traversed the North Dyke Zone characterized by a shear zone with strong ankerite-fuchsite-quartz alteration and injected with many thin syenitic dykes. Assays returned a weighted average of **0.33 g/t Au over 29.0 meters**, including **2.4 g/t Au over 1.4 meters**.

### Drill Hole KI-08-36

This drill hole aimed at crossing the deformation zone 500 meters east of drill hole KI-08-33. The shear zone was not traversed by this hole and assays did not provide significant results.

### Drill Hole KI-08-37

This drill hole targeted the western extension of the shear corridor 300 meters west of hole KI-08-29. The hole was drilled on the Xstrata Zinc option.

The beginning of the hole, from 56.0 to 204.9 meters, cored a medium to coarse grained feldspar porphyritic syenetic intrusive. The intersection is variably altered with hematite and albite. From 204.9 to 447.0 meters, the hole continued in a sequence of undeformed magnetic ultramafic flow locally intruded with mafic and felsic dykes.

The intrusive rock located at the beginning of the hole (from 69.0 to 115.0 meters) has a highly anomalous gold background with values ranging up to **72 ppb Au**. Ultramafic flows located near a dyke similar in composition to the previous intrusive returned **0.13 g/t Au over 1.5 meters** (358.0 to 360.0 meters).

The following table presents the technical parameters of hole KI-08-37:

Hole No.	Easting (meters)	Northing (meters)	Azimuth	Dip	Total length (meters)	Overburden (meters)
KI-08-37	680,400	5,368,710	180	-50	413.0	56.0

### Acquisition of a New Mining Property

In July, the Company acquired a new property called La Pause. This acquisition is in line with the Company's policy of strategic asset acquisitions, namely to acquire a 100% interest by staking poorly tested high potential areas in recognized mining districts located in the southern section of the Abitibi.

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The La Pause property is located south of the Kinojevis property (refer to the press release of October 17, 2008) less than one kilometre from the Mouska mine (**0.8 Moz Au**) and covers two major faults, the Parfouru, and the La Pause faults, over a section immediately adjacent to the Cadillac mining camp (**18.8 Moz Au**).

The targeted type of gold mineralization is similar to the type of mineralization found in the Cadillac, Malartic and West Val-d'Or mining camps. The high potential targets include a fault zone that straddles the volcanic-sediments contact, injected with several felsic to intermediate dykes.

Cartier is currently compiling existing data on this property in order to design an exploration program to drill test the best gold targets.

### **Quarterly Financial Information Summary**

<b>Quarter ended</b>	<b>Interest income</b>	<b>Net loss</b>	<b>Basic and diluted net loss per share</b>	<b>Basic and diluted weighted average number of shares outstanding</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>30-09-08</b>	<b>12,800</b>	<b>(128,736)</b>	<b>(0.01)</b>	<b>16,600,000</b>
<b>30-06-08</b>	<b>17,174</b>	<b>(219,933)</b>	<b>(0.01)</b>	<b>16,568,132</b>
<b>31-03-08</b>	<b>26,709</b>	<b>(141,788)</b>	<b>(0.01)</b>	<b>16,550,000</b>
<b>31-12-07</b>	<b>40,448</b>	<b>(184,257)</b>	<b>(0.01)</b>	<b>16,550,000</b>
<b>30-09-07</b>	<b>47,579</b>	<b>(97,266)</b>	<b>(0.01)</b>	<b>16,480,435</b>
<b>30-06-07</b>	<b>17,999</b>	<b>(267,918)</b>	<b>(0.03)</b>	<b>9,562,638</b>
<b>31-03-07</b>	<b>7,964</b>	<b>(36,740)</b>	<b>(0.01)</b>	<b>6,200,000</b>
<b>31-12-06</b>	<b>1,198</b>	<b>(79,428)</b>	<b>(0.04)</b>	<b>1,882,608</b>



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### **Selected Financial Information**

	<b>Balance sheet 30-09-08 \$</b>	<b>Balance sheet 31-12-07 \$</b>
<b>Cash and cash equivalents</b>	<b>1,466,401</b>	<b>3,230,457</b>
<b>Property, plant and equipment</b>	<b>51,192</b>	<b>60,928</b>
<b>Mining properties</b>	<b>1,446,559</b>	<b>1,433,234</b>
<b>Deferred exploration costs</b>	<b>1,862,045</b>	<b>755,188</b>
<b>Total assets</b>	<b>5,682,547</b>	<b>6,118,581</b>
<b>Current liabilities</b>	<b>22,891</b>	<b>175,326</b>
<b>Shareholders' Equity</b>	<b>5,130,299</b>	<b>5,538,993</b>

### **Results of Operations**

For the three and nine month periods ended September 30, 2008, the net loss amounted to \$128,736 and \$490,457 (\$0.01 and \$0.03 per share), compared to \$97,266 and \$401,924 (\$0.01 and \$0.04 per share) for the corresponding periods in 2007.

### **Administrative Expenses**

For the three month period ended September 30, 2008, the administrative expenses are \$128,736 compared to \$97,266 for the preceding comparative quarter, an increase of \$31,470. For the nine month period ended September 30, 2008, the administrative expenses increased by \$88,533 in comparison with 2007 to amount to \$490,457.

The differences in the administrative expenses are mainly due to the fact that most of the 2007 activities started after the qualifying transaction was completed on June 4, 2007. For this reason, salaries amounted to \$51,475 and \$129,139 for the three and nine month periods ended September 30, 2008 compared to \$22,269 and \$29,758 as of September 30, 2007. All other variations for administrative expenses are minimal.

### **Balance Sheets**

#### **Current Assets**

As at September 30, 2008, the Company's cash and cash equivalents amounted to \$1,466,401 compared to \$3,230,457 at December 31, 2007. This decrease results from the exploration costs and administrative expenses incurred during this period. The working capital was \$2,299,860 compared to \$3,693,905 for the same reasons.

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### Deferred Exploration Costs as at September 30, 2008

	Kinojévis	Others Properties	September 30 2008 Total	December 31 2007 Total
	\$	\$	\$	\$
Balance – Beginning of period	677,551	77,637	755,188	-
Expenses incurred during the period				
Drilling	1,047,368	69,666	1,117,034	700,738
Geophysics	8,058	-	8,058	177,075
Stripping	90,244	745	90,989	128,808
Geology	113,709	8,896	122,605	-
Geology planning	8,285	337	8,622	-
Geology mapping	22,876	26,938	49,814	95,660
Geology compilation	21,775	23,952	45,727	45,890
Geochemistry	47,351	9,274	56,625	-
Geotechnical	20,963	(902)	20,061	37,481
Core shack rental and maintenance	28,579	2,814	31,393	11,559
Office expenses	51,816	1,647	53,463	16,540
Duties, taxes and permits	20,818	5,730	26,548	14,523
Depreciation of exploration equipment	8,881	413	9,294	3,704
Stock-based compensation	21,805	5,451	27,256	44,280
	1,512,528	154,961	1,667,489	1,276,258
Tax credits	(510,577)	(50,055)	(560,632)	(521,070)
Net expenses during the period	1,001,951	104,906	1,106,857	755,188
<b>Balance – End of period</b>	<b>1,679,502</b>	<b>182,543</b>	<b>1,862,045</b>	<b>755,188</b>

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### **Deferred Exploration Costs**

As of September 30, 2008, the deferred exploration costs amounted to \$1,862,045 compared to \$755,188 as of December 31, 2007. During the nine month period ended September 30, 2008, most of the exploration costs were for the Kinojevis property, which totalled \$1,512,528 before the tax credits of (\$510,577), for a net amount of \$1,001,951. The exploration costs incurred during the period ended September 30, 2008 mainly consisted of drilling for an amount of \$1,117,034.

### **Liabilities**

#### **Current Liabilities**

As of September 30, 2008, the current liabilities were \$22,891 compared to \$175,326 as of December 31, 2007. Drilling was stopped in July pending assay results, enabling the Company to advance the compilation and interpretation of the drilling results. This reason explains the decrease in accounts payable and accrued liabilities.

#### **Future Income Taxes**

As of September 30, 2008, the future income taxes were \$529,357, an increase of \$125,095 due mainly from credits on duties refundable for losses on exploration costs incurred.

### **Shareholders' Equity**

As of September 30, 2008, shareholders' equity amounted to \$5,130,299 compared to \$5,538,993 as of December 31, 2007. This variation originates from the exercise of 50,000 stock options and the net loss for the period to the amount of (\$490,457).

### **Liquidity and Financing Sources**

As of September 30, 2008, the Company's cash and cash equivalents amounted to \$1,466,401 and working capital to \$2,299,860 compared to \$3,230,457 and \$3,693,905 respectively, as of December 31, 2007. From the management's point of view, the working capital as of September 30, 2008 will cover current expenditures and exploration fees for the next year. However, it is not excluded that the Company may, if deemed appropriate, proceed with additional financing in order to fund exploration on its mining projects.

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### **Cash Flows**

Cash flows used from operating activities is \$113,470 and \$19,714 respectively, for the three and nine month periods ended September 30, 2008 compared to a use of cash flow of \$377,720 and \$584,172 for the corresponding period in 2007.

For the quarter ended September 30, 2008, there was no cash flow from financing activities. During the quarter ended September 30, 2007, the Company issued 150,000 shares following the exercise of stock options for an amount of \$37,500.

Cash flows used in investing activities were respectively \$508,027 and \$1,756,842 for the three and nine month periods ended September 30, 2008 compared to \$254,143 and \$425,745 for the same periods in 2007. Those investments are mainly deferred exploration costs. The variances between 2008 and 2007 are mainly due to fact that investing activities started after the qualifying transaction was completed on June 4, 2007.

### **Financial Risks**

The Company is an exploration company. Its capacity to assume the continuity of its operations depends on its ability to obtain new funds. Although the Company has been successful in doing so in the past, there is no guarantee that it will succeed in the future.

The Company's financing comes mostly from share issues. The success of these issues depends on the stock markets, the investors' attractiveness for exploration companies, and the price of metals. In order to continue its exploration activities and to support its current activities, the Company has to maintain and increase its exposure within the financial community to realize new financings.

The Company estimates that the quality of its properties and their geological potential will allow it to obtain the required financing for their development.

### **Risks and Uncertainties**

The Company, like all other mining exploration companies, is exposed to a variety of financial and environmental risks as well as risks related to the very nature of its activities. It is also subject to risks related to other factors, such as the price of metals and market conditions in general.

There have been no significant changes in the risk factors and uncertainties facing the Company, as described in the Company's annual Management's Discussion and Analysis as of December 31, 2007.

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### **Off-Balance Sheet Arrangements**

As of September 30, 2008, the Company had not concluded any off-balance sheet arrangements.

### **Capital Structure as of November 20, 2008**

Common shares outstanding (1)	16,600,000
Stock options	1,300,000
Warrants	<u>4,936,000</u>
Total fully diluted	<u>22,836,000</u>

- (1) In accordance with the TSX Venture Exchange Inc.'s requirements, 3,200,000 common shares were placed in escrow in accordance with a security escrow agreement. Pursuant to this escrow agreement, 25% of the escrowed shares (800,000) were released at the closing of the qualifying transaction on June 4, 2007, and the balance of the 2,400,000 escrowed shares will be released in tranches of 800,000 shares every six months thereafter, which means on the 6th, 12th, and 18th month following the initial release.

### **Capital Disclosures**

The Company's objective in managing capital is 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 acquire mining properties. To effectively manage its capital requirements, the Company has created 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.

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### **Significant Accounting Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. The significant items requiring the use of management's judgment consist of the valuation of mining assets, stock-based compensation and future income taxes. Actual results could differ significantly from estimates.

### **Summary of Significant Accounting Policies**

The significant accounting policies are summarized in the annual management's discussion and analysis joined with the annual audited financial statements of the Company as of December 31, 2007. The accounting policies used for the nine month period ended September 30, 2008 are in accordance with those used in the audited annual financial statements of the Company, except for the new accounting policies defined in note 4 to the interim financial statements as at September 30, 2008.

### **Impact of New Accounting Standards Not Yet Adopted International Financial Reporting Standards ("IFRS")**

In 2007, the Canadian Institute of Chartered Accountants ("CICA") issued an update on the IFRS Implementation Plan in the Canadian GAAP of the AcSB. This plan provides a brief survey of crucial decisions to be made by the CICA in order to harmonize disclosures with the IFRS when implementing the strategic plan. Although the IFRS are based on a conceptual frame work similar to that of the Canadian GAAP, important divergences as regards to accounting standards shall be resolved. The CICA confirmed that the transition from Canadian GAAP to the IFRS will be in effect on January 1, 2011, for public accountable companies.

During the next quarters, the Company will develop its internal implementation plan to meet the guidelines of these future requirements.

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For the third quarter ended September 30, 2008

### **Related Party Transactions**

The Company entered into the following transactions with companies controlled by directors:

	<b>Three month period ended September 30, 2008 \$</b>	<b>Three month period ended September 30, 2007 \$</b>	<b>Nine month period ended September 30, 2008 \$</b>	<b>Nine month period ended September 30, 2007 \$</b>
<b>Consultants</b>	-	15,000	25,000	20,000
<b>Exploration material</b>	-	1,725	-	1,725
<b>Total</b>	-	16,725	25,000	21,725

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 September 30, 2008.

### **Commitments**

The Company has agreed, under operating leases and equipment rental contracts, to pay a total amount of \$103,668 during the next five years. Minimum lease payments are as follows:

	\$
2008	13,659
2009	50,809
2010	22,800
2011	15,300
2012	1,100
	<u>103,668</u>

### **Internal Controls over Disclosure and Financial Reporting**

The President and Chief Executive Officer, as well as the Chief Financial Officer, are responsible for maintaining disclosure controls and procedures (as defined in Multilateral Instrument 52-109 of the Canadian Securities Administrators), and have designed such disclosure controls and procedures, or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the Company is made known to them by others

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within the Company, particularly during the period in which the filings must be prepared pursuant to the Canadian securities legislation.

The President and Chief Executive Officer, as well as the Chief Financial Officer, are also responsible for maintaining internal control over financial reporting, and have designed such internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP.

As an emerging company, the Company's board of directors is composed of a limited number of key-persons, which means that the segregation of duties is limited and must be offset by a more reliable supervision by the Chief Executive Officer and the Chief Financial Officer.

For the period ended September 30, 2008, the President and Chief Executive Officer, as well as the Chief Financial Officer, reviewed the effectiveness of disclosure controls and procedures and are satisfied with them. Based on this evaluation, they have concluded that the design and operation of these controls and procedures were efficient as of September 30, 2008 and were executed in order to provide reasonable assurance as to the appropriate disclosure of material information relating to the Company.

### **Outlook**

Cartier will maintain its corporate development program and will put emphasis on the following: the controlled and aggressive exploration of its projects, the search for partners for its «non-core» assets and the generation of new projects.

Work during the next quarter will focus on advancing interpretation of litho geochemistry and assay results. The Company's geologists will factor these results with new geological information and previous exploration work. The prime objective is to produce a new group of diamond drill targets for 2009.

Exploration expenditures incurred to date on the Company's properties have ensured Cartier the renewal of its claims on all of its projects for several years to come.

(S) Philippe Cloutier  
President and CEO

(S) Jean-Yves Laliberté  
Chief Financial Officer

### **Forward-Looking Statements**

Certain statements in this MD&A may constitute forward-looking statements involving various risks and uncertainties. The Company's results and performance may be different than those expected based on these forward-looking statements.