

## **Cartier Resources Inc.**

(an exploration company)

***Interim condensed financial statements***  
***(Unaudited)***

***First quarter ended March 31, 2016***

The interim condensed financial statements for the period ended March 31, 2016 have not been reviewed by the Company's independent auditor.

# Cartier Resources Inc.

(an exploration company)

## Interim Condensed Statements of Financial Position

(In Canadian \$)

	March 31, 2016	December 31, 2015
	\$	\$
	(Unaudited)	(Audited)
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (note 3)	664,928	836,930
Cash reserved for exploration (note 3)	-	75,225
Other short-term financial assets (note 4)	47,250	18,500
Receivables (note 5)	29,907	54,408
Prepaid expenses	7,158	14,903
	<u>749,243</u>	<u>999,966</u>
<b>Non-current</b>		
Property, plant and equipment (note 6)	17,092	24,108
Exploration assets and deferred exploration costs (note 8)	9,240,478	9,127,145
	<u>9,257,570</u>	<u>9,151,253</u>
<b>TOTAL ASSETS</b>	<b><u>10,006,813</u></b>	<b><u>10,151,219</u></b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payables and accrued liabilities	122,686	187,629
Liability related to flow-through shares	-	28,933
	<u>122,686</u>	<u>216,562</u>
<b>Non-current</b>		
Deferred income and mining taxes	1,839,972	1,812,703
	<u>1,839,972</u>	<u>1,812,703</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,962,658</u></b>	<b><u>2,029,265</u></b>
<b>EQUITY</b>		
Share capital (note 9)	16,869,849	16,865,599
Warrants	2,256,291	2,256,291
Contributed surplus	1,397,151	1,366,693
Deficit	(12,507,886)	(12,366,629)
Accumulated other comprehensive loss	28,750	-
	<u>8,044,155</u>	<u>8,121,954</u>
<b>TOTAL EQUITY</b>	<b><u>8,044,155</u></b>	<b><u>8,121,954</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>10,006,813</u></b>	<b><u>10,151,219</u></b>

**Basis of preparation and going concern** (note 1),

**Contingencies and commitments** (note 14)

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

Approved on behalf of the Board of Directors

(Signed) Philippe Cloutier, Director

(Signed) Daniel Massé, Director

# Cartier Resources Inc.

(an exploration company)

## Interim Condensed Statements of Deferred Exploration Costs

**(Unaudited)**

(In Canadian \$)

	Three-month periods ended	
	March 31, 2016	March 31, 2015
	\$	\$
<b>Balance - Beginning of period</b>	<b>8,131,224</b>	8,699,798
<b>Expenses incurred during the period</b>		
Geology	83,283	129,294
Drilling	6,793	115,378
Exploration office expenses	1,322	2,180
Surveying and access roads	-	25,027
Core shack rental and maintenance	9,960	10,465
Duties, taxes and permits	1,915	1,419
Depreciation of exploration equipment	5,225	5,225
Share-based payments-employees	7,485	5,511
	<b>115,983</b>	294,499
Tax credits	<b>(7,318)</b>	(10,710)
<b>Balance - End of period</b>	<b>8,239,889</b>	8,983,587

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

# Cartier Resources Inc.

(an exploration company)

## Interim Condensed Statements of changes in equity

**(Unaudited)**

(In Canadian \$)

	Number of shares	Share capital \$	Warrants \$	Contributed surplus \$	Deficit \$	Accumulated other comprehensive (loss) \$	Total equity \$
<b>BALANCE AS AT DECEMBER 31, 2015</b>	80,425,795	16,865,599	2,256,291	1,366,693	(12,366,629)	-	<b>8,121,954</b>
Net loss for the period					(141,257)	-	<b>(141,257)</b>
Change in fair value of other short-term financial assets					-	28,750	<b>28,750</b>
<b>Total comprehensive loss</b>					(141,257)	28,750	<b>(112,507)</b>
Issuance of shares	50,000	4,250	-	-			<b>4,250</b>
Effect of share-based payments	-	-	-	30,458			<b>30,458</b>
Issuance of warrants	-	-	-	-			<b>-</b>
<b>BALANCE AS AT MARCH 31, 2016</b>	<b>80,475,795</b>	<b>16,869,849</b>	<b>2,256,291</b>	<b>1,397,151</b>	<b>(12,507,886)</b>	<b>28,750</b>	<b>8,044,155</b>
<b>BALANCE AS AT DECEMBER 31, 2014</b>	71,825,795	16,302,923	2,054,561	1,251,432	(10,328,872)	(13,750)	9,266,294
Net loss for the period					(170,010)		(170,010)
Change in fair value of other short-term financial assets					-	15,500	15,500
<b>Total comprehensive loss</b>					(170,010)	15,500	<b>(154,510)</b>
Issuance of shares	1,800,000	100,566	-	-			100,566
Effect of share-based payments	-	-	-	24,206			24,206
Issuance of warrants	-	-	67,375	-			67,375
<b>BALANCE AS AT MARCH 31, 2015</b>	<b>73,625,795</b>	<b>16,403,489</b>	<b>2,121,936</b>	<b>1,275,638</b>	<b>(10,498,882)</b>	<b>1,750</b>	<b>9,303,931</b>

# Cartier Resources Inc.

(an exploration company)

## Interim Condensed Statements of loss

**(Unaudited)**

(In Canadian \$)

	Three-month periods ended	
	March 31, 2016	March 31, 2015
	\$	\$
<b>Administrative expenses</b>		
Salaries	91,115	82,957
Consultants	3,110	22,899
Share-based payments-employees	22,973	18,695
Professional fees	4,863	1,677
Rent	5,082	5,322
Business development	15,323	24,904
Insurance, taxes and permits	2,659	5,525
Interest and bank charges	383	368
Depreciation of property, plant and equipment	1,791	1,791
Office supplies	8,255	8,861
Telecommunications	1,644	2,024
Training and travel	2,149	4,026
Advertising and sponsoring	611	2,093
Shareholder's information	10,720	13,179
Part XII.6 tax related to flow-through shares	-	13
	<u>170,678</u>	<u>194,334</u>
<b>Other expenses (income)</b>		
Other exploration costs	-	864
Contractual services income	(24,000)	(24,000)
Interest income	(1,145)	(2,473)
	<u>(145,533)</u>	<u>(168,725)</u>
<b>LOSS BEFORE DEFERRED INCOME AND MINING TAXES</b>	<b>(145,533)</b>	<b>(168,725)</b>
<b>Deferred income and mining taxes</b>	<b>(4,276)</b>	<b>1,285</b>
	<u>(141,257)</u>	<u>(170,010)</u>
<b>Net loss for the period attributable to shareholders</b>	<b>(141,257)</b>	<b>(170,010)</b>
<b>LOSS PER SHARE</b>		
basic	<u>(0.00)</u>	<u>0.00</u>
diluted	<u>(0.00)</u>	<u>0.00</u>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>		
basic	<u>80,432,938</u>	<u>72,204,684</u>
diluted	<u>80,432,938</u>	<u>72,204,684</u>

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

## Cartier Resources Inc.

(an exploration company)

### Interim Condensed Statements of Comprehensive Loss

**(Unaudited)**

(In Canadian \$)

	Three-month periods ended	
	March 31, 2016	March 31, 2015
	\$	\$
Net loss for the period	<b>(141,257)</b>	(170,010)
Items that may be reclassified subsequently to profit or loss :		
Change in fair value of other short-term financial assets	<u>28,750</u>	<u>15,500</u>
Comprehensive loss for the period attributable to shareholders	<u><b>(112,507)</b></u>	<u>(154,510)</u>

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

# Cartier Resources Inc.

(an exploration company)

## Interim Condensed Statements of Cash Flows

**(Unaudited)**

(In Canadian \$)

	Three-month periods ended	
	March 31, 2016	March 31, 2015
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Loss before deferred income and mining taxes	(145,533)	(168,725)
Adjustments for:		
Depreciation of property, plant and equipment	1,791	1,791
Share-based payments-employees	22,973	18,695
Interest income	(1,145)	(2,473)
Interest received	832	1,893
	<u>(121,082)</u>	<u>(148,819)</u>
Net change in non-cash working capital items		
Receivables	22,829	9,129
Prepaid expenses	7,745	9,165
Accounts payables and accrued liabilities	(43,229)	(4,110)
Cash flow used in operating activities	<u>(133,737)</u>	<u>(134,635)</u>
<b>FINANCING ACTIVITIES</b>		
Share issue	-	175,000
Share issue expenses	-	(8,685)
Cash flow from financing activities	<u>-</u>	<u>166,315</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of exploration and evaluation assets	(113,490)	(238,816)
Cash flow used in investing activities	<u>(113,490)</u>	<u>(238,816)</u>
Net change in cash and cash equivalents	(247,227)	(207,136)
Cash and cash equivalents at the beginning	<u>912,155</u>	<u>1,394,418</u>
Cash and cash equivalents at the end (note 3)	<u>664,928</u>	<u>1,187,282</u>
Cash and cash equivalents	664,928	932,702
Cash reserved for exploration	-	254,580
	<u>664,928</u>	<u>1,187,282</u>

### Additional information (note 11)

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

# Cartier Resources Inc.

(an exploration company)

## Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2016 and 2015 (Unaudited)

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### Incorporation and Nature of Operations

Cartier Resources Inc. (the "Company"), initially incorporated under Part 1 A of the Québec Companies Act on July 17, 2006, has been governed by the Business Corporations Act (Quebec) since February 14, 2011. The Company's head office is located at 1740, chemin Sullivan, Suite 1000, Val-d'Or, Québec. Its activities primarily include the acquisition and exploration of mining properties in Canada.

#### 1. Basis of preparation and going concern

These interim condensed financial statements were prepared on a going concern basis, using historical costs method, except for «Other short-term financial assets» which are measured at fair value.

The Company's ability to continue as a going concern depends on its ability to realize its assets and to obtain additional financing. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. The Company has not yet determined whether its properties contain economically recoverable ore reserves. The recoverability of the amounts shown for mining properties is dependent upon the existence of economic ore reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties. The application of International Financial Reporting Standards « IFRS » on a going concern basis may be inappropriate, since there is a doubt as to the appropriateness of the going concern assumption.

These interim condensed 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 statement of financial position items if the going concern assumption was deemed inappropriate, and these adjustments could be material. Management did not take these adjustments into account as it believes in the appropriateness of the going concern assumption.

These interim condensed financial statements have been prepared by the Company's management in accordance with ("IFRS"), and in accordance with IAS 34, "Interim Financial Reporting". They do not include all the information required in annual financial statements in accordance with IFRS. These interim condensed financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2015.

The preparation of interim condensed financial statements in accordance with IAS 34 requires the use of certain critical judgments and accounting estimates. It also requires management to exercise judgment when applying the Company's accounting policies.

On May 16, 2016, the Company's Board of Directors approved these interim condensed financial statements for the period ended March 31, 2016.

#### 2. Changes to accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's last annual financial statements for the year ended December 31, 2015, except for the following new accounts policies effective for annual periods beginning on or after January 1, 2016. The accounting policies have been applied consistently throughout the Company for the purposes of preparing these interim financial statements.

##### *IFRS 11, Joint Arrangement*

IFRS 11 was amended in May 2014 to add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted. The amendment had no impact on the Company's interim financial statements.

##### *IAS 1 – Presentation of financial statements*

In December 2014, IASB published narrow-scope amendments to IAS 1 Presentation of financial statements. These amendments address, among others, the concept of materiality and aggregation and disaggregation of disclosure in the notes to the financial statements as well as in the statement of financial situation and statement of profit or loss and other comprehensive income. Amendments to IAS1 are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted. The amendment had no impact on the Company's interim financial statements.



# Cartier Resources Inc.

(an exploration company)

## Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2016 and 2015 (Unaudited)

### 2. Changes to accounting policies (continued)

#### *IAS16 and IAS38 - Clarification of Acceptable methods of depreciation amortisation*

The amendments to IAS16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. The amendments apply prospectively for annual periods beginning on or after January 1, 2016. The amendment had no impact on the Company's interim financial statements.

### 3. Cash and cash equivalents and cash reserved for exploration

As at March 31, 2016 and December 31, 2015, the cash and the cash equivalents and the cash reserved for exploration include an account bearing a high interest rate and an account without interest are as follows:

	March 31, 2016			December 31, 2015		
	\$	Interest rate	Maturity date	\$	Interest rate	Maturity date
1) Account bearing interests	493,652	0.75%	-	792,614	0.75%	-
2) Account without interest	171,276	-	-	119,541	-	-
<b>Total</b>	<b>664,928</b>			<b>912,155</b>		

	March 31, 2016	December 31, 2015
	\$	\$
Cash	664,928	912,155
Less: Cash reserved for exploration	-	(75,225)
<b>Cash and cash equivalents</b>	<b>664,928</b>	<b>836,930</b>

### 4. Other short-term financial assets

	March 31, 2016	December 31, 2015
	\$	\$
Marketable securities of a quoted mining exploration company, available-for-sale, at fair value	47,250	18,500

### 5. Receivables

	March 31, 2016	December 31, 2015
	\$	\$
Credit on duties refundable and refundable tax credit for resources	9,409	11,394
Commodity taxes and others	20,498	43,014
<b>Total</b>	<b>29,907</b>	<b>54,408</b>

## Cartier Resources Inc.

(an exploration company)

### Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2016 and 2015 (Unaudited)

#### 6. Property, plant and equipment

	Leasehold improvements (1)	Furniture and equipment (2)	Total
<b>Cost</b>			
Balance as at December 31, 2015	117,911	22,430	140,341
Additions	-	-	-
Balance as at March 31, 2016	<u>117,911</u>	<u>22,430</u>	<u>140,341</u>
<b>Accumulated depreciation</b>			
Balance as at December 31, 2015	96,061	20,172	116,233
Depreciation	5,895	1,121	7,016
Balance as at March 31, 2016	<u>101,956</u>	<u>21,293</u>	<u>123,249</u>
<b>Carrying amount as at March 31, 2016</b>	<b><u>15,955</u></b>	<b><u>1,137</u></b>	<b><u>17,092</u></b>

(1) As at March 31, 2016, leasehold improvements with a carrying value of \$15,046 (\$19,177 as at December 31, 2015) are used for exploration.

(2) As at March 31, 2016, furniture and equipment with a carrying value of \$668 (\$1,363 as at December 31, 2015) are used for exploration.

#### 7. Leases

The future minimum operating lease payments are as follows:

	Minimum lease payments due :		
	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>Total</u>
	\$	\$	\$
March 31, 2016	<b>85,800</b>	316,498	402,298
December 31, 2015	<b>86,644</b>	337,948	424,592

The Company rents its offices under a lease expiring in March 2021. The lease covering a Company's vehicle expires in October 2017.

Lease fees recognized as an expense during the reporting period amount to \$64,350 (\$86,644 as at December 31, 2015). This amount consists of minimum lease payments. The Company's lease agreements contain renewal options.

# Cartier Resources Inc.

(an exploration company)

## Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2016 and 2015 (Unaudited)

### 8. Exploration assets and deferred exploration costs

	MacCormack	Chimo Mine	Cadillac Extension	Benoist	Fenton	Total
<i>% participation</i>	100%	100%	100%	100%	Option 50 %	
	\$	\$	\$	\$	\$	\$
<b>Mining properties</b>						
Balance as at December 31, 2015	252,756	107,024	3,297	622,723	10,121	995,921
Addition	-	-	418	-	4,250	4,668
<b>Balance as at March 31, 2016</b>	<b>252,756</b>	<b>107,024</b>	<b>3,715</b>	<b>622,723</b>	<b>14,371</b>	<b>1,000,589</b>
<b>Deferred exploration costs</b>						
Balance as at December 31, 2015	3,238,208	220,267	1,889,011	2,322,647	461,091	8,131,224
<b>Addition</b>						
Geology	32,924	5,235	43,815	1,309	-	83,283
Drilling	-	2,717	4,076	-	-	6,793
Exploration office expenses	71	434	817	-	-	1,322
Surveying and access roads	-	-	-	-	-	-
Core shack rental and maintenance	-	3,957	6,003	-	-	9,960
Duties, taxes and permits	-	362	358	1,195	-	1,915
Depreciation of exploration equipment	2,404	784	522	1,515	-	5,225
Share-based payments-employees	-	2,844	4,641	-	-	7,485
Total expenses during the year	35,399	16,333	60,232	4,019	-	115,983
Tax credits	(4,293)	(986)	(1,831)	(208)	-	(7,318)
<b>Net expenses during the period</b>	<b>31,106</b>	<b>15,347</b>	<b>58,401</b>	<b>3,811</b>	<b>-</b>	<b>108,665</b>
<b>Balance as at March 31, 2016</b>	<b>3,269,314</b>	<b>235,614</b>	<b>1,947,412</b>	<b>2,326,458</b>	<b>461,091</b>	<b>8,239,889</b>
<b>Balance of exploration assets and deferred exploration costs as at March 31, 2016</b>	<b>3,522,070</b>	<b>342,638</b>	<b>1,951,127</b>	<b>2,949,181</b>	<b>475,462</b>	<b>9,240,478</b>

All the mining properties held by the Company are located in northwestern Quebec.

# Cartier Resources Inc.

(an exploration company)

## Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2016 and 2015 (Unaudited)

### 9. Share capital

Authorized

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

	March 31, 2016		December 31, 2015	
	Number	Amount	Number	Amount
		\$		\$
<b>Balance, beginning of the period</b>	<b>80,425,795</b>	<b>16,865,599</b>	<b>71,825,795</b>	<b>16,302,923</b>
Shares issued and paid				
Acquisition of property (a) (b)	50,000	4,250	50,000	5,000
Private placements (g) (h) (i) (j) (k)	-	-	5,400,000	338,270
Flow-through private placements (c) (e)	-	-	3,150,000	409,500
Renouncement of tax deductions (d) (f)	-	-	-	(152,000)
	<b>50,000</b>	<b>4,250</b>	<b>8,600,000</b>	<b>600,770</b>
Share issue expenses	-	-	-	(38,094)
<b>Balance, at end of the period</b>	<b>80,475,795</b>	<b>16,869,849</b>	<b>80,425,795</b>	<b>16,865,599</b>

(a) On April 14, 2014, the Company bought back a 1 % net smelter return (NSR) royalty on the Benoist Property. The Company was exercising its right of first refusal in respect of the royalty. An aggregate of 500,000 common shares were issued at a price of \$0.15 per share in an all-share transaction for a value of \$75,000.

(b) On September 16, 2014, the Company amended its option agreement with SOQUEM INC. for 3 years.

On March 19, 2012, the Company issued 50,000 common shares in virtue of the option agreement enabling it to acquire a 50% undivided interest in the Fenton project. The Company must also incur exploration expenditures aggregating \$1,500,000 by March 19, 2018 and pay 50,000 shares at each anniversary date. In addition, the Company had a firm commitment to invest \$500,000 in exploration work over the first year following the signature of the agreement, which was completed over the period, and the Company issued 50,000 common shares to SOQUEM INC, on the first, the second, the third, the fourth and the fifth anniversary following the signature of the agreement. SOQUEM INC. is the operator. After the Company earns its undivided interest of 50%, SOQUEM INC. and the Company will form a joint venture.

(c) Issuance of flow-through shares on October 22, 2015

On October 22, 2015, the Company completed a flow-through private placement with accredited investors and consists of 205 units for an amount of \$266,500. For the flow-through private placement, each unit, at a price of \$1,300 per unit, is comprised of 10,000 flow-through common shares. Thus, the following securities were issued by the Company, 2,050,000 flow-through shares at a price of \$0.13 per share for an amount of \$266,500. Share issue expenses totalling \$6,379 were also applied against the share capital.

(d) The Company also renounced to the tax deduction related to the flow-through shares representing an amount of \$102,500 which has reduced the share capital and increased the liabilities related to flow-through shares.

# Cartier Resources Inc.

(an exploration company)

## Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2016 and 2015 (Unaudited)

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### 9. Share capital (continued)

#### (e) Issuance of flow-through shares on August 7, 2015

On August 7, 2015, the Company completed a flow-through private placement with accredited investors and consists of 110 units for an amount of \$143,000. For the flow-through private placement, each unit, at a price of \$1,300 per unit, is comprised of 10,000 flow-through common shares at a price of \$0.13 per share. Thus, the following securities were issued by the Company, 1,100,000 flow-through shares at a price of \$0.13 per share for an amount of \$143,000. Two insiders participated in this financing for a total of 120,000 shares (\$15,600). Share issue expenses totalling \$2,850 were also applied against the share capital.

(f) The Company also renounced to the tax deduction related to the flow-through shares representing an amount of \$49,500 which has reduced the share capital and increased the liabilities related to flow-through shares.

#### (g) Issuance of common shares on July 16, 2015

On July 16, 2015, the Company completed a private placement with Capital Croissance PME II S.E.C. and Fonds régionaux de solidarité FTQ, S.E.C. for gross proceeds of \$125,000. In total, Cartier issued 1,250,000 units (the "units") at a price of \$0.10 per unit, with each unit consisting of one common share at a price of \$0.10 per share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of \$0.13 for a period of 24 months following the closing date. Accordingly, an aggregate of 1,250,000 common shares and 1,250,000 warrants were issued. The financing is presented net of the value of the related warrants, which was established at \$48,375. Share issue expenses totalling \$7,742 were also applied against the share capital.

#### (h) Issuance of common shares on June 12, 2015

On June 12, 2015, the Company completed a private placement with SIDEX, s.e.c. for gross proceeds of \$100,000. In total, the Company issued 1,000,000 units (the "units") at a price of \$0.10 per unit, with each unit consisting of one common share at a price of \$0.10 per share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of \$0.13 for a period of 24 months following the closing date. Accordingly, an aggregate of 1,000,000 common shares and 1,000,000 warrants were issued. The financing is presented net of the value of the related warrants, which was established at \$34,600. Share issue expenses totalling \$5,992 were also applied against the share capital.

#### (i) Issuance of common shares on April 7, 2015

On April 7, 2015, the Company completed a private placement with accredited investors, directors, officers and other investors for gross proceeds of \$140,000. In total, the Company issued 1,400,000 units (the "units") at a price of \$0.10 per unit, with each unit consisting of one common share at a price of \$0.10 per share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of \$0.13 for a period of 24 months following the closing date. Accordingly, an aggregate of 1,400,000 common shares and 1,400,000 warrants were issued. The financing is presented net of the value of the related warrants, which was established at \$51,380. Share issue expenses totalling \$3,073 were also applied against the share capital.

#### (j) Issuance of common shares on March 13, 2015

On March 13, 2015, the Company completed a private placement with SODÉMEX II s.e.c. for gross proceeds of \$75,000. In total, the Company issued 750,000 units (the "Units") at a price of \$0.10 per Unit, with each Unit consisting of one common share at a price of \$0.10 per share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of \$0.13 for a period of 24 months following the closing date. Accordingly, an aggregate of 750,000 common shares and 750,000 warrants were issued. The financing is presented net of the value of the related warrants, which was established at \$28,875. Share issue expenses totalling \$4,448 were also applied against the share capital.

# Cartier Resources Inc.

(an exploration company)

## Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2016 and 2015 (Unaudited)

### 9. Share capital (continued)

#### (k) Issuance of common shares on March 11, 2015

On March 11, 2015, the Company completed a private placement with SIDEX, s.e.c. for gross proceeds of \$100,000. In total, the Company issued 1,000,000 units (the "Units") at a price of \$0.10 per Unit, with each Unit consisting of one common share at a price of \$0.10 per share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of \$0.13 for a period of 24 months following the closing date. Accordingly, an aggregate of 1,000,000 common shares and 1,000,000 warrants were issued. The financing is presented net of the value of the related warrants, which was established at \$38,500. Share issue expenses totalling \$7,611 were also applied against the share capital.

#### Stock Option Plan

The Company has a stock option plan that has been approved by the shareholders. The maximum number of common shares which may be reserved under the plan is limited to 10% of the number of common shares issued and outstanding (on a non-diluted basis). The options granted to any optionnee cannot exceed 5% of the issued and outstanding common shares. The options are vested over a period of 12 months and are exercisable over a maximum of five years.

The following table summarizes the information about the outstanding stock options:

	<b>March 31, 2016</b>	
	<b>Number</b>	<b>Weighted average exercise price</b>
		<b>\$</b>
<b>Outstanding - Beginning</b>	<b>7,070,000</b>	<b>0.18</b>
<b>Outstanding - End</b>	<b>7,070,000</b>	<b>0.18</b>
<b>Exercisable - End</b>	<b>5,857,500</b>	<b>0.20</b>

The following table summarizes certain information for stock options outstanding and exercisable :

	<b>Outstanding options</b>			<b>Exercisable options</b>		
	<b>March 31, 2016</b>			<b>March 31, 2016</b>		
<b>Exercise price</b>	<b>Number of options</b>	<b>Weighted average remaining life (years)</b>	<b>Weighted average exercise price</b>	<b>Number of options</b>	<b>Weighted average remaining life (years)</b>	<b>Weighted average exercise price</b>
			<b>\$</b>			<b>\$</b>
<b>\$0.01 to \$0.20</b>	<b>4,770,000</b>	<b>3.91</b>	<b>0.13</b>	<b>3,557,500</b>	<b>3.68</b>	<b>0.14</b>
<b>\$0.21 to \$0.40</b>	<b>1,700,000</b>	<b>1.70</b>	<b>0.25</b>	<b>1,700,000</b>	<b>1.70</b>	<b>0.25</b>
<b>\$0.41 to \$0.60</b>	<b>600,000</b>	<b>0.18</b>	<b>0.44</b>	<b>600,000</b>	<b>0.18</b>	<b>0.44</b>
<b>\$0.01 to \$0.60</b>	<b>7,070,000</b>	<b>3.06</b>	<b>0.18</b>	<b>5,857,500</b>	<b>2.75</b>	<b>0.20</b>

# Cartier Resources Inc.

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## Interim Condensed Notes to Financial Statements

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### 9. Share capital (continued)

#### Warrants

The following table presents the changes that occurred during the year :

	March 31, 2016		
	Number	Weighted average exercise price	Weighted average remaining contractual life
		\$	(years)
Outstanding - Beginning	6,198,000	0.14	1.23
Outstanding - End	6,198,000	0.14	0.98
Exercisable - End	6,198,000	0.14	0.98

At issuance, the warrants are subject to a 4 month and 1 day statutory hold period.

The outstanding warrants are as follows:

Maturity date	Exercise price	Number
	\$	
June 2016	0.20	798,000
March 2017	0.13	1,750,000
April 2017	0.13	1,400,000
June 2017	0.13	1,000,000
July 2017	0.13	1,250,000
		<b>6,198,000</b>

### 10. Employee remuneration

Employee benefits expense recognized are detailed below:

	March 31, 2016	December 31, 2015
	\$	\$
Wages, salaries	134,042	552,454
Social security costs	12,847	46,177
Share-based payments-employees	30,458	115,261
Defined contribution pension plan	4,110	19,084
	<b>181,457</b>	732,976
Less: salaries capitalized in exploration and evaluation assets	<b>(61,461)</b>	<b>(211,652)</b>
Employee benefits expense	<b>119,996</b>	521,324

# Cartier Resources Inc.

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## Interim Condensed Notes to Financial Statements

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### 11. Cash flows

Additional information	Three-month period ended	
	March 31, 2016	March 31, 2015
	\$	\$
<b>Items not affecting cash and cash equivalents</b>		
Shares issued for the acquisition of mining properties	4,250	5,000
Shares issued expense included in accounts payable and accrued liabilities	-	3,374
Tax credits	7,318	-
Depreciation of property, plant and equipment transferred to deferred exploration	5,225	5,225
Deferred exploration costs included in accounts payable and accrued liabilities	21,714	44,945
Share-based payments-employees charged to deferred exploration costs	7,485	5,511

### 12. Financial Instruments

#### Objectives and policies in managing financial risks

The Company is exposed to various financial risks resulting from its operations and financing activities. The directors and officers of the Company manage those risks.

The Company does not enter into speculative derivative financial instruments.

#### Financial risks

The following paragraphs describe the main financial risks to which the Company is exposed and its risk management policies.

#### Interest risk

As at March 31, 2016, the Company's exposure to interest rate risk is summarized as follows:

Cash and cash equivalents :	Variable and fixed interest rate
Cash reserved for exploration :	Variable and fixed interest rate
Receivables :	Non-interest bearing
Accounts payables and accrued liabilities :	Non-interest bearing

The other financial assets and liabilities of the Company do not represent interest risk because they do not bear interest.

The Company does not use financial derivatives to reduce its exposure to interest risk.

#### Interest rate sensitivity

As at March 31, 2016, the Company only received interest on bankers' acceptances and on account bearing interests.

Interest rate movements may affect the fair value of the investments in fixed interest financial assets.

The possible effects on fair value that could arise as a result of changes in interest rates are taken into account when making investment decisions.



# Cartier Resources Inc.

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## Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2016 and 2015 (Unaudited)

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### 12. Financial Instruments (continued)

#### Liquidity risks

The Company establishes cash forecasts to ensure it has the necessary funds to fulfill its obligations. Obtaining additional funds makes it possible for the Company to continue its operations, and while it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

#### Liquidity risk analysis

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

The following table summarizes the Company's financial liabilities as at:

	<b>March 31, 2016</b>		
	Less than one year	Between one and three years	More than three years
	\$	\$	\$
Accounts payables and accrued liabilities	<b>122,686</b>	-	-
	<b>122,686</b>	-	-

Where the counterparty has a choice of when an amount is paid, the liability has been included at the earliest date on which payment can be required.

#### Credit risk analysis

The Company's exposure to credit risk is limited to the carrying value of its financial assets at the date of presentation of the financial information as disclose below :

	<b>March 31, 2016</b>	December 31, 2015
	\$	\$
Cash and cash equivalents	<b>664,928</b>	836,930
Cash reserved for exploration	-	75,225
Receivables (other than goods and services tax receivable)	<b>9,409</b>	11,394
Carrying amounts	<b>674,337</b>	923,549

The Company has no trade receivables. Its receivables comprised mainly of credit duties refundable and refundable tax credit for resources. Consequently, the exposure to credit risk for the Company's receivables is considered immaterial. No impairment loss has been recognized in the periods presented.

The Company's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality.

None of the Company's financial assets are secured by collateral or other credit enhancements.

The credit risk for cash and cash equivalents and cash reserved for exploration is considered negligible, since the counterparties are reputable financial institutions with high quality external credit ratings.

# Cartier Resources Inc.

(an exploration company)

## Interim Condensed Notes to Financial Statements

Three-month periods ended March 31, 2016 and 2015 (Unaudited)

### 12. Financial Instruments (continued)

#### Fair value of financial instruments

The Company discloses the fair value hierarchy by which the financial instruments are evaluated and assigned to the following levels. Level 1 features a valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 includes inputs for the asset or liability that are not based on observable market data. Marketable securities are classified under Level 1 (note 13).

### 13. Financial assets and liabilities

	March 31, 2016		December 31, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Categories of financial assets and liabilities				
<b>Financial assets</b>				
<b>Loans and receivables</b>				
	<b>664,928</b>	<b>664,928</b>	836,930	836,930
Cash and cash equivalents				
Cash reserved for exploration	-	-	75,225	75,225
<b>Available for sale financial asset</b>				
Other short-term financial assets	<b>47,250</b>	<b>47,250</b>	18,500	18,500
<b>Financial liabilities</b>				
<b>Other financial liabilities</b>				
Trade	<b>9,632</b>	<b>9,632</b>	48,199	48,199
Other	<b>113,054</b>	<b>113,054</b>	139,430	139,430

### 14. Contingencies and commitments

The Company is partially financed through the issuance of flow-through shares. However, there is no guarantee that its expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

Moreover, tax rules regarding flow-through placements set deadlines for carrying out the exploration work no later than the first of the following dates:

- Two years following the flow-through placements;
- One year after the Company has renounced the tax deductions relating to the exploration work.

Commitments to carry out exploration work that are not met are subject to a combined tax rate of 30% (Canada and Quebec).

During the period, the Company received no amount (\$409,500 as at December 31, 2015) from flow-through financings for which the Company will renounce tax deductions. No amount (\$75,225 as at December 31, 2015) has been presented as "Cash reserved for exploration".

The Company did not renounce to tax deductions (\$409,500 as at February 28, 2016 and management is required to fulfil its commitments before the stipulated deadline of December 31, 2016). The portion unspent as at December 31, 2015, of \$75,225 has been presented as "Cash reserved for exploration".

## Cartier Resources Inc.

(an exploration company)

### Interim Condensed Notes to Financial Statements

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#### 15. Transactions with key management personnel

The Company's key management personnel are members of the Board of Directors, the president, the vice-president and chief financial officer. The remuneration of key management personnel includes the following expenses:

	<b>March 31, 2016</b>	December 31, 2015
	<u>\$</u>	<u>\$</u>
Short-term employee benefits		
Salaries and fees including bonuses and benefits	<b>105,689</b>	387,278
Social security costs and contributions to the pension plan	<b>13,846</b>	45,311
Total short-term employee benefits	<b>119,535</b>	432,589
Share-based payments-employees	<b>27,885</b>	95,866
Total remuneration	<b>147,420</b>	528,455

During the periods ended in 2016 and 2015, key management personnel did not exercised any share options granted through the share-based payment plans.

#### 16. Capital disclosures

The Company's objectives in managing its 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 acquire properties. 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 that its current capital resources and its ability to obtain additional financing will support further exploration and development of its mineral properties for the next 12 months.

The Company is not subject, in regards of external rules, to any requirements regarding its capital, except in case that the Company completes a flow-through financing for which the cash must be reserved for exploration. As at March 31, 2016, the Company has no cash reserved for exploration (\$75,225 as at December 31, 2015).

As at March 31, 2016, shareholders' equity was \$8,044,155 (\$8,121,954 as at December 31, 2015).

## **Cartier Resources Inc.**

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### **Interim Condensed Notes to Financial Statements**

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#### **17. Subsequent event**

- (a) On May 10, 2016, the Company completed a flow-through private placement with accredited investors, directors, friends and business associates and consists of 405 units for an amount of \$405,000. For the flow-through private placement, each unit, at a price of \$1,000 per unit, is comprised of 8,000 flow-through common shares. Thus, the following securities were issued by the Company, 3,240,000 flow-through shares at a price of \$0.125 per share for an amount of \$405,000.

The securities issued under the flow-through private placement are subject to a 4 months and 1 day statutory hold period.

- (b) On May 10, 2016, the Company completed a private placement with accredited investors, an officer and a friend and consists of 45 units for an amount of \$45,000. For the private placement, each unit, at a price of \$1,000 per unit, is comprised of 10,000 common shares and 10,000 warrants. Each warrant entitles the holder to subscribe for 1 common share at a price of \$0.13 for a period of 24 months following the closing date. Thus, the following securities were issued by the Company, 450,000 shares at a price of \$0.10 per share for an amount of \$45,000.

The securities issued under the private placement are subject to a 4 months and 1 day statutory hold period.