CARTIER RESOURCES INC.
Management's Discussion and Analysis
For the third quarter ended September 30, 2010

The objective of this Management's Discussion and Analysis Report ("MD&A") by Cartier Resources 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-month and nine-month periods ended September 30, 2010 compared to the same periods ended September 30, 2009. This report, dated November 16, 2010, should be read in conjunction with the unaudited financial statements for the period ended September 30, 2010 and with the audited financial statements for the year ended December 31, 2009, as well as with the accompanying notes. The financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. Unless otherwise indicated, all amounts are expressed in Canadian dollars. This MD&A has been prepared by management and has not been reviewed by 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 .

FORWARD-LOOKING STATEMENT

This document may contain forward-looking statements that reflect management's current expectations with regards to future events. Such forward-looking statements are subject to certain factors and involve a number of risks and uncertainties. Actual results may differ from expected results. Factors that could cause our results, our operations and future events to change materially compared to expectations expressed or implied by the forward-looking statements include, but are not limited to, volatility in the gold price, risks inherent to the mining industry and additional funding requirements and the Company's ability to obtain such funding.

NATURE OF ACTIVITIES AND CONTINUATION OF EXPLORATION ACTIVITIES

The Company, incorporated on July 17, 2006 under Part 1A of the Québec Companies Act, is a junior mining exploration company. Its activities consist in acquiring, exploring and developing mining properties in Canada. The Company specializes in searching for deposits, primarily in north-western Quebec. This region stands out as a result of 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.

The Company does not currently have a producing property. Recovery of the cost of mining assets is subject to the discovery of economically recoverable reserves, the ability to obtain the financing required to pursue the exploration and development of its properties, and profitable future production or the proceeds from the sale of its properties. The Company must periodically obtain new funds in order to pursue its activities. While it has always succeeded in doing so to date, there can be no assurance that it will continue to do so in the future.

The shares of the Company are listed on the TSX Venture Exchange and are traded under the symbol ECR.

HIGHLIGHTS OF THE PERIOD

1. Agreement with Linx Inc.

On July 1, 2010, the Company announced the engagement of Linx Inc. ("Linx") to perform corporate advisory and investor relations services for the Company for a period of twelve months. As compensation for its services, Linx will receive a fee of $5,000 per month. Additionally, the Company has granted 120,000 stock options to Linx at an exercise price of $0.38 for a period of five years.

2. Exploration Work

The main exploration activities during the third quarter of 2010 were the continuation of field work on the Dollier, Xstrata-Option, Cadillac Extension and Rivière Doré properties.

The highlights of the third quarter are:

- The recognition of a major deformation zone at the Cadillac Extension property that may represent the extension of the Cadillac Fault, and the confirmation of significant gold value15.0 g/t over 2.7 meters and silver,1**,162.0 g/t Ag over 0.6 meter** associated with copper and zinc zones, 4.2 % and 1.8 % respectively over 1.1 meter..
- The identification of more than twenty-five first-priority conductors from a helicopter-borne geophysical survey performed over the Rivière Doré property;
- The discovery of a new massive sulphide lens (Py-Po-Cp-Sp) associated with one of the southern rhyolite horizons on Block 1 of the Xstrata-Option; and
- Extension of gold-bearing zones over a distance of more than 2 kilometers on the Dollier property.

Six press releases were issued during the third quarter.

3. Financial Results

Since the Company only has exploration properties, its revenues are primarily constituted of interest income, which is insufficient to cover the administrative expenses, thus leading to a loss for the Company. During the three-month and nine-month periods ended September 30, 2010, the Company recorded a loss of $157,717 and $632,249 compared to $130,312 and $388,340 for the same period ended September 30, 2009.

EXPLORATION ACTIVITIES

Deferred Exploration Costs

	Three-month period ended September 30, 2010 $	Three-month period ended September 30, 2009 $	Nine-month period ended September 30, 2010 $	Nine-month period ended September 30, 2009 $
Balance – Beginning of period	**4,122,006**	2,542,527	**3 ,425,785**	2,017,010
Expenses incurred				
Drilling	1,365	13,484	330,324	191,349
Geophysics	231,082	76,945	391,771	86,961
Stripping	106,476	81,106	130,173	88,520
Geology	134,089	126,707	346,759	329,782
Geochemistry	554	158,547	1,196	178,905
Geotechnics	28,116	27,651	37,780	47,443
Core shack rental and maintenance	9,826	9,555	28,454	29,091
Office expenses	12,210	14,942	41,428	53,154
Duties, taxes and permits	2,834	1,127	27,758	12,974
Depreciation of exploration equipment	3,098	3,098	9,294	9,294
Stock-based compensation employees	7,272	17,229	55,801	28,715
Stock-based compensation consultants	10,910	-	16,293	-
	547,832	530,391	**1,417,031**	1,056,188
Tax credits	**(73,135)**	-	**(198,838)**	(280)
	474,697	530,391	**1,218,193**	1,055,908
Write-off of deferred exploration costs	**-**	-	**(47,275)**	-
Net expenses during period	**474,697**	530,391	**1,170,918**	1,055,908
Balance – End of period	**4,596,703**	3,072,918	**4,596,703**	3,072,918

Deferred exploration costs by property for the nine-month period ended September 30, 2010:

	December 31, 2009	Addition	Reclassi-fication	Write-off	Tax credits	September 30, 2010
	$	$	$	$	$	$
MacCormack	1,437,817	319,935	-	-	(67,312)	1,690,440
Preissac	382,268	29,267	-	-	(3,704)	407,831
Newconex West	427,416	4,563	(94,111)	(4,376)	-	333,492
Rambull	295,672	14,929	94,111	-	(2,031)	402,681
Dieppe-Collet	144,991	1,144	-	-	-	146,135
Dollier	161,367	206,827	-	-	(24,746)	343,448
Diego	10,393	98,073	-	-	(10,848)	97,618
La Pause	120,004	2,446	-	-	(198)	122,252
Rivière Doré	122,116	390,739	-	-	(45,039)	467,816
Cadillac Extension	87,853	125,653	42,490	-	(14,257)	241,739
Xstrata-Option	150,499	221,458	-	-	(30,434)	341,523
Others	-	1,997	-	-	(269)	1,728
DeCorta	42,490	-	(42,490)	-	-	-
Manneville	42,899	-	-	(42,899)	-	-
TOTAL	3,425,785	1,417,031	-	(47,275)	(198,838)	4,596,703

QUARTERLY FINANCIAL INFORMATION SUMMARY

Quarter ended	Interest income	Net loss	Basic and diluted net loss per share	Deferred exploration costs	Basic and diluted weighted average number of shares outstanding
	$	$	$	$	
30-09-10	755	(157,717)	(0.01)	474,697	29,094,844
30-06-10	836	(277,454)	(0.01)	294,766	26,733,409
31-03-10	2,849	(197,078)	(0.01)	401,455	25,559,516
31-12-09	1,806	(407,614)	(0.02)	352,867	22,521,641
30-09-09	2,251	(130,312)	(0.01)	530,391	25,403,900
30-06-09	4,133	(127,261)	(0.01)	270,522	19,635,544
31-03-09	7,010	(130,767)	(0.01)	254,995	19,422,182
31-12-08	9,236	(199,848)	(0.01)	238,789	16,641,332

SELECTED FINANCIAL INFORMATION

	Three-month period ended September 30, 2010 $	Three-month period ended September 30, 2009 $	Nine-month period ended September 30, 2010 $	Nine-month period ended September 30, 2009 $
Interest income	755	2,251	4,440	13,394
Net loss and comprehensive loss	(157,717)	(130,312)	(632,249)	(388,340)
Basic and diluted net loss per share	(0.01)	(0.01)	(0.02)	(0.02)
Basic and diluted weighted average number of shares outstanding	29,094,844	25, 403,900	27,142,206	21,509,120

EXPLORATION ACTIVITIES

Property locations are presented in Figure 1 at the end of this section.

MacCormack and Preissac Properties

Work performed:
No field work was carried out during the third quarter.

Preparation work on the best drill targets is currently underway for both base metals and gold. An drilling program will be done during the year 2011.

Xstrata-Option Property

Work performed:
An induced polarization survey was carried out over 25.2 kilometers.

Five different targets were trenched and channel sampled. The samples were re-analyzed at a second laboratory for grade confirmation.

Including this latest work, Cartier has now invested $414,412, more than the $400,000 required by December 31, 2010. Pursuant to the amended agreement with Xstrata Zinc, the Company must incur an aggregate amount of $1,000,000 in exploration expenses before December 31, 2011.

Results:
A new massive sulphide lens (Py-Po-Cp-Sp) was discovered and is associated with one of the southern rhyolite horizons. The lens is 1.5 meters thick and is visible at surface for more than 30 meters. It consists mainly of pyrite with some sphalerite and chalcopyrite. This new mineralized horizon represents a first-order drill target.

Dollier Property

Work performed:
The results of a 22 kilometers induced polarization survey were received.

Five areas along the gold-bearing zones were trenched and channel sampled.

New outcrops were mapped in detail and a structural study was completed.

Results:
The induced polarization survey succeeded in tracing the extensions of gold-bearing zones over a strike length of more than 2 kilometers.

Many anomalous gold values from the main structure demonstrate its gold potential: eleven grades greater than 0.5 g/t Au (0.88 g/t Au over 3.2 meters) and two grades above 1.0 g/t Au (2.1 g/t Au over 1.1 meter). The main gold-bearing structure is now recognized over a distance of 2 kilometers.

Those zones will be tested by a drill program during the year 2011.

Diego Property

Work performed:
Continued compilation and interpretation of the results from the summer sampling work.

Results:
Analytical results from the prospecting work demonstrate the gold potential of the northern part of the intrusion with several grab and channel samples grading from 1.0 to 4.8 g/t Au.

A drill program will be done during the year 2011.

Rivière Doré Property

Work performed:
The helicopter-borne geophysical survey and processing of the results were completed in August.

Two weeks of prospecting over the conductors in the central portion of the property was completed in order to better define the conductors that represent a contact deemed favourable for Cu-Ni mineralization.

Results:
The geophysical survey detected numerous conductive zones near the favourable contact.

Prospecting provided samples from some of these conductors. The samples were collected from para gneiss horizons mainly mineralized by pyrrhotite (20% to 50%). The conductors associated with the intrusion remain to be tested by methods other than prospecting.

The processing of the geophysical survey data led to the identification of more than twenty-five first-order conductors which will be address in 2011.

Cadillac Extension Property

Work performed:

Prospecting near the Langlade mineralized zone yielded samples from the zone's extension about a hundred metres to the north.

Based on the results of the field work, the property was enlarged by 200 claims to reach 464 claims totalling 256,586 hectares.

Tighter sampling of mineralized boulders in an area of auriferous tills revealed the presence of an anomalous gold zone with grades in the order of a hundred ppb.

Results:

Prospecting over the rest of the property revealed a major deformation zone that may represent the extension of the Larder Lake-Cadillac Fault.

Sampling proves that the Langlade area contains significant gold and silver values associated with copper and zinc zones.

Tight sampling on the Langlade mineralized zones clearly demonstrated good widths and lateral continuity for the mineralization. Channel sample analyses yielded up to: **1,162.0 g/t Ag and 1.40 g/t Au over 0.6 meter** and **106 g/t Ag, 0.39 g/t Au and 0.43% Cu over 7.70 meters.**

Press releases

The following six press releases were issued during the third quarter of 2010:

- Cartier Hires Linx Inc. for Investor Relations;
- Cartier Launches a Major Airborne Survey on Its Copper Discovery;
- Diego Demonstrates Gold Potential;
- Cartier Confirms Gold Potential on Cadillac Extension;
- Cartier Cuts up to 7.7 Grams Gold, 1,162.0 Grams Silver, 4.96% Copper and 3.52% Zinc on Cadillac Extension; and
- Cartier Copper Discovery Matched With Prominent EM Conductors

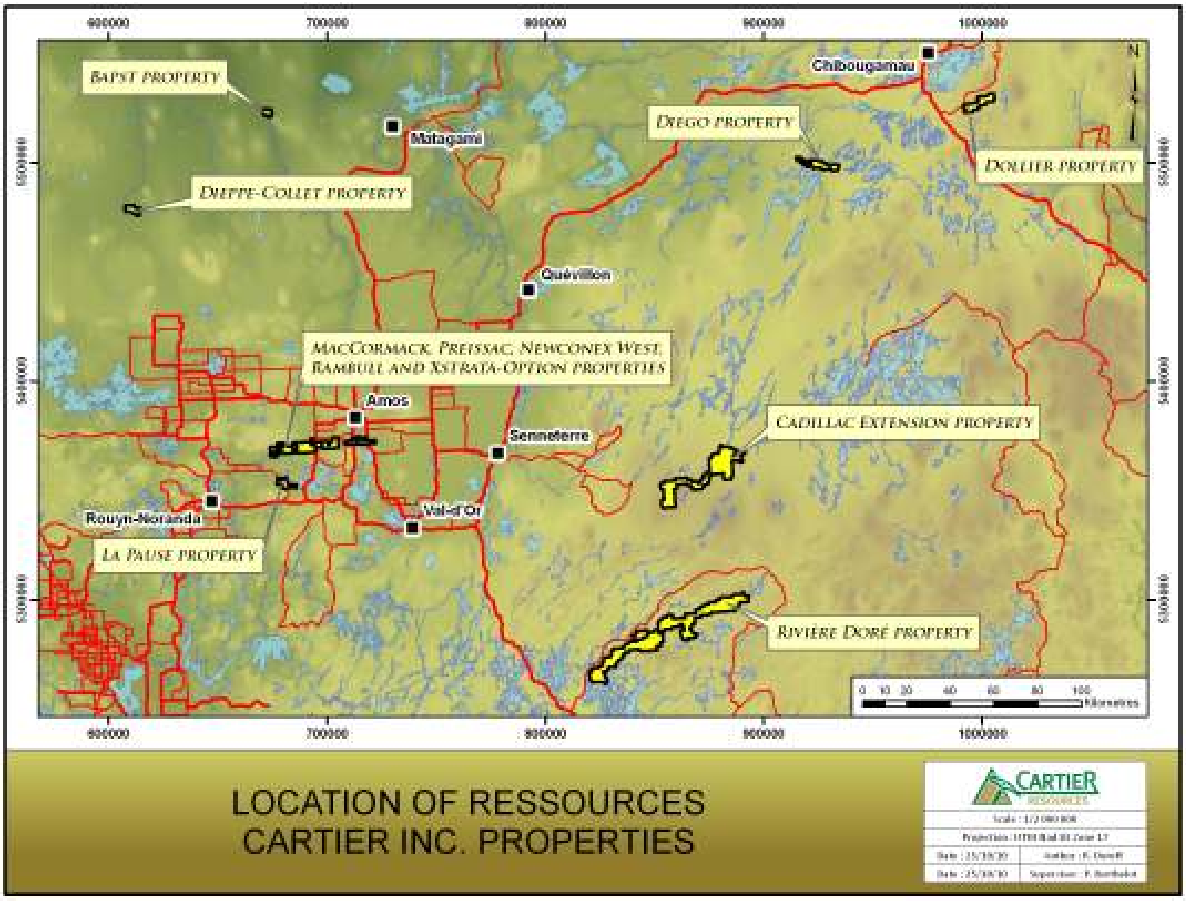
BAPST PROPERTY
DIEPPE-COLLET PROPERTY
Matagami
Chibougamau
DIEGO PROPERTY
DOLLIER PROPERTY
Quévillon
MACCORMACK, PREISSAC, NEWCONEX WEST, RAMBULL AND XSTRATA-OPTION PROPERTIES
Amos
Senneterre
CADILLAC EXTENSION PROPERTY
Rouyn-Noranda
Val-d'Or
LA PAUSE PROPERTY
RIVIÈRE DORÉ PROPERTY
LOCATION OF RESSOURCES CARTIER INC. PROPERTIES
CARTIER

Figure 1

Selected financial information

	Balance sheet September 30, 2010 $	Balance sheet December 31, 2009 $
Cash and cash equivalents	1,143,908	1,484,131
Exploration funds	-	194,426
Property, plant and equipment	25,230	34,966
Mining properties	1,370,123	1,370,789
Deferred exploration costs	4,596,703	3,425,785
Total assets	7,469,184	6,869,757
Current liabilities	79,699	234,881
Future income taxes	1,050,207	678,968
Shareholders' equity	6,339,278	5,955,908

RESULTS OF OPERATIONS

For the three-month and nine-month periods ended September 30, 2010, the net loss amounted to $157,717 and $632,249 (or $0.01 and $0.02 per share) compared to a net loss of $130,312 and $388,340 (or $0.01 and $0.02 per share) as of September 30, 2009.

Interest income stood at $755 and $4,440 for the three-month and nine-month periods ended September 30, 2010 compared to $2,251 and $13,394 for the three-month and nine-month periods ended September 30, 2009. Administrative expenses amounted to $158,472 and $559,971 for the same periods ended September 30, 2010 compared to $132,563 and $459,917 for those in 2009. The increase in administrative expenses for the three-month and nine-month periods ended September 30, 2010 than those for the same periods in 2009 is explained by an increase of stock-based compensation by $19,812 and $48,994 respectively and the advertising increase of $3,877 and $27,635.

The main items which constituted the administrative expenses for the three-month and nine-month periods ended September 30, 2010 are as follows: salaries which amounted to $51,376 and $160,809, consultant-related fees for an amount of $18,728 and $67,572, stock-bases compensation for $33,890 and $73,402, business development of $16,490 and $81,673, advertising for $10,792 and $54,784 and shareholder information expenses for $6,852 and $30,462. For the three-month and nine-month periods ended September 30, 2009, the administrative expenses mainly consisted of salaries which amounted to $40,405 and $136,067, consultant-related fees for an amount of $16,238 and $56,833, professional fees for $5,937 and $37,403, business development of $23,109 and $57,873 advertising for $6,915 and $27,149 and shareholder information expenses for $6,370 and $41,657.

BALANCE SHEETS

Current Assets

As at September 30, 2010, the Company's cash and cash equivalents amounted to $1,143,908, compared to $1,484,131 as at December 31, 2009. As at September 30, 2010, there were no cash reserved for exploration compared to $194,426 as at December 31, 2009. The working capital was $1,397,429 at the nine-month period ended September 30, 2010 compared to $1,803,336 as at December 31, 2009. The exploration costs incurred during the period is the main reason for the decrease in cash and cash equivalents.

Property, Plant and Equipment

Property, plant and equipment stood at $25,230 as at September 30, 2010 compared to $34,966 as at December 31, 2009, and consisted of leasehold improvements, furniture and equipment.

Mining Properties

As at September 30, 2010, the Company's mining properties amounted to $1,370,123 compared to $1,370,789 as at December 31, 2009. During the three-month and nine-month periods ended September 30, 2010, the Company acquired for $11,102 and $59,908 mining properties.

Deferred Exploration Costs

As at September 30, 2010, deferred exploration costs amounted to $4,596,703 and the distribution was mainly of $1,690,440 on the MacCormack property, $467,816 on the Rivière Doré property, $407,831 on the Preissac property, $402,681 on the Rambull property, $343,448 on Dollier property and $341,523 on Xstrata-Option property. During the nine-month period ended September 30, 2010, the exploration costs were $1,417,031 compared to $1,056,188 incurred during the nine-month period of 2009. During the nine-month period ended September 30, 2010, most of the exploration costs consisted of geophysics for $391,771, geology for $346,759, drilling for $330,324, stripping for $130,173 and stock-based compensation for employees and consultants for $72,094. During the nine-month period ended September 30, 2009, the exploration costs mainly consisted of geology for $329,782, drilling for $191,349, geochemistry for $178,905, stripping for $88,520 and geophysics for $86,961.

No exploration work was planned on the Manneville property and on a portion of Newconex West property corresponding to 16 claims. The Company wrote-off, during the second quarter, the cost related to the Manneville property and the the sixteen claims of the Newconex West property corresponding to the acquisition costs of $6,550 and $52,164 respectively and also the deferred exploration costs of $42,899 and $4,376, Those costs are recorded in the statements of earnings and comprehensive loss.

Liabilities

As at September 30, 2010, current liabilities amounted to $79,699 compared to $234,881 as at December 31, 2009.

Future income tax liabilities amounted to $1,050,207 as at September 30, 2010 compared to $678,968 as at December 31, 2009. This increase is explained by the renouncement of tax deductions in accordance with a flow-through public offering of $1,000,080 completed on June 26, 2009. The Company has waived, in 2010, the related tax deductions in the amount of $356,752.

Shareholders' Equity

As at September 30, 2010, the shareholders' equity was $6,339,278 compared to $5,955,908 as at December 31, 2009. This variation comes mainly from the two financings completed in May and June of 2010 for a total of $1,325,010 less the net operating losses which amounted to $632,249. Share issue expenses totalling $139,384 have reduced the capital stock.
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On May 19, 2010, the Company completed a public offering of $745,000 by way of a short-form offering document. The offering consisted of the issuance of 1,250,000 flow-through shares at a price of $0.44 per flow-through share for an amount of $550,000 and 557,143 units at a price of $0.35 per unit for an amount of $195,000. Each unit is comprised of one common share and one common share purchase warrant, each warrant entitling the holder to subscribe for one common share at a price of $0.45 for a period of two years following the closing date. The Company paid the agent a fee equal to 8.5% of the gross proceeds from the sale of flow-through shares and units sold pursuant to the offering. In addition the agent received non transferable compensation options entitling it to subscribe for such number of common shares of the Company equal to 5% of the total number of shares sold pursuant the offering, exercisable in whole or in part at a price of $0.35 per common share for a period of 12 months from closing. The financing is presented net of the value of the related warrants and the agent compensation options which was established at $67,136 and $21,195 respectively..

On June 15, 2010, the Company completed a private placement of $580,010 before share issue expenses. The Company issued 1,657,170 units. Each unit consists of one common share at a price of $0.35 per share and one share purchase warrant with each warrant entitling the holder to subscribe to one common share at a price of $0.45 for a period of two years following the date of closing. The financing is presented net of the value of the related warrants which was established at $206,649.

CASH FLOWS

Cash flows used in operating activities amounted to $178,615 and $511,467 respectively for the three and nine-month period ended September 30, 2010 compared to $199,359 and $231,748 for the same periods of 2009. The cash flows resulted mainly from the net operating losses for the same periods, which amounted to $157,717 and $632,249 respectively and the stock-based compensation of $33,890 and $73,402 for the three-month and nine-month periods ended September 30, 2010 compared to $14,078 and $24,408 for the same period in 2009.

Cash flows from financing activities for the three-month and nine-month periods ended September 30, 2010 amounted to $5,742 and $1,191,876 and resulted from the two financings completed in May and June of 2010.

The cash used in investing activities for the three-month and nine-month periods ended September 30, 2010 consisted mainly of deferred exploration costs of $450,184 and $1,192,010 compared to $455,249 and $906,692 for the same period of 2009 and the variation of cash reserved for exploration for $314,761 and $194,426 for three-month and nine-month periods ended September 30, 2010 compared to $508,936 and $4,844 for the same period of 2009.

LIQUIDITY AND FINANCING SOURCES

The Company is an exploration company. Its 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 the future.

The Company's financing comes mostly from share issues. The success of these issues depends on the stock markets, investors' interest in 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 its exposure within the financial community to realize new financings.

As at September 30, 2010, the Company's cash and cash equivalents amounted to $1,143,908 compared to $1,484,131 as at December 31, 2009.

There were no cash reserved for exploration as at September 30, 2010 and the cash reserved for exploration as at December 31, 2009 was exclusively constituted of cash for an amounted of $194,426.

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. The main risks which the Company is exposed to are listed in the last annual report and remain unchanged.

OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2010, the Company had not concluded any off-balance sheet arrangements.

CAPITAL STRUCTURE ON NOVEMBER 16, 2010:

Common shares outstanding	29,536,406
Warrants (weighted average exercise price of $0.37)	5,604,495
Agent compensation options (weighted average exercise price of $0.31)	478,677
Stock options (weighted average exercise price of $0.41)	2,435,000
Total fully diluted	38,054,578

SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These unaudited interim financial statements of the Company have been prepared in accordance with Canadian GAAP 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. The unaudited interim financial statements do not include all the information and notes required according to the GAAP for the annual financial statements that the Company presented in its annual report for the year ended December 31, 2009. As a result, these unaudited interim financial statements should be read in conjunction with the audited financial statements of the Company in the annual report for the year ended December 31, 2009.

Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the disclosures in the notes thereto.

The most significant items requiring the use of management's estimates and assumptions consist of the recoverable value of mining assets, the stock-based compensation and other stock-based payments, the value of warrants and the provision for future income taxes and mining taxes. These estimates and assumptions were made by management using careful judgment, based on the most current geological information available and its planned course of action, as well as on assumptions about future business, economic and capital market conditions.

Actual results could differ from estimates used in preparing these financial statements and such differences could be material.

IMPACT OF NEW ACCOUNTING STANDARDS NOT YET ADOPTED

INTERNATIONAL FINANCIAL REPORTING STANDARDS («IFRS»)

The Accounting Standards Board of Canada («AcSB») plans to converge to Canadian GAAP for publicly accountable enterprises with IFRS over a transition period that will end January 1, 2011 with the adoption of IFRS. The AcSB announced on February 13, 2008 that IFRS will be required in 2011 for publicly accountable profits oriented enterprises. The changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will present its first set of IFRS compliant financial statements for the year ending December 31, 2011. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences in recognition, measurement and disclosure requirements.

The IFRS conversion is a major initiative for the Company and all the necessary resources are being allocated to ensure the project's smooth transition.

ACCOUNTING POLICIES IMPACTED:

The detailed analysis of the accounting policies impacted by the IFRS convergence is in progress and will be completed throughout 2010. Overall, a lot of effort is put in the financial statements presentation as IFRS requires more disclosure.

Set out below are the main areas where changes in accounting policies are expected to have a significant impact on the Company's financial statements. The list below should not be regarded as a complete list of changes that will result from transition to the IFRS. It is intended to highlight areas that the Company believes to be the most significant; however, analysis of changes is still in process and the selection of accounting policies where choices are available under IFRS has not been completed. We note that the regulatory bodies that promulgate the Canadian GAAP and the IFRS have significant ongoing projects that could affect the ultimate differences between Canadian GAAP and IFRS and their impact on the Company's financial statements in future years. The standards listed below are those existing based on current Canadian GAAP and IFRS. At this stage, the Company is not able to reliably quantify the expected impacts of these differences on its financial statements. They are as follows:

First time adoption (IFRS 1)
IFRS 1 provides guidance to entities on the general approach to be taken when first adopting IFRS. The underlying principle of IFRS 1 is retrospective application of IFRS standards in force at the date an entity first reports using IFRS. IFRS 1 acknowledges that full retrospective application may not be practical or appropriate in all situations and prescribes:

• Optional exemptions from specific aspects of certain IFRS standards in the preparation of the Company's opening balance sheet; and
• Mandatory exceptions to retrospective application of certain IFRS standards.

Additionally, to ensure financial statements contain high-quality information that is transparent to users, IFRS 1 contains disclosure requirements to highlight changes made to financial statement items due to the transition to IFRS.

Impairment of assets (IAS 36)
IFRS requires the use of a one-step impairment test (impairment testing is performed using discounted cash flows) rather than the two-step test under Canadian GAAP (using undiscounted cash flow as a trigger to identify potential impairment loss).

IFRS requires reversal of impairment losses (excluding goodwill) where previous adverse circumstances have changed; this is prohibited under Canadian GAAP.

Impairment testing should be performed at the asset level for long-lived assets and intangible assets. Where the recoverable amount cannot be estimated for individual assets, it should be estimated as part of a Cash Generating Unit.

Share-based payments (IFRS 2)
Per IFRS, the forfeiture rate, with respect to share options, needs to be estimated by the Company at the grant date instead of recognizing the entire compensation expense and only record actual forfeitures as they occur.

For graded-vesting features, IFRS requires each instalment to be treated as a separate share option grant, because each instalment has a different vesting period and hence the fair value of each instalment will differ.

Mineral property interests, exploration and evaluation costs (IFRS 6)
Under IFRS, the Company would be required to develop an accounting policy to specifically and consistently identify which expenditures on exploration and evaluation activities will be recorded as assets. Unlike IFRS, Canadian GAAP indicates that exploration costs may initially be capitalized if the Company considers that such costs have the characteristics of property, plant and equipment.

Exploration and evaluation assets shall be classified as either tangible or intangible according to the nature of the assets acquired.

Property, plant and equipment (IAS 16, IFRIC 1)
Under IFRS, the Company can elect to measure fixed assets using either the cost model or the revaluation model. Canadian GAAP only accepts the cost model. The Company will not select the revaluation model due to the difficulty and effort needed to determine the fair value.

Under IFRS, each part of a fixed asset with a cost that is significant in relation to the total cost of the asset shall be depreciated separately. In Canadian GAAP, the same requirement exists but when practical, and consequently rarely implemented. The IFRS may result in additional details needed to maintain the fixed assets sub-ledger. Under IFRS, the residual value and the useful life of an asset shall be reviewed at least at each year end. The Canadian GAAP was requesting the same review but only on a regular basis.

INFORMATION SYSTEMS:

The accounting processes of the Company are simple since it is still at the exploration stage and no major challenges are expect at this point to operate the accounting system under the IFRS. Nevertheless, some excel spreadsheets will probably have to be adapted to support the change made in accounting policies.

The Company has yet to establish if historical data will have to be regenerated to comply with some of the choices to be made under IFRS 1.

INTERNAL CONTROLS:

Management is responsible for ensuring that processes are in place to provide it with sufficient knowledge to support its certification of the financial statements and MD&A, more specifically assessing that the SEDAR filings are presenting fairly the results of the Company. Management will make sure that once the convergence process is completed, it can still certify its fillings.

IMPACT ON THE BUSINESS:

The business processes of the Company are simple and no major challenges are expected at this point to operate under IFRS. The Company has no foreign currency transactions, no hedging activities, no debt and no capital obligations.

IFRS ADOPTION PLAN:

IFRS CONVERGENCE

The Company is using a four step action plan to convert to IFRS:

STEP 1: DIAGNOSTIC

The initial diagnostic stage was completed in 2009 with a preliminary gap analysis of the accounting and business processes.

STEP 2: DESIGN AND PLANNING (in progress)

STEP 2.1: ACCOUNTING POLICIES

First time adoption (IFRS 1)
The Company believes that the choices available under IFRS 1 will allow the opening balance as of January 1, 2010 to remain similar to the closing balance of December 31, 2009. The Company expects that key IFRS 1 exemption decisions will be approved by Management during the fourth quarter of 2010.

Impairment of assets (IAS 36)
The Company believes that the changes of this policy will have no impact on the financial statements on the changeover date. Nevertheless, in the subsequent years, this policy could generate more impairment than Canadian GAAP would since it uses a one-step test.

Share-based payments (IFRS 2)
The Company believes that the changes of this policy will have a very limited impact on the Financial Statements of the Company. In addition, in future years, the stock-based compensation for grants with vesting period will be front loaded instead of being linear.

Mineral property interests, exploration and evaluation costs (IFRS 6)
The Company believes that the changes of this policy will have no impact on the Financial Statements on the changeover date and in subsequent years.

Property, plant and equipment (IAS 16, IFRIC 1)
The Company believes that the changes of this policy will have no impact on the Financial Statements on the changeover date.

STEP 2.2: FINANCIAL STATEMENTS PREPARATION

During the fourth quarter of 2010, we will prepare the financial statement model and we will identify the IFRS convergence adjustments.

STEP 2.3: TRAINING AND COMMUNICATION

During the year 2010, the Company will evaluate if there is a need for additional training to the employees to assist in the transition to IFRS.

STEP 2.4: IT SYSTEMS

Since the Company will do, in 2010, the financial statements under Canadian GAAP, the Company is currently establishing the processes to generate in parallel the accounting under IFRS so that in 2011 it has the comparative information available.

STEP 2.5: INTERNAL CONTROLS

During the fourth quarter 2010, Management will review existing internal control process and procedures to address significant changes to existing accounting policies and practices.

STEP 2.6: IMPACT ON THE BUSINESS

The business processes of the Company are simple and no major challenges are expected at this point to operate under IFRS. The Company has no compensation plan which will be affected by IFRS.

STEP 3: IMPLEMENTATION

In this stage the Company will implement the changes that have been developed including changes to the accounting processes and policies. The Company will also quantify the IFRS impacts.

Management will prepare the structure of the first financial statements as of March 31, 2011 with the opening balance as of January 1st, 2010, the comparables as of March 31, 2010 and the disclosure notes. Management started this step in the third quarter of 2010 and will finalize it in the fourth quarter of 2010.

STEP 4: POST IMPLEMENTATION

Management will prepare the interim annual financial statements in compliance with IFRS for the year ending December 31, 2011.

COMMITMENTS

The Company has commitments pursuant to various operating leases and equipment rental contracts. The Company has the obligation to pay a total amount of $74,296 during the next three years. Minimum payments are as follows:

	$
2010	11,303
2011	45,214
2012	17,779
	74,296

SUBSEQUENT EVENT

As at October 28, 2010, Cartier announced that it has signed a Letter of Intent (LOI) for its Rivière Doré property with Copper One Inc. Under the terms of the LOI, Copper One is granted an "Initial Option" to acquire an undivided 51% interest in the Rivière Doré property by making cumulative exploration expenditures of $5,000,000 on or before December 31, 2015, including a firm first year commitment of $750,000 and paying $250,000 and issuing to Cartier 350,000 common shares of Copper One. Upon the valid exercise of the Initial Option, Copper One shall have an "Additional Option" to acquire a further 24% interest in the Rivière Doré property by continuing until the completion of a definitive feasibility study or making further cumulative expenditures of $20,000,000 by or before December 31, 2020.

Cartier will manage the exploration program during the "Initial Option" period. After the first year of the Initial Option, Copper One may elect to operate the project. If it elects to do so, Copper

One will make an annual cash payment to Cartier of $50,000 for each year that it shall operate the project during the Initial Option. The proposed agreement contemplates that a joint venture will be formed once Copper One has vested at 51% or 75%. The parties also agree that the definitive agreement will include negotiated terms for the joint venture agreement.

Subject to customary conditions and a legal, technical and business due diligence, both parties have agreed to work towards signing a definitive agreement on or before January 15th 2011.

OUTLOOK

During the last quarter of 2010, Cartier will pursue its development strategy by focusing on the controlled and dynamic exploration of its projects, searching for new partners and generating new projects.

The exploration field work in the summer of 2010 on the Dollier, Diego, Xstrata-Option, Rivière Doré and Cadillac Extension projects brought them to the drilling stage. Drill targets for each property will be prepared during the last quarter to be ready for drilling in early 2011.

We consider the most interesting drill targets to be:

- The new massive sulphide lens discovered at Xstrata-Option;
- The gold-bearing structure recognized over more than 2 kilometers on the Dollier property;
- Twenty-five first-order conductors generated by the geophysical survey on Rivière Doré;
- The widening at shallow depth of the Langlade deposit that may be developed into an open pit mine; and
- Extensions of the massive sulphide and gold-bearing zones on the MacCormack property.

Negotiations are underway with potential partners on many properties of Cartier.

MANAGEMENT'S RESPONSABILITY FOR FINANCIAL INFORMATION

The financial statements and other financial information contained in this MD&A are the responsibility of Cartier's management and have been approved by the Board of Directors.

(s) Philippe Cloutier	(s) Jean-Yves Laliberté
Philippe Cloutier	Jean-Yves Laliberté
President and CEO	Chief Financial Officer