The objective of this Management's Discussion and Analysis Report ("MD&A") released 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 period ended June 30, 2012 compared to the period ended June 30, 2011. This report, dated August 17, 2012, should be read in conjunction with the unaudited interim condensed financial statements for the period ended June 30, 2012 and with the audited financial statements for the year ended December 31, 2011, as well as with the accompanying notes. The interim condensed financial statements are prepared under IFRS. Unless otherwise indicated, all amounts are expressed in Canadian dollars.

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 STATEMENTS

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, uncertainty regarding mineral resource estimations, additional funding requirements and the Company's ability to obtain such funding.

NATURE OF ACTIVITIES AND CONTINUATION OF EXPLORATION ACTIVITIES

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 (Québec) since February 14, 2011. The Company's head office is located at 1740, chemin Sullivan, Suite 1000, Val-d'Or, Québec. Its activities include mainly the acquisition and exploration of mining properties. The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mining properties is dependent upon the existence of economically recoverable ore reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

The Company's ability to continue as a going concern depends on its ability to realize its assets and additional financings. 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 application of 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 have been prepared by the Company's management in accordance with IFRS, as established by the International Accounting Standards Board and in accordance with IAS 34 "Interim condensed Financial Reporting". They do not include all the information required in annual financial statements in accordance with IFRS. These interim condensed financial statements must be read in conjunction with the audited financial statements for the year ended December 31, 2011. The accounting policies are presented in the audited financial statements for the year ended December 31, 2011 and have not been modified since that time.

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

MISSION

The mission of the Company is to ensure its growth and sustainability for the benefit of its shareholders and employees.

VISION AND STRATEGY

The Company's vision is to develop its current and future assets into mineral production with a schedule consistent with its human and financial resources while respecting sustainable development practices.

The strategy of the Company is to set up a dynamic process that will allow it to develop and maintain a balanced portfolio of mining projects ranging from the exploration stage to resource definition, development and production.

HIGHLIGHTS

1. Exploration work

The bulk of exploration work carried out during the second quarter of 2012 consisted in 5,046 metres of drilling on the Cadillac Extension, Benoist and Fenton properties.

The highlights of the second quarter are as follows:

- The first hole drilled by Cartier on the Benoist property intersected the Pusticamica mineralized zone over 53 metres, thus confirming the mineralization extends 225 metres deeper than the known historical extent of the Pusticamica deposit.

- Drill holes completed on the Cadillac Extension property helped define the geometry of a segment of the Langlade polymetallic deposit over 300 metres in length by 150 metres in width by 10 to 40 metres in thickness, plunging at 35 degrees to the southeast to a known depth of 150 metres.

EXPLORATION ACTIVITIES
Deferred Exploration Costs

	Three-month period ended June 30, 2012 $	Three-month period ended June 30, 2011 $	Six-month period ended June 30, 2012 $	Six-month period ended June 30, 2011 $
Balance – Beginning of period	**6,753,053**	5,155,330	**6,077,212**	4,699,484
Expenses incurred				
Geology	422,055	167,679	541,920	244,169
Geophysics	127,500	46,517	323,518	111,079
Drilling	507,364	405,122	712,450	665,540
Stripping	(1,634)	101,496	(1,634)	102,767
Office expenses	11,749	21,758	40,486	30,065
Geotechnics	77,240	40,382	164,884	57,236
Geochemistry	-	37,015	3,850	37,015
Core shack rental and maintenance	17,451	12,333	41,475	18,668
Duties, taxes and permits	17,544	10,573	25,185	13,281
Depreciation of exploration equipment	5,403	1,708	8,379	4,806
Loss on write-off of leasehold improvements	-	-	-	14,583
Share-based payments employees	4,669	222	4,669	1,442
	1,189,341	844,805	**1,865,182**	1,300,651
Tax credits	**-**	(2,289)	**-**	(2,289)
Net expenses during period	**1,189,341**	842,516	**1,865,182**	1,298,362
Balance – End of period	**7,942,394**	5,997,846	**7,942,394**	5,997,846

Deferred exploration costs by property for the three-month period ended June 30, 2012:

	Balance as at December 31, 2011	Addition	Reclass	Write-off	Tax credits	Balance as at June 30, 2012
	$	$		$	$	$
Cadillac Extension	887,007	1,043,695	-	-	-	**1,930,702**
MacCormack	1,716,723	9,848	-	-	-	**1,726,571**
Dollier	945,356	18,747	-	-	-	**964,103**
Xstrata-Option	899,484	38,535	-	-	-	**938,019**
Diego	418,964	27,768	-	-	-	**446,732**
Preissac	413,278	2,226	-	-	-	**415,504**
Rambull	407,890	2,915	-	-	-	**410,805**
Newconex-Ouest	264,662	901	-	-	-	**265,563**
La Pause	123,848	95,332	-	-	-	**219,180**
Fenton	-	352,868				**352,868**
Benoist	-	272,347				**272,347**
TOTAL	6,077,212	1,865,182	-	-	-	**7,942,394**

EXPLORATION ACTIVITIES

Cadillac Extension Property

Work performed:

A total of 2,072 metres were drilled in 12 holes during the quarter on the property.

A 7 hole drilling campaign totalling 1,343 metres was completed on the Langlade polymetallic deposit.

A total of 5 holes (729 metres) were drilled to test the gold potential of induced polarization (IP) geophysical anomalies located in the eastern part of the property.

A 56-kilometre magnetometer geophysical survey was carried out on the Langlade polymetallic deposit to assist and enhance the interpretation of other types of data (geological, geophysical, geochemical) in this strategic area.

Pulse-EM geophysical surveys were completed in four selected drill holes in the Langlade polymetallic deposit to expand the radius of investigation of drill holes from a few centimetres (hole diameter) to a hundred metres in the search for metallic conductors.

An interpretation of drilling results as well as Pulse-EM, magnetometer, and IPower3D geophysical data is currently underway.

Results:

Drill holes completed on the Langlade polymetallic deposit helped define the geometry of a segment of the mineralized zone over 300 metres in length by 150 metres in width by 10 to 40 metres in thickness, plunging at 35 degrees to the southeast to 150 metres depth. The mineralization consists of disseminated to massive sulphides. Assay results for these drill holes are provided in a press release dated May 3, 2012.

The interpretation of current data suggests the Langlade polymetallic deposit may extend further south, beyond 150 metres depth. Pending assay and geophysical results will be used to better define the characteristics of this drilling target.

The five exploratory drill holes completed in the East Block of the property essentially intersected metamorphosed mafic to felsic volcanic rocks, locally associated with garnet and silica concentrations. Abundant quartz veinlets with disseminated pyrite and pyrrhotite mineralization are observed cross-cutting these rocks. Drill hole CAE-12-05 shows a sequence of metavolcanic rocks similar to what is observed at the Langlade polymetallic deposit. A few anomalous gold values, on the order of 400 ppb, were obtained in this drill hole.

Benoist Property

Work performed:

A total of 1,098 metres were drilled in two holes during the quarter on the property. The first hole, totalling 738 metres, has been completed whereas the second hole is currently underway.

The drill core was systematically surveyed using the *Core Mapper*™ by Photonic Knowledge. These data will be used to adequately model the composition and geometry of the Pusticamica deposit.

The recently recovered core from two historical drill holes (MUG-97-79 and MUG-97-82) in the Pusticamica deposit area was described and analyzed in detail. These drill holes intersected the North Zone of the Pusticamica deposit, which underlies the Main Zone.

Geochemistry data was interpreted to improve our understanding of the mineralization in the Pusticamica deposit.

Geophysical data from the Titan 24 deep-penetration survey completed in 1996 in the Pusticamica deposit area is currently being reinterpreted by Quantec Geoscience.

Results:

At the Pusticamica deposit, the mineralized zone was intersected over a length of 53 metres at a depth of 450 metres, *i.e.* 225 metres below the known historical extent of the Pusticamica deposit. Assay results for gold and other metals (Cu, Zn, Ag) are pending. The mineralized intercepts are identical to descriptions provided for historical drill holes in the Pusticamica deposit. The rock, variably altered to sericite, silica and chlorite, contains 10% pyrite and chalcopyrite ($\mathbf{Cu}FeS_2$) veinlets. This mineralized zone is inferred to correspond to the upper part of the North Zone of the Pusticamica deposit, which underlies the Main Zone of the deposit.

Fenton Property

Work performed:

A total of 1,876 metres were drilled in eight holes during the quarter on the property. The drill holes were designed to test the potential of targets located along the strike and depth extensions of the Fenton deposit.

In conjunction with the drilling program, a 3D model of mineralized zones in the Fenton deposit was also generated.

Results:

Mineralized and altered zones some 4 to 5 metres thick were intersected in drill holes. Assay results are pending.

Summary of drilling completed during the quarter

Property	April	May	June	Total / property
	(m)	(m)	(m)	(m)
Benoist	-	-	1,098	1,098
Cadillac Extension	1,010	1,062		2,072
Fenton	-	-	1,876	1,876
Total	1,010	1,062	2,974	5,046

Dollier Property

Work performed:

A model of geochemistry data from all drill holes on the property was generated.

Results:

The results of this modelling clearly illustrate the spatial association between highly silicified zones with mass gain and gold-bearing zones. Drilling targets were defined along the depth extension of the mineralized zone. Discussions are underway with potential partners to finance and resume drilling in the gold zone.

Kinojevis Block (Xstrata Option, MacCormack, Preissac, NewConex West and Rambull properties)

Work performed:

A model of structural data from all five properties that make up the Kinojevis Block was generated.

Results:

The results of this modelling were used to constrain areas with high discovery potential and thus orient and define priority areas to investigate in future work programs on this 48-kilometre-long block of properties. Discussions are underway with potential partners to finance and resume focused exploration work.

QUARTERLY FINANCIAL INFORMATION SUMMARY

Quarter ended	Interest income and other	Net loss	Basic and diluted net loss per share	Deferred exploration costs	Basic weighted average number of shares outstanding
12-06-30	8,729	(473,752)	(0.01)	1,189,341	49,976,981
12-03-31	9,629	(445,001)	(0.01)	675,841	49,723,685
11-12-31	7,596	(901,210)	(0.04)	(340,813)	41,280,451
11-09-30	9,024	(246,739)	(0.01)	420,179	41,720,960
11-06-30	11,828	(315,308)	(0.01)	842,516	40,602,006
11-03-31	18,900	(151,361)	(0.00)	455,846	39,597,836
10-12-31(a)	8,765	(410,795)	(0.01)	114,388	28,167,304
10-09-30 (a)	755	(164,917)	(0.01)	468,293	29,094,844

(a) Restated IFRS

SELECTED ANNUAL FINANCIAL INFORMATION

	Three-month period ended June 30, 2012 $	Three-month period ended June 30, 2011 $	Six-month period ended June 30, 2012 $	Six-month period ended June 30, 2011 $
Interest income	8,729	11,828	18,358	30,728
Net loss and comprehensive loss	(473,752)	(315,308)	(918,753)	(466,669)
Basic and diluted net loss per share	(0.01)	(0.01)	(0.02)	(0.01)
Basic and diluted weighted average number of shares outstanding	49,976,681	40,602,006	49,723,685	40,102,697

	Statement of financial position June 30, 2012 $	Statement of financial position December 31, 2011 $
Cash and cash equivalents	2,639,682	3,263,143
Cash reserved for exploration	172,620	2,031,040
Property, plant and equipment	109,829	91,261
Mining properties	1,365,669	1,155,633
Deferred exploration costs	7,942,394	6,077,212
Total assets	13,223,864	13,704,582
Current liabilities	650,126	930,999
Deferred income and mining taxes	2,325,095	1,608,475
Equity	10,248,643	11,165,108

RESULTS OF OPERATIONS

For the three-month and six-month periods ended June 30, 2012, the net loss amounted to $473,752 and $918,753 (or $0.01 and $0.02 per share) compared to a net loss of $315,308 and $466,669 (or $0.01 and $0.01 per share) as of June 30, 2011.

Interest income and management fees stood at $8,729 and $18,358 for the three-month and six-month periods ended June 30, 2012 compared to $11,828 and $30,728 for the three-month and six-month periods ended June 30, 2011. Administrative expenses amounted to $296,537 and $625,431 for the same periods ended June 30, 2012 compared to $290,435 and $516,703 for those in 2011. The increase in administrative expenses for the six-month period ended June 30, 2012 compared to the same period in 2011 is explained by an increase of salaries by $25,913 and an increase of consultant-related fees by $25,857.

The main items which constituted the administrative expenses for the three-month and six-month periods ended June 30, 2012 are as follows: salaries amounting to $64,976 and $144,207, consultant-related fees for $56,163 and $99,704, share-based compensation-employees for $24,197 and $34,119, professional fees for $43,425 and $75,042, business development expenses for $30,506 and $113,416, advertising for $12,074 and $26,286 and shareholder's information expenses for $29,488 and $48,112. For the three-month and six-month periods ended June 30, 2011, the administrative expenses mainly consisted of salaries which amounted to $68,025 and $118,294, consultant-related fees for $43,161 and $73,847, share-based compensation-employees for $42,645 and $62,861, professional fees for $24,770 and $29,865, business development expenses for $35,558 and $109,120, advertising for $11,668 and $13,868 and shareholder's information expenses for $17,388 and $31,596.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

Current Assets

As at June 30, 2012 and December 31, 2011, the cash and cash equivalents and the cash reserved for exploration are detailed below:

	$	Interest rate	Expiry date	$	Interest rate	Expiry date
	June 30, 2012			December 31, 2011		
1) Banker's acceptance	**353,863**	**0.880%**	**2012-07-16**	201,168	0.926%	2012-01-18
2) Banker's acceptance	**503,592**	**0.987%**	**2012-07-30**	104,880	1.019%	2012-02-10
3) Banker's acceptance	**-**	**-**	**-**	351,333	1.035%	2012-03-07
4) Bond	**512,406**	**1.333%**	**2012-08-17**	255,106	2.570%	2012-01-30
5) Bond	**-**	**-**	**-**	407,599	2.503%	2012-02-23
6) Account bearing a high interest	**880,262**	**1.200%**	**-**	587,599	1.200%	-
7) Account without interest	**562,179**	**-**	**-**	3,386,498	-	-
Total	**2,812,302**			5,294,183		

The working capital was $3,155,846 compared to $5,449,477 for the same periods. 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 $109,829 as at June 30, 2012 compared to $91,261 as at December 31, 2011.

Mining Properties

As at June 30, 2012, the Company's mining properties amounted to $1,365,669 compared to $1,155,633 as at December 31, 2011. The increase results mainly from the acquisition of two new properties during the first quarter, Benoist and Fenton, for an amount of $192,976 and $16,000 respectively.

Deferred Exploration Costs

As at June 30, 2012, deferred exploration costs amounted to $7,942,394 compared to $6,077,212 as at December 31, 2011. During the three-month period ended June 30, 2012, most of the exploration costs consisted of drilling for $507,364, geology for $422,055, geophysics for $127,500 and geotechnics for $77,240. During the three-month period ended June 30, 2011, most of the exploration costs consisted of drilling for $405,122, geology for $167,679, geophysics for $46,517 and stripping for $101,496.

Liabilities

As at June 30, 2012, current liabilities amounted to $650,126 compared to $930,999 as at December 31, 2011. The reduction is mainly due to the renouncement of tax deductions related to the flow-through financing share tax benefits on deferred expenditures incurred during the quarter.

Deferred income and mining taxes amounted to $2,325,095 as at June 30, 2012 compared to $1,608,475 as at December 31, 2011. This increase is also the result of the renouncement of tax deductions in accordance with a flow-through public offering completed in December 2011 on deferred expenditures incurred during the quarter.

Equity

As at June 30, 2012, the equity was $10,248,643 compared to $11,165,108 as at December 31, 2011. This variation comes mainly from the comprehensive loss amounting to $1,058,753 for the period.

CASH FLOWS

Cash flows used in operating activities amounted to $400,361 and $705,213 respectively for the three-month and six-month periods ended June 30, 2012 compared to $108,545 and $270,047 for the same periods in 2011. The cash flows resulted mainly from the loss before mining and income taxes, which amounted to $300,870 and $645,620 respectively, compared to $278,607 and $485,975 for the same periods in 2011.

Cash flows used in financing activities for the three-month period ended June 30, 2012 were nil and for the six-month period amounted to $42,973, compared to the cash flows from financing activities amounting to $684,330 and $774,648 respectively for the three-month and six-month periods ended June 30, 2011. The cash flows resulted from share issue costs relating to the December 2011 financing received and accounted for in the six-month period ended June 30, 2012. For the same periods ended in 2011, the cash flows from financing activities consisted of the exercise of warrants for $656,330 and $735,848 respectively and the exercise of options for $28,000 and $38,800.

Cash flows used in investing activities amounted to $295,768 and $124,725 respectively for the three-month and six-month periods ended June 30, 2012. The cash used in investing activities consisted mainly of deferred exploration costs of $850,655 and $1,596,335 compared to $759,872 and $1,242,156 for the same periods in 2011, the variation of cash reserved for exploration of $1,177,936 and $1,858,420 compared to $804,467 and $1,260,000 for the same periods of 2011, and an addition of leasehold improvements and furniture and equipment amounting to $30,824 compared to $70,289 in 2011.

LIQUIDITY AND FINANCING SOURCES

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.

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 to which the Company is exposed are listed in the last annual report as of December 31, 2011 and remain unchanged.

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2012, the Company had not concluded any off-balance sheet arrangements.

CAPITAL STRUCTURE AS AT AUGUST 17, 2012:

Common shares outstanding	49,982,476
Warrants (weighted average exercise price of $0.45)	9,137,665
Agent compensation options (weighted average exercise price of $0.45)	1,039,852
Stock options (weighted average exercise price of $0.35)	3,080,000
Total fully diluted	63,239,993

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and going concern

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

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 validity of the going concern assumption.

These interim condensed financial statements have been prepared by the Company's management in accordance with IFRS, as established by the International Accounting Standards Board 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 must be read in conjunction with the audited financial statements for the year ended December 31, 2011. The accounting policies are presented in the audited financial statements for the year ended December 31, 2011 and have not been modified since that time.

These interim condensed financial statements have been prepared in accordance with IAS 34. Their preparation required the use of certain critical accounting estimates and also required management to exercise judgment when applying the Company's accounting policies.

Leases

The future minimum operating lease payments are as follows:

	Minimum lease payments due			
	Within 1 year	**1 to 5 years**	**After 5 years**	**Total**
	$	$	$	$
June 30, 2012	**44,144**	401,823	254,055	700,022
December 31, 2011	**92,513**	379,495	239,543	711,551
December 31, 2010	**45,214**	17,778	-	62,992

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 main financial risks to which the Company is exposed and its risk management policies are presented below.

Interest risk

The bonds bear interest at a fixed rate and consequently expose the Company to the risk of fair value fluctuation related to changes in interest rates.

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.

As at June 30, 2012, the Company's exposure to interest rate risk is summarized as follows:

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

Interest rate sensitivity

At June 30, 2012, the Company received interest on the following assets:

– banker's acceptances;
– bonds.

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.

Liquidity risks

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has at its disposal sufficient sources of financing such as private placements. 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.

Credit risk

Cash and cash equivalents are held or issued by financial institutions with a superior-quality credit rating. Hence, the Company considers that the risk of non-performance of such instruments is negligible.

Credit risk analysis

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

	June 30, 2012	December 31, 2011
	$	$
Cash and cash equivalents	**1,269,821**	1,943,057
Cash held for exploration expenses	**172,620**	2,031,040
Banker's acceptances and bonds	**1,369,861**	1,320,086
Other receivables (other than goods and services tax receivable)	**560,771**	560,771
Carrying amounts	**3,373,073**	5,854,954

The Company has no trade receivables. The receivables are comprised of tax credits, mining taxes and sales tax receivables. Consequently the exposure to credit risk for the Company's receivables is considered limited. No impairment loss has been recognized in the periods presented.

The Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review 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, cash held for exploration expenses, and guaranteed investment certificates is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

Fair value of financial instruments

The Company discloses the fair value hierarchy by which the financial instruments are evaluated and have the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active market 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. Cash and cash equivalents and cash reserved for exploration are classified under Level 1.

The fair value of cash and cash equivalents, and cash reserved for exploration and receivables approximates their carrying value as these items will be realized in the short term.

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 respected are subject to a combined tax rate of 30% (Canada and Québec).

During the year ended December 31, 2011, the Company received $2,031,040 following flow-through placements for which the Company renounced tax deductions after December 31, 2011.

The Company has renounced tax deductions of $2,031,040 as at February 28, 2012 and management is required to fulfil its commitments before the stipulated deadline of December 31, 2012. The amount has been presented as "Cash reserved for exploration expenses".

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Company's key management personnel are members of the Board of Directors, as well as the president and vice-presidents. Key management personnel remuneration includes the following expenses:

	June 30, 2012	December 31, 2011
	$	$
Short-term employee benefits		
Salaries including bonuses and benefits	**283,738**	462,585
Social security costs	**27,063**	28,850
Total short-term employee benefits	**310,810**	491,435
Share-based payments	**26,579**	117,564
Total remuneration	**337,380**	608,999

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

The Company is not subject, in regards of external rules, to any requirements regarding its capital, except if the Company completes a flow-through financing for which the cash must be reserved for exploration. As at June 30, 2012, the Company's cash reserved for exploration was $172,620 ($2,031,040 as at December 31, 2011).

As at June 30, 2012 the shareholders' equity was $10,248,643 ($11,165,108 as at December 31, 2011).

RELATED PARTY TRANSACTION

	June 30, 2012 $	**December 31, 2011** $
Consultants	1,000	-

During the period the Company was provided consultation services, for $1,000, from a company in which a director of the Company is a minority shareholder. This transaction occurred within the normal course of business and was measured at the exchange value, which is the amount of consideration established and agreed to by the related parties. As at June 30, 2012, no amount was included in the accounts payable and accrued liabilities.

OUTLOOK

Assay results and interpretation of drilling data on the Pusticamica and Fenton gold deposits (Benoist and Fenton projects respectively) as well as on the Langlade polymetallic deposit (Cadillac Extension project) are planned for the third quarter.

Cartier's team is currently reassessing the type of work to be performed and the work schedule based on the type of targets to be tested on its projects, while taking into consideration the current situation on stock markets.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The interim condensed 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 on August 17, 2012.

(s) Philippe Cloutier
Philippe Cloutier
President and CEO

(s) Jean-Yves Laliberté
Jean-Yves Laliberté
Chief Financial Officer