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, 2013 compared to the period ended June 30, 2012. This report, dated August 16, 2013, should be read in conjunction with the unaudited interim condensed financial statements for the period ended June 30, 2013 and with the audited financial statements for the year ended December 31, 2012, as well as with the accompanying notes. The interim condensed financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise indicated, all amounts are expressed in Canadian dollars.

Percentage calculations are based on numbers in the Financial Statements and may not correspond to rounded figures presented in this MD&A.

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 the mineral resource estimation and 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 1A 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, 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, 2012.

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 is to pursue a dynamic process that allows the Company to develop and maintain a balanced portfolio of mining projects progressing from the exploration stage to the resource definition, development and production stages.

EXPLORATION ACTIVITIES

Benoist property

During the second quarter of 2013, the Company received and interpreted the laboratory results for the winter 2013 drilling programs. Results for the five (5) holes totalling 4,155 metres were published in a press release and notably included 12.3 g/t Au over 1.0 m in an interval of 27.0 m at 1.1 g/t Au, and 7.5 g/t Au over 1.0 m in an interval of 10.0 m at 1.0 g/t Au. The holes were drilled below the Pusticamica gold deposit and confirmed the continuity and potential of the mineralization at depths from 450 to 700 metres. The work led to the discovery of a new type of mineralization associated with a felsic intrusion. Over a distance of 225 metres, six intersections yielded grades ranging from 4.6 g/t Au / 1.0 m to 24.5 g/t Au / 3.0 m within the felsic intrusion. This mineralization is in addition to the large Pusticamica-type gold-bearing envelope associated with strong, chlorite-rich hydrothermal alteration.

The available information suggests there is excellent potential for increasing the volume of mineralization in the Pusticamica gold deposit. For this reason, on May 22, the Company signed a purchase agreement with Murgor Resources to acquire a 100% interest in the Benoist property consisting of 98 mining claims. The purchase was completed by the payment of $250,000 in cash and the issuance of 650,000 common shares of Cartier (see SUBSEQUENT EVENTS). Murgor will retain a 1% net smelter return royalty (NSR) on the property. Sixteen (16) of the mining claims are also subject to another 1.5% NSR payable to a previous seller, which is redeemable by Cartier for $1.5 million. In addition, 42 mining claims (16 of which are also subject to the 1.5% NSR royalty mentioned above) are subject to an additional 1% NSR in favour of another previous seller.

Diego Property

On May 23, 2013, the Company signed a letter of agreement with Weststar Resources Corporation regarding an option to earn up to an 80% undivided interest in the Diego property composed of 53 mining claims. Weststar will have a first option to earn a 50% undivided interest in the property in consideration of a cash payment of $15,000 in cash at closing, the issuance of 350,000 common shares of Weststar at closing, and an amount of $1,000,000 in exploration expenditures on the property over a period of three years. Following the exercise of the first option, Weststar may elect to exercise a second option to earn an additional 30% undivided interest in the property in consideration of an additional amount of $1,000,000 in exploration expenditures on the property over a period of two (2) years. This transaction is subject to Weststar obtaining the approval of the TSX Venture Exchange, and an additional condition precedent: the closing by Weststar no later than August 23, 2013 of a private placement for a minimum of $500,000, at least $250,000 of which must be allocated to non-flow-through units.

Preissac Property

The Company has prepared a detailed exploration work proposal, including a budget and timeline, as well as a descriptive technical fact sheet on the property's potential. The information on the Company's website will be updated early in the third quarter.

EXPLORATION ACTIVITIES

Deferred exploration costs

	Three-month period ended June 30, 2013 $	Three-month period ended June 30, 2012 $	Six-month period ended June 30, 2013 $	Six-month period ended June 30, 2012 $
Balance – Beginning of period	**8,770,259**	6,753,053	**8,092,393**	6,077,212
Expenses incurred				
Geology	**113,569**	422,055	**192,938**	541,920
Geophysics	**-**	127,500	**-**	327,368
Drilling	**29,105**	507,730	**592,332**	710,816
Office expenses	**17,391**	11,749	**27,382**	40,486
Surveying and access roads	**992**	77,240	**4,112**	164,884
Core shack rental and maintenance	**11,855**	17,451	**22,298**	41,475
Duties, taxes and permits	**6,786**	17,544	**8,766**	25,185
Depreciation of exploration equipment	**4,931**	5,403	**9,862**	8,379
Share-based payments to employees	**1,810**	4,669	**6,615**	4,669
	186,439	1,189,341	**864,305**	1,865,182
Tax credits	**(16,737)**	-	**(16,737)**	-
Net expenses during period	**169,702**	1,189,341	**847,568**	1,865,182
Balance – End of period	**8,939,961**	7,942,394	**8,939,961**	7,942,394

Deferred exploration costs by property for the three-month period ended June 30, 2013:

The carrying amount can be analyzed as follows:

	Participation	Balance as at December 31, 2012	Addition	Tax credit	Write-off	**Balance as at June 30, 2013**
		$	$	$	$	**$**
Quebec						
Xstrata-Option	100%					
Mining rights		750	-	-	-	**750**
Exploration and evaluation		938,338	390	-	-	**938,728**
		939,088	390	-	-	**939,478**
Preissac	100%					
Mining rights		258,522	-	-	-	**258,522**
Exploration and evaluation		278,725	36,380	(1,009)	-	**314,096**
		537,247	36,380	(1,009)	-	**572,618**
MacCormack	100%					
Mining rights		252,367	-	-	-	**252,367**
Exploration and evaluation		1,730,095	17,208	(11)	-	**1,747,292**
		1,982,462	17,208	(11)	-	**1,999,659**
Rambull	100%					
Mining rights		130,630	-	-	-	**130,630**
Exploration and evaluation		407,180	906	-	-	**408,086**
		537,810	906	-	-	**538,716**
Newconex-West	100%					
Mining rights		169,995	-	-	-	**169,995**
Exploration and evaluation		266,935	289	-	-	**267,224**
		436,930	289	-	-	**437,219**

	Participation	Balance as at December 31, 2012	Addition	Tax credit	Write-off	**Balance as at June 30, 2013**
		$	$	$	$	**$**
Quebec						
Cadillac Extension	100%					
Mining rights		11,539	-	-	-	**11,539**
Exploration and evaluation		1,587,305	49,834	(2,338)	-	**1,634,801**
		1,598,844	49,834	(2,338)	-	**1,646,340**
Dollier	100%					
Mining rights		29,835	-	-	-	**29,835**
Exploration and evaluation		977,470	21,527	(1,206)	-	**997,791**
		1,007,305	21,527	(1,206)	-	**1,027,626**
La Pause	100%					
Mining rights		7,379	54	-	-	**7,433**
Exploration and evaluation		203,462	14,645	-	-	**218,107**
		210,841	14,699	-	-	**225,540**
Diego	100%					
Mining rights		2,755	-	-	-	**2,755**
Exploration and evaluation		444,610	27,186	(3,647)	-	**468,149**
		447,365	27,186	(3,647)	-	**470,904**
Benoist	Option 100%					
Mining rights		190,607	21,797	-	-	**212,404**
Exploration and evaluation		733,906	689,573	(8,517)	-	**1,414,962**
		924,513	711,370	(8,517)	-	**1,627,366**
Fenton	Option 50%					
Mining rights		16,000	8,000	-	-	**24,000**
Exploration and evaluation		524,367	6,367	(9)	-	**530,725**
		540,367	14,367	(9)	-	**554,725**

		Balance as at December 31, 2012	Addition	Tax credit	Write-off	**Balance as at June 30, 2013**
		$	$	$	$	**$**
Summary						
Mining rights		1,070,379	29,851	-	-	**1,100,230**
Exploration and evaluation		8,092,393	864,305	(16,737)	-	**8,939,961**
		9,162,772	894,156	(16,737)	-	**10,040,191**

SELECTED FINANCIAL INFORMATION

	Three-month period ended June 30, 2013 $	**Three-month period ended June 30, 2012 $**	**Six-month period ended June 30, 2013 $**	**Six-month period ended June 30, 2012 $**
Interest income	**5,765**	8,729	**20,471**	18,358
Net loss	**(217,846)**	(473,752)	**(487,413)**	(918,753)
Basic net loss per share	**(0.00)**	(0.01)	**(0.01)**	(0.02)
Basic weighted average number of shares outstanding	**57,954,145**	49,976,681	**57,932,598**	49,723,685

	Statement of financial position June 30, 2013 $	**Statement of financial position December 31, 2012 $**
Cash and cash equivalents	**2,300,598**	2,670,297
Cash reserved for exploration	**29,669**	873,129
Property, plant and equipment	**86,811**	100,255
Exploration assets and deferred exploration costs	**10,040,191**	9,162,772
Total assets	**12,790,387**	13,261,889
Current liabilities	**129,187**	449,970
Deferred income and mining taxes	**2,511,684**	2,198,723
Equity	**10,149,516**	10,613,196

RESULTS OF OPERATIONS

For the three-month and six-month periods ended June 30, 2013, the net loss amounted to $217,846 and $487,413 or ($0.00) and ($0.01) per share compared to a net loss of $473,752 and $918,753 or ($0.01) and ($0.02) per share as at June 30, 2012.

Interest income stood at $5,765 and $20,471 for the three-month and six-month periods ended June 30, 2013 compared to $8,729 and $18,358 for the three-month and six-month periods ended June 30, 2012. Administrative expenses amounted to $224,765 and $412,165 for the same periods ended June 30, 2013 compared to $296,537 and $625,431 for those in 2012. The decrease in administrative expenses for the six-month period ended June 30, 2013 compared to the same period in 2012 is explained by the decrease of salaries by $14,325, of consultant-related fees by $35,153, of professional fees by $56,355 and of business development expenses by $59,901. This decrease results from actions taken by the Company to reduce administrative expenses while maintaining exploration costs.

The main items which constituted the administrative expenses for the three-month and six-month periods ended June 30, 2013 are as follows: salaries amounting to $74,651 and $129,882, consultant-related fees for $38,865 and $64,551, share-based employee compensation for $25,665 and $39,117, professional fees for $18,591 and $18,687, business development expenses for $9,164 and $53,515, advertising for $8,533 and $15,615 and shareholder's information expenses for $21,087 and $30,309. For the three-month and six-month periods ended June 30, 2012, the administrative expenses mainly consisted of salaries amounting to $64,976 and $144,207, consultant-related fees for $56,163 and $99,704, share-based employee compensation 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.

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
13-06-30	5,765	217,846	0.00	186,439	57,954,145
13-03-31	14,706	269,563	0.00	677,866	57,910,812
12-12-31	6,431	983,904	0.02	(551,509)	53,124,160
12-09-30	2,022	226,291	0.00	701,508	50,557,309
12-06-30	8,729	473,752	0.01	1,189,341	49,976,981
12-03-31	9,630	445,001	0.01	675,841	49,723,685
11-12-31	7,596	901,210	0.02	(340,813)	41,280,451
11-09-30	9,024	246,739	0.01	420,179	41,720,960

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

Current assets

As at June 30, 2013 and December 31, 2012, the cash and cash equivalents and the cash reserved for exploration are detailed below:

	June 30, 2013			December 31, 2012		
	$	**Interest rate**	**Expiry date**	$	Interest rate	Expiry date
1) Banker's acceptance	**399,936**	**0.727%**	**2013-07-08**	153,840	0.902%	2013-02-11
2) Banker's acceptance	**101,919**	**0.800%**	**2013-08-06**	400,546	0.828%	2013-02-19
3) Banker's acceptance	**-**	**-**	**-**	518,226	1.450%	2013-03-11
4) Banker's acceptance	**-**	**-**	**-**	356,413	0.781%	2013-03-19
5) Account bearing interest	**1,220,648**	**1.200%**	**-**	1,036,730	1.200%	-
6) Account without interest	**607,764**	**-**	**-**	1,077,671	-	-
Total	**2,330,267**			3,543,426		

From the total amount of cash and cash equivalents of $2,330,267 as at June 30, 2013, and $3,543,426 as at December 31, 2012, the cash reserved for exploration amounted to $29,669 and $873,129 for the same periods.

Cash reserved for exploration is exclusively constituted of cash which must be used for exploration before December 31, 2013.

The working capital was $2,534,198 compared to $3,548,892 for the same periods.

Property, plant and equipment

Property, plant and equipment stood at $86,811 as at June 30, 2013 compared to $100,255 as at December 31, 2012.

Exploration assets and deferred exploration costs

As at June 30, 2013, the Company's exploration assets and deferred exploration costs amounted to $10,040,191 compared to $9,162,772 as at December 31, 2012.

As at June 30, 2013, mining rights amounted to $1,100,230 compared to $1,070,379 as at December 31, 2012. The increase is due mainly to the Company's commitment to respect its agreements with Murgor Resources Inc. and SOQUEM Inc. regarding the Benoist and Fenton properties, for amounts of $21,000 and $8,000 respectively.

As at June 30, 2013, deferred exploration costs amounted to $8,939,961 compared to $8,092,393 as at December 31, 2012.

During the three-month period ended June 30, 2013, most of the exploration costs consisted of drilling for $29,105 and geology for $113,569. During the three-month period ended June 30, 2012, the exploration costs mainly consisted of drilling for $505,730, geology for $422,055, geophysics for $127,500 and geotechnics for $77,240.

Liabilities

During the three-month period ended June 30, 2013, current liabilities amounted to $129,187 compared to $449,970 as at December 31, 2012. The reduction is mainly due to the renouncement of the tax deduction related to the flow-through financing share tax benefits on the deferred expenditures incurred during the quarter.

Deferred income and mining taxes amounted to $2,511,684 as at June 30, 2013 compared to $2,198,723 as at December 31, 2012. This increase is also the result of the renouncement of tax deductions, in accordance with a flow-through public offering completed in November and December 2012, on the deferred expenditures incurred during the first quarter of 2013.

Equity

As at June 30, 2013, the equity was $10,146,516 compared to $10,613,196 as at December 31, 2012. This variation comes mainly from the loss of $487,413 for the six-month period ended June 30, 2013.

CASH FLOWS

Cash flows used in operating activities amounted to $76,407 and $392,073 respectively for the three-month and six-month periods ended June 30, 2013 compared to $402,678 and $707,530 for the same periods in 2012. The cash flows resulted mainly from the loss before mining and income taxes, which amounted to $223,514 and $406,184 respectively, compared to $300,870 and $645,620 for the same periods in 2012.

Cash flows used in investing activities consisted only of deferred exploration costs totalling $280,200 and $821,086 respectively for the three-month and six-month periods ended June 30, 2013. For the corresponding periods in 2012, the cash used in investing activities amounted to $879,851 and $1,731,378 and consisted mainly of deferred exploration costs of $849,027 and $1,700,554 and the acquisition of property, plant and equipment totalling $30,824.

LIQUIDITY AND FINANCING SOURCES

As at June 30, 2013, the Company's cash and cash equivalents amounted to $2,330,267. 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 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, 2012 and remain unchanged.

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2013, the Company had not concluded any off-balance sheet arrangements.

CAPITAL STRUCTURE AS AT AUGUST 16, 2013:

Common shares outstanding	58,604,145
Warrants (weighted average exercise price of $0.30)	1,500,000
Stock options (weighted average exercise price of $0.30)	3,775,000
Total fully diluted	63,879,145

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and going concern

These 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 through profit or loss.

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 ore reserves that are economically recoverable. 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 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, 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, 2012. The accounting policies are presented in the audited financial statements for the year ended December 31, 2012, and have not been modified since that time.

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 August 16, 2013, the Company's Board of Directors approved these interim condensed financial statements for the period ended June 30, 2013.

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, 2012, except for the following new accounts policies effective for annual periods beginning on or after January 1st, 2013. The accounting policies have been applied consistently throughout the Company for the purposes of preparation of these interim financial statements.

IFRS 11 Joint Arrangements (IFRS 11)
IFRS 11 supersedes IAS 31 Interests in Joint Ventures (IAS 31). It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. In addition, IAS 31's option of using proportionate consolidation for joint ventures has been eliminated. IFRS 11 now requires the use of the equity accounting method, which is currently used for investments in associates. Management's analysis is that IFRS 11 did not have a material impact on the interim financial statements.

IFRS 12 Disclosure of Interests in Other Entities (IFRS 12)
IFRS 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. Management's analysis is that IFRS 12 did not have a material impact on the interim financial statements.

IFRS 13 Fair Value Measurement (IFRS 13)

IFRS 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. Management's analysis is that IFRS 13 did not have a material impact on the interim financial statements

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, 2013	**44,587**	427,056	175,884	647,527
December 31, 2012	**89,175**	427,056	175,884	692,115

The Company rents its offices under a lease expiring in March 2021. The lease covering a Company's vehicle expires in October 2017. The Company also leases equipment under an agreement expiring in March 2016.

Lease payments recognized as an expense during the reporting period amount to $44,587 ($89,175 in 2012). This amount consists of minimum lease payments. The Company's lease agreements contain renewal options.

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, 2013, 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 payable and accrued liabilities	Non-interest bearing

Interest rate sensitivity

At June 30, 2013, the Company only received interest on banker's acceptances.

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 risk

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, 2013	December 31, 2012
	$	$
Cash and cash equivalents	**1,798,743**	1,241,272
Cash reserved for exploration expenses	**29,669**	873,129
Banker's acceptances	**501,855**	1,429,025
Receivables (other than goods and services tax receivable)	**178,621**	260,707
Carrying amounts	**2,508,888**	3,804,133

The Company has no trade receivables. The receivables are comprised mainly 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 features a 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, and Level 3 includes inputs for the asset or liability that are not based on observable market data. Marketable securities are classified under Level 1.

The fair value of cash and cash equivalents, 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 Quebec).

During the year ended December 31, 2012, the Company received $1,250,400 following flow-through placements for which the Company renounced tax deductions after December 31, 2012.

The Company has renounced tax deductions of $1,250,400 as at February 28, 2013 and management is required to fulfil its commitments before the stipulated deadline of December 31, 2013. As at June 30, 2013, the balance was $29,669 and has been presented as "Cash reserved for exploration".

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, 2013	June 30, 2012
	$	$
Short-term employee benefits		
Salaries including bonuses and benefits	**192,380**	283,738
Social security costs	**20,254**	27,063
Total short-term employee benefits	**212,634**	310,801
Share-based payments-employees	**3,511**	26,579
Total remuneration	**216,145**	337,380

During the six-month period ended June 30, 2013, key management personnel did not exercise any share options granted through the share-based payment plans. During the six-month period ended June 30, 2012, key management personnel did not exercise any share options granted through the share-based payment plans.

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, 2013, the Company's cash reserved for exploration was $29,669 ($873,129 as at December 31, 2012).

As at June 30, 2013 the shareholders' equity was $10,149,516 ($10,613,196 as at December 31, 2012).

RELATED PARTY TRANSACTION

	June 30, 2013 $	June 30, 2012 $
Consultants	-	1,000

During the reporting period the Company had no related party transactions. During the 2012 reporting 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.

SUBSEQUENT EVENTS

Acquisition of Chimo and Nova properties

On May 16, 2013, Blue Note Mining Inc. ("Blue Note") announced that in connection with a notice of intention to file a proposal under the Bankruptcy and Insolvency Act (Canada), PricewaterhouseCoopers Inc. ("PWC") has been appointed as trustee to assist Blue Note and Resources Inc. ("X-Ore") in their restructuring efforts. In this context, PWC prepared an invitation to submit offers.

On July 9, 2013, the Company announced the execution of an agreement for the acquisition of the Chimo and Nova properties, both held by X-Ore, a wholly-owned subsidiary of Blue Note. Cartier's offer submitted to PWC for the purchase of the Chimo and Nova properties was accepted. The agreed purchase price is $261,000.

From 1964 to 1997, the Chimo mine produced 379,000 ounces of gold (MRNF, DV 86-04 to DV 97-01). Unmined high-grade gold zones have been documented near the historical workings. It is important to note that the Chimo mine closed during a period of low gold prices. The Company believes that there is good potential for these reported gold zones to constitute additional resources beyond the known resource base left behind when the mine closed down.

The Chimo and Nova properties are contiguous and located 50 km east of the prolific Val-d'Or gold mining camp, and cover the Larder Lake–Cadillac Break. The Chimo property comprises two mining leases. It is subject to a 1% NSR royalty payable to IAMGOLD-Québec Management Inc. ("IAMGOLD") and a 2% NSR, subject to certain conditions, payable to Louvem Mines Inc. (a wholly-owned subsidiary of Richmont Mines Inc.), as well as 2% of the gross revenue payable to Chimo Gold Mines Inc. The Nova property comprises 38 claims. It is subject to a 1% NSR royalty payable to IAMGOLD.

On July 12, 2013, the Superior Court approved the transaction.

Acquisition of Benoist properties

On May 23, 2013, the Company announced the execution of a purchase agreement with Murgor Resources Inc. ("Murgor") to acquire a 100% interest in the Benoist property consisting of 98 mining claims. The Benoist property is the host of the Pusticamica gold deposit and is located 65 km northeast of the town of Lebel-sur-Quévillon in the province of Quebec.

On July 29, 2013, the Company acquired a 100% interest in the Benoist property (see press release of May 23, 2013) for a cash payment of $250,000 and the issuance of 650,000 common shares which will be subject to a hold period of four months and one day under the applicable securities regulations

OUTLOOK

The priority in the third quarter will be to compile and interpret the geological, mineral exploration, definition and production data for the Chimo mine. This work will help to plan a drilling program to increase the historical resources left in place when the mine closed in early 1997. Cartier will also develop a drilling program for the area below the Pusticamica gold deposit on the Benoist property, with the goal of increasing the volume of known mineralization in the two types of gold-bearing zones drilled to date.

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 16, 2013.

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