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 September 30, 2013 compared to the period ended September 30, 2012. This report, dated November 26, 2013, should be read in conjunction with the unaudited interim condensed financial statements for the period ended September 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 or 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 price of gold, risks inherent to the mining industry, uncertainty regarding mineral resource estimations, and additional funding requirements or 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 primarily include the acquisition and exploration of mining properties. The Company has not yet determined whether its properties contain economically recoverable ore reserves. The recoverability of the amounts shown for mining properties is dependent upon the existence of economic ore reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

The 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 third quarter, all available data related to the Pusticamica gold deposit were reviewed in detail in order to validate and standardize the information. Of the 73 drill holes totalling 27,000 m, 44 holes intersected the Pusticamica gold zone for a cumulative length of 16,000 m. A total of 15,000 gold and base metal assays were also reviewed for QA/AC purposes. The reinterpretation of this new data allowed to generate cross-sections, a longitudinal section, and a "composite" plan view of the Pusticamica Zone.

The "composite" plan view and the longitudinal section reveal that the deepest part of the Pusticamica gold zone was displaced over a distance of 50 metres to the south-southeast. The holes drilled in the deepest extension were therefore drilled 50 m too far to the north-northwest. A zone with excellent potential for intersecting high-grade gold has been identified for the winter 2014 drilling program.

### Chimo Mine Property

On July 23, 2013, the Company acquired a 100% interest in the Chimo Mine property. All digital information and paper documents, in addition to any available drill core, were collected by

Cartier. A preliminary database, consisting of 3,606 drill holes totalling 58,000 gold analyses, was used to construct the first 3D model of the mine infrastructure, the excavated stopes, the drill holes, and the gold grades peripheral to the mined-out zones.

### Diego Property

On August 22, Cartier granted an extension on the Letter of Intent signed on May 22, 2013 with Weststar Resources Corp. ("Weststar") regarding the option to acquire up to 80% undivided interest in the property. The extension was conditional on Weststar completing a financing no later than November 21, 2013. An eight-hole drilling program totalling 1,920 m was prepared during the current quarter for the two areas of interest on the property. The option was not exercised and Cartier and Weststar terminated the agreement on November 22, 2013.

### Review of the Company's Properties

The Company conducted its annual review of all its claims with the objective of abandoning any claims with a low discovery potential that unnecessarily deduct renewal credits from other claims. Following this review, 188 claims were written off and 167 of these were abandoned, thereby increasing the potential for the remaining surface areas of its properties. Consequently a write-off of deferred exploration costs of $1,016,677 is presented in the Condensed Interim Statements of Loss.

## EXPLORATION ACTIVITIES

### Deferred exploration costs

| | Three-month period ended September 30, 2013 $ | Three-month period ended September 30, 2012 $ | Nine-month period ended September 30, 2013 $ | Nine-month period ended September 30, 2012 $ |
|---|---|---|---|---|
| **Balance – Beginning of period** | **8,939,961** | 7,942,394 | **8,092,393** | 6,077,212 |
| **Expenses incurred** | | | | |
| Geology | **115,615** | 253,021 | **308,553** | 793,224 |
| Geophysics | **-** | 33,093 | **-** | 356,611 |
| Drilling | **9,388** | 290,174 | **601,720** | 1,002,709 |
| Office expenses | **6,710** | 12,949 | **34,092** | 53,434 |
| Surveying and access roads | **2,550** | 72,009 | **6,662** | 240,743 |
| Core shack rental and maintenance | **13,128** | 19,570 | **35,426** | 61,045 |
| Duties, taxes and permits | **5,852** | 8,471 | **14,618** | 33,656 |
| Depreciation of exploration equipment | **4,937** | 5,217 | **14,798** | 13,595 |
| Share-based payments to employees | **525** | 7,004 | **7,141** | 11,673 |
| | **158,705** | 701,508 | **1,023,010** | 2,566,690 |
| Write-off of deferred exploration costs | **(699,060)** | - | **(699,060)** | - |
| Tax credits | **(52,119)** | (132,694) | **(68,856)** | (132,694) |
| Net expenses during period | **(592,474)** | 568,813 | **255,094** | 2,433,996 |
| **Balance – End of period** | **8,347,487** | 8,511,208 | **8,347,487** | 8,511,208 |

Deferred exploration costs by property for the nine-month period ended September 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 September 30, 2013** |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | **$** |
| **Quebec** | | | | | | |
| Benoist | 100% | | | | | |
| Mining rights | | 190,607 | 358,905 | - | (1,789) | **547,723** |
| Exploration and evaluation | | 733,906 | 771,376 | (35,462) | (571) | **1,469,249** |
| | | 924,513 | 1,130,281 | (35,462) | (2,360) | **2,016,972** |
| Chimo Mine | 100% | | | | | |
| Mining rights | | - | 261,616 | - | - | **261,616** |
| Exploration and evaluation | | - | 54,332 | (18,859) | - | **35,473** |
| | | - | 315,948 | (18,859) | - | **297,089** |
| Cadillac Extension | 100% | | | | | |
| Mining rights | | 11,539 | - | - | (103) | **11,436** |
| Exploration and evaluation | | 1,587,305 | 62,922 | (6,983) | - | **1,643,244** |
| | | 1,598,844 | 62,922 | (6,983) | (103) | **1,654,680** |
| MacCormack | 100% | | | | | |
| Mining rights | | 252,367 | - | - | - | **252,367** |
| Exploration and evaluation | | 1,730,095 | 17,550 | (131) | - | **1,747,514** |
| | | 1,982,462 | 17,550 | (131) | - | **1,999,881** |
| Preissac | 100% | | | | | |
| Mining rights | | 258,522 | - | - | - | **258,522** |
| Exploration and evaluation | | 278,725 | 37,814 | (1,511) | - | **315,028** |
| | | 537,247 | 37,814 | (1,511) | - | **573,550** |

| | Participation | Balance as at December 31, 2012 | Addition | Tax credit | Write-off | **Balance as at September 30, 2013** |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | **$** |
| **Quebec** | | | | | | |
| Dollier | 100% | | | | | |
| Mining rights | | 29,835 | - | - | (12,023) | **17,812** |
| Exploration and evaluation | | 977,470 | 24,814 | (1,988) | (6,395) | **993,901** |
| | | 1,007,305 | 24,814 | (1,988) | (18,418) | **1,011,713** |
| La Pause | 100% | | | | | |
| Mining rights | | 7,379 | 54 | - | (1,699) | **5,734** |
| Exploration and evaluation | | 203,462 | 14,673 | (10) | (5,147) | **212,978** |
| | | 210,841 | 14,727 | (10) | (6,846) | **218,712** |
| Diego | 100% | | | | | |
| Mining rights | | 2,755 | - | - | (1,092) | **1,663** |
| Exploration and evaluation | | 444,610 | 27,318 | (3,693) | (2,171) | **466,064** |
| | | 447,365 | 27,318 | (3,693) | (3,263) | **467,727** |
| Xstrata-Option | 100% | | | | | |
| Mining rights | | 750 | - | - | (285) | **465** |
| Exploration and evaluation | | 938,338 | 472 | (28) | (9,388) | **929,394** |
| | | 939,088 | 472 | (28) | (9,673) | **929,859** |
| Fenton | Option 50% | | | | | |
| Mining rights | | 16,000 | 8,000 | - | - | **24,000** |
| Exploration and evaluation | | 524,367 | 10,426 | (151) | - | **534,642** |
| | | 540,367 | 18,426 | (151) | - | **558,642** |
| Rambull | 100% | | | | | |
| Mining rights | | 130,630 | - | - | (130,630) | **-** |
| Exploration and evaluation | | 407,180 | 968 | (20) | (408,128) | **-** |
| | | 537,810 | 968 | (20) | (538,758) | **-** |

| | | Balance as at December 31, 2012 | Addition | Tax credit | Write-off | **Balance as at September 30, 2013** |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | **$** |
| **Québec** | | | | | | |
| Newconex-West | 100% | | | | | |
| Mining rights | | 169,995 | - | - | (169,995) | **-** |
| Exploration and evaluation | | 266,935 | 346 | (20) | (267,261) | **-** |
| | | 436,930 | 346 | (20) | (437,256) | **-** |
| **Summary** | | | | | | |
| Mining rights | | 1,070,379 | 628,851 | - | (317,616) | **1,381,338** |
| Exploration and evaluation | | 8,092,393 | 1,023,011 | (68,856) | (699,061) | **8,947,487** |
| | | 9,162,772 | 1,651,586 | (68,856) | (1,016,677) | **9,728,825** |

## SELECTED FINANCIAL INFORMATION

| | **Three-month period ended September 30, 2013 $** | **Three-month period ended September 30, 2012 $** | **Nine-month period ended September 30, 2013 $** | **Nine-month period ended September 30, 2012 $** |
|---|---|---|---|---|
| Interest income | **4,688** | 2,022 | **25,160** | 20,381 |
| Net loss | **(884,816)** | (226,290) | **(1,372,223)** | (1,102,455) |
| Basic net loss per share | **(0.02)** | (0.00) | **(0.02)** | (0.02) |
| Basic weighted average number of shares outstanding | **58,399,254** | 50,557,309 | **58,089,859** | 50,087,711 |

| | Statement of financial position September 30, 2013 $ | Statement of financial position December 31, 2012 $ |
|---|---|---|
| Cash and cash equivalents | **1,593,491** | 2,670,297 |
| Cash reserved for exploration | **-** | 873,129 |
| Property, plant and equipment | **80,088** | 100,255 |
| Exploration assets and deferred exploration costs | **9,728,825** | 9,162,772 |
| Total assets | **11,720,234** | 13,261,889 |
| Current liabilities | **63,327** | 449,970 |
| Deferred income and mining taxes | **2,245,364** | 2,198,723 |
| Equity | **9,411,543** | 10,613,196 |

## RESULTS OF OPERATIONS

For the three-month and nine-month periods ended September 30, 2013, the net losses amounted to $884,816 and $1,372,223 or ($0.02) and ($0.02) per share compared to the respective net losses of $226,290 and $1,102,455 or ($0.00) and ($0.02) per share as at September 30, 2012. The increase in the net loss for the three-month and nine-month periods ended September 30, 2013 reflects the write-off of deferred exploration costs of $1,016,677 compared to nil for the same periods in 2012.

Interest income stood at $4,688 and $25,160 for the three-month and nine-month periods ended September 30, 2013 compared to $2,022 and $20,381 for the three-month and nine-month periods ended September 30, 2012. Administrative expenses amounted to $156,303 and $568,463 for the same periods ended September 30, 2013 compared to $166,424 and $791,856 for those in 2012. The decrease in administrative expenses for the nine-month period ended September 30, 2013 compared to the same period in 2012 is explained by a reduction of consultant-related fees by $32,063, of share-based payments-employees by $17,290, of professional fees by $45,889, and of business development expenses by $68,296. This decrease is the result of actions taken by the Company to reduce administrative costs while maintaining exploration expenditures.

The main items constituting the administrative expenses for the three-month and nine-month periods ended September 30, 2013 are as follows: salaries amounting to $64,410 and $194,287, consultant-related fees for $24,863 and $89,414, share-based employee compensation for $11,812 and $50,929, professional fees for $13,819 and $32,506, business development expenses for $7,726 and $61,241, training and travel for $6,059 and $24,405 and shareholder's information expenses for $4,434 and $34,743. For the three-month and nine-month periods ended September 30, 2012, the administrative expenses mainly consisted of salaries amounting to $58,610 and $202,819, consultant-related fees for $21,773 and $121,477, share-based compensation-employees for $34,101 and $68,219, professional fees for $3,353 and $78,395, business development expenses for $16,121 and $129,537, and shareholder's information expenses for $5,400 and $53,511.

## 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 |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | |
| 13-09-30 | 4,688 | 884,816 | 0.02 | 158,706 | 58,399,254 |
| 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 |

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

### Current assets

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

| | **September 30, 2013** | | | December 31, 2012 | | |
|---|---|---|---|---|---|---|
| | **$** | **Interest rate** | **Expiry date** | $ | Interest rate | Expiry date |
| 1) Banker's acceptance | **101,935** | **0.770%** | **2013-10-30** | 153,840 | 0.902% | 2013-02-11 |
| 2) Banker's acceptance | **400,302** | **0.801%** | **2013-12-18** | 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 | **924,213** | **1.200%** | **-** | 1,036,730 | 1.200% | - |
| 6) Account without interest | **167,041** | **-** | **-** | 1,077,671 | - | - |
| | | | | | | |
| Total | **1,593,491** | | | 3,543,426 | | |

From the total amount of cash and cash equivalents of $1,593,491 as at September 30, 2013, the cash reserved for exploration was zero. From the total amount of cash and cash equivalents of $3,543,426 as at December 31, 2012, the cash reserved for exploration amounted to $873,129.

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

The working capital was $1,847,994 compared to $3,548,892 for the same periods.

### Property, plant and equipment

Property, plant and equipment stood at $80,088 as at September 30, 2013 compared to $100,255 as at December 31, 2012.

### Exploration assets and deferred exploration costs

As at September 30, 2013, the Company's exploration assets and deferred exploration costs amounted to $9,728,825 compared to $9,162,772 as at December 31, 2012.

The Company assesses all previous exploration work to determine the future potential of each property. Following this assessment, the Company wrote-off portions of the Xstrata-Option, Dollier, Diego, La Pause, Cadillac Extension and Benoist properties representing 109 mining titles, and wrote-off the Newconext-West and Rambull properties representing 79 mining titles. The related exploration assets and deferred exploration costs, amounting to $317,616 and $699,061 respectively, were written off and charged to the statement of loss.

As at September 30, 2013, mining rights amounted to $1,381,338 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 SOQUEM Inc. regarding an amount of $8,000, in addition to acquiring a 100% interest in the Benoist property and acquiring the Chimo mine property for $334,500 and $261,000 respectively.

As at September 30, 2013, deferred exploration costs amounted to $8,347,487 compared to $8,092,393 as at December 31, 2012.

During the three-month period ended September 30, 2013, most of the exploration costs consisted of drilling for $9,388 and geology for $115,615. During the three-month period ended September 30, 2012, the exploration costs mainly consisted of drilling for $290,174, geology for $253,021, geophysics for $33,093 and surveying and access roads for $72,009.

### Liabilities

During the three-month period ended September 30, 2013, current liabilities amounted to $63,327 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 $2,245,364 as at September 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 September 30, 2013, the equity was $9,411,543 compared to $10,613,196 as at December 31, 2012. This variation comes mainly from the loss of $1,372,223 for the nine-month period ended September 30, 2013.

## CASH FLOWS

Cash flows used in operating activities amounted to $202,138 and $594,207 respectively for the three-month and nine-month periods ended September 30, 2013 compared to $143,544 and $848,757 for the same periods in 2012. The cash flows resulted mainly from the loss before mining and income taxes, which amounted to $1,168,292 and $1,574,470 respectively, compared to $183,704 and $829,322 for the same periods in 2012.

There was no activity in cash flows from financing activities for the three-month period ended September 30, 2013 compared to $455,040 and $412,067 respectively for the same periods ended in 2012. For in the nine-month period ended September 30, 2012, the cash flows resulted from the share issue relating to the private placement of $500,000 in August 2012 less share issue expenses of $44,960.

Cash flows used in investing activities consisted only of deferred exploration costs totalling $534,638 and $1,355,728 respectively for the three-month and nine-month periods ended September 30, 2013. For the corresponding periods in 2012, the cash used in investing activities amounted to $590,171 and $2,323,867 and consisted mainly of deferred exploration costs of $585,662 and $2,288,534 and the acquisition of property, plant and equipment amounting to $4,509 and $35,333.

## LIQUIDITY AND FINANCING SOURCES

As at September 30, 2013, the Company's cash and cash equivalents amounted to $1,593,491. 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 September 30, 2013, the Company had not concluded any off-balance sheet arrangements.

## CAPITAL STRUCTURE AS AT NOVEMBER 27, 2013

| | |
|---|---:|
| Common shares outstanding | 58,604,145 |
| Warrants<br>(weighted average exercise price of $0.30) | 1,500,000 |
| Stock options<br>(weighted average exercise price of $0.30) | 3,425,000 |
| Total fully diluted | 63,529,145 |

## 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 economically recoverable ore reserves. 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.

## 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** |
| | **$** | $ | $ | $ |
| September 30, 2013 | **89,175** | 418,803 | 117,256 | 625,234 |
| 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 $89,175 ($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 September 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 September 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:

| | **September 30, 2013** | December 31, 2012 |
|---|---|---|
| | **$** | $ |
| Cash and cash equivalents | **1,091,254** | 1,241,272 |
| Cash reserved for exploration expenses | **-** | 873,129 |
| Banker's acceptances | **502,237** | 1,429,025 |
| Receivables (other than goods and services tax receivable) | **101,030** | 260,707 |
| Carrying amounts | **1,694,521** | 3,804,133 |

The Company has no trade receivables. Its 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 of 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 the 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 the cash and cash equivalents and the 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 from flow-through placements for which the Company had 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 September 30, 2013, the balance was zero 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, the president, vice-president and Chief financial officer. The remuneration of key management personnel includes the following expenses:

| | **September 30, 2013** | September 30, 2012 |
|---|---|---|
| | **$** | $ |
| Short-term employee benefits | | |
| Salaries including bonuses and benefits | **265,608** | 397,816 |
| Social security costs | **23,944** | 29,386 |
| Total short-term employee benefits | **289,552** | 427,202 |
| Share-based payments – employees | **7,218** | 59,685 |
| Total remuneration | **296,770** | 486,887 |

During the nine-month period ended September 30, 2013, key management personnel did not exercise any share options granted through the share-based payment plans. During the nine-month period ended September 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 that 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, unless the Company completes a flow-through financing for which the cash must be reserved for exploration. As at September 30, 2013, the Company has no cash reserved for exploration ($873,129 as at December 31, 2012).

As at September 30, 2013, shareholders' equity was $9,411,543 ($10,613,196 as at December 31, 2012).

## RELATED PARTY TRANSACTIONS

| | **September 30, 2013**<br>$ | **September 30, 2012**<br>$ |
|---|---|---|
| **Consultants** | - | 1,000 |

During the reporting period the Company had no related party transactions. During the 2012 reporting period, a company in which a director of the Company is a minority shareholder provided the Company with consultation services amounting to $1,000. 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 September 30, 2012, no amount was included in the accounts payable and accrued liabilities.

## OUTLOOK

The priority during the fourth quarter will be to request intervention permits for the Benoist property so that the Company may carry out work on the property's access roads and set up the camp facilities in order to prepare for the winter 2014 drilling program. In addition, the validation and standardization work on the database for the Chimo Mine project will continue throughout the quarter so that the Company can prioritize the areas to drill, with the overall objective of increasing historical resources.

## 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 November 26, 2013.

(s) Philippe Cloutier
Philippe Cloutier
President and CEO

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