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 three-month period ended September 30, 2011 compared to the three-month period ended September 30, 2010. This report, dated November 23, 2011, should be read in conjunction with the unaudited interim condensed financial statements for the period ended September 30, 2011 and with the audited financial statements for the year ended December 31, 2010, as well as with the accompanying notes. The September 30, 2011 interim condensed financial statements are the Company's third financial statements prepared under IFRS. Consequently, the comparative figures for 2010 have been restated from Canadian GAAP, to comply with IFRS. The reconciliations from the previously published Canadian GAAP financial statements are summarized in note 14 to the interim condensed financial statements. In addition, IFRS 1 on first adoption allows certain exemptions from retrospective application of IFRS in the opening statement of financial position. Where these exemptions have been used they have also been explained in note 14 to the interim condensed financial statements. 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 STATEMENT

This document may contain forward-looking statements that reflect management's current expectations with regards to future events. Such forward-looking statements are subject to certain factors and involve a number of risks and uncertainties. Actual results may differ from expected results. Factors that could cause our results, our operations and future events to change materially compared to expectations expressed or implied by the forward-looking statements include, but are not limited to, volatility in the gold price, risks inherent to the mining industry, 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 1 A of the Québec Companies Act on July 17, 2006, is now governed by the Business Corporations Act (Quebec) since February 14, 2011. The Company's head office is located at 1740, chemin Sullivan, Suite 1000, Val-d'Or, Québec. Its activities 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.

The preparation of interim condensed financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment when applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.17.

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

HIGHLIGHTS OF THE PERIOD

1. Exploration Work

The third quarter saw completion of Phase II of drilling on Dollier and the start of drilling at Diego. As at September 30, the Company had drilled a total of 7,403 metres.

Channel sampling on the Langlade showing was also successful, revealing new zones with high grades for copper, silver, zinc, gold, lead, and/or bismuth. The results are encouraging and exploration work will continue.

Highlights from the third quarter are as follows:

- <u>Cadillac-Extension Property</u>
  Definition of a polymetallic mineralized zone grading more than 1% copper equivalent (CuEq) over an area greater than 4,000 square metres at surface, with pockets of 2 to 4% CuEq.

- <u>Dollier Property</u>
  Six holes cut the gold zone over a thickness of 3.5 to 7.0 metres.

- <u>Xstrata-Option Property</u>
  Downhole geophysics in drill holes XTA-11-07 and 08, located south of the river, indicate the presence of two sizeable mineralized bodies coinciding with a massive sulphide horizon.

- <u>Diego Property</u>
  A total of 1,198 metres were drilled during the month of September.

Exploration Activities

Cadillac Extension Property

Work performed:
Results from the first phase of field work have been received. The aim of this initial phase was to determine average Cu, Ag, Zn and Au grades over the entire mineralized zone of the deposit. All assays for channel samples taken from the Langlade trenched exposure were among the results received.

The results were revealed in press releases issued on September 1 and 28, 2011. Also received was the raw data for till samples collected in the eastern part of the project.

The Company has also received an interpretation of the induced polarization survey carried out over the Langlade area.

A 3-D model was developed using information from mapping work on the trenched exposure.

Results:
The Company's compilation of all channel results delineated a polymetallic zone locally enriched in gold and silver and grading more than 1% copper equivalent (CuEq) over an area greater than 4,000 square meters at surface, with pockets of 2 to 4% CuEq. The continuity of the zone at depth will be drill-tested in the fall.
The best channel intersections are:

- 1.0% Cu, 1.1% Zn, 32 g/t Ag over 58.0 metres incl. 3.0% Cu, 1.6% Zn, 84 g/t Ag over 10.0 metres
- 1.6% Cu, 48 g/t Ag over 21.0 metres incl. 2.2% Cu, 47 g/t Ag over 14.0 metres
- 1.0% Cu, 80 g/t Ag, 1.3% Zn over 32.0 metres incl. 1.5% Cu, 100 g/t Ag, 1.0% Zn over 19.0 metres
- 1.2% Cu, 1.7% Zn, 25 g/t Ag over 14.0 metres incl. 3.5% Cu, 9.0% Zn, 62 g/t Ag over 2.0 metres
- 3.0% Cu, 10.1% Zn 59 g/t Ag over 3.0 metres incl. 5.7% Cu, 13.5% Zn, 81 g/t Ag over 1.0 metre
- 1.0 g/t Au, 109 g/t Ag over 7.0 metres incl. 1.2 g/t Au, 392 g/t Ag over 1.0 metre, 6.6 g/t Au, 237 g/t Ag over 1.0 metre

Gold results for the tills are very encouraging (see press release of October 6). They indicate two new regions of gold potential that warrant follow-up exploration work. The induced polarization survey demonstrates an eastward continuation of the enriched zones exposed at surface by trenching. In addition, it demonstrates the presence of a larger folded structure that warrants greater geophysical coverage before being tested more thoroughly.

Dollier Property

Work performed:

Phase II of drilling is now complete, totalling 1,596 metres in seven holes. The program tested the enriched zone both below and to the west of the main trenched exposure, as well as the conductors in the eastern part of the property.

Results:

The Main Gold Zone and the North Zone were cut over a thickness of 3.5 to 7.0 metres in six holes. The zones display good alteration and a sulphide content ranging from 2 to 20%. The last hole cut the main zone about 800 metres along its western extension. Assay results are pending.

Xstrata-Option Property

Work performed:

The Company drilled 772 metres on the property during the third quarter, for a total of 2,930 metres over the course of the first nine months in 2011.

Three down-hole geophysical surveys were performed. Two of the three surveys detected geophysical anomalies.

Results:

Downhole geophysics in holes XTA-11-07 and 08 south of the river indicate the presence of two sizeable mineralized bodies coinciding with a massive sulphide horizon. The two holes are 600 metres apart. The two bodies represent promising targets that will be tested during the fourth quarter.

No significant metal values were detected in the first four holes. The results of the other three holes are pending.

Diego Property

Work performed:

The drilling program started in early September. The aim was to test the most promising zones for gold enrichment along an auriferous structure that has been recognized over more than 20 kilometres. At the end of September 2011, five holes were drilled for a total of 1,198 metres. Two holes tested the north-central part of the intrusion and three others the eastern extension. Three other holes are being drilled on the project.

Results:

The northern part of the intrusion is generally altered (sericite-silica) and fractured with several zones of disseminated fine-grained pyrite. The geological context is favourable for large-tonnage, low-grade gold mineralization.

Rivière Doré and MacCormack Properties

There was no activity on these two properties during the quarter and the work on Rivière Doré Property was suspended during the quarter (see press release on July 8th, 2011).

2. Financial Results

Since the Company only has exploration properties, its revenues are primarily constituted of interest income, which is insufficient to cover administrative expenses, thus leading to a loss for the Company. During the three-month and nine-month periods ended September 30, 2011, the Company recorded a loss of $246,739 and $713,408 compared to $164,917 and $720,998 for the same period ended September 30, 2010.

EXPLORATION ACTIVITIES
Deferred Exploration Costs

	Three-month period ended September 30, 2011 $	Three-month period ended September 30, 2010 [(a)] $	Nine-month period ended September 30, 2011 $	Nine-month period ended September 30, 2010 [(a)] $
Balance – Beginning of period	**5,997,846**	4,116,803	**4,699,484**	3,425,785
Expenses incurred				
Geology	**94,533**	134,089	**338,704**	346,759
Geophysics	**26,545**	231,082	**137,624**	391,771
Drilling	**404,837**	1,365	**1,070,377**	330,324
Stripping	**54,571**	106,476	**157,338**	130,173
Exploration office expenses	**13,073**	12,210	**43,137**	41,428
Geochemistry	**15,471**	554	**52,486**	1,196
Geotechnics	**6,122**	28,116	**63,358**	37,780
Core shack rental and maintenance	**15,591**	9,826	**34,259**	28,454
Duties, taxes and permits	**2,076**	2,834	**15,357**	27,758
Depreciation of exploration equipment	**2,847**	3,098	**7,653**	9,294
Loss on write-off of leasehold improvements	**-**	-	**14,583**	-
Share-based payments employees	**5,270**	868	**6,713**	44,194
Share-based payments consultants	**-**	10,910	**-**	16,293
	640,938	541,428	**1,941,589**	1,405,424
Write-off of deferred exploration costs	**-**	-	**-**	(47,275)
Tax credits	**(220,759)**	(73,135)	**(223,048)**	(198 838)
Net expenses during the period	**420,179**	468,293	**1718,541**	1,159,311
Balance – End of period	**6,418,025**	4,585,096	**6,418,025**	4,585,096

(a) Restated IFRS

Deferred exploration costs by property for the nine-month period ended September 30, 2011:

	December 31, 2010 Restated IFRS	Addition	Reclassi-fication	Write-off	Tax credits	September 30, 2011
	$	$		$	$	$
MacCormack	1,693,644	20,516	-	-	(1,379)	**1,712,781**
Rivière Doré	497,054	-	-	-	-	**497,054**
Preissac	408,024	4,699	-	-	(132)	**412,591**
Rambull	403,254	6,451	-	-	(2,049)	**407,656**
Dollier	376,470	611,699	-	-	(68,405)	**919,764**
Xstrata-Option	354,821	488,849	-	-	(20,971)	**822,699**
Newconex West	333,492	551	-	-	-	**334,043**
Cadillac Extension	258,667	378,343	-	-	(47,102)	**689,908**
Dieppe-Collet	146,135	198	-	-	-	**146,333**
La Pause	122,980	621	-	-	-	**123, 601**
Diego	104,943	295,166	-	-	(73,501)	**326,608**
Other	-	34,496	-	-	(9,509)	**24,987**
TOTAL	4,699,484	1,941,589	-	-	(223,048)	**6,418,025**

PRESS RELEASES

The following nine press releases were issued during the third quarter of 2011:

- July 8th, 2011: Cartier suspends works on Rivière Doré Project
- July 21st, 2011 : Cartier Conducts Deeper Drilling on Dollier Gold Discovery
- August 11th, 2011: Cartier cuts 3.03% Copper, 1.63 % Zinc and 83.57 g/t Silver over 10.0 metres on Cadillac Extension
- August 18th, 2011 : Cartier Cuts 392.10 g/t Silver on Cadillac Extension
- September 1st, 2011 : Cartier cuts 1.5% Copper and 100 g/t Silver over 19 metres on Cadillac Extension
- September 6th, 2011 : Cartier Drills Diego Gold Project
- September 7th, 2011 : Dr. Gaétan Lavallière Joins Cartier Team
- September 13th, 2011 : Ressources Cartier s'associe à la Fondation du cégep de l'Abitibi-Témiscamingue

- September 28th, 2011 : Cartier Cuts 1.3% Zinc over 32 metres on Cadillac Extension

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
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	40,573,544
11-03-31	18,900	(151,361)	(0.00)	455,846	39,597,837
10-12-31 (a)	8,765	(258,351)	(0.01)	114,388	28,167,304
10-09-30 (a)	755	(164,917)	(0.01)	468,293	29,094,844
10-06-30 (a)	836	(288,921)	(0.01)	289,121	26,733,409
10-03-31 (a)	2,849	(267,160)	(0.01)	401,897	25,559,516
09-12-31	1,806	(407,614)	(0.02)	352 867	22,521,641

(a)Restated IFRS

SELECTED ANNUAL FINANCIAL INFORMATION

	Three-month period ended September 30, 2011 $	Three-month period ended September 30, 2010 (a) $	Nine-month period ended September 30, 2011 $	Nine-month period ended September 30, 2010 (a) $
Interest income	9,024	755	39,752	4,440
Net loss and comprehensive loss	(246,739)	(164,917)	(713,408)	(720,998)
Basic and diluted net loss per share	(0.01)	(0.01)	(0.02)	(0.03)
Basic and diluted weighted average number of shares outstanding	41,720,960	29,093,212	40,638,555	27,141,657

(a)Restated IFRS

	Balance sheet September 30, 2011 $	Balance sheet December 31, 2010 Restated IFRS $
Cash and cash equivalents	2,919,139	3,432,175
Cash reserved for exploration	-	1,260,000
Property, plant and equipment	81,463	21,984
Mining properties	1,378,953	1,372,489
Deferred exploration costs	6,418,025	4,699,484
Total assets	11,560,968	11,228,902
Current liabilities	320,066	540,813
Deferred income and mining taxes	1,417,922	1,061,832
Equity	9,822,980	9,626,257

RESULTS OF OPERATIONS

For the three-month and nine-month periods ended September 30, 2011, the net loss amounted to $246,739 and $713,408 (or $0.01 and $0.02 per share) compared to a net loss of $164,917 and $720,998 (or $0.01 and $0.03 per share) as of September 30, 2010.

Interest and management income stood at $9,024 and $39,752 for the three-month and nine-month periods ended September 30, 2011 compared to $755 and $4,440 for the three-month and nine-month periods ended September 30, 2010. Administrative expenses amounted to $215,884 and $732,587 for the same periods ended September 30, 2011 compared to $165,672 and $573,073 for those in 2010. The increase in administrative expenses for the three-month and nine-month periods ended September 30, 2011 compared to the same periods in 2010 is explained by salary increases of $10,412 and $19,273, consultant-related fee increases of $2,442 and $27,445 and increases in share-based employee compensation of $15,569 and $33,016 respectively.

The main items which constituted the administrative expenses for the three-month and nine-month periods ended September 30, 2011 are as follows: salaries which amounted to $61,788 and $180,082, consultant-related fees for the amounts of $21,170 and $95,017, share-based employee compensation for $56,659 and $119,520, professional fees for $4,481 and $34,346, business development for $16,670 and $125,790, stationery and office expenses for $12,503 and $38,607, advertising for $11,744 and $25,8612, and shareholders' information expenses for $7,104 and $38,700. For the three-month and nine-month periods ended September 30, 2010, the administrative expenses mainly consisted of salaries which amounted to $51,376 and $160,809, consultant-related fees for the amounts of $18,728 and $67,572, share-based employee compensation for $41,090 and $86,504, professional fees for $2,487 and $34,719, business development for $16,490 and $81,673, stationery and office expenses for $4,238 and $14,726, advertising for $10,792 and $54,784, and shareholders' information expenses for $6,852 and $30,462.

BALANCE SHEETS

Current Assets

As at September 30, 2011 and December 31, 2010, the cash and cash equivalents and the cash reserved for exploration were as follows:

	$	Interest rate	Expiry date	$	Interest rate	Expiry date
	September 30, 2011			December 31, 2010		
1) Banker's acceptance	307,046	0.937%	11-10-11	200,314	0.956%	11-01-05
2) Banker's acceptance	350,346	0.917%	11-11-16	701,231	1.096%	11-03-14
3) Banker's acceptance	510,831	1.300%	11-10-06	-	-	-
4) Banker's acceptance	203,975	1.098%	11-10-04	-	-	-
5) Banker's acceptance	350,759	1.004%	11-10-25	-	-	-
6) Banker's acceptance	353,567	0.990%	11-11-14	-	-	-
7) Account bearing a high interest	734 727	1.200%	-	867,800	1.200%	-
8) Account without interest	107,888	-	-	2,409,816	-	-
9) Bond	-	-	-	308,946	1.497%	11-02-16
10) Bond		-	-	204,068	1.250%	11-02-28
Total	2,919,139	-	-	4,692,175	-	-

Working capital was $3,362,461 compared to $4,594,132 at the same date. The exploration costs incurred during the period explain the reduction.

Property, Plant and Equipment

Property, plant and equipment stood at $81,463 as at September 30, 2011 compared to $21,984 as at December 31, 2010. During the second quarter of 2011, the Company moved into new premises and as at September 30, 2011, has invested a total of $84,411 in leasehold improvements and furniture and equipment.

Mining Properties

As at September 30, 2011, the Company's mining properties amounted to $1,378,953 compared to $1,372,489 as at December 31, 2010.

Deferred Exploration Costs

As at September 30, 2011, deferred exploration costs amounted to $6,418,025 compared to $4,699,484 as at December 31, 2010. During the nine-month period ended September 30, 2011, the exploration costs before tax credits were $1,941,589 compared to $1,405,424 for the corresponding period of 2010. During the three-month period ended September 30, 2011, most of the exploration costs consisted of drilling for $404,837, geology for $94,533, stripping for $54,571 and geophysics for $26,545. During the three-month period ended September 30, 2010, the exploration costs mainly consisted of geophysics for $231,082, geology for $134,089, stripping for $106,476 and geotechnics for $28,116.

Liabilities

As at September 30, 2011, current liabilities amounted to $320,066 compared to $540,813 as at December 31, 2010. The reduction is mainly due to the transfer of the liabilities related to flow-through shares to deferred income and mining taxes when the exploration costs related to flow-through shares are incurred.

Future income tax liabilities amounted to $1,417,922 as at September 30, 2011 compared to $1,061,832 as at December 31, 2010. This increase is explained by the renouncement of tax deductions in accordance with flow-through public offerings of $1,810,000 completed in June and December, 2010. The Company has waived, in 2011, the related tax deductions for a total of $460,555 and this amount is reduced by the tax benefit of $214,971 resulting of the net loss of the period.

Shareholders' Equity

As at September 30, 2011, the shareholders' equity was $9,822,980 compared to $9,626,257 as at December 31, 2010. This variation comes mainly from the net operating losses, which amounted to $713,408, and the exercise of warrants, which amounted to $735,848, and the exercise of stock options, which amounted to $48,050.

CASH FLOWS

Cash flows used in operating activities amounted to $348,135 and $651,633 respectively for the three and nine-month periods ended September 30, 2011 compared to $178,615 and $511,467 for the same periods of 2010. The cash flows resulted mainly from the net operating losses for the same periods, which amounted to $206,860 and $692,835 respectively, and the share-based employee compensation of $56,659 and $119,520 for the three-month and nine-month periods ended September 30, 2011 compared to $41,090 and $86,504 for the same periods in 2010.

Cash flows from financing activities for the three-month and nine-month periods ended September 30, 2011 amounted to $9,250 and $783,898 respectively, compared to $5,742 and $1,191,876 for the same periods in 2010. The cash flows resulted mainly from shares issued following the exercise of stock options for amounts of $9,250 and $48,050 for the three and nine-month periods ended September 30, 2011 compared to $6,250 and $1,185,626 for the same periods in 2010, and also resulted from the two financings completed in May and September of 2010 and the exercise of warrants for the nine-month period ended September 30, 2011 for an amount of $735,848.

Cash flows used in investing activities amounted to $626,203 and $645,301 respectively for the three and nine-month periods ended September 30, 2011. The cash used in investing activities for the three-month and nine-month periods ended September 30, 2011 consisted mainly of deferred exploration costs of $614,131 and $1,822,836 compared to $450,184 and $1,192,010 for the same periods in 2010, the variation of cash reserved for exploration was nill and $1,260,000 for the three and the nine-month periods ended September 30, 2011 compared to $314,761 and $194,426 for the same periods in 2010, and an addition of leasehold improvements and furniture and equipment for $12,072 and $82,361 respectively for the three and nine-month periods ended September 30, 2011.

LIQUIDITY AND FINANCING SOURCES

As at September 30, 2011, the Company had $2,919,139 in cash and cash equivalents to cover its current operation for the next two years.

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 and remain unchanged.

OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2011, the Company had not concluded any off-balance sheet arrangements.

CAPITAL STRUCTURE ON NOVEMBER 23, 2011:

Common shares outstanding	42,067,047
Stock options (weighted average exercise price of $0.42)	2,785,000
Agent compensation options (weighted average exercise price of $0.38)	661,080
Warrants (weighted average exercise price of $0.49)	8,352,549
Total fully diluted	53,865,676

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation, adoption of IFRS and going concern

These interim condensed financial statements have been prepared by the Company's management in accordance with International Financial Reporting Standards ("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. As these financial statements represent the Company's third quarter financial statements under IFRS, they have been prepared in accordance with IFRS 1, "First-time Adoption of International Financial Reporting Standards". These interim condensed financial statements have been prepared in accordance with the accounting policies the Company expects to adopt in its December 31, 2011 financial statements. Those accounting policies are based on the IFRS standards that the Company expects to be applicable at that time. The policies described in Note 2 were consistently applied to all the periods presented unless otherwise noted below.

The Company's financial statements were previously prepared in accordance with the Canadian generally accepted accounting principles ("Canadian GAAP"). The transition date from Canadian GAAP to IFRS is January 1, 2010. Canadian GAAP differs in some areas from IFRS. In preparing these interim condensed financial statements in accordance with IFRS, management has amended certain accounting and measurement methods previously applied in the Canadian GAAP financial statements to comply with IFRS. The comparative figures for 2010 were restated to reflect these adjustments. Disclosures, that are considered significant to the understanding of the Company's interim condensed financial statements and which are normally included in annual financial statements prepared in accordance with IFRS, are provided in note 14. This note also presents reconciliations and descriptions of the effect of the transition from Canadian GAAP to IFRS on the equity, the net loss and the comprehensive loss. Moreover, in addition to the supplemental disclosures in note 14, other notes have been added for ease of understanding of the interim condensed financial statements.

These interim condensed financial statements were prepared on a going concern basis, using the historical cost, except for the financial assets and the financial liabilities accounted for at fair value through profit and loss.

The Company's ability to continue as a going concern depends on its ability to realize its assets and 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 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.

The preparation of interim condensed financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment when applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.17.

CHANGES TO ACCOUNTING POLICIES

Transitions to IFRS

The Company has adopted IFRS for its 2011 fiscal year as required by the Accounting Standards Board of the Canadian Institute of Chartered Accountants

Also, note 14 of our interim condensed financial statements for the three-month period ended September 30, 2011 contains a detailed description of our conversion to IFRS, including a line-by-line reconciliation of financial statements previously prepared under Canadian GAAP to those under IFRS.

A summary of the important elements regarding the transition are:

IFRS 1 "First-time adoption of IFRS" is a financial reporting standard that provides the framework for the transition to IFRS. The general principle under IFRS 1 is retroactive application, such that the opening balance sheet for the comparative year financial statements is to be restated as though the Company had always applied IFRS, with the net impact shown as an adjustment to opening retained earnings. However, IFRS 1 contains certain mandatory exceptions and permits certain optional exemptions from full retroactive application. Furthermore, several important differences exist between the accounting methods previously applied under Canadian GAAP and the new accounting methods applied under IFRS. The following section provides a brief description of the prescribed exceptions, the used exemptions, as well as the differences between the accounting methods using Canadian GAAP and the new accounting methods using IFRS that have an impact for the Company.

Initial elections upon adoption:

Upon transition, IFRS 1 permits certain optional exemptions and dictates certain mandatory exceptions from full retrospective application. The Company applied mandatory exceptions and certain optional exemptions. The following exemptions and exceptions were adopted by the Company.

IFRS optional exemptions applied at the time of the transition

Share-based payments – IFRS 1 encourages, but does not require, the application of IFRS 2 "Share-based Payment" to equity instruments that were granted on or before November 7, 2002. A first-time adopter is also encouraged, but not required, to apply IFRS 2 to equity instruments that were granted after November 7, 2002 and vested before the date of transition. The Company has elected to apply IFRS 2 only to equity instruments that were granted before the date of transition but that were not entirely vested at that time.

IFRS mandatory exception at the time of the transition

Estimates – Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

Reconciliations of Canadian GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The Company's first time adoption of IFRS did not have an impact on the total operating, financing or investing cash flows. The following presents the reconciliations from Canadian GAAP to IFRS for the respective periods noted for equity, the statement of net loss and comprehensive loss:

Reconciliation of Equity

For the periods ended:	December 31, 2010 $	September 30, 2010 $	January 1, 2010 $
Equity under Canadian GAAP	9,950,560	6,339,278	5,955,908
Impacts of the transition to IFRS:			
1. Share-based payments	(19,853)	(11,606)	-
2. Flow-through shares	(304,450)	(43,750)	(281,105)
Total Equity under IFRS	9,626,257	6,283,922	5,674,803

Reconciliation of the statement of net loss and comprehensive loss

For the periods ended:	December 31, 2010 $	September 30, 2010 $
The statement of net loss and comprehensive loss under Canadian GAAP	(897,863)	(632,249)
Impacts of the transition to IFRS:		
1. Share-based payments	(5,838)	(13,102)
2. Flow-through shares	(75,647)	(75,647)
The statement of net loss and comprehensive loss under IFRS	(979,348)	(720,998)

Notes relating to reconciliations

In addition to the optional exemptions and mandatory exceptions discussed above, the following narratives explain the significant differences between the previous Canadian GAAP accounting policies and the current IFRS accounting policies applied by the Company. Only those differences that impact the Company as of the transition date are described below. The following is not a complete summary of all of the differences between Canadian GAAP and IFRS. Relative to the impacts on the Company, the descriptive caption next to each numbered item below corresponds to the same numbered and descriptive caption in the tables above, which reflect the quantitative impacts from each change. Unless a quantitative impact was noted below, the impact from the change was not material for the Company.

Share-based payments – As stated in the section entitled "IFRS optional exemptions applied at the time of the transition", the Company has elected to apply IFRS 2 only to equity instruments that were granted before the date of transition but that were not entirely vested at that time.

Recognition of expense
Canadian GAAP – For grants of share-based payments with graded vesting, the total fair value of the award is recognized on a straight-line basis over the employment period necessary to vest the award.

IFRS – Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis. As a result, the Company adjusted its expense for share-based payments to reflect this difference in recognition.

Forfeitures
Canadian GAAP – Forfeitures of awards are recognized as they occur.

IFRS – An estimate is required of the number of awards expected to vest, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate.

On the transition date, the Company has increased its deficit by $36,629 corresponding to the increase of the share-based payments expenses which were recorded before the transition date resulting in an increase of the contributed surplus by an equivalent amount. Thus, the effect on equity is nil.

Flow-through shares - The Company finances some exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The Company recognizes a deferred tax liability for flow-through-shares and a deferred tax expense, when the eligible expenditures are incurred. The difference between the quoted price of the common shares and the amount the investors pay for the shares (the "premium") is recognized as flow-through-shares liability which is reversed when eligible expenditures have been incurred. The Company decreased its share capital by $281,105 and increased its taxes related to flow-through shares by the same amount.

FUTURE ACCOUNTING PRONOUNCEMENTS

IFRS 9: "Financial Instruments" (effective from January 1 2013): The International Accounting Standards Board ("IASB") aims to replace IAS 39 "Financial Instruments: recognition and measurement" in its entirety. The replacement standard (IFRS 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning on or after January 1, 2013. Further chapters dealing with impairment methodology and hedge accounting are still being developed. Management has yet assessed the impact that this amendment is likely to have on the financial statements of the Company. However, they do not expect to implement the amendments until all chapters of IFRS 9 have been published and they can comprehensively assess the impact of all changes.

COMMITMENTS

The Company has commitments pursuant to various operating leases and equipment rental contracts. The Company has the obligation to pay a total amount of $255,250 over the next five years. Minimum payments are as follows:

	$
2011	21,072
2012	71,053
2013	54,375
2014	54,375
2015	54,375
	255,250

RELATED PARTY TRANSACTIONS

	Three-month period ended		Nine-month period ended	
	September 30, 2011	September 30, 2010	**September 30, 2011**	September 30, 2010
	$	$	**$**	$
Furniture and equipment	**2,100**	-	**4,100**	-

During the three-month and nine-month periods ended September 30, 2011, the Company acquired furniture and equipment from one of its officers, Philippe Cloutier, for an amount of $2,100, and from one of its directors, Daniel Massé, for an amount of $2,000. These transactions occurred within the normal course of business and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. As at September 30, 2011, no amount was included in the accounts payable and accrued liabilities.

OUTLOOK

During the last quarter of 2011, Cartier will continue to establish the potential of mineralized zones on the Cadillac Extension, Xstrata-Option and Diego properties through drilling. In particular, drilling will continue below the Langlade polymetallic deposit on the Cadillac Extension project, possibly to the point of establishing a volume of economic-grade ore.

Cartier has made excellent progress in assessing its advanced projects, thereby allowing the Company to begin negotiations on some of these projects.

MANAGEMENT'S RESPONSABILITY FOR FINANCIAL INFORMATION

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

(s) Philippe Cloutier
Philippe Cloutier
President and CEO

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