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 operation and exploration results and our financial position for the six months ended June 30, 2018, compared to the six months ended June 30, 2017. This report, dated August 16, 2018, should be read in conjunction with the interim condensed financial statements for the quarter ended June 30, 2018, and the audited financial statements and accompanying notes for the year ended December 31, 2017. The interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IASB). 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 in 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 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 doubt as to the appropriateness of the going-concern assumption.

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

MISSION

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

VISION AND STRATEGY

The Company's vision is to advance its current and future assets to the production stage according to a schedule consistent with its human and financial resources while respecting sustainable development practices.

The Company's strategy is to pursue a dynamic process that allows it 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

EXPLORATION WORK

Chimo Mine Property

As of June 30, 2018, sixty (60) holes had been drilled to complete Phase I of the drilling program that started on July 10, 2017, amounting to 30,783 m of the 33,000 m planned. The results announced during the second quarter are presented in the tables below.

The surface drilling program (depths of 350 m to 1,200 m), which started on May 12, 2018, is now complete with a total of 44 holes for 21,702 m drilled. The program aimed to explore the geometric extension of 19 gold zones peripheral to the main cluster of Zone 5. The laboratory results are pending. Results to date have highlighted five (5) priority gold zones (6N1, 5M4, 2B, 3E and 6P2) that constitute the targets of Phase II intermediate depth drilling program (600 m to 1,000 m). Phase II will start in September once the drill rigs have finished the deep drilling program.

The deep drilling program consists of two (2) pilot holes on which two drill rigs have been active since October 15, 2017. As of June 30, 2018, these two holes included 16 branches, all of which reached the Zone 5 cluster at depths between 1,200 and 1,700 m at the planned target distances, for a total of 9,081 m of drilling. To date, the results demonstrate that gold mineralization similar to that found in the Chimo Mine is present to a depth of 525 m below the former mine (Figure).

Drill hole	From (m)	To (m)	Length (m)	Au (g/t)	Gold Zone	Gold-bearing Structure
CH18-35	444.0	445.5	**1.5**	**86.1**	**6C**	**6C**
CH18-43	243.3	244.3	**1.0**	**7.6**	**2W**	**2**
included in	243.3	245.3	2.0	4.3		
CH18-44	297.0	298.0	**1.0**	**10.3**		
included in	297.0	301.0	4.0	2.8		
CH18-30	259.8	260.3	**0.5**	**12.2**	**6B**	**6B**
included in	253.0	260.3	7.3	1.3		
CH18-41	342.0	343.0	**1.0**	**5.4**	**4B**	**4B**
included in	339.5	348.0	8.5	1.1		

(HYPERLINK FIGURE)
Lengths are expressed as downhole core lengths. True widths have not yet been determined.

Drill hole	From (m)	To (m)	Length (m)	Au (g/t)	Zone 5 Cluster
CH17-47A	1462.5	1466.5	**4.0**	**4.8**	**5M, 5B, 5BS and 5M2**
including	1462.5	1463.5	1.0	7.2	
included in	1460.6	1486.4	25.8	1.0	
included in	1460.6	1525.0	64.4	0.5	
CH17-47E	1474.0	1476.0	**2.0**	**7.4**	
including	1475.0	1476.0	1.0	13.6	
included in	1472.0	1480.0	8.0	2.1	
included in	1394.0	1480.0	86.0	0.4	
CH17-46AE	1142.0	1144.0	**2.0**	**3.5**	
included in	1137.5	1145.0	7.5	1.2	
included in	1096.0	1145.0	49.0	0.6	

(HYPERLINK FIGURE)
Lengths are expressed as downhole core lengths. True widths have not yet been determined.

Drill hole	From (m)	To (m)	Length (m)	Au (g/t)	Gold Zone	Gold-bearing Structure
CH18-36A	490.0	493.0	**3.0**	**6.0**	**6P2**	**6P2**
including	492.0	493.0	1.0	11.6		
included in	473.5	496.5	23.0	1.3		
CH18-37	554.0	555.0	**1.0**	**5.3**		
included in	545.0	567.8	22.8	1.0		
CH18-39	586.6	588.0	**1.4**	**5.5**		
and	598.5	599.0	0.5	8.7		
included in	582.0	600.0	18.0	1.0		
CH18-34	460.0	464.0	**4.0**	**2.7**		
included in	453.0	465.0	12.0	1.2		
CH18-35	511.0	511.5	**0.5**	**5.4**		
included in	504.0	515.5	11.5	1.1		
CH18-38	520.5	522.0	**1.5**	**3.1**		
included in	517.5	529.0	11.5	1.0		
CH18-35	469.0	470.1	**1.1**	**8.7**	**6P**	**6P**
included in	467.1	470.1	3.0	5.8		
CH18-25	501.7	502.5	**0.8**	**16.9**	**1A**	**1A**
included in	501.7	504.0	2.3	6.1		

(HYPERLINK FIGURE)
Lengths are expressed as downhole core lengths. True widths have not yet been determined.

Fenton Property

The results of the thirteen (13)-hole drilling program totalling 7,814 m (see table below) were obtained at depths up to 625 m along the geometric extension of the Fenton gold deposit, for which the historical mineral resource estimate is 63,885 ounces (D. Chénard, Datac Géo-Conseil Enrg., 2000). These results extend the gold potential down to 340 m below the Fenton deposit (FIGURE).

The geometric extension and other characteristics of the Dyke Zone, situated 100 m further north, are similar to those of the Fenton deposit (FIGURE). Both of these gold zones have yielded high-grade intersections within larger gold-bearing envelopes with interesting gold grades. The results, considered of economic interest, define the geometry of the areas to explore for the Fenton deposit and the Dyke Zone, with the objective of increasing the development potential of the gold resource. SOQUEM and Cartier each hold a 50% interest in the Fenton Property.

Press release of June 5, 2018					
Drill hole	**From (m)**	**To (m)**	**Length (m)**	**Au (g/t)**	**Gold Zone**
1354-17-17	556.0	558.0	**2.0**	**29.6**	**Fenton**
and	517.0	519.2	2.2	4.5	
included in	556.0	576.0	20.0	3.4	
included in	512.3	577.0	64.7	1.5	
1354-17-24	666.0	667.0	**1.0**	**8.2**	
included in	660.0	671.0	11.0	1.1	
1354-17-16	509.9	511.9	**2.0**	**3.2**	
included in	508.4	517.4	9.0	0.9	
1354-17-20	366.0	367.0	**1.0**	**11.6**	**Dyke**
included in	365.0	367.0	2.0	7.4	
1354-17-17	405.6	406.6	**1.0**	**12.1**	
included in	405.6	438.2	32.6	0.9	

Lengths are expressed as downhole core lengths. True widths have not yet been determined.

Press release of January 31, 2018					
Drill hole	**From (m)**	**To (m)**	**Length (m)**	**Au (g/t)**	**Gold Zone**
1354-17-13	191.0	216.0	**25.0**	**2.1**	**Dyke**
including	191.0	202.0	11.0	3.8	
including	195.0	197.0	2.0	8.1	
including	200.0	202.0	2.0	7.4	
	343.7	377.2	**35.2**	**0.5**	**Fenton**
including	343.7	344.7	1.0	7.0	

Lengths are expressed as downhole core lengths. True widths have not yet been determined.

QUALITY ASSURANCE / QUALITY CONTROL

Information of a scientific and/or technical nature presented in this management's MD&A was reviewed and approved by Cartier's Vice President, Gaétan Lavallière, P.Geo., PhD. Mr. Lavallière is a Qualified Person as defined by National Instrument 43-101.

Exploration assets and deferred exploration costs

	MacCormack	Chimo Mine	Wilson	Cadillac Extension	Benoist	Fenton	Total
% participation	100%	100%	100%	100%	100%	50%	
	$	$	$	$	$	$	$
Mining properties							
Balance as at December 31, 2017	206,871	107,024	72,000	3,715	737,723	24,371	1,151,704
Addition	-	-	-	-	-	273	273
Balance as at June 30, 2018	**206,871**	**107,024**	**72,000**	**3,715**	**737,723**	**24,644**	**1,151,977**
Deferred exploration costs							
Balance as at December 31, 2017	2,850,995	2,360,666	1,081,812	2,352,961	2,380,687	1,336,741	12,363,862
Addition							
Geology	-	378,449	941	3,276	-	9,666	392,332
Drilling	-	3,720,870	993	-	-	161,094	3,882,957
Exploration office expenses	-	2,972	426	50	6	37	3,491
Surveying and access roads	-	-	-	-	-	-	-
Core shack rental and maintenance	-	5,952	999	-	68	319	7,338
Duties, taxes and permits	2,950	709	444	1,432	1,508	187	7,230
Depreciation of exploration leasehold improvements	-	1,112	84	-	-	-	1,196
Share-based payments - employees	-	35,254	3,809	-	-	-	39,063
Net expenses during the period	2,950	4,145,318	7,696	4,758	1,582	171,303	4,333,607
Balance as at June 30, 2018	**2,853,945**	**6,505,984**	**1,089,508**	**2,357,719**	**2,382,269**	**1,508,044**	**16,697,469**
Balance of exploration assets and deferred exploration costs as at June 30, 2018	**3,060,816**	**6,613,008**	**1,161,508**	**2,361,434**	**3,119,992**	**1,532,688**	**17,849,446**

All the mining properties held by the Company are located in northwestern Quebec.

The Company is subject to royalties on certain properties.

Exploration assets and deferred exploration costs

	MacCormack	Chimo Mine	Wilson	Cadillac Extension	Benoist	Fenton	Total
% participation	100%	100%	100%	100%	100%	Option 50%	
	$	$	$	$	$	$	$
Mining properties							
Balance as at December 31, 2016	252,756	107,024	72,000	3,715	622,723	14,371	1,072,589
Additions	-	-	-	-	115,000	10,000	125,000
Write-off	(45,885)	-	-	-	-	-	(45,885)
Balance as at June 30, 2017	**206,871**	**107,024**	**72,000**	**3,715**	**737,723**	**24,371**	**1,151,704**
Deferred exploration costs							
Balance as at December 31, 2016	3,297,601	517,046	177,769	2,195,497	2,349,809	462,451	9,000,173
Addition							
Geology	296	63,977	92,587	10,880	19,286	21,713	208,739
Drilling	-	10,013	735,207	154,344	98	-	899,662
Exploration office expenses	-	2,993	713	410	48	520	4,684
Surveying and access roads	-	9,066	24,266	1,713	10,126	-	45,171
Core shack rental and maintenance	-	4,563	1,397	775	280	713	7,728
Duties, taxes and permits	576	817	646	-	808	173	3,020
Depreciation of exploration equipment	-	2,280	670	-	-	583	3,533
Share-based payments-employees	-	16,806	5,003	-	-	3,849	25,658
Total expenses during the period	872	110,515	860,489	168,122	30,646	27,551	1,198,195
Write-off	(448,510)	-	-	-	-	-	(448,510)
	(447,638)	110,515	860,489	168,122	30,646	27,551	749,685
Tax credits	-	(5,803)	(7,972)	(14,975)	(3,803)	(978)	(33,531)
Net expenses during the period	(447,638)	104,712	852,517	153,147	26,843	26,573	716,154
Balance as at June 30, 2017	**2,849,963**	**621,758**	**1,030,286**	**2,348,644**	**2,376,652**	**489,024**	**9,716,327**
Balance of exploration assets and deferred exploration costs as at June 30, 2017	**3,056,834**	**728,782**	**1,102,286**	**2,352,359**	**3,114,375**	**513,395**	**10,868,031**

All the mining properties held by the Company are located in northwestern Quebec.

SELECTED FINANCIAL INFORMATION

	Three months ended June 30, 2018 ($)	Three months ended June 30, 2017 ($)	**Six months ended June 30, 2018 ($)**	Six months ended June 30, 2017 ($)
Interest income	**40,861**	20,884	**81,087**	31,790
Net loss	**(54,781)**	(861,751)	**205,356**	(1,175,501)
Basic net loss per share	**(0.00)**	(0.01)	**0.00**	(0.01)
Basic and diluted weighted average number of shares outstanding	**177,049,802**	139,540,388	**176,977,675**	127,894,451

	Statement of financial position as at	
	June 30, 2018 ($)	December 31, 2017 ($)
Cash and cash equivalents	**10,779,003**	15,706,671
Exploration assets and deferred exploration costs	**17,849,446**	13,515,566
Total assets	**29,091,843**	29,564,909
Current liabilities	**487,412**	2,138,341
Deferred income and mining taxes	**2,428,939**	1,741,953
Equity	**26,175,492**	25,684,615

EXPLORATION COSTS

For the three-month period ended June 30, 2018, the exploration expenses were $4,333,607, including $4,145,318 on the Chimo Mine Property and $171,303 on the Fenton Property. For the same period of 2017, exploration expenses were $1,198,195 consisting mainly of $860,489 on the Wilson Property, $168,122 on the Cadillac Extension Property, and $110,515 on the Chimo Mine Property.

The significant increase of $3,135,412 in 2018 stems from the fact that three drill rigs were in operation on the Chimo Mine Property, two of them for a controlled directional drilling program which is much more expensive than conventional drilling. This type of drilling is used for deep holes to reach targets and avoid making several holes that would be even more costly.

RESULTS OF OPERATIONS

For the three and six months ended June 30, 2018, the net loss or profit amounted to ($54,781) or ($0.00) per share, and $205,356 or $0.00 per share, respectively, compared to a net loss of ($861,751) or ($0.01) per share, and ($1,175,501) or ($0.01) per share for the same periods ended June 30, 2017.

Interest income was $40,861 and $81,087 for the three and six months ended June 30, 2018, respectively, compared to $20,884 and $31,791 for the same periods in 2017.

General and administration «G&A» expenses amounted to $493,469 and $872,688 for the three and six months ended June 30, 2018, respectively, compared to $444,299 and $729,476 for the same periods in 2017. The increase in G&A expenses was mainly due to increases in the categories of salaries, consultants, share-based payments–employees, professional fees, business development, advertising, and training and travel.

The following items constitute the main G&A expenses for the three and six months ended June 30, 2018, respectively: salaries for $93,349 and $184,625; consultants for $10,481 and $22,856; share-based payments–employees for $132,870 and $220,102; professional fees for $19,584 and $25,469; business development expenses for $168,758 and $292,679; information to shareholder for $27,263 $ and $39,009; training and travel for $12,712 and $20,653. The following items constituted the main G&A expenses for the same periods ended June 30, 2017, respectively: salaries for $80,976 and $175,339; share-based payments–employees for $172,444 and $224,198; share-based payments–consultants for $25,872 and $38,837; business development expenses for $102,160 and $170,900; advertising and sponsoring for $16,330 and $18,950; and shareholder's information expenses for $14,882 and $31,392.

FINANCIAL INFORMATION SUMMARY

Quarter ended	Interest income and other	Net loss	Basic and diluted net loss per share	Deferred exploration costs	Basic and diluted weighted average number of shares outstanding
	($)	($)	($)	($)	
18-06-30	40,861	(54,781)	(0.00)	1,763,840	177,049,802
18-03-31	40,226	260,135	0.00	2,569,767	176,904,747
17-12-31	35,940	(230,568)	(0.00)	1,995,114	163,970,181
17-09-30	31,411	(460,775)	(0.00)	652,421	157,831,899
17-06-30	20,884	(861,751)	(0.01)	274,014	139,540,388
17-03-31	10,906	(313,750)	(0.00)	442,140	116,119,112
16-12-31	28,393	(333,729)	(0.01)	540,974	92,342,216
16-09-30	30,768	(209,556)	(0.00)	153,229	88,635,462

STATEMENT OF FINANCIAL POSITION

Current

The following table provides information on the Company's cash and cash equivalents as at June 30, 2018 and December 31, 2017:

	June 30, 2018		December 31, 2017	
	Amount ($)	**Interest rate**	Amount ($)	Interest rate
Account bearing interest	**9,948,906**	**1.10%-1.60%**	15,580,188	0.75%-1.20%
Account without interest	**830,097**	**-**	126,483	-
Total	**10,779,003**		15,706,671	

Cash and cash equivalents include $41,269 ($4,327,388 as at December 31, 2017) of funds to be expensed in eligible exploration expenses before December 31, 2018.

Working capital was $10,749,236 as at June 30, 2018, compared to $13,904,058 as at December 31, 2017.

Exploration assets and deferred exploration costs

As at June 30, 2018, the Company's exploration assets and deferred exploration costs amounted to $17,849,446, compared to $13,515,566 as at December 31, 2017.

As at June 30, 2018, deferred exploration costs amounted to $16,697,469 compared to $12,363,862 as at December 31, 2017.

During the first semester of 2018, additions of deferred exploration costs before tax credits amounted to $4,333,607, compared to $3,845,729 as at December 31, 2017. The main exploration costs consisted of the following: drilling for $3,882,957; geology for $392,332; and share-based payments–employees for $39,063.

Liabilities

As at June 30, 2018, current liabilities amounted to $487,412, compared to $2,138,341 as at December 31, 2017. The variation is due mainly to the increase in liability related to flow-through shares for a variation of $1,684,681.

Deferred income and mining taxes amounted to $2,428,939 as at June 30, 2018, compared to $1,741,953 as at December 31, 2017. The variation of $686,986 is explained by the renouncement of tax deductions and by exploration costs incurred by the flow-through shares issued.

Equity

As at June 30, 2018, equity was $26,175,492, compared to $25,684,615 as at December 31, 2017. This variation comes mainly from the comprehensive loss for the period.

CASH FLOWS

Cash flows used in operating activities amounted to $341,267 and $682,500 for the three and six months ended June 30, 2018, respectively, compared to $433,100 and $611,239 for the same periods in 2017. The cash flows resulted mainly from the following: net loss or profit which amounted to ($54,781) and $205,356, compared to ($861,751) and ($1,175,501) for the same periods in 2017; share-based payments–employees which amounted to $132,870 and $220,102, compared to $172,444 and $224,198 for the same periods in 2017; and the write-off of deferred exploration costs which amounted to $494,395 for the same periods in 2017.

For the three and six months ended June 30, 2018, cash flow from financing activities, representing amounts of $26,000 and $26,077, respectively, resulted mainly from the exercise of warrants. For the same periods in 2017, cash flow from financing activities amounted to $5,855,474 and $9,468,253, respectively, resulting mainly from private placements totalling $6,007,500 and $9,485,100 less the share issue expenses of $468,776 and $773,097, and from the exercise of warrants totalling $316,750 and $756,250.

For the three and six months ended June 30, 2018, cash flows used in investing activities amounted to $1,871,636 and $4,271,245, respectively, consisting only of deferred exploration costs, compared to $660,767 and $1,168,358 for the same periods in 2017, also consisting of deferred exploration costs.

LIQUIDITY AND FINANCING SOURCES

Significant increases or decreases in the Company's cash and capital resources are primarily determined by the success or failure of exploration programs and the ability to issue shares or obtain other sources of financing.

As at June 30, 2018, the Company's cash and cash equivalents amounted to $10,779,003. 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.

During the period ended June 30, 2018, a total of 200,000 shares were issued following warrant exercises. During the period ended June 30,, 2017, a total of 43,253,284 shares were issued as follows: a private placement of 22,250,000 shares, a flow-through private placement of 12,880,000 shares, an issuance of 50,000 shares in respect of the Company's contract with SOQUEM Inc., an issuance of 2,307,690 shares for the redemption of the debenture, an issuance of 135,594 shares for a redemption of an NSR royalty, and the issuance of 5,630,000 shares following warrant exercises.

Cash reserved for exploration amounted to $41,269 as at June 30, 2018, compared to $4,327,388 as at December 31, 2017. The variation comes from deferred exploration costs.

The Company expects that its current capital resources of $10,779,003 and its ability to obtain additional financing will support further exploration and development of its mineral properties for the next financial exercise.

The following table presents the sources of funding during the last 8 quarters and up to the date of this report:

Table of sources of financing

Date	Type	Financing	Amount ($)	General description of the use of the product
September 2, 2016	Private placement without broker	Common shares	100,050	The net proceeds of the financing were used primarily for the following purposes: exploration activities, financing G&A expenses and other working capital requirements
December 22, 2016	Private placement without broker	Common shares	4,500,000	The net proceeds of the financing were used primarily for the following purposes: exploration activities, financing G&A expenses and other working capital requirements
Beetween January 1 and December 31, 2017	Exercise of warrants	Common shares	1,204,900	The net proceeds of the financing were used primarily for the following purposes: exploration activities, financing G&A expenses and other working capital requirements
Beetween January 1 and December 31, 2017	Exercise of options	Common shares	6,650	The net proceeds of the financing were used primarily for the following purposes: financing G&A expenses
February 28, 2017	Debenture conversion	Common shares	300,000	The net proceeds of the financing were used primarily for the following purposes: repayment of a debt
March 17, 2017	Assets paid by share issuance	Common shares	10,000	The net proceeds of the financing were used primarily for the following purposes: earning a 50% interest in the Fenton property
March 20, 2017	Private placement with broker	Common shares	3,477,600	The net proceeds of the financing were used primarily for the following purposes: drilling programs on the Chimo Mine and Fenton properties
May 30, 2017	Private placement with broker	Common shares	6,007,500	The net proceeds of the financing were used primarily for the following purposes: exploration activities, financing G&A expenses and other working capital requirements
May 31, 2017	Assets paid by share issuance	Common shares	40,000	The net proceeds of the financing were used primarily for the following purposes: repurchasing a royalty on the Benoist Property
December 5, 2017	Private placement with broker	Common shares	5,299,900	The net proceeds of the financing were used primarily for the following purposes: exploration activities, drilling program on the Chimo Mine Property, financing G&A expenses and other working capital requirements

April 25, 2018	Exercise of warrants	Common shares	200,000	The net proceeds of the financing were used primarily for the following purposes: financing G&A expenses

LEASES

The Company rents its offices under a lease expiring in March 2021. The lease covering a company vehicle expires in October 2020.

The future minimum operating lease payments are as follows:

	Minimum lease payments due :		
	Within 1 year	**1 to 5 years**	**Total**
	$	$	$
June 30, 2018	**39,496**	67,662	107,158
December 31, 2017	**39,496**	87,410	126,906

RELATED PARTY TRANSACTIONS

During the three and six-month periods ended June 30, 2018, the Company paid $2,635 to the spouse of a director. As at June 30, 2018, this amount has been recorded in business development in the interim condensed statements of profit or loss and no amount is payable.

ACCOUNTING ESTIMATES AND CRITICAL JUDGMENTS

The following paragraphs describe the most critical management estimates and assumptions in the recognition and measurement of assets, liabilities and expenses and the most critical management judgments in applying accounting policies.

Impairment of assets
An impairment loss is recognized when the carrying amount of an asset is not recoverable and exceeds its recoverable value. Management reviews on a regular basis the impairment assessment of its mining assets. Each year, the Company conducts an annual review of the geological potential of all its claims with the objective of abandoning any claims with a low discovery potential. All amount incurred on those claims are recorded in the statements of loss for the year.

Share-based payments and fair value of warrants
The estimate of share-based payment costs and of the fair value of warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the expected life of options and expected extinguishments. The model used by the Company is the Black-Scholes model.

Income taxes and deferred mining taxes
The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

FINANCIAL INSTRUMENTS

Objectives and policies in managing financial risks

The Company is exposed to various financial risks resulting from its operations and investing activities. The directors and officers of the Company manage those risks.

The Company does not enter into speculative derivative financial instruments.

Financial risks

The following paragraphs describe the main financial risks to which the Company is exposed and its risk management policies.

Interest risk

As at June 30, 2018, the Company is not exposed to interest rate risk since they are all short-term items.

Liquidity risks

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.

Liquidity risk analysis

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the year, the Company has financed its exploration expense commitments, its working capital requirements and acquisitions through private and flow-through financings.

All financial liabilities mature in less than 12 months.

Credit risk analysis

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

	June 30, 2018	December 31, 2017
	$	$
Cash and cash equivalents	**10,779,003**	15,706,671
Carrying amounts	**10,779,003**	15,738,271

None of the Company's financial assets are secured by collateral or other credit enhancements.

The credit risk for cash and cash equivalents and cash reserved for exploration is considered negligible, since the counterparties are reputable financial institutions 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 assigned to the following levels. Level 1 features a valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 includes inputs for the asset or liability that are not based on observable market data. Marketable securities are classified under Level 1.

The carrying amount of cash and cash equivalents, cash reserved for exploration, accounts payables and accrued liabilities approximate fair value based on the close date.

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 as follows:

(a) Financing risk

The Company must periodically obtain new funds in order to pursue its activities. While it has always succeeded in doing so to date, there can be no assurance that it will continue to do so in the future.

The Company believes that the quality of its properties and their geological potential will enable it to obtain the required financing for their continued exploration and potential development.

(b) Volatility of stock price and limited liquidity

Cartier's common shares are listed on the TSX Venture Exchange under the symbol ECR.

The Company's common shares have experienced significant volatility in price and trading volume over the last few years. There can be no assurance of adequate liquidity in the future for the Company's common shares.

(c) Permits and licences

The Company's operations may require permits and licences from different government authorities. There is no assurance the Company will obtain the required permits and licences to continue exploring and developing its properties.

(d) Environmental risks

The Company's operations are subject to federal, provincial and local environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards, land use standards, land reclamation and labour standards.

Environmental legislation is evolving in a way that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and increased responsibility for companies and their officers, directors and employees. At this time, it is uncertain whether these changes will adversely affect the Company's operations. Compliance costs are expected to rise.

Environmental hazards may exist on certain of the Company's properties that are unknown to management at the present time, and which were caused by previous owners or operators.

(e) Metal prices

Even if the exploration programs of the Company are successful, some factors beyond the Company's control may affect the marketing of the minerals found. Metal prices are determined by worldwide supply and demand for metals, which are affected by many factors, including international, economic and political trends, inflation expectations, exchange rate fluctuations, interest rates, global and regional consumption levels, speculative activities and worldwide production levels. The effects of these factors cannot be precisely predicted.

(f) Key personnel

The management of the Company relies on certain key personnel, primarily its President and Chief Executive Officer. The loss of the President and Chief Executive Officer could have a negative impact on the development and success of the Company's operations. The Company's success is also linked to its capacity to attract and retain qualified personnel.

OFF-BALANCE SHEET ARRANGEMENTS

As at June 30, 2018, the Company had no off-balance sheet arrangements.

CAPITAL STRUCTURE ON AUGUST 16, 2018:

Common shares outstanding	177,104,747
Stock options (weighted average exercise price of $0.17)	12,650,000
Warrants (weighted average exercise price of $0.27)	3,318,400
Total fully diluted	193,073,147

OUTLOOK

The third and fourth quarters of 2018 will be dedicated to the Phase II mid-depth drilling program on the Chimo Mine Property.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The financial statements and other financial information contained in this MD&A are the responsibility of the Company's management and have been approved by the Board of Directors on August 16, 2018.

(s) Philippe Cloutier
Philippe Cloutier
President and CEO

(s) Nancy Lacoursière
Nancy Lacoursière
Chief Financial Officer