

CARTIER RESOURCES INC.

Management's Discussion and Analysis
For the first quarter ended March 31, 2020

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 three months ended March 31, 2020, compared to the three months ended March 31, 2019. This report, dated May 25, 2020, should be read in conjunction with the unaudited interim condensed financial statements for the three months ended March 31, 2020, and the audited financial statements and accompanying notes for the year ended December 31, 2019. 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 regularly discloses 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 regard 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 estimates, 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 interim condensed financial statements have been prepared on a going concern basis, meaning that the Company will be able to realize its assets and discharge its commitments and liabilities in the normal course of operations. 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 raising financing to date, there can be no assurance it will be able to do so in the future. The Company believes it has sufficient liquidity to meet its obligations for the next 12 months. The Company has not yet determined whether its properties contain economically recoverable ore reserves and has not yet generated revenues from operations. The recoverability of the amounts shown for mining properties is

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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.

In March 2020, the World Health Organization declared the COVID-19 epidemic a pandemic. The situation is constantly evolving, and the measures put in place have numerous economic repercussions at the global, national, provincial and local levels. These measures, which include travel bans, solitary confinement or quarantine, voluntary or not, and social distancing, have caused significant disruption among businesses, globally and in Canada, due to the economic slowdown. Governments and central banks responded by implementing monetary and fiscal measures to stabilize the world economy; however, the current challenging economic climate may cause adverse changes in cash flow, the level of working capital and/or the search for future financing, which could have a direct impact on its future financial position. The Company has implemented measures to mitigate the impact of the pandemic on its future operations.

The above conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The shares of the Company are listed on the TSX Venture Exchange (TSXV) 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 toward the resource definition, development and production stages.

EXPLORATION ACTIVITIES

Chimo Mine Property

As at March 31, 2020, the Company's controlled directional drilling on the Chimo Mine Property had reached 121 drill holes for 55,890 m, yielding 20,792 samples. The exploration achievements on the property, as at March 31, 2020, amounted to \$1.4 million out of an annual budget of \$3.22 million.

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The following work and objectives were accomplished in 2020:

- 1) Combined resources ([FIGURE](#)) for the Central, Northern and Southern corridors on the Chimo Mine property of:
 - ✓ 4,017,600 tonnes grading 4.53 g/t Au for a total of 585,190 ounces of gold in the indicated category.
 - ✓ 4,877,900 tonnes grading 3.82 g/t Au for a total of 597,800 ounces of gold in the inferred category.
- 2) Ten (10) drill holes for a total of 6,639 m. Drilling demonstrated the continuity of mineralization in [Zones 5B4-5M4-5NE](#) over a distance of 1.3 km and led to the discovery of the new Zone 5CE.
- 3) Commence internal engineering and industrial mineral sorting studies to optimize the value of the resources on the property. One of the four internal engineering studies has been completed.

The results published to date in 2020 are presented below:

| Gold Corridor Cut-off grade 2.5 g/t Au | Indicated Resources | | | Inferred resources | | |
|--|---------------------|----------------|------------------|--------------------|----------------|------------------|
| | Metric tons (t) | Grade (g/t Au) | Troy ounces (oz) | Metric tons (t) | Grade (g/t Au) | Troy ounces (oz) |
| Central | 3,263,300 | 4.40 | 461,280 | 3,681,600 | 3.53 | 417,250 |
| Northern | 505,300 | 5.35 | 86,860 | 715,700 | 4.59 | 105,710 |
| Southern | 249,000 | 4.63 | 37,060 | 480,600 | 4.84 | 74,840 |
| Total | 4,017,600 | 4.53 | 585,190 | 4,877,900 | 3.82 | 597,800 |

Taken from the news release of May 5, 2020, titled [Cartier increases gold resources of the Chimo Mine Property](#).
Claude Savard, InnovExplo Inc. (2020) and Christian D'Amours, GéoPointCom Inc. (2019).

| Drill Hole | From (m) | To (m) | Length (m) | Au (g/t) | Gold Zone | Gold Structure |
|--------------------|----------|--------|------------|----------|-----------|----------------|
| CH19-54B | 1123.5 | 1134.4 | 10.9 | 5.0 | 5B4 | 5B |
| <i>Included in</i> | 1109.0 | 1135.1 | 26.1 | 2.5 | | |
| CH19-54E | 1189.0 | 1191.0 | 2.0 | 9.5 | | |
| <i>Included in</i> | 1189.0 | 1204.8 | 15.8 | 2.0 | | |
| CH19-55E | 1384.5 | 1386.5 | 2.0 | 5.1 | | |
| <i>Included in</i> | 1369.6 | 1386.5 | 16.9 | 1.1 | 5NE | 5N |
| CH19-54E | 1162.5 | 1167.5 | 5.0 | 3.4 | | |
| CH19-54A | 1166.0 | 1169.0 | 3.0 | 3.1 | | |
| CH19-54E | 1256.0 | 1258.0 | 2.0 | 11.9 | 5CE | 5C |

Taken from the news release of April 7, 2020, titled [Cartier intersects 5.0 g/t au over 10.9 m 550 m, 250 m below new zones 5B4-5M4-5NE](#). The lengths of the mineralized intersections are expressed as lengths measured along the drill core. The estimated true thickness of the mineralized intersections represents approximately 70 to 85% of the measured length.

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| Drill Hole | From (m) | To (m) | Length (m) | Au (g/t) | Gold Zone | Gold Structure |
|--------------------|----------|--------|------------|----------|-------------|----------------|
| CH19-55 | 1393.0 | 1395.0 | 2.0 | 22.0 | 5B4-5M4-5NE | 5B-5M-5N |
| <i>Included in</i> | 1385.5 | 1397.0 | 11.5 | 7.1 | | |
| CH19-54 | 1200.0 | 1202.0 | 2.0 | 7.0 | | |
| <i>Included in</i> | 1198.0 | 1214.1 | 16.1 | 2.6 | | |

Taken from the news release of February 18, 2020, titled [Cartier intersects 7.1 g/t au over 11.5 m 550 m below Zones 5B4-5M4-5NE on Chimo Mine Project, illustrating the potential for resource expansion](#). The lengths of the mineralized intersections are expressed as lengths measured along the drill core. The estimated true thickness of the mineralized intersections represents approximately 65 to 80% of the measured length.

Benoist Property

An internal study on mineralization is underway on both gold zones of the Benoist Property to better delineate future exploration drill targets.

Fenton and Wilson Properties

Exploration work on both properties has been temporarily suspended until financial resources and personnel become available.

MacCormack, Xstrata Option, Cadillac Extension and Dollier Properties

Cartier is seeking partners to continue the exploration programs on these five (5) properties so the Company can concentrate its efforts on other properties whose characteristics closely match its strategy.

QUALITY ASSURANCE / QUALITY CONTROL

The scientific and technical information of the Company, present in this MD&A, has been prepared and revised by MM. Gaétan Lavallière, P. Geo., Ph. D., Vice-President and Ronan Déroff, P. Geo., M. Sc., Senior Geologist, Project Manager and Geomatician, who are qualified persons as defined by National Instrument 43-101. Mr. Lavallière approved the information contained in this report.

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Mining assets and deferred exploration costs

| | Chimo Mine | Wilson | Benoist | Fenton | Total |
|---|-------------------|------------------|------------------|------------------|-------------------|
| <i>Percent participation</i> | 100% | 100% | 100% | Option 50% | |
| | \$ | \$ | \$ | \$ | \$ |
| Mining assets | | | | | |
| Balance as at March 31, 2020 and December 31, 2019 | 457,024 | 72,000 | 737,723 | 24,644 | 1,291,391 |
| Deferred exploration costs | | | | | |
| Balance as at December 31, 2019 | 10,550,684 | 1,092,447 | 2,391,967 | 1,526,180 | 15,561,278 |
| Additions | | | | | |
| Geology | 96,267 | - | 998 | - | 97,265 |
| Drilling | 1,156,415 | - | - | - | 1,156,415 |
| Geochemistry | 43,777 | - | - | - | 43,777 |
| Exploration office expenses | 2,006 | - | - | - | 2,006 |
| Engineering | 110,152 | - | - | - | 110,152 |
| Core shack rental and maintenance | 1,691 | - | - | - | 1,691 |
| Duties, taxes and permits | - | - | 1,306 | - | 1,306 |
| Depreciation of exploration leasehold improvements | 568 | - | - | - | 568 |
| Depreciation of right-of-use assets | 5,596 | - | - | - | 5,596 |
| Interest on lease obligations | 781 | - | - | - | 781 |
| Share-based payments - employees | 12,775 | - | - | - | 12,775 |
| Total deferred exploration costs during the period | 1,430,028 | - | 2,304 | - | 1,432,332 |
| Additions during the period | 1,430,028 | - | 2,304 | - | 1,432,332 |
| Total deferred exploration costs as at March 31, 2020 | 11,980,712 | 1,092,447 | 2,394,271 | 1,526,180 | 16,993,610 |
| Total of mining assets and deferred exploration costs as at March 31, 2020 | 12,437,736 | 1,164,447 | 3,131,994 | 1,550,824 | 18,285,001 |

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

The Company is subject to royalties on certain properties.

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Mining assets and deferred exploration costs

| | Chimo Mine | Wilson | Benoist | Fenton | Total |
|---|------------------|------------------|------------------|------------------|-------------------|
| <i>Percent participation</i> | 100% | 100% | 100% | 50% | |
| | \$ | \$ | \$ | \$ | \$ |
| Mining assets | | | | | |
| Balance as at March 31, 2019 and December 31, 2018 | 107,024 | 72,000 | 737,723 | 24,371 | 941,118 |
| Deferred exploration costs | | | | | |
| Balance as at December 31, 2018 | 8,478,524 | 1,089,748 | 2,383,664 | 1,523,839 | 13,475,775 |
| Additions | | | | | |
| Geology | 81,872 | - | 3,242 | 2,872 | 87,986 |
| Drilling | 1,086,729 | - | - | - | 1,086,729 |
| Geochemistry | 78,997 | - | 409 | - | 79,406 |
| Core shack rental and maintenance | 1,303 | - | 355 | - | 1,658 |
| Duties, taxes and permits | - | 453 | 808 | - | 1,261 |
| Depreciation of exploration leasehold improvements | 782 | - | - | - | 782 |
| Depreciation of right-of-use assets | 2,848 | - | - | - | 2,848 |
| Interest on lease obligations | 1,534 | - | - | - | 1,534 |
| Share-based payments - employees | 18,790 | - | - | - | 18,790 |
| Total deferred exploration costs during the period | 1,272,855 | 453 | 4,814 | 2,872 | 1,280,994 |
| Tax credits | (352,281) | - | (1,122) | (804) | (354,207) |
| Additions during the period | 920,574 | 453 | 3,692 | 2,068 | 926,787 |
| Balance as at December 31, 2018 | 9,399,098 | 1,090,201 | 2,387,356 | 1,525,907 | 14,402,562 |
| Balance of mining assets and deferred exploration costs as at March 31, 2019 | 9,506,122 | 1,162,201 | 3,125,079 | 1,550,551 | 15,343,953 |

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

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SELECTED FINANCIAL INFORMATION

| | Three months ended March 31, 2020 | Three months ended March 31, 2019 |
|--|--|--|
| Interest income | \$30,084 | \$31,077 |
| Net loss for the period | \$(81,270) | \$(264,576) |
| Basic and diluted loss per share | \$(0.00) | \$(0.00) |
| Weighted average number of common shares outstanding, basic and diluted | 191,630,762 | 177,104,747 |

| | Statement of financial position as at: | |
|--|---|-------------------------|
| | March 31, 2020 \$ | December 31, 2019 \$ |
| Cash and cash equivalents | 5,841,129 | 7,670,167 |
| Mining assets and deferred exploration costs | 18,285,001 | 16,852,669 |
| Total assets | 25,271,310 | 25,489,264 |
| Current liabilities | 628,526 | 1,055,048 |
| Deferred income and mining taxes | 2,196,970 | 1,969,674 |
| Equity | 22,347,715 | 22,357,716 |

RESULTS OF OPERATIONS

For the three months ended March 31, 2020, the net loss amounted to (\$81,270) or (\$0.00) per share, compared to (\$264,576) or \$0.00 per share as at March 31, 2019.

Interest income was \$30,084 and \$31,077 for the quarters ended March 31, 2020 and 2019, respectively.

General and administrative ("G&A") expenses amounted to \$334,567 and \$296,546 for the same periods. The increase in G&A expenses for the three months ended March 31, 2020, compared to the same period in 2019, was mainly due to salaries, professional fees and investor relations.

The main items constituting the G&A expenses for the three months ended March 31, 2020 were the following: salaries for \$106,516, share-based payments-employee for \$40,719, professional fees for \$42,032, business development for \$35,222 and investors relations for \$42,033. For the three months

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ended March 31, 2019, the main items were the following: salaries for \$92,878, business development for \$81,960, share-based payments-employees for \$60,187, business development expenditures for \$30,884, road shows and gold shows for \$24,969, investors relations for \$26,107, training and travel for \$13,796, and information to shareholders for \$13,653.

FINANCIAL INFORMATION SUMMARY

| Quarter ended | Interest income | Net loss | Basic and diluted loss per share | Additions of deferred exploration costs | Weighted average number of common shares outstanding, basic and diluted |
|---------------|-----------------|-------------|----------------------------------|---|---|
| | \$ | \$ | \$ | \$ | |
| 20-03-31 | 30,084 | (81,270) | (0.00) | 1,432,332 | 191,630,762 |
| 19-12-31 | 28,395 | (157,056) | (0.00) | 721,672 | 179,441,539 |
| 19-09-30 | 23,430 | (248,903) | (0.00) | 165,811 | 177,104,747 |
| 19-06-30 | 29,423 | (314,328) | (0.00) | 443,260 | 177,104,747 |
| 19-03-31 | 31,077 | (265,854) | (0.00) | 1,280,994 | 177,104,747 |
| 18-12-31 | 42,863 | (4,797,472) | (0.03) | 1,429,814 | 177,104,747 |
| 18-09-30 | 40,424 | (300,964) | (0.00) | 1,316,184 | 177,104,747 |
| 18-06-30 | 40,861 | (54,781) | (0.00) | 1,763,840 | 177,049,802 |

During the three months ended March 31, 2020, the additions to deferred exploration costs amounted to \$1,432,332, including \$1,430,028 on the Chimo Mine Property and \$2,304 on Benoist Property. For the same period in 2019, the additions to deferred exploration costs amounted to \$1,280,994, including \$1,272,855 on the Chimo Property and \$4,814 on the Benoist Property.

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STATEMENT OF FINANCIAL POSITION**Current**

As at March 31, 2020 and December 31, 2019, cash and cash equivalents included an account bearing interest and an account without interest, as follows:

| | March 31, 2020 | | December 31, 2019 | |
|--------------------------|------------------|-------------------|-------------------|-------------------|
| | Amount (\$) | Interest rate (%) | Amount (\$) | Interest rate (%) |
| Account bearing interest | 5,494,171 | 0.20-1.85 | 6,868,800 | 1.10-2.50 |
| Account without interest | 346,958 | - | 801,367 | - |
| Total | 5,841,129 | | 7,670,167 | |

As at March 31, 2020 and December 31, 2019, cash and cash equivalents included an amount of \$956,189 (\$2,373,548 as at December 31, 2019) in funds to be expensed as eligible exploration costs before December 31, 2020.

As at March 31, 2020, working capital was \$6,207,298, compared to \$7,421,666 as at December 31, 2019.

Mining assets and deferred exploration costs

As at March 31, 2020, the Company's mining assets and deferred exploration costs amounted \$18,285,001, compared to \$16,852,669 as at December 31, 2019.

As at March 31, 2020, deferred exploration costs amounted to \$16,993,610 compared to \$15,561,278 as at December 31, 2019.

The additions to deferred exploration costs during the three months ended March 31, 2020 consisted of the following: drilling for \$1,156,415, geology for \$97,265, and engineering for \$110,152. The additions to deferred exploration costs as at December 31, 2019 consisted of the following: drilling for \$1,963,829, geology for \$408,512, and geochemistry for \$104,310.

As at March 31, 2020 and December 31, 2019, mining assets amounted to \$1,291,391.

Liabilities

Current liabilities amounted to \$628,526 as at March 31, 2020, compared to \$1,055,048 as at December 31, 2019. The decrease is mainly due to the provision of flow-through shares of \$451,684.

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As at March 31, 2020, the non-current liabilities comprised deferred income and mining taxes amounting to \$2,196,970, compared to \$1,969,674 as at December 31, 2019. This variation of \$227,296 is related mainly to the renouncement of tax deductions for exploration costs incurred by the flow-through shares issued.

Equity

As at March 31, 2020, equity was \$22,347,715, compared to \$22,357,716 as at December 31, 2019. The variation comes mainly from the net loss for the period and the effect of share-based payments.

CASH FLOWS

Cash flows used in operating activities amounted to (\$387,223) and (\$202,680), respectively, for the three months ended March 31, 2020 and 2019. The cash flows resulted mainly from the net loss for the same periods, which amounted to (\$81,270) and (\$264,576), respectively. The main items that impacted the cash flows for the first quarter of 2020 were the deferred income and mining taxes of (\$224,388), the share-based payments-employees of \$40,719 and the interest income of (\$30,084). For the same period in 2019, the main items that impacted the cash flows were the share-based payments-employees of \$60,187 and the interest income of (\$31,077).

Cash flows used in financing activities amounted to (\$16,616) and (\$11,373) for the three months ended March 31, 2020 and 2019, respectively. The cash flows resulted mainly from the payments on lease obligations for (\$9,906) and (\$11,373) for the same periods.

Cash used in investing activities amounted to (\$1,425,199) and (\$1,213,771), respectively, for the three months ended March 31, 2020 and 2019. The cash flows consisted mainly of exploration assets and deferred exploration costs amounting to (\$1,422,733) and (\$1,213,771), respectively.

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 Company's ability to issue shares or obtain other sources of financing.

As at March 31, 2020, the Company's cash and cash equivalents amounted to \$5,841,129. The Company's financing comes mostly from share issuances. The success of these issuances depends on the stock markets, investor interest in exploration companies and the price of metals. 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.

The Company did not issue shares during the first quarter ended March 31, 2020. The Company issued 14,526,015 shares during the year ended December 31, 2019: 13,726,015 for two private placements and 800,000 following the exercise of options.

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As at March 31, 2020, the Company has \$956,189 (\$2,373,548 as at December 31, 2019) in cash reserved for exploration purposes.

The Company expects that its current liquidity of \$5,841,129 and its ability to obtain additional financing will support further exploration and the development of its mining properties for the next fiscal year.

The following table presents the sources of funding for the last eight (8) quarters:

| Table of Financing Sources | | | | |
|---------------------------------|----------------------------------|---------------|-------------|--|
| Date | Type | Financing | Amount (\$) | Primary use of net proceeds |
| October 31, 2019 | Private placement with broker | Common shares | 2,943,387 | Drilling programs on the Chimo Mine Property |
| December 19, 2019 | Private placement without broker | Common shares | 78,386 | Drilling programs on the Chimo Mine Property |
| Between November 8 and 28, 2019 | Exercise of options | Common shares | 80,000 | G&A expenses |

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.

Estimates:*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.

Critical judgments:*Impairment of assets*

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

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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.

STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED BY THE COMPANY

At the date of approval of these financial statements, there are no new standards, amendments or interpretations to existing standards to be published or to be adopted by the Company.

RELATED PARTY TRANSACTIONS

The Company had no related party transactions during the three months ended March 31, 2020. During the year ended December 31, 2019, the Company paid \$680 to the spouse of a director for consultant fees. As at December 31, 2019, this amount has been recorded in administrative expenses under "business development" in the statements of profit or loss, and no amount is payable.

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 March 31, 2020, the Company is not exposed to interest rate risk since they are all short-term items.

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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. 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 adequate financing sources such as private and public investments.

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:

| | March 31, | December 31, |
|---------------------------|------------------|--------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Cash and cash equivalents | 5,841,129 | 7,670,167 |

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, accounts payables and accrued liabilities approximate fair value based on the closing date of these instruments.

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RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the COVID-19 epidemic a pandemic. The situation is constantly evolving, and the measures put in place have numerous economic repercussions at the global, national, provincial and local levels. These measures, which include travel bans, solitary confinement or quarantine, voluntary or not, and social distancing, have caused significant disruption among businesses, globally and in Canada, due to the economic slowdown. Governments and central banks responded by implementing monetary and fiscal measures to stabilize the world economy; however, the current challenging economic climate may cause adverse changes in cash flow, the level of working capital and/or the search for future financing, which could have a direct impact on its future financial position. The above conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

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 major risks to which the Company is exposed are detailed below.

(a) Financing risk

The Company must periodically obtain new funds to pursue its activities. While it has always succeeded in doing so to date, there is 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 necessary 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

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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 global 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 the 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 March 31, 2020, the Company had not concluded any off-balance sheet arrangements.

CAPITAL STRUCTURE ON MAY 25, 2020:

| | |
|--|-------------|
| Common shares outstanding | 192,580,762 |
| Stock options (weighted average exercise price of \$0.16) | 13,350,000 |
| Total fully diluted | 205,930,762 |

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OUTLOOK

Chimo Mine Project

Continue the three internal engineering studies and the industrial mineral sorting study to optimize the property's resources.

Continue drilling to increase resources in [Zones 5B4-5M4-5NE](#) and Zone 5CE in the eastern part of the property.

Benoist Project

Continue the internal study of the property's mineralization and continue drill hole planning.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The financial statements and other financial information presented in this MD&A are the responsibility of the Company's management and were approved by the Board of Directors on May 25, 2020.

(s) Philippe Cloutier

Philippe Cloutier
President and CEO

(s) Nancy Lacoursière

Nancy Lacoursière
Chief Financial Officer