

CARTIER RESOURCES INC.

Management's Discussion and Analysis
For the second quarter ended June 30, 2021

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 the Company's operating and exploration results and financial position for the three and six months ended June 30, 2021, compared to the three and six months ended June 30, 2020. This report, dated August 18, 2021, should be read in conjunction with the unaudited interim condensed consolidated financial statements for the second quarter ended June 30, 2021 and the audited financial statements and accompanying notes for the year ended December 31, 2020 and 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, 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 (Canada). 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 to obtain additional financing. While it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. The 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 Company believes it has sufficient liquidity to meet its obligations for the next 12 months.

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The shares of the Company are listed on the TSX Venture Exchange (TSX-V) 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.

THE COMPANY'S ACTIVITIES

Exploration activities

HIGHLIGHTS OF THE SECOND QUARTER OF 2021

The work during the second quarter of 2021 included :

- The continuation of internal engineering studies on the Chimo Mine Property, one addressing the mining plan and the others the preliminary techno-economic analysis.
- The SEDAR filing on May 7, 2021 of a third NI 43-101* gold resource estimate for the Chimo Mine property: 684,000 oz Au in the indicated category and 1,358,000 oz Au in the inferred category.
- A drilling program on the Benoist Property (underway) to increase resources below the Pusticamica deposit and discover new gold zones peripheral to the deposit.
- Compilation, modelling and interpretation work (underway) to prepare a drilling program for the Fenton Property, located 50 km southwest of the municipality of Chapais.
- Commencement of an exploration drilling program by Hawkmoon Resources Corporation, which recently optioned the Wilson Property located 15 km east of the municipality of Lebel-sur-Quévillon.
- The closure on May 12, 2021 of an agreement with Delta Resources Limited (Delta) to give Delta the option to acquire 100% of the Dollier Property. The property is located 30 km south of the municipality of Chibougamau.

*: [NI 43-101 Technical Report and Mineral Resources Estimate Update for the Chimo Mine Project, Québec, Canada, Christine Beausoleil, P.Geol. and Claude Savard, P.Geol. of InnovExplo Inc., March 22, 2021.](#)

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CHIMO MINE PROPERTY

Internal engineering studies

The internal engineering study on optimal development and mining scenarios is nearly complete. The designs aim to minimize costs while recovering as many ounces as possible from the property's three gold corridors.

In parallel, preliminary and internal techno-economic scenarios are being used to analyze the impact of results on the existing mining infrastructure of various potential partners.

SEDAR filing of a third NI 43-101 gold resource estimate

The Company filed its third NI 43-101 gold resource estimate for the property on SEDAR on May 7, 2021. The results are summarized as follows and, in the table, below:

- ✓ **Indicated resources of 6,616,000 tonnes at an average grade of 3.21 g/t Au for a total of 684,000 ounces of gold, and**
- ✓ **Inferred resources of 15,240,000 tonnes at an average grade of 2.77 g/t Au for a total of 1,358,000 ounces of gold.**

The estimate was constrained by the Deswik Stope Optimizer (DSO) at a cut-off grade of 2.0 g/t Au for the North and South corridors and 1.5 g/t Au for the Central corridor, using a gold price of US\$1,612/oz.

Gold Corridor Cut-off Grade (g/t Au)	Indicated Resources			Inferred Resources		
	Metric Tons (t)	Grade (g/t Au)	Troy Ounces (oz Au)	Metric Tons (t)	Grade (g/t Au)	Troy Ounces (oz Au)
North Gold Corridor (> 2.0)	1,119,000	3.85	139,000	1,563,000	3.54	178,000
Central Gold Corridor (> 1.5)	5,053,000	3.03	493,000	11,728,000	2.55	963,000
South Gold Corridor (> 2.0)	444,000	3.61	52,000	1,949,000	3.47	217,000
Total	6,616,000	3.21	684,000	15,240,000	2.77	1,358,000

[NI 43-101 Technical Report and Mineral Resources Estimate Update for the Chimo Mine Project, Québec, Canada, Christine Beausoleil, P.Geo. and Claude Savard, P.Geo. of InnovExplo Inc., March 22, 2021.](#)

The cumulative exploration costs for the Chimo Mine project amounted to \$225,675 by the end of the second quarter.

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BENOIST PROPERTY

Drilling program underway

The deep drilling program below the Pusticamica deposit, which has been underway since January 5, 2021, has completed 17 holes for 10,397 m. Four (4) holes totalling 2,588 m tested the periphery of the Pusticamica gold structure to explore for a second deposit. [All holes drilled below the deposit encountered the sulphide alteration zone of the Pusticamica deposit.](#)

[Drilling will continue below the deposit and over a distance of 2 km to the southwest along the Pusticamica structure.](#)

At the end of the second quarter, the cumulative exploration expenditures for the Benoist project were \$4,161,248.

FENTON PROPERTY

After acquiring 100% of the rights and interests in the Fenton Property on April 13, 2021, the Company compiled all existing data, drill core and samples. The information is being modelled and interpreted to prepare for a drilling program that will aim to increase the size of the gold zone below the Fenton deposit and discover new gold zones peripheral to the deposit.

At the end of the second quarter, the cumulative exploration expenditures for the Fenton project were \$12,624.

WILSON PROPERTY

Hawkmoon Resources Corporation commenced a 29-hole drilling program (5,000 m) to explore the Toussaint gold deposit and the extensions of its host structure, as well as the Midrim showing.

DOLLIER PROPERTY

On May 12, 2021, Cartier signed an option agreement with Delta Resources Limited (Delta). Delta has the option to acquire a 100% interest in the Dollier Property. During the 4-year option period, Delta will have the exclusive right to earn a 100% interest by paying Cartier a total of \$10,000 in cash, by issuing Cartier 600,000 common shares of Delta, and by incurring exploration expenses of at least \$1,000,000 on the Dollier Property. Upon exercising the option, Cartier will retain a production royalty of 2% NSR on the property, half of which (1% NSR) will be redeemable for \$2,000,000 and the other half (1% NSR) for \$15,000,000.

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MACCORMACK AND XSTRATA OPTION PROPERTIES

Partners are being sought to continue the exploration work on these two properties so that Cartier can devote its efforts to other properties whose characteristics closely correspond to its strategy.

QUALITY ASSURANCE / QUALITY CONTROL

The scientific and technical information presented in this MD&A has been prepared and reviewed by Cartier's vice-president, Gaétan Lavallière, P.Geo., PhD, and Cartier's senior geologist, project manager and geomatician, Ronan Déroff, P.Geo., M.Sc., both of whom are qualified persons as defined by National Instrument 43-101 ("NI 43-101"). Mr. Lavallière has approved the information contained in this report.

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Mining assets and deferred exploration costs

	Chimo Mine	Wilson	Benoist	Fenton	Total
<i>Percentage interest</i>	100%	100%	100%	100%	
	\$	\$	\$	\$	\$
Mining assets					
Balance as at December 31, 2020	457,024	72,000	737,723	24,644	1,291,391
Additions	-	-	-	700,000	700,000
Balance as at June 30, 2021	457,024	72,000	737,723	724,644	1,991,391
Deferred exploration costs					
Balance as at December 31, 2020	12,479,389	1,092,447	2,868,318	1,527,325	17,967,479
Additions					
Geology	64,738	-	130,187	11,632	206,557
Drilling	325	-	3,659,473	-	3,659,798
Geophysics	-	-	71,445	-	71,445
Geochemistry	-	-	154,355	-	154,355
Exploration office expenses	226	-	3,551	-	3,777
Engineering	124,193	-	-	-	124,193
Surveying and access roads	-	-	20,468	-	20,468
Core shack rental and maintenance	126	-	1,976	-	2,102
Duties, taxes and permits	30,567	-	33,611	992	65,170
Depreciation of exploration leasehold improvements	58	-	917	-	975
Depreciation of right-of-use assets	576	-	9,026	-	9,602
Interest on lease obligations	80	-	1,256	-	1,336
Share-based payments - employees	4,786	-	74,983	-	79,769
Option sale on properties	-	(291,000)	-	-	(291,000)
Additions during the period	225,675	(291,000)	4,161,248	12,624	4,108,547
Total deferred exploration costs as at June 30, 2021	12,705,064	801,447	7,029,566	1,539,949	22,076,026
Total of mining assets and deferred exploration costs as at June 30, 2021	13,162,088	873,447	7,767,289	2,264,593	24,067,417
Total of mining assets and deferred exploration costs as at December 31, 2020	12,936,413	1,164,447	3,606,041	1,551,969	19,258,870

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

Certain of the Company's properties are subject to royalties.

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Mining assets and deferred exploration costs

	Chimo Mine	Wilson	Benoist	Fenton	Total
<i>Percent interest</i>	100%	100%	100%	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	222,511	-	18,034	-	240,545
Drilling	1,771,470	-	-	-	1,771,470
Geochemistry	72,683	-	-	-	72,683
Exploration office expenses	3,265	-	-	-	3,265
Engineering	215,455	-	-	-	215,455
Core shack rental and maintenance	1,815	-	-	-	1,815
Duties, taxes and permits	24,293	-	1,426	41	25,760
Depreciation of exploration leasehold improvements	975	-	-	-	975
Depreciation of right-of-use assets	11,192	-	-	-	11,192
Interest on lease obligations	1,887	-	-	-	1,887
Share-based payments - employees	29,810	-	-	-	29,810
Total deferred exploration costs during the period	2,355,356	-	19,460	41	2,374,857
Additions during the period	2,355,356	-	19,460	41	2,374,857
Total deferred exploration costs as at June 30, 2020	12,906,040	1,092,447	2,411,427	1,526,221	17,936,135
Total of mining assets and deferred exploration costs as at June 30, 2020	13,363,064	1,164,447	3,149,150	1,550,865	19,227,526
Total of mining assets and deferred exploration costs as at December 31, 2019	11,007,708	1,164,447	3,129,690	1,550,824	16,852,669

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SELECTED FINANCIAL INFORMATION

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Interest income	\$7,882	\$14,656	\$24,363	\$44,741
Administrative expenses	\$389,300	\$288,832	\$767,524	\$619,114
Net loss for the year attributable to shareholders	\$276,320	\$(130,129)	\$(44,276)	\$(211,399)
Basic net loss per share	\$0.00	\$(0.00)	\$(0.00)	\$(0.00)
Weighted average number of common shares outstanding, basic	216,447,149	192,239,277	216,167,111	191,935,022

	Statement of financial position as at June 30, 2021	Statement of financial position as at December 31, 2020
	\$	\$
Cash and cash equivalents	8,607,970	13,271,206
Mining assets and deferred exploration costs	24,067,417	19,258,870
Total assets	34,302,542	33,756,613
Current liabilities	2,432,732	3,298,802
Deferred income and mining taxes	2,983,519	2,339,568
Equity	28,789,453	28,005,551

RESULTS OF OPERATIONS

For the three and six months ended June 30, 2021, the net loss amounted to \$276,320 or \$0.00 per share and \$(44,276) or \$(0.00) per share, compared to \$(130,129) or \$(0.00) per share and \$(211,399) or \$(0.00) per share as at June 30, 2020.

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Interest income was \$7,882 and \$24,363 for the three and six months ended June 30, 2021, compared to \$14,656 and \$44,741 for the same periods in 2020.

General and administrative ("G&A") expenses amounted to \$389,300 and \$767,524, respectively, for the three and six months ended June 30, 2021, compared to \$288,832 and \$619,114 for the same periods ended June 30, 2020. The increase in G&A expenses was primarily related to share-based payments.

The following were the main items constituting the G&A expenses for the three and six months ended June 30, 2021: salaries for \$123,543 and \$236,287, employee share-based payments for \$134,159 and \$255,169, professional fees for \$27,490 and \$70,409, business development expenditures for \$39,963 and \$79,688, investor relations for \$6,767 and \$23,713, and information to shareholders for \$20,121 and \$35,230. For the three and six months ended June 30, 2020, the main items constituting the G&A expenses were the following: salaries for \$110,939 and \$217,455, share-based payments-employees for \$56,542 and \$97,261, professional fees for \$11,906 and \$53,938, business development for \$28,200 and \$63,422, investor relations for \$25,323 and \$67,356, and information to shareholders for \$14,127 and \$25,298.

FINANCIAL INFORMATION SUMMARY

Quarter ended	Interest income	Net loss	Basic and diluted net loss per share	Additions to deferred exploration costs	Weighted average number of common shares outstanding, basic
	\$	\$	\$	\$	
21-06-30	7,882	276,320	0.00	1,830,812	216,447,149
21-03-31	13,534	(59,530)	(0.00)	2,277,735	215,883,962
20-12-31	37,254	(358,473)	(0.00)	664,825	200,931,252
20-09-30	11,896	(282,359)	(0.00)	252,034	204,641,740
20-06-30	14,656	(130,129)	(0.00)	942,525	192,239,277
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

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During the six months ended June 30, 2021, additions to deferred exploration costs amounted to \$4,108,547, including \$4,161,248 on the Benoist Property and \$225,675 on the Chimo Mine Property and on the Wilson property, they were reduced by \$291,000 as a result of the option granted on this property. For the same period in 2020, additions to deferred exploration costs amounted to \$2,374,857, including \$2,355,356 on the Chimo Mine Property and \$19,460 on the Benoist Property.

STATEMENT OF FINANCIAL POSITION

Current

As at June 30, 2021 and December 31, 2020, cash and cash equivalents included the following:

	June 30, 2021		December 31, 2020	
	Amount (\$)	Interest rate (%)	Amount (\$)	Interest rate (%)
1) Account bearing interest	7,234,167	0.20-0.65	11,822,829	0.20-1.85
2) Account without interest	1,373,803	-	1,448,377	-
Total	8,607,970		13,271,206	

As at June 30, 2021, cash and cash equivalents included \$5,217,556 (\$9,364,626 as at December 31, 2020) in funds to be expensed as eligible exploration costs before December 31, 2022.

As at June 30, 2021, working capital was \$7,705,643, compared to \$11,081,450 as at December 31, 2020.

Mining assets and deferred exploration costs

As at June 30, 2021, the Company's mining assets and deferred exploration costs amounted to \$24,067,417, compared to \$19,258,870 as at December 31, 2020.

As at June 30, 2021, the main exploration costs incurred on the Company's properties consisted of drilling for \$3,659,798, geology for \$206,557, geophysics for \$71,445, geochemistry for \$154,355, engineering for \$124,193, offset by the sale of an option granted on Wilson's property of \$291,000. As at June 30, 2020, the main exploration costs consisted of drilling for \$1,771,470, geology for \$240,545 and engineering for \$215,455.

As at June 30, 2021, the cost of the Company's mining rights amounted to \$1,991,391 compared to \$1,291,391 as at December 31, 2020. The increase of \$700,000 is due to the Company's acquisition of the Fenton Property.

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Liabilities

As at June 30, 2021, current liabilities amounted to \$2,432,732, compared to \$3,298,802 as at December 31, 2020. The variation is mainly due to the increase of accounts payable and accrued liabilities of \$439,327 and the decrease of the liability related to flow-through shares of \$1,301,987.

The non-current liabilities, which mainly include deferred income and mining taxes, amounted to \$2,983,519 as at June 30, 2021, compared to \$2,339,568 as at December 31, 2020, by an increase of \$674,351 for the six-month period ended June 30, 2021.

Equity

As at June 30, 2021, the Company's equity was \$28,789,453, compared to \$28,005,551 as at December 31, 2020. This variation comes mainly from the issuance of shares, the exercise of options, the net loss for the period and the effect of share-based payments.

CASH FLOWS

For the six months ended June 30, 2021 and 2020, cash flows used in operating activities amounted to (\$712,180) and (\$428,118), respectively. The cash flows resulted mainly from the net loss for the same periods, which amounted to \$44,276 and \$211,399, respectively. The main items impacting the cash flows for the six-month period ended June 30, 2021, were deferred income and mining taxes of (\$658,036) and employee share-based payments of \$255,169. For the same period in 2020, the main items that impacted the cash flows were deferred income and mining taxes of (\$365,229) and share-based payments-employees of \$97,261.

Cash flows from financing activities amounted to (\$105,736) and (\$144,620) for the six months ended June 30, 2021 and 2020, respectively. During the six-month period ended June 30, 2021, the cash flows resulted mainly from the exercise of options for \$125,000 and the payments on lease obligations for (\$19,264). Cash flows from financing activities for the period ended June 30, 2020 resulted mainly from a loan of \$40,000, the exercise of options for \$131,250 and the payments on lease obligations for (\$19,920).

The cash used in investing activities for the six months ended June 30, 2021 and 2020 were (\$4,056,792) and (\$1,954,048), respectively. The cash flows consisted mainly of exploration assets and deferred exploration costs amounting to (\$4,266,792) and (\$2,063,849), 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.

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As at June 30, 2021, the Company's cash and cash equivalents amounted to \$8,607,970. The Company's financing comes mostly from share issuances, the success of which 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 must maintain its exposure within the financial community to realize new financings.

During the second quarter ended June 30, 2021, the Company issued 2,261,431 shares: 1,261,431 to acquire the Fenton Property and 1,000,000 following the exercise of options. During the year ended December 31, 2020, the Company issued 24,253,200 shares: 21,778,200 for a flow-through private placement and 2,475,000 following the exercise of options.

As at June 30, 2021, the Company had \$5,217,556 in cash reserved for exploration purposes compared to \$9,364,626 as at December 31, 2020.

The Company expects that its current liquidity of \$8,607,970 and its ability to obtain additional financing will support its planned exploration activities and the advancement of its mineral properties for the next fiscal year.

The following table presents the sources of financing during the last eight (8) quarters and up to the date of this report:

Table of Financing Sources				
Date	Type	Financing	Amount (\$)	Primary use of net proceeds
From April 15 to May 25, 2020	Exercise of options	Common shares	125,000	G&A expenses
August 11, 2020	Private placement with broker	Common shares	9,364,626	Drilling programs on the Benoist Property
From May 11 to December 11, 2020	Exercise of options	Common shares	261,250	G&A expenses
December 19, 2019	Private placement without broker	Common shares	78,386	Drilling programs on the Chimo Mine Property
From November 8 to 28, 2019	Exercise of options	Common shares	80,000	G&A expenses
October 31, 2019	Private placement with broker	Common shares	2,943,387	Drilling programs on the Chimo Mine Property

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ACCOUNTING ESTIMATES AND CRITICAL JUDGMENTS

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

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. The Company records all amounts incurred on those claims in the statements of loss for the year.

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 the financial statements, there are no new applicable standards, amendments or interpretations to existing standards to be published or adopted by the Company.

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.

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Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash equivalents bear interest at a fixed rate. In relation to these, the Company is exposed to a limited extent to a change in fair value, because they are redeemable at any time or the Company plans to use them in the short term for its operations. The Company's exposure to cash flow risk related to the interest rate of its loan is limited, since it does not bear interest.

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 sufficient financing sources in the form of private and public investments.

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

All financial liabilities mature in less than 12 months except for a loan, which mature on December 31, 2022.

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,	December 31,
	2021	2020
	\$	\$
Cash and cash equivalents	8,607,970	13,271,206

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.

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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 and evaluated under Level 1.

The carrying amount of cash and cash equivalents, cash reserved for exploration, accounts payables, and accrued liabilities approximate fair value.

The carrying amount of the non-current liability, which includes the loan, approximates its fair value because market conditions have not changed significantly between the date of the transactions and June 30, 2021.

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 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 the Company is exposed to 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.

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(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 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, 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 global 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 CEO. The loss of the President and CEO 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, 2021, the Company had not concluded any off-balance sheet arrangements.

CARTIER RESOURCES INC.

Management's Discussion and Analysis
For the second quarter ended June 30, 2021

CAPITAL STRUCTURE AS AT AUGUST 18, 2021

Common shares outstanding	218,145,393
Share options (weighted average exercise price of \$0.20)	17,400,000
Total, fully diluted	235,545,393

OUTLOOK

Chimo Mine Project

Complete the internal engineering study to design optimal development and mining scenarios aimed at minimizing costs and recovering as many ounces as possible within the three gold corridors of the property.

Continue studying preliminary and internal techno-economic scenarios to assess their impact on the existing mining infrastructure of different potential partners.

Benoist Project

[Continue drilling below the deposit and along the Pusticamica gold structure over a distance of 2 km to the southwest from the deposit.](#)

Fenton Project

Continue the compilation, modelling and interpretation work on the project to prepare for a drilling program that would aim to increase the size of the gold zones below the Fenton deposit and discover new gold zones peripheral to the deposit.

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 August 18, 2021.

(s) Philippe Cloutier
Philippe Cloutier
President and CEO

(s) Nancy Lacoursière
Nancy Lacoursière
Chief Financial Officer