The objective of this Management's Discussion and Analysis report ("MD&A") released by Cartier Resources Inc. (the "Company" or "Cartier") is to allow the reader to assess our operating and exploration results, as well as our financial position for the year ended December 31, 2017, compared to the prior year. This report, dated April 23, 2018, should be read in conjunction with the audited financial statements for the years ended December 31, 2017, and December 31, 2016, as well as with the accompanying notes. The financial statements are 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 toward the resource definition, development and production stages.

## HIGHLIGHTS OF 2017

Drilling programs amounting to 29,000 metres in 56 holes on the Chimo Mine, Wilson, Fenton and Cadillac Extension properties.

## EXPLORATION ACTIVITIES

### Chimo Mine Property

On July 10, 2017, the Company started a 65-hole drilling program totalling 34,000 metres, which is still underway using 4 rigs. The program comprises 8,000 metres of deep holes (1,100 to 1,700 m) and 26,000 metres of shorter holes (300 to 700 m). As at December 31, 2017, a total of 20 holes for 11,365 metres had been drilled on the property. As at February 28, 2018, the total had risen to 28 holes for 19,186 metres, representing 58% of the planned program.

The aim of the deep drilling program is to determine whether the principal cluster of four main gold zones extends below the former Chimo mine. The program involves boring two pilot holes from which a total of 18 deeper holes can be drilled, of which 7 have been completed to date. The shorter hole program will explore the geometric potential extension of gold mineralization below the 19 peripheral gold zones around the main cluster.

The analytical results to date are presented below (tables and figures); all other results are pending.

| Hole | From (m) | To (m) | Length (m) | Au (g/t) | Gold zone | Gold structure |
|---|---|---|---|---|---|---|
| CH17-27 | 685.7 | 690.8 | **5.1** | **4.7** | **5N** | **5N** |
| *including* | 685.7 | 686.2 | 0.5 | 17.7 | | |
| *including* | 689.7 | 690.8 | 1.1 | 9.6 | | |
| CH17-28 | 748.5 | 749.0 | **0.5** | **4.4** | | |
| *included in* | 748.5 | 757.0 | 8.5 | 1.0 | | |
| CH17-29 | 840.0 | 843.0 | **3.0** | **3.8** | **5M** | **5M** |
| *included in* | 834.0 | 847.0 | 13.0 | 1.9 | | |
| CH17-28 | 628.0 | 629.0 | **1.0** | **4.6** | **3** | **3** |
| *included in* | 626.0 | 630.0 | 4.0 | 2.1 | | |

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

| Hole | From (m) | To (m) | Length (m) | Au (g/t) | Gold zone | Gold structure |
|---|---|---|---|---|---|---|
| CH17-15 | 392.5 | 393.0 | 0.5 | 17.1 | **2B** | **2** |
| *included in* | 392.0 | 394.0 | 2.0 | 7.5 | | |
| *included in* | 385.2 | 395.0 | 9.8 | 2.1 | | |
| CH17-19 | 430.2 | 431.2 | 1.0 | 3.2 | | |
| *included in* | 424.9 | 437.0 | 12.1 | 0.8 | | |
| CH17-15 | 455.8 | 456.3 | 0.5 | 9.4 | **3E** | **3** |
| *included in* | 454.8 | 456.8 | 2.0 | 3.6 | | |
| CH17-19 | 463.4 | 464.5 | 1.1 | 3.8 | | |
| *included in* | 456.9 | 464.5 | 7.6 | 0.9 | | |
| CH17-19 | 510.8 | 512.9 | 2.1 | 4.4 | **4E** | **4** |
| *included in* | 506.8 | 519.5 | 12.7 | 1.4 | | |
| CH17-16 | 336.9 | 337.9 | 1.0 | 10.7 | **2B-3E** | **2-3** |

(FIGURE 1 and FIGURE 2) *Lengths are expressed as downhole core lengths. True widths have not yet been determined.*

| Hole | From (m) | To (m) | Length (m) | Au (g/t) | Gold zone | Gold structure |
|---|---|---|---|---|---|---|
| CH17-16 | 315.4 | 315.9 | 0.5 | 56.0 | **2B** | **2** |
| *included in* | 314.9 | 316.9 | 2.0 | 25.2 | | |
| *included in* | 312.4 | 318.9 | **6.5** | **9.4** | | |
| CH17-16 | 406.3 | 407.0 | 0.7 | 12.3 | **4E** | **4** |
| *included in* | 405.1 | 407.0 | **1.9** | **6.3** | | |

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

| Hole | From (m) | To (m) | Length (m) | Au (g/t) | Gold zone | Gold structure |
|---|---|---|---|---|---|---|
| CH17-12 | 433.1 | 434.0 | **0.9** | **26.4** | **5NE** | **5N** |
| *included in* | 430.7 | 434.0 | 3.3 | 7.6 | | |
| CH17-13* | 367.7 | 368.7 | **1.0** | **5.4** | | |
| *included in* | 366.3 | 368.7 | 2.4 | 2.9 | | |
| CH17-10 | 265.2 | 266.2 | **1.0** | **12.5** | **3E1** | **3** |
| *included in* | 258.9 | 266.2 | 7.3 | 2.2 | | |
| CH17-07 | 366.6 | 384.0 | 17.4 | 0.5 | **5BS1** | **5BS** |
| CH17-09 | 399.4 | 408.8 | 9.4 | 0.9 | | |

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

| Hole | From (m) | To (m) | Length (m) | Au (g/t) | Gold zone |
|---|---|---|---|---|---|
| CH17-10 | 431.0 | 432.0 | **1.0** | **11.1** | **5M4** |
| *included in* | 429.8 | 432.0 | 2.2 | 7.3 | |
| *included in* | 417.9 | 432.0 | 14.1 | 2.0 | |
| CH17-12 | 538.5 | 539.0 | **0.5** | **21.0** | |
| *included in* | 538.5 | 540.9 | 2.4 | 5.8 | |
| *included in* | 526.9 | 540.9 | 14.0 | 1.5 | |
| CH17-13 | 418.9 | 419.7 | **0.8** | **5.7** | |
| *included in* | 418.9 | 439.1 | 20.2 | 0.5 | |
| CH17-11A | 484.5 | 485.2 | **0.7** | **3.1** | |
| *included in* | 475.1 | 485.2 | 10.1 | 0.8 | |

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

## Wilson Property

Nineteen (19) holes have been drilled for a cumulative length of 8,050 metres, all intersecting the target structures consisting of altered and mineralized zones. Hole WL17-15 cut the T1 Zone, returning an interval of 6.8 g/t Au over 4.0 m, including 16.1 g/t Au over 1.0 m and 8.4 g/t Au over 1.0 m (FIGURE). Hole WL17-11 cut the T3 Zone grading 8.3 g/t Au over 1.0 m and hole WL17-05 intersected 24.8 g/t Au over 1.0 m and 14.1 g/t Au over 1.0 m at a distance of 100 m north of the T1 Zone.

Gold is concentrated along west-plunging axes formed by two intersecting planes. The two priority axes requiring additional drilling are indicated by purple arrows below the T1 and T3 zones (FIGURE).

## Fenton Property

All 13 holes in the drilling program totalling 7 814 metres on the Fenton Property reached the Fenton gold zone, and the thirteenth also encountered a second zone. In hole 1354-17-13 (FIGURE), the Fenton Zone returned 7.0 g/t Au / 1.0 m within an interval of 0.5 g/t Au / 35.2 m, and the Dyke Zone, situated 100 metres north of the Fenton Zone, returned 8.1 g/t Au / 2.0 m and 7.4 g/t Au / 2.0 m within an interval grading 3.8 g/t Au / 11.0 m, which is included in a wider interval of 2.1 g/t Au / 25.0 m.

| 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 | 378.9 | **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.*

Recall that the Fenton gold zone contains several historical intersections with grades ranging from 1.7 to 4.0 g/t Au over lengths of 24.8 to 52.0 metres in which higher grade intervals range from 6.4 to 24.5 g/t Au over lengths of 2.6 to 7.6 metres (FIGURE). All other analytical results are pending.

On March 1, 2018, Cartier Resources Inc. announced that it had fulfilled all the conditions allowing it to earn a 50% interest in the property for which no royalty was awarded. The other 50% is held by SOQUEM, the manager of the work program.

## Cadillac Extension Property

All four holes (1, 863 m) drilled on the Cadillac Extension Property encountered the polymetallic Cu-Zn-Ag-Au horizon indicated by OreVision anomalies. Hole LAN16-26 intersected massive sulphides grading 5.73% Zn / 0.4 m including 8.40% Zn / 0.2 m (FIGURE) along the southern edge of an OreVision anomaly. A gravity survey will be used to more accurately locate the drill target.

## 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, who is a qualified person as defined by National Instrument 43-101.

(In Canadian $)

**Exploration assets and deferred exploration costs**

| Percent participation | MacCormack [1] | Chimo Mine | Wilson | Cadillac Extension | Benoist [2] | Fenton [3] | Total |
|---|---|---|---|---|---|---|---|
| | 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-offs | (45,885) | - | - | - | - | - | (45,885) |
| **Balance as at December 31, 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 |
| **Additions** | | | | | | | |
| Geology | 296 | 288,768 | 115,785 | 11,901 | 20,967 | 76,115 | 513,832 |
| Drilling | - | 1,342,285 | 740,496 | 154,344 | 98 | 777,524 | 3,014,747 |
| Exploration office expenses | - | 4,268 | 1,116 | 756 | 89 | 705 | 6,934 |
| Surveying and access roads | - | 119,625 | 24,266 | 2,433 | 10,126 | - | 156,450 |
| Core shack rental and maintenance | - | 10,142 | 3,058 | 775 | 420 | 1,852 | 16,247 |
| Duties, taxes and permits | 1,608 | 3,130 | 3,128 | 2,230 | 2,980 | 414 | 13,490 |
| Depreciation of exploration leasehold improvements | - | 3,174 | 936 | - | - | 788 | 4,898 |
| Share-based payments - employees | - | 78,031 | 23,230 | - | - | 17,870 | 119,131 |
| Total deferred exploration costs during the year | 1,904 | 1,849,423 | 912,015 | 172,439 | 34,680 | 875,268 | 3,845,729 |
| Write-off of deferred exploration costs | (448,510) | - | - | - | - | - | (448,510) |
| | (446,606) | 1,849,423 | 912,015 | 172,439 | 34,680 | 875,268 | 3,397,219 |
| Tax credits | - | (5,803) | (7,972) | (14,975) | (3,802) | (978) | (33,530) |
| **Additions during the year** | (446,606) | 1,843,620 | 904,043 | 157,464 | 30,878 | 874,290 | 3,363,689 |
| **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** |
| **Balance of exploration assets and deferred exploration costs as at December 31, 2017** | **3,057,866** | **2,467,690** | **1,153,812** | **2,356,676** | **3,118,410** | **1,361,112** | **13,515,566** |

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

[1] Following an analysis of the work carried out to evaluate the future potential of each of the Company's properties, a portion of MacCormack's projects was abandoned, representing 14 mining titles. As a result, the portions of the properties for these claims and the related exploration expenses were written off for $45,885 and $448,510, respectively.

[2] The Company repurchased a 1.1% NSR royalty on the Benoist property for $75,000 in cash and $40,000 in shares. The remaining NSR royalty is 0.1%.

[3] The company has achieved all the conditions to earn a 50% interest in the Fenton property.

The Company is subject to royalties on certain properties.

**Exploration assets and deferred exploration costs (continued)**

| | MacCormack | Chimo Mine | Wilson | Cadillac Extension | Benoist | Fenton | Total |
|---|---|---|---|---|---|---|---|
| *Percent participation* | 100% | 100% | 100% | 100% | 100% | Option 50% | |
| | $ | $ | $ | $ | $ | $ | $ |
| **Mining properties** | | | | | | | |
| Balance as at December 31, 2015 | 252,756 | 107,024 | - | 3,297 | 622,723 | 10,121 | 995,921 |
| Additions | - | - | 72,000 | 418 | - | 4,250 | 76,668 |
| **Balance as at December 31, 2016** | **252,756** | **107,024** | **72,000** | **3,715** | **622,723** | **14,371** | **1,072,589** |
| **Deferred exploration costs** | | | | | | | |
| Balance as at December 31, 2015 | 3,238,208 | 220,267 | - | 1,889,011 | 2,322,647 | 461,091 | 8,131,224 |
| **Additions** | | | | | | | |
| Geology | 53,508 | 29,049 | 159,961 | 75,724 | 15,119 | 1,025 | 334,386 |
| Drilling | - | 231,979 | 4,653 | 160,276 | 49 | - | 396,957 |
| Exploration office expenses | - | 2,762 | 1,702 | 5,851 | 208 | - | 10,523 |
| Surveying and access roads | 53 | 8,773 | 3 | 30,430 | 3,528 | - | 42,787 |
| Core shack rental and maintenance | - | 10,022 | 6,598 | 18,072 | 55 | - | 34,747 |
| Duties, taxes and permits | 5,533 | 1,524 | 747 | 2,588 | 2,043 | 622 | 13,057 |
| Depreciation of exploration leasehold improvements and equipment | 2,404 | 4,167 | 1,377 | 5,616 | 1,595 | - | 15,159 |
| Share-based payments - employees | 7,610 | 11,553 | 2,728 | 13,137 | 5,240 | - | 40,268 |
| Total deferred exploration costs during the year | 69,108 | 299,829 | 177,769 | 311,694 | 27,837 | 1,647 | 887,884 |
| Tax credits | (9,715) | (3,050) | - | (5,208) | (675) | (287) | (18,935) |
| **Additions during the year** | 59,393 | 296,779 | 177,769 | 306,486 | 27,162 | 1,360 | 868,949 |
| **Balance as at December 31, 2016** | **3,297,601** | **517,046** | **177,769** | **2,195,497** | **2,349,809** | **462,451** | **9,000,173** |
| **Balance of exploration assets and deferred exploration costs as at December 31, 2016** | **3,550,357** | **624,070** | **249,769** | **2,199,212** | **2,972,532** | **476,822** | **10,072,762** |

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

The Company is subject to royalties on certain properties.

## SELECTED FINANCIAL INFORMATION

| | Year ended December 31, 2017 $ | Year ended December 31, 2016 (restated) $ |
|---|---|---|
| **Contractual services income and interest income** | **99,141** | 113,820 |
| **Net loss for the year** | **(1,866,844)** | (692,613) |
| **Basic net loss per share** | **(0.01)** | (0.01) |
| **Basic weighted average number of shares outstanding** | **144,533,390** | 86,193,050 |

| | Statement of financial position December 31, 2017 $ | Statement of financial position December 31, 2016 (restated) $ | Statement of financial position January 1, 2016 (restated) $ |
|---|---|---|---|
| Cash and cash equivalents | **15,706,671** | 5,565,355 | 912,155 |
| Exploration assets and deferred exploration costs | **13,515,566** | 10,072,762 | 9,127,145 |
| Total assets | **29,564,909** | 15,780,569 | 10,151,219 |
| Current liabilities | **2,138,341** | 339,067 | 216,562 |
| Deferred income and mining taxes | **1,741,953** | 1,230,505 | 1,106,826 |
| Equity | **25,684,615** | 13,998,887 | 8,827,831 |

## RESTATEMENT TO PREVIOUS YEARS

The restatement was required due to a change in management interpretation in the accounting for deferred income and mining taxes following discussions with the Company's new auditors. Accordingly, the Company has decided to adjust its financial statements retroactively in order to apply adequately the accounting for deferred income and mining taxes. The change in the interpretation of accounting for deferred income and mining taxed is also consistent with actual practice of exploration mining companies.

This adjustment does not affect the cash flow of the Company.

The comparative financial information of the Company as at January 1, 2016 and December 31, 2016 and for the year ended December 31, 2016 have been adjusted as follows:

*Income taxes and deferred mining taxes*

In the prior year financial statement as at December 31, 2015 and 2016, the Company included deferred income tax liabilities in deferred income and mining taxes in its statement of financial position in the amount of $705,877 and $842,119, respectively. These deferred income tax liabilities relate primarily to taxable temporary differences arising from exploration assets and deferred exploration costs that will reverse either when these assets will be disposed of, amortized if the Company enters into commercial stage, or if the Company ceases exploration activities and abandons the assets. However, non-capital losses as at December 31, 2016 were available to offset and reduce these deferred tax liabilities. Given that that the taxable tempory differences are expected to reverse, it has been determined that additional deferred tax assets related to non-capital losses should have been to be recognized.

As a result, the following adjustments were made to the comparative financial information:

| | Amounts before restatement $ | Restatement $ | Amounts restated $ |
|---|---|---|---|
| Statement of financial position | | | |
| Income taxes and deferred mining taxes as at December 31, 2016 | (2,072,624) | 842,119 | (1,230,505) |
| Income taxes and deferred mining taxes as at December 31, 2015 (Presented as of January 1, 2016 in the current financial statements) | (1,812,703) | 705,877 | (1,106,826) |
| | | | |
| Statement of loss | | | |
| Income taxes and deferred mining taxes | 148,740 | (136,242) | 12,498 |
| Net income attributable to shareholders | (828,855) | 136,242 | (692,613) |
| Loss per basic share | (0.01) | (0.00) | (0.01) |
| | | | |
| Statement of changes in equity | | | |
| Deficit at the beginning of the year | 12,366,629 | (705,877) | 11,660,752 |

## RESULTS OF OPERATIONS

For the year ended December 31, 2017, the net loss amounted to $1,866,844 or $0.01 per share, compared to a net loss of $692,613 or $0.01 per share for the year ended December 31, 2016.

Contractual services income and interest income was $nil and $99,141 respectively as at December 31, 2017 compared to $106,000 and $7,820 as at December 31, 2016. Since January 1, 2017, there are no longer any contractual services.

Administrative expenses amounted to $1,421,323 and $861,418 for the same periods. The increase in administrative expenses for 2017 compared to 2016 was mainly due to employee share-based payments and business development representing variations of $287,465 and $239,621, respectively.

The main items constituting the administrative expenses for the year ended December 31, 2017 were the following: salaries for $326,548, employee share-based payments for $412,666, consultant share-based payments for $70,900, professional fees for $71,208 and business development for $343,478. For the year ended December 31, 2016, the administrative expenses were the following: salaries for $363,306, employee share-based payments for $125,202, professional fees for $68,944 and business development for $103,857.

During the year 2017, the Company wrote off 14 claims on the MacCormack Property causing wrote off at $448,510 in exploration expenses and $45,885 in mining assets. During the 2016 financial year, no write-offs were made by the Company.

## FINANCIAL INFORMATION SUMMARY

| Quarter ended | Interest income and other | Net loss | Basic and diluted net loss per share | Additions of deferred exploration costs | Basic weighted average number of shares outstanding |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | |
| 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 |
| 16-06-30 | 29,514 | (144,313) | (0.00) | 85,016 | 83,267,168 |
| 16-03-31 | 25,145 | (141,257) | (0.00) | 108,665 | 80,432,938 |

During the fourth quarter of 2017, the Company completed exploration work on two properties, Fenton and Chimo Mine. This explains the significant increase in exploration expenses.

On the Fenton property, there were 2 drills rig. Work done during this quarter amounted to $785,486.

On the Chimo Mine property, the Company has significantly increased its mining exploration expenditures due to the acceleration of work by adding another drill rig. With this new rig, the Company began a controlled directional drilling program that is more costly than traditional drilling, thereby increasing the expenditures on the Chimo Mine to $1,170,065.

## STATEMENT OF FINANCIAL POSITION

### Current

As at December 31, 2017 and 2016, the cash and the cash equivalents and the cash reserved for exploration include an account bearing interest and an account without interest, as follows:

| | **December 31, 2017** | | December 31, 2016 | |
|---|---|---|---|---|
| | **Amount ($)** | **Interest rate** | Amount ($) | Interest rate |
| 1) Account bearing interest | **15,580,188** | **0.75%-1.20%** | 900,042 | 0.75%-0.80% |
| 2) Account without interest | **126,483** | **-** | 4,665,313 | - |
| | | | | |
| Total | **15,706,671** | | 5,565,355 | |

Cash and cash equivalents include $4,327,388 ($138,385 in 2016) of funds to be expensed in eligible exploration expenses before December 31, 2018 (December 31, 2017 in 2016). These funds consisted exclusively of cash.

As at December 31, 2017, working capital was $13,904,059 compared to $5,358,590 as at December 31, 2016.

### Exploration assets and deferred exploration costs

As at December 31, 2017, the Company's exploration assets and deferred exploration costs amounted to $13,515,566 compared to $10,072,762 as at December 31, 2016.

As at December 31, 2017, deferred exploration costs amounted to $12,363,862 compared to $9,000,173 as at December 31, 2016.

As at December 31, 2017, additions of deferred exploration costs before taxes credits amounted to $3,845,729 compared to $887,884 for the year end 2016. The main exploration costs consisted of the following: drilling for $3,014,747; geology for $513,832; surveying and access roads for $156,450; and share-based payments-employees for $119,131. As at December 31, 2016, the main addition exploration costs consisted of the following: drilling for $396,957; geology for $334,386; surveying and access roads for $47,787; core shack rental and maintenance for $34,747; and employee share-based payments for $40,268.

The Company regularly assesses all previous exploration work to determine the future potential of each property. Following its most recent assessment, the Company wrote-off a portion of the MacCormack Property representing 14 claims. The related exploration assets and deferred exploration costs, amounting to $45,885 and $448,510, respectively, were written off and charged to the statement of loss.

As at December 31, 2017, mining rights amounted to $1,151,704, compared to $1,072,589 as at December 31, 2016. The increase comes from the Company's commitment to respect its contract with SOQUEM Inc. on the Fenton Property in the amount of $10,000 in shares, as well as the buy-back of 0.9% of the NSR royalty on the Benoist Property for $75,000 in cash, and the buy-back of 0.2% of an NSR royalty from two investors for $40,000 in shares. These amounts were reduced by the write-off of $45,885 in exploration assets on the MacCormack Property.

**Liabilities**

As at December 31, 2017, current liabilities amounted to $2,138,341, compared to $339,067 as at December 31, 2016. The variation is due mainly to the increase in liability related to flow-through shares for a variation of $1,671,284.

Deferred income and mining taxes amounted to $1,741,953 as at December 31, 2017, compared to $1,230,505 as at December 31, 2016. This increase of $511,448 is explained by the renouncement of tax deductions, and by exploration costs incurred by the flow-through shares issued.

**Equity**

As at December 31, 2017, equity was $25,684,615 compared to $13,998,887 as at December 31, 2016. This variation comes mainly from private placements, flow-through private placements, conversion of a debenture into shares, the exercise of warrants, and the comprehensive loss for the period.

## Exercise of options:

During the year 2017, the Company issued 35,000 common shares at a price of $0.19 for a total of $6,650 following the exercise of options whose fair value of the common share was $0.295 at the time of exercise.

## Exercise of warrants:

During the year 2017, the Company issued shares for a total of $1,204,900 following the exercise of warrants: 5,650,000 common shares at a price of $0.13; 175,000 common shares at a price of $0.14; 2,083,334 common shares at a price of $0.15; and 667,000 common shares at a price of $0.20 whose fair value of the common share ranged from $0.19 to $0.35 at the time of exercise.

## Financings:

On December 5, 2017, the Company completed a private placement through Sprott Capital Partners (the "agents"). The Company issued 13,030,000 flow-through shares at a price of $0.33 per flow-through share or total gross proceeds of $4,299,900. In connection with the offering, the agent received a cash commission equal to 6% of the gross proceeds received by the company and broker warrants, equal to 6% of the number of shares sold pursuant. Each broker warrant shall entitle the holder thereof to acquire one common share at a price of $0.27 for a period of 24 months following the closing date. Share issue expenses totalling $499,573 were also applied against the share capital.

The Company also renounced the tax deduction related to the flow-through shares representing an amount of $1,693,900, which reduced the share capital and increased the liabilities related to flow-through shares.

On December 5, 2017, the Company completed a private placement through Sprott Capital Partners (the "agents"). The Company issued 5,000,000 shares at a price of $0.20 per share for total gross proceeds of $1,000,000. In connection with the offering, the agent received broker warrants, equal to 6% of the number of shares sold pursuant. Each broker warrant shall entitle the holder thereof to acquire one common share at a price of $0.27 for a period of 24 months following the closing date. Share issue expenses totalling $50,000 were also applied against the share capital.

On May 31, 2017, the Company repurchased 0.2% of royalty from two investors on the Benoist property. A total of 135,594 common shares were issued for $40,000. Share issue expenses totalling $302 were also applied against the share capital.

On May 30, 2017, the Company completed a private placement through Canaccord Genuity Corp. and Paradigm Capital Inc. (the "agents"). The Company issued 22,250,000 shares at a price of $0.27 per share for total gross proceeds of $6,007,500. In connection with the offering, the agents received a cash commission equal to 6% of the gross proceeds received by the company and broker warrants, equal to 6% of the number of shares sold pursuant. Each broker warrant shall entitle the holder thereof to acquire one common share at a price of $0.27 for a period of 18 months following the closing date. Share issue expenses totalling $650,874 were also applied against the share capital.

On March 20, 2017, the Company completed a private placement through Paradigm Capital Inc. (the "agent"). The Company issued 12,880,000 flow-through shares at a price of $0.27 per flow-through share for total gross proceeds of $3,477,600. In connection with the offering, the agent received a cash commission equal to 7% of the gross proceeds received by the company and broker warrants, equal to 7% of the number of flow-through shares sold pursuant. Each broker warrant shall entitle the holder thereof to acquire one common share at a price of $0.27 for a period of 24 months following the closing date. Share issue expenses totalling $400,521 were also applied against the share capital.

The Company also renounced the tax deduction related to flow-through shares representing an amount of $772,800, which reduced the share capital and increased the liabilities related to flow-through shares.

On February 28, 2017, in agreement with the holders, the Company converted its debenture at a conversion price of $0.13 per common share. A total of 2,307,690 shares were issued for $300,000. In addition, accrued interest totalling $18,763 was also paid in cash.

### Cash Flows

Cash flows used in operating activities amounted to $1,061,444 and $589,672, respectively, for the years ended December 31, 2017 and 2016. The cash flows resulted mainly from the losses before mining and income taxes for the same periods, which amounted to ($1,818,370) and ($680,115), respectively. The impact of the 2017 loss is lessened by the employee share-based payments of $412,666, the consultant share-based payments-consultants of $70,900, the write-off of exploration assets and deferred exploration costs of $494,395, and the interest received of $85,474. The impact of the 2017 loss is an increase in interest income of $99,141 and a net change in non-cash working capital items of $212,287. The impact of the 2016 loss is mainly lessened by the employee share-based payments of $125,202 and the imputed interest of the convertible debenture of $10,809. The impact of the 2016 loss is mainly increased by the gain on disposal of other current financial assets of $ 87,443. The impact of the 2016 loss is mainly an increase in the employee share-based payments of $125,202.

Cash flows from financing activities for the year ended December 31, 2017 amounted to $14,789,066 compared to $5,916,843 for the year ended in 2016. During the 2017 year, these cash flows resulted mainly from private placements totalling $14,785,000 less the share issue expenses of $1,207,484, the exercise of warrants for $1,204,900, and the exercise of options for $6,650. For the same period ended 2016, these cash flows resulted mainly from private placements totalling $5,716,550 less the share issue expenses of $83,979, and from the issuance of a convertible debenture for an aggregate amount of $300,000 less the convertible debenture issue expenses of $15,728.

The cash used in investing activities for the year ended December 31, 2017 was $3,586,307, compared to $673,971 for 2016. The cash used in investing activities consisted mainly of exploration assets and deferred exploration costs amounting to $3,584,616 and $769,259, 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 its ability to issue shares or obtain other sources of financing.

As at December 31, 2017, the Company's cash and cash equivalents amounted to $15,706,671. The Company's financing comes mostly from share issues. The success of these issues depends on the stock markets, investor 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 year ended December 31, 2017, a total of 64,263,618 shares were issued as a result of the following: two private placements for 27,250,000 shares; two flow-through private placements for 25,910,000 shares; 50,000 shares in respect of the Company's contract with SOQUEM Inc.; 2,307,690 shares for the redemption of the debenture; 135,594 shares for the redemption of an NSR

royalty; 35,000 shares following the exercise of options; and 8,575,334 shares following the exercise of warrants. During the year ended December 31, 2016, a total of 32,215,334 shares were issued as the result of eight private placements 250,000 shares following the acquisition of the Wilson Property, and 50,000 shares in respect of the Company's contract with SOQUEM Inc.

Cash reserved for exploration amounted to $4,327,388 as at December 31, 2017, compared to $138,385 as at December 31, 2016. The variation comes from the flow-through financings of $3,477,600 and $4,299,900 completed during the months of March and December 2017, compared to flow-through financings of $405,000 and $416,500 completed in May and June 2016, respectively.

The Company expects that its current capital resources of $15,706,671 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 for 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 |
| Mars 18, 2016 | Assets paid by share issuance | Common shares | 4,250 | The net proceeds of the financing were used primarily for the following purposes: to earn a 50% interest in the Fenton property |
| May 10, 2016 | Private placement without broker | Common shares | 450,000 | The net proceeds of the financing were used primarily for the following purposes: exploration activities, financing general administrative expenses and other working capital requirements |
| June 9, 2016 | Assets paid by share issuance | Common shares | 72,000 | The net proceeds of the financing were used primarily for the following purposes: acquisition of Wilson property |
| June 9 and 13, 2016 | Private placement with broker | Common shares | 416,500 | The net proceeds of the financing were used primarily for the following purposes: Drilling programs on Chimo Mine, Cadillac Extension and Wilson properties |
| August 12, 2016 | Private placement without broker | Common shares | 100,000 | The net proceeds of the financing were used primarily for the following purposes: exploration activities, financing general administrative expenses and other working capital requirements |
| August 17, 2016 | Private placement without broker | Common shares | 150,000 | The net proceeds of the financing were used primarily for the following purposes: exploration activities, financing general administrative expenses and other working capital requirements |
| September | Private | Common | 100,050 | The net proceeds of the financing were |

| | | | | |
|---|---|---|---|---|
| 2, 2016 | placement without broker | shares | | used primarily for the following purposes: exploration activities, financing general administrative 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 general administrative 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 general administrative 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 general administrative 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: earn 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 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 general administrative 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: repurchased a royalty on 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 Chimo Mine, financing general administrative expenses and other working capital requirements |

## LEASES

The Company rents its offices under a lease expiring in March 2021. The lease covering a Company's 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** |
| | **$** | $ | $ |
| December 31, 2017 | **39 496** | 87 410 | 126 906 |
| December 31, 2016 | **41 722** | 117 000 | 158 722 |

## 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 of 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.

## NEW ACCOUNTING POLICIES

*IAS 7, Statement of Cash Flows*
IAS 7, Statement of Cash Flows has been revised to incorporate amendments issued by the IASB in January 2016. The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017. The adoption of IAS 7 did not have a material impact on 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 December 31, 2017, 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 disclose below:

| | **December 31, 2017** | December 31, 2016 |
|---|---|---|
| | **$** | $ |
| Cash and cash equivalents | **15,706,671** | 5,565,355 |
| Other short-term financial assets | **31,600** | 22,713 |
| | | |
| Carrying amounts | **15,738,271** | 5,588,068 |

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 December 31, 2017, the Company had not concluded any off-balance sheet arrangements.

## CAPITAL STRUCTURE ON APRIL 23, 2018:

| | |
|---|---|
| Common shares outstanding | 176,904,747 |
| Stock options<br>(weighted average exercise price of $0.18) | 11,475,000 |
| Warrants<br>(weighted average exercise price of $0.26) | 3,518,400 |
| Total fully diluted | 191,898,141 |

## OUTLOOK

In 2018, the Company will focus on 30,000 metres of diamond drilling on the Chimo Mine and Wilson properties.

## 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 April 23, 2018.

(s) Philippe Cloutier
Philippe Cloutier
President and CEO

(s) Nancy Lacoursière
Nancy Lacoursière
Chief Financial Officer