



**Northern Superior Resources Inc.  
Management's Discussion and Analysis  
For the three months ended March 31, 2020**

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**GENERAL**

This Management's Discussion and Analysis ("MD&A" or "Report") of the financial condition of Northern Superior Resources Inc. ("Northern Superior" or the "Company") and results of operations of the Company for the three months ended March 31, 2020 (the "Period") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at May 14, 2020 (the "Report Date"). The Report should be read in conjunction with the Company's condensed interim financial statements for the three months ended March 31, 2020 and the notes thereto, and the audited financial statements for the year ended December 31, 2019, which have been prepared using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and within which the Company's accounting policies are described in Note 3 (collectively, the "Financial Statements"). All dollar amounts in the Report are in Canadian dollars unless otherwise noted.

On January 3, 2019, the Company received regulatory approval to consolidate its issued and outstanding common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares. Regulatory approval having been received, the common shares of the Company commenced trading on the TSX Venture Exchange ("TSX-V" or the "Exchange") on a post-consolidated basis on January 7, 2019. There was no change to the Company's trading symbol on the TSX-V or the OTCQB. All information relating to earnings/loss per share, issued and outstanding common shares, share options and warrants, and per share amounts in the financial statements and this Report have been adjusted retrospectively to reflect the share consolidation.

The Financial Statements, together with the MD&A, are intended to provide investors with a reasonable basis for assessing the performance and potential future performance of the Company and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward-looking statements, and the Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events. Please refer to the risks and cautionary notices of this MD&A. Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Northern Superior is an exploration stage company engaged in the identification, evaluation, acquisition and exploration primarily of gold properties in Ontario and Québec. The Company is a reporting issuer in British Columbia, Alberta, Ontario and Québec. The Company trades on the TSX Venture Exchange under the symbol SUP and on the OTCQB under the symbol NSUPF.

As at March 31, 2020, the Company has cash and cash equivalents of \$753,118 and working capital of \$670,639. On April 3, 2020, the Company closed a non-brokered private placement for total gross proceeds of \$3,924,000. On May 4, 2020, the Company announced a second non-brokered private placement for minimum gross proceeds of \$1,215,000, which minimum was increased to \$2,000,000 on May 6, 2020; in connection with this second private placement, the Company announced, on May 13, 2020, that it had secured investment commitments totalling \$2,500,000. (see "SUBSEQUENT EVENTS" in this Report). The Company is dependent on raising funds through the issuance of shares and/or attracting joint venture partners in order to undertake further exploration and development of its mineral properties. If the Company is unable to raise additional capital in the future and/or attracting joint venture partners for further exploration on its properties, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. Management is

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aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020. The Company continues to operate its business, and in response to Federal and Provincial emergency measures, has requested its employees and consultants work remotely wherever possible. These government measures, which could include temporary government mandated closures of the Company or its contractors, could impact the Company's ability to conduct its exploration programs in a timely manner, and the Company is evaluating the best way to move its exploration activities forward when the emergency measures are lifted.

This MD&A contains forward-looking statements. Statements throughout this Report with respect to the cost or timeline of planned or expected exploration are all forward-looking statements. As well, statements about growth, financial position, capital adequacy and/or the need for future financing are also forward-looking statements. All forward-looking statements, including forward-looking statements not specifically identified in this paragraph, are made subject to the cautionary language at the end of this document, and readers are directed to refer to that cautionary language when reading any forward-looking statements. Please refer to the cautionary language at the end of this document.

### **STRATEGY**

Corporately, Northern Superior spent much of Q1 re-organizing. This was achieved through strengthening its Board of Directors, re-financing and focusing its exploration efforts on its 100% owned Ti-pa-haa-kaaning (TPK) property.

The Company added three new members to its Board of Directors in Michael Gentile, Gord Morrison and David Medilek (see Northern Superior Resources press releases December 30<sup>th</sup> 2019, January 14<sup>th</sup> and April 15<sup>th</sup> 2020). The Board now consists of a well- networked, vested and engaged group of individuals consisting of a broad range of geological, financial and corporate skills, directly related to the junior mineral exploration industry.

To ensure long- term financial stability for the Company, two key hard dollar financings were completed. The first was a \$437,000 private placement by Michael Gentile bringing him to a 19.9% ownership of the Company (see Northern Superior Resources press release, January 20<sup>th</sup>, 2020). The second was a hard dollar raise of \$705,000, facilitated by four Board members. This increased the Board and Management ownership at the time to 22.4% of the Company. Based on current levels of expenditures, these two financings, coupled with the careful management of the Company's funds prior to Q1, ensures the Company has enough capital for general operating expenses until at least the end of 2021. The reader is encouraged to visit the Company website to review each Board member's biography ([www.nsuperior.com](http://www.nsuperior.com)).

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Northern Superior will focus its exploration efforts on its TPK project, northwestern Ontario. To that end, the Company completed two phases of charitable flow financing to support a TPK focused core drill program. Phase I financing raised \$3,219,000 through the issuance of 8,880,000 Ontario charity flow-through shares priced at \$0.3625 (see Northern Superior Resources press release, April 6<sup>th</sup>, 2020). Phase II financing was announced May 4, 2020 and increased on May 6, 2020. On May 13, 2020, the Company announced it had secured Ontario charity flow-through investment commitments for gross proceeds of \$500,000. This capital, the first significant financing of the TPK property since 2010, permits the Company to fully test the new targeting work and geologic understanding uncovered in late 2019 and early 2020.

The TPK property hosts two district scale mineralized systems. The first system hosts a discovery core drill hole, TPK-10-004, that assayed **25.87 g/t gold over 13.5 m** (see Northern Superior Resources press release, December 13<sup>th</sup>, 2010). This hole occurs within the Big Dam gold grain-in-till dispersal apron, arguably the largest in North America, having a minimum strike length of 6kms and extending 35kms across the property into the New Growth area. Gold grain anomalies of this scale are amalgamated responses from a cluster of gold zones, normally indicating a large gold system or district rather than a single gold zone (see Northern Superior press release, June 21, 2010). In addition, the Annex area hosts a second district scale mineral system from which the Kelley Lake gold grain-in-till dispersal corridor extends. The source area for the gold grains is associated with a gold-bearing system with a strike length of at least 3.5km. Stratigraphic drilling approximately 1km down ice of the head of the Annex till dispersal corridor intersected 5.62 g/t gold over 5.50m which remains to be followed up by additional drilling. Embedded within this corridor are boulders assaying as high as **727 g/t gold, 111 g/t silver and 4.05% copper** (see Northern Superior Resources press release, June 25<sup>th</sup>, 2012)(see Northern Superior Resources Corporate presentation, [www.nsuperior.com](http://www.nsuperior.com)).

Although the TPK property is the primary focus of Northern Superior, its two key Québec mineral properties, Croteau Est and Lac Surprise, are viewed as valuable assets. To allow the Company a broad set of options to unlock the potential of these properties, Northern Superior announced a financing on May 4, 2020, which financing was increased on May 6, 2020, and on May 13, 2020, announced it had secured Québec charity flow-through investment commitments for gross proceeds of \$2,000,000. Drill programs with associated budgets are defined for both properties.

The Croteau Est property hosts a NI 43-101 compliant resource consisting of 640,000 oz gold. Originally modelled as an open pit, gold mineralization associated with this deposit is now understood to be associated high grade gold-bearing shoots: nine defined within a system open at depth and along strike in both directions. Assays derived from drilling this deposit include intersections of: **11.06 g/t gold over 9.10m** (including 43.75 g/t gold over 2.00m), **61.24 g/t gold over 5.95m** (including 705 g/t gold over 0.5 m), **7.50 g/t gold over 7.95m** (including 56.40 g/t gold over 1.00m) and **1.99 g/t gold over 34.65m** (including 9.46 g/t gold over 2.35m)(see Northern Superior Resources press release, January 10<sup>th</sup>, 2018). In addition, several gold showings have also been identified on the property indicating potential for additional gold deposit opportunities (see Northern Superior Resources Corporate presentation, [www.nsuperior.com](http://www.nsuperior.com)).

A drill program on the Lac Surprise property during the fall of 2019 proved the extension of the hydrothermal system associated with the neighboring 3.2 million ounce open pit Nelligan gold deposit, onto the northeast

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part of this property. The discovery hole, LCS-19-008, returned 1.54 g/t Au over 15.15m with related alteration and mineralization mimicking that reported from Nelligan (see Northern Superior Resources press release, December 9<sup>th</sup>, 2019). Like Croteau Est, a number of additional gold showings have been defined on the property indicating the potential for additional gold systems on this property (see Northern Superior Resources Corporate presentation, [www.nsuperior.com](http://www.nsuperior.com)).

### KEY EVENTS Q1 2020

#### **Corporate**

- Increased the depth and effectiveness of the Board by adding three new Board members (Michael Gentile/ Gord Morrison/ David Medilek).
- Ensured long- term viability of the Company through two hard dollar capital financings:
  - \$437,000 private placement by Michael Gentile; and
  - \$705,000 financing by four Board members.
- Decision to focus exploration on the Company's 100% owned TPK property.
- Completed a \$3,219,000 Ontario charitable flow-through financing to ensure adequate capital to fully test key mineral targets on the TPK property identified from a comprehensive targeting exercises completed in 2019 and 2020, and announced a Phase II Ontario charitable flow-through financing, for which, as at the date of this Report, it had secured investment commitments for gross proceeds of \$500,000.
- Announced a financing to provide the Company with a broad spectrum of options to unlock the potential of its Québec assets; as at the date of this Report, the Company had secured Québec charitable flow-through investment commitments for gross proceeds of \$2,000,000.

#### **TPK**

- Identified five key mineral targets within the Big Dam area of the property;
- Developing a focused Phase I core drill program for two of the 5 targets in the Big Dam area(Goose Lake and Little Crying Boy Lake targets);
- Identified three key targets within the Annex area of the property; and
- Developing a focused Phase I core drill program for all three of the Annex targets.

### OUTLOOK AND STRATEGY, Q2-Q4, 2020

With the necessary Corporate restructuring completed, Northern Superior can now focus its attention on developing its mineral properties.

#### **TPK**

- Modelling of the mineralized zones associated with the Goose Lake and Little Crying Boy Lake targets in the Big Dam area;
- Further refinement of the drill targeting associated with the three targets associated with the Annex area;
- Logistic planning and procurement of the various suppliers and contractors in anticipation of initiating a core drill program this summer; and

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- Execution of the core drill program for both the Big Dam and Annex areas (Covid-19 issues permitting).

**Québec Properties**

- Review and refinement of core drill targets associated with both the Croteau Est and Lac Surprise properties; and
- Continue evaluation of the various opportunities available to unlock the potential of these mineral properties.

**Other Properties**

- The Wapistan mineral property is strategically positioned within the James Bay Lowlands, an emerging and important exploration and mining camp in the James Bay Lowlands of Québec. The reconnaissance exploration program completed in the fall of 2018 verified the existence of several historical mineral showings on this property and led to the discovery of four new showings.
- Northern Superior has initiated the process of applying to the Ontario Ministry of Energy, Northern Development and Mines, for an extension of time regarding its mineral claims associated with its Thorne Lake, Rapson Bay and Meston Lake properties, northwestern Ontario. This process was initiated in response to a lack of engagement from Sachigo Lake First Nation with the Company, despite best efforts by the Company to engage Chief and Council and financially supporting local Community events.

**Geoscientific Data Base**

- Historically a project generator, Northern Superior will continue to build its geoscientific data base through acquiring and integrating any new publicly available data and all data generated through its own exploration activities.

**RESULTS OF OPERATIONS**

*Exploration and evaluation property expenditures*

<b>For the three months ended March 31, 2020</b>	<b>Ti-pa-haa- kaa-ning</b>	<b>Croteau Est</b>	<b>Lac Surprise</b>	<b>Wapistan</b>	<b>Total</b>
	(\$)	(\$)	(\$)	(\$)	(\$)
Acquisition, assessment and maintenance	20,221	495	13,518	123	<b>34,357</b>
Analytical	-	-	4,653	-	<b>4,653</b>
Geology	5,999	8,076	12,366	-	<b>26,441</b>
Project administration	5,280	-	3,302	582	<b>9,164</b>
<b>Total expenditures</b>	<b>31,500</b>	<b>8,571</b>	<b>33,839</b>	<b>705</b>	<b>74,615</b>
Refundable tax credits and adjustments	-	(27,731)	(9,244)	(9,244)	<b>(46,219)</b>
<b>Net</b>	<b>31,500</b>	<b>(19,161)</b>	<b>24,595</b>	<b>(8,539)</b>	<b>28,396</b>

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*General and administrative costs*

	Three months ended March 31,	
	2020	2019
	(\$)	(\$)
<b>General operating expenditures</b>		
Consulting fees	21,808	21,914
Legal and accounting	21,954	20,845
Office expenses and salaries	139,743	135,190
Shareholder information	41,566	57,769
Foreign exchange	(94)	37
Taxes	13,434	-
	<b>238,410</b>	<b>235,754</b>
<b>Other items</b>		
Interest income	(1,161)	(6,730)
Share-based payments	-	244,287
	<b>(1,160)</b>	<b>181,864</b>
<b>Loss for the period</b>	<b>237,250</b>	<b>417,618</b>

***For the three months ended March 31, 2020 ("Period") as compared with the three months ended March 31, 2019 ("2019 Period")***

The loss for the Period decreased as compared with the 2019 Period, primarily as a result of reduced shareholder information expenditures on cessation of services provided by various consultants in the Period, and the share-based payments calculated on the grant of incentive stock options during the 2019 Period. Share-based compensation is a non-cash item resulting from the application of the Black-Scholes Option Pricing Model using assumptions in respect of expected dividend yield average risk-free interest rates, expected life of the options and expected volatility. The Company paid taxes in respect of the look-back rule on expenditures incurred during 2019 on flow-through funds received in 2018.

**SUMMARY OF QUARTERLY RESULTS**

The following selected financial data are derived from the Company's quarterly financial statements and from the Financial Statements and should be read in conjunction with the Company's Financial Statements:

Quarter ended	2020	2019				2018		
	March 31	Dec 31	Sept 30	June 30	March 31	Dec 31	Sept 30	June 30
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Interest (expense) income	1,161	1,644	3,088	4,637	6,731	6,640	2,941	2,161
Net (Loss)	(237,250)	(3,682)	(168,674)	(211,007)	(417,618)	(350,775)	(191,359)	(268,684)
Net (loss) per share (basic and diluted)	(0.01)	-	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.10)
Total assets	8,887,682	8,616,095	9,097,441	9,129,565	9,550,762	9,485,488	8,789,551	8,995,787

**FINANCIAL CONDITION, LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN**

The Company is not in commercial production on any of its mineral properties and accordingly, it does not generate cash from operations. The Company finances its activities by raising capital through the equity markets, and its investment policy is to keep its cash on deposit in an interest-bearing Canadian chartered bank account. Given the volatility in equity markets, uncertainties in the markets due to COVID-19 and



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results of exploration activities, management constantly reviews expenditures and exploration programs and equity markets in order that the Company have sufficient liquidity to support its growth strategy.

On January 20, 2020, the Company closed a non-brokered private placement for gross proceeds of \$437,000 and on April 3, 2020, the Company closed a non-brokered private placement for total gross proceeds of \$3,924,000, of which \$705,000 is available for working capital purposes. At March 31, 2020, the Company has working capital (current assets less current liabilities) of \$670,639 (December 31, 2019: \$417,919), has incurred a loss for the period of \$237,250 (year ended December 31, 2019: \$800,981) and has an accumulated deficit of \$67,079,312 (December 31, 2019: \$66,842,062). (See "*SUBSEQUENT EVENTS*" in this Report).

The Company's cash position is highly dependent on the ability to raise cash through financings and the expenditures on its exploration programs. As results of exploration programs are determined and other opportunities become available to the Company, management may seek to complete external financings as required in order to fund further exploration.

The outlook is based on the Company's current financial position and is subject to change if opportunities become available based on current exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its resource to partners. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term but recognizes that there will be risks involved which may be beyond its control.

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**OUTSTANDING SHARE CAPITAL INFORMATION AT THE REPORT DATE**

Common shares - issued and outstanding 53,458,912

	Exercise price (\$)	Expiry Date	Shares issuable (#)	
<b>Warrants</b>	0.100	January 21, 2023	6,242,858	<b>6,242,858</b>
<b>Stock options</b>	0.500	November 5, 2020	95,000	
	1.000	August 1, 2021	50,000	
	0.500	November 21, 2021	105,000	
	0.650	April 23, 2022	660,000	
	0.500	November 30, 2022	355,000	
	0.220	March 29, 2024	1,030,000	
			<b>2,295,000</b>	
				<b>61,996,770</b>

**RELATED PARTY TRANSACTIONS**

The Company has arrangements pursuant to which parties related to the Company by way of directorship or officership provide certain services, either directly or through companies owned or controlled by the officers and directors. Transactions were in the normal course of operations and all of the costs recorded are based on estimated fair value. Key management personnel consist of Thomas Morris (President and CEO), Jeannine Webb (CFO), Daniel Rothberg (Corporate Secretary), François Perron (Chairman of the Board of Directors), Andrew Farncomb, David Beilhartz, Michael Gentile (effective December 30, 2019), Gordon Morrison (effective January 10, 2020), David Medilek (effective April 15, 2020), (independent, non-executive Directors of the Company).

During the periods ended March 31, 2020 and 2019, the Company incurred fees for services for services, net of any share-based payments, by these parties as follows:

	<b>March 31,</b>	
	<b>2020</b>	2019
	(\$)	(\$)
CEO and President	<b>56,250</b>	56,250
Company controlled by CFO	<b>12,000</b>	12,000
Corporate Secretary	<b>9,000</b>	9,000
	<b>77,250</b>	77,250

*Directors' Compensation*

Each independent Director is paid a fee of \$20,000 per annum, with the Chairman of the Board and the Chairman of the Audit Committee each receiving an additional \$5,000 per annum. Fees are due quarterly,

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with one-half of the fees payable in common shares of the Company, subject to TSX-V approval. Effective October 1, 2019, only the portion of fees payable in common shares of the Company are in effect.

	March 31,	
	2020	2019
	(\$)	(\$)
Directors' fees	13,750 <sup>(1)</sup>	27,500 <sup>(2)</sup>

<sup>(1)</sup> At March 31, 2020, a total of \$13,750 was owed to Directors in respect of Directors' fees.

<sup>(2)</sup> At March 31, 2019, a total of \$68,750 was owed to Directors in respect of Directors' fees incurred during the period ended March 31, 2019 and prior periods.

### ACCOUNTING STANDARDS

#### Critical accounting estimates and judgments

The preparation of the Financial Statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### *Judgments*

- (i) The assessment by management of the Company's liquidity position and whether going concern disclosure is required in the financial statements.

As part of this process, management prepares cash flow budgets detailing expected expenditures for at least the next twelve months. The assessment of the Company's liquidity position takes into account the Company's working capital position, the timing of discretionary and non-discretionary expenditures and also the status of any potential equity financings.

- (ii) The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and these assets have been accounted for under the assumption that the carrying value will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves.

Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets. Management reviewed exploration and evaluation assets for the years ended December 31, 2019 and 2018 and did not identify any impairment indicators.

#### *Estimates and assumptions*

The Company uses the fair-value method of accounting for share-based payments related to stock options and share purchase warrants granted, modified or settled. Under this method, cost attributable

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to options granted is measured at fair value using the Black Scholes option pricing model. In determining fair value, the Company makes estimates of the expected volatility of the stock and the risk free interest rate and assumptions about the expected life and the forfeiture rates of the options.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet financing arrangements.

#### **SUBSEQUENT EVENTS**

- Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020. The Company continues to operate its business, and in response to Federal and Provincial emergency measures, has requested its employees and consultants work remotely wherever possible. These government measures, which could include government mandated closures of the Company or its contractors, could impact the Company's ability to conduct its exploration programs in a timely manner, and the Company is evaluating the best way to move its exploration activities forward when the emergency measures are lifted.
- On April 3, 2020, the Company closed a non-brokered private placement ("Private Placement") for total gross proceeds of \$3,924,000. The Private Placement comprised charity flow-through common shares of the Company ("Ontario Charity FT Shares") at \$0.3625 per Ontario Charity FT Share, and common shares of the Company ("Shares") priced at \$0.25 per Share. Pursuant to the closing of the Private Placement, the Company issued 8,880,000 Ontario Charity FT Shares for gross proceeds of \$3,219,000 and 2,820,000 Shares for gross proceeds of \$705,000.
- On April 15, 2020, David Medilek, P.Eng., CFA, was appointed to the Board of Directors of the Company. Mr. Medilek is a mining professional with over 12 years of mine engineering, capital markets, and merger and acquisition experience. Mr. Medilek began his career as a mining engineer with Barrick Gold Corp, after which he became a mining investment banker with Cormark Securities Inc. and subsequently an equity research analyst at Macquarie Group Ltd.
- On May 4, 2020, the Company announced a non-brokered private placement (the "Offering") to raise minimum gross proceeds of \$1,215,000. The Offering will consist of a minimum of 2,250,000 charity flow-through shares (the "Québec Charity FT Shares") priced at \$0.54 per Québec Charity FT Share. The Company may elect to increase the size of the Offering by issuing additional Québec Charity FT Shares and/or charity flow-through shares ("Ontario Charity FT Shares") at \$0.435 per Ontario Charity FT Share.
- On May 6, 2020, the Company announced an increase to the Offering such that the minimum gross proceeds has risen to \$2,000,000 (the "Increased Offering"). The Increased Offering will consist of a minimum of 2,962,963 Québec Charity FT Shares for gross proceeds of \$1,600,000 and 919,540 Ontario Charity FT Shares for gross proceeds of \$400,000. On May 13, 2020, the Company announced it had secured investment commitments totalling \$2,500,000, as to 3,703,704 Québec Charity FT Shares for gross proceeds of \$2,000,000 and 1,149,426 Phase II Ontario Charity FT Shares for gross proceeds of \$500,000.

## RISKS AND UNCERTAINTIES

### General

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, may be insufficient in quantity and quality to return a profit from production at a given time. The Company evaluates its property interests on an ongoing basis and intends to abandon properties that fail to remain prospective. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. At the time of writing this Report the Company expects to incur further property acquisition, and development and exploration expenses. The Company has a history of incurring losses and deficits and is subject to a number of risks and uncertainties due to the nature of its business and present stage of explorations, such as, but not limited to, the risks discussed below and contained elsewhere in this Report. In addition to the other information presented in this Report, the reader is directed to the risks discussed in the Financial Statements. The Company, and thus the securities of the Company, should be considered a highly speculative investment, and investors should carefully consider all of the information disclosed in this MD&A prior to making an investment in the Company as well as during their time as investors.

### Coronavirus (COVID-19)

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020. The Company continues to operate its business, and in response to Federal and Provincial emergency measures, has requested its employees and consultants work remotely wherever possible. These government measures, which could include government mandated closures of the Company or its contractors, could impact the Company's ability to conduct its exploration programs in a timely manner, and the Company is evaluating the best way to move its exploration activities forward when the emergency measures are lifted.

### Limited Financial Resources and Going Concern

The Company has no significant source of operating cash flow and no revenues from operations. The Company has limited financial resources, no operating revenues and its ability to continue operating as a going concern is dependent upon management's success in raising additional monies to sustain the Company until cash flow from operations is adequate to sustain the Company's viability. Substantial expenditures are required to be made by the Company and/or its development partners to establish ore reserves and develop a mining operation. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. At present, the Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing exploration budgets.

Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's projects and the Company may become unable to carry out its business objectives. The Financial Statements contain a note that indicates the existence of material uncertainties that raise substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through the issuance of capital stock or joint ventures, and to realize future profitable production or proceeds from the disposition of its mineral interests.

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### Management's Discussion and Analysis

### For the three months ended March 31, 2020

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While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a materially adverse outcome on the Company and its securities, and its ability to continue as a going concern.

#### Title and Rights

The Company has investigated title to all of its exploration properties and, to the best of its knowledge, title to all of its properties, and properties that it has the right to acquire or earn an interest in are in good standing; however, the Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. These defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such properties.

The Company's properties may also be subject to Aboriginal/First Nations or other historical rights that may be claimed on Crown properties or other types of tenure with respect to which mineral rights have been conferred. Except for the lawsuit relating to the Company's Meston Lake, Rapson Bay and Thorne Lake properties, as described in this Report, the Company is not aware of any Aboriginal land claims having been asserted or any legal actions relating to issues having been instituted with respect to any of the exploration & evaluation assets in which the Company has an interest. The Company is in ongoing communication with the Aboriginal/First Nations communities associated with its properties, and is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration activity, and is supportive of measures established to achieve such co-operation.

#### Market

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

#### Metal and Commodities Prices

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of such product. Factors beyond the control of the Company may affect the marketability of any minerals discovered. No assurance may be given that metal prices will remain stable. Significant price fluctuations over short periods of time may be generated by numerous factors beyond the control of the Company, including domestic and international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The effect of these factors on the price of minerals and therefore the economic viability of any of the Company's exploration projects cannot accurately be predicted. As the Company's properties are in the exploration stage, the above factors have had no material impact on present operations or income.

#### Exploration and Development

All of the Company's properties are in the exploration stage and no known reserves have been discovered on such properties. There is no certainty that the expenditures to be made by the Company or its option partners in the exploration of its properties described herein will result in discoveries of metals in commercial quantities or that any of the Company's properties will be developed. Most exploration projects do not result in the discovery of economic deposits of metals and no assurance can be given that any particular level of recovery of metals will in fact be realized or that any identified resource will ever qualify as a commercially



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mineable (or viable) resource which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permit regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of metals ultimately discovered may differ from that indicated by drilling results. There can be no assurance that metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

#### Exploration, Development and Operating

Mineral exploration and mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of base metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. The financing, exploration, development and mining of any of the Company's properties is furthermore subject to a number of macroeconomic, legal and social factors, including commodity prices, laws and regulations, political conditions, currency fluctuations, the ability to hire and retain qualified people, the inability to obtain suitable adequate machinery, equipment or labour and obtaining necessary services in jurisdictions in which the Company operates. Unfavourable changes to these and other factors have the potential to negatively affect the Company's operations and business.

#### Political and Economic Instability

The Company's activities in Canada are subject to risks common to operations in the mineral exploration and mining industry in general. Mineral exploration and mining activities and production activities may be affected in varying degrees by political stability and government regulations relating to this industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety.

#### Environmental

Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development and a higher level of responsibility for companies and their officers, directors and employees. There is no assurance that future changes to environmental legislation in Canada will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown at present and which have been caused by previous owners or operators. Furthermore, future compliance with environmental reclamation, closure and other requirements may involve significant costs and other liabilities. In particular, the Company's operations and exploration activities are subject to Canadian federal and provincial laws and regulations governing protection of the environment. Such laws are continually changing and, in general, are becoming more restrictive.

#### Competition in the Mineral Exploration Industry

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition could adversely affect the Company's ability to acquire suitable new prospects for exploration in the future.

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Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel.

Key Personnel

The Company's operations are dependent to a large degree on the skills and experience of certain key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a materially adverse outcome on the Company and its securities.

Uninsurable

The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

**FORWARD-LOOKING STATEMENTS**

Certain of the statements made herein may constitute "forward-looking statements" or contain "forward-looking information" within the meaning of applicable Canadian securities laws. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the potential for mineralization at the Company's properties, the timelines to complete the Company's exploration programs, timing for permit applications, timing for resource estimates, timing to complete technical reports, forecasts for exploration expenditures, estimates of future administrative costs and statements about the Company's future development of its properties.

Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in mineral exploration and mine development including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; the potential for unexpected costs and expenses and commodity price; uncertain political and economic environments; changes in laws or policies, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties, including those described under Risk Factors.

Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of commodities; that the Company can access financing, appropriate equipment and sufficient labour and that the political environment will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements. The Company does not intend to update forward-looking statements or information, except as may be required by applicable law.



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**QUALIFIED PERSON**

The Company's disclosure of a technical or scientific nature in this Report has been reviewed and approved by Dr. T.F. Morris (President and CEO of the Company), a Qualified Person ("QP") (as defined in National Instrument 43-101, "Standards of Disclosure for Mineral Projects").

**APPROVAL**

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the Financial Statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

**ADDITIONAL INFORMATION**

Additional information is available on the Company's website at [www.nsuperior.com](http://www.nsuperior.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).