



**Northern Superior Resources Inc.
Management's Discussion and Analysis
For the year ended December 31, 2019**

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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 year ended December 31, 2019 (the "Period") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at April 6, 2020 (the "Report Date"). The Report should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2019 and 2018 and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") (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.

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 December 31, 2019, the Company has cash and cash equivalents of \$429,159 and working capital of \$417,919. 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 ("Private Placement") for total gross proceeds of \$3,924,000 (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.

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.

PRESIDENT'S MESSAGE

The Company was successful in executing its 2019 two-pronged exploration strategy as laid out in the 2019 Q1 Management's and Discussion Analysis report. First, the Company not only met, but exceeded the mandate outlined by its former option partner on the Ti-pa-haa-kaa-ning (TPK) property by discovering not one, but eight gold-bearing shear zones large enough to host an economic deposit of gold. These newly completed holes, coupled with a thorough re-interpretation of historic drill core (2017) and new proprietary geologic interpretation (2019, 2020), has led the Company to what we feel is a major breakthrough in targeting for the upcoming drill program at TPK. We now feel that we are potentially on the cusp of a major discovery.

Secondly, at our Lac Surprise property in Quebec, the Company successfully defined the extension of the hydrothermal system associated with the neighboring Nelligan gold deposit onto the Lac Surprise property, with discovery hole LCS-19-008 returning 1.54 g/t Au over 15.15m. The Nelligan deposit contains 3.2 million ounces of gold and lies approximately 5km away to the east and along strike from our Lac Surprise property. With this important discovery hole we now know that the same system responsible for the emplacement of the Nelligan gold deposit extends onto the Lac Surprise property.

We are quite pleased to see the major uptick of mineral exploration activity and interest in the Chapais-Chibougamou mining camp in 2019. The acquisition of large land packages for mineral exploration have been staked within this camp by several newly formed Company's including Dore Copper (DCMC) and Blue Thunder (BLUE). Subsequently, well-funded exploration programs have led to exceptional discoveries such as the Nelligan gold deposit (see IAMGOLD press release, October 23, 2019), Monster Lake (Toma Gold/IAMGOLD Joint Venture, 132 claims, 5,806.6 ha) and Osisko Mining (OSK) Windfall project which is now above 5mm oz of gold resources. This bodes very well for both our Lac Surprise and Croteau Est properties heading into 2020.

With the recent addition of Michael Gentile and Gord Morrison onto the Board (Q4 2019 and Q1 2020, respectively), coupled with the completion of a hard dollar financing in January 2020 securing the viability of the Company into 2021, Northern Superior undertook a thorough re-evaluation of its assets. While the bear market for gold and gold equities has been long and painful for the industry and our shareholders, we feel that the tide has now turned and the outlook for gold and for our company has never been better. Through careful management of the Company's treasury and share structure, maintaining the integrity of

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its mineral properties, adding significant value to those properties through strategic and measured exploration programs during the down turn and maintaining excellent relationships with key First Nation communities, Northern Superior finds itself in an enviable position relative to its peers with 3 high quality assets (TPK, Croteau Est and Lac Surprise) that have both scale, existing discoveries and drill ready targets ready for follow up drilling in a rapidly improving gold market.

Following the major strategic review and the aforementioned breakthroughs in targeting and geologic understanding at TPK along with the exciting new discovery at Lac Surprise in late 2019, the Company increased its efforts to reintroduce the Northern Superior story to investors during the months of January and February 2020, culminating in the successful financing that just closed on April 3, 2020 (see Northern Superior press release April 6, 2020) This financing generated proceeds of \$3,924,000, including \$705,000 hard dollars at \$0.25 per share, further ensuring overhead costs are covered until the end of 2021, and \$3,219,000 of Ontario Charity FT shares at \$0.3625 per share, which will fund the largest exploration program at TPK in over 8 years. This will allow us to fully test the new targeting work and geologic understanding uncovered in late 2019 and early 2020 at TPK and hopefully lead to a major new discovery at TPK in 2020.

Northern Superior was also very pleased to welcome New Gold Inc. as a new 9.99% shareholder of the company in the month of April 2020 and further validates the great progress made at our Company over the last 12 months. Currently the top 15 shareholders of Northern Superior own over 73% of the shares outstanding. The Company is very pleased to have such a strong and supportive list of long term holders.

With a fully funded treasury, compelling drill ready targets at TPK and rising interest in our Québec assets, 2020 promises to be a very exciting year for Northern Superior shareholders. The management team and board will continue to work tirelessly to unlock the significant value we feel is present in the shares of our Company at current levels. While many companies speak of how undervalued their company may be, our board and management team has put our money where our mouth is by purchasing 24% of the shares in the most recent financing for a total of \$705,000 dollars or 2,820,000 shares. Currently our board and management own 11,973,458 shares or 22.5% of all the shares outstanding.

We feel that we now have the right assets, people, shareholders and financial position to make 2020 a great year for Northern Superior. I look forward to reporting to you on the progress of the Company in 2020 as we continue to move the Company forward.

Tom Morris
President and CEO

KEY EVENTS 2019

Corporate

- Completed the difficult but necessary consolidation of the Company's common shares on the basis of one (1) post-consolidated common share for every 10 pre-consolidated common shares.
- 3 year Extension of the Early Exploration Benefits Agreement with Neskantaga First Nation on TPK project;

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- Resumption of 100% control at our TPK project;
- Discovery Hole at Lac Surprise Property;
- Restructuring, Board of Directors; and
- Announcement, initiation of a private placement.

TPK:

- Completion, 15 hole, 3,228m core drill program;
- Successfully met and exceeded the mandate of the core drill program which was to define a regional-scale, bedrock hosted mineralized system(s) capable of hosting economic concentration of gold as indicated by the unique regional scale gold signature observed within the overburden associated with the Big Dam area of the property;
- Discovered 8 such systems (see Northern Superior press release, May 15, 2019);
- Completed integrating geoscientific data derived from the Q1/Q2 core drill program;
- Completed prioritization of the eight gold-bearing shear zones identified in the Big Dam area of the Property from the Q1/Q2 core program;
- Completed review of geoscientific data from the Annex area of the Property;
- Completed planning and budgeting for next phase exploration programs for both the Big Dam and Annex areas of the TPK property; and
- **Began major reinterpretation of the geologic model and historical drill core resulting in the identification of 5 key targets in the Big Dam area and 3 within the Annex area of the property.**

Lac Surprise:

- Completed planning for an unmanned Aerial Vehicle-Mounted (UAV) Magnetic Geophysics Survey, covering an area of 119.8km² with 2,430.57 line kilometers of flight lines (see Northern Superior Resources press release, February 6, 2019);
- Executed and completed drone-supported airborne magnetic survey over the northern half of the Property;
- Completed integration and interpretation of data derived from the 2019 Q1/Q2 drone aerial magnetic survey;
- Completed core drill planning and budgeting for the northeastern part of the property (see Northern Superior press release, September 10, 2019);
- Executed and completed the core drill program consisting of 12 core drill holes (4,400m) for the northeastern part of the property (see Northern Superior press release, October 23, 2019); and
- **Discovery hole LCS-19-008 returning 1.54 g/t Au over 15.15m with related alteration and mineralization observed in this hole and others affirms the extension of the hydrothermal system associated with the neighboring 3.2 million ounce Nelligan gold deposit onto the Lac Surprise property.**

Croteau Est :

- Completed a review of all geoscientific data associated with the NI 43-101 compliant gold resource (CBSZ);
- **Designed a core drill program to determine the extension of high grade gold shoots** (including 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 5.95 m *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, 1.99 g/t gold over 34.65m *including* 9.46 g/t gold over 2.35m) associated with the CBSZ, east and west of the gold deposit and to depth; and

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- **Designed core drill programs to test at least 4 key gold showings identified across the property.**

Geoscientific Data Base :

- Completed integration of data derived from the TPK 2019 core drill program into the property's data base;
- Completed integration of data derived from the Lac Surprise 2019 drone aerial magnetic survey into the property's data base; and
- Continued growth of the Company's geoscientific database from the acquisition of newly published, publicly available geoscientific data (database now almost a terabyte in size).

OUTLOOK AND STRATEGY, 2020

TPK Project

The opportunity to unlock the district scale potential at TPK has never been better. The program for the first time since 2012 now has the committed financial resources necessary to properly test several key targets associated with both District scale mineralized systems (Big Dam and Annex) defined within the confines of the property. All these targets, 5 in the Big Dam area and 3 in the Annex area, were developed over a two year period through the careful evaluation of all high quality geoscientific data and the lessons learned from historic exploration programs. The program can move forward with confidence following the recent three year extension of the Early Exploration Benefits Agreement with the Company's local stakeholder, Neskantaga First Nation.

The Company has planned a fully funded 20 to 30 hole core drill program with core lengths varying in length between 250- 500m. The current plan will test the Goose Lake and Little Crying Boy Lake targets defined in the Big Dam area of the property and the three key targets defined within the Annex area of the property. The intention is to initiate this program this summer, or as soon as we and our stakeholders on this project determine that the current Covid-19 pandemic has abated sufficiently to allow for the safe execution of the program. The reader is encouraged to review the TPK project section of the Company's Corporate presentation on its website (www.nsuperior.com).

Québec Projects

Northern Superior is currently evaluating several options to effectively advance its two key, 100% owned Lac Surprise and Croteau Est projects (see Northern Superior corporate presentation, www.nsuperior.com). Both assets have significant discoveries already made on the properties and thus for a modest amount of capital (\$1,000,000) each property has drill ready follow up targets to expand the existing footprint of mineralization at both Croteau Est and Lac Surprise. Although the Company has already received multiple indications of interest in the assets, Northern Superior may choose to advance one or both properties in a meaningful way on its own given the modest capital required and our view of the significant upside that exists at each asset which is not currently being reflected in our stock price.

Lac Surprise

This property has many compelling targets already defined (see Northern Superior corporate presentation, www.nsuperior.com). However, the discovery of the gold-bearing hydrothermal system extending from the 3.2 million ounce Nelligan Gold deposit onto the Lac Surprise property late in 2019 makes this target a priority. The Company has developed an exploration program designed to further refine the hydrothermal system associated with the Nelligan gold deposit. The total budget for this program would be approximately \$1.2million.

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Croteau Est

This property already has an NI 43-101 compliant gold resource defined (CBSZ). However, as clearly defined from subsequent drill programs the system is open at depth and along strike in both directions. In fact, an understanding of where gold mineralization occurs within the related system lead to the last two phases of drilling having a success rate of 96% in terms of intersecting high-grade gold shoots (including 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 5.95 m *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*, 1.99 g/t gold over 34.65m *including 9.46 g/t gold over 2m*). Due to a lack of funds during the severe bear market, the extensions of these shoots were never followed up on with additional drilling. (see Northern Superior corporate presentation, www.nsuperior.com).

During the bear market, the Company invested wisely in low cost prospecting programs which lead to the discovery of several gold showings across the property. These discoveries lend credibility to the concept that where a large gold-bearing system occurs hosting gold mineralization such as the CBSZ, there are likely more such opportunities on the land package which is 12,454 hectares in size. Currently there are four other gold showings identified on the Croteau Est property that should be tested.

The Company has developed a 13 hole, 4,800m core drill program to follow up on those significant 2017-2018 intercepts and define the extension of the gold mineralization within the CBSZ along strike to the west, east and at depth. Total cost of this program is approximately \$900,000. In addition, the Company has a plan to test four key gold showings identified elsewhere on the property through a seven hole, 1,400m core drill program, a budget of approximately \$260,000.

As with the Lac Surprise project, this exploration program is designed to be flexible. The programs can either be combined, or individually modified, to increase or decrease program size and budget depending on results.

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.

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ANNUAL FINANCIAL INFORMATION

As at and for the years ended December 31,	2019 (\$)	2018 (\$)	2017 (\$)
Interest (expense) income	16,100	6,256	(6,575)
Net (Loss)	(800,981)	(880,606)	(1,646,260)
Net (loss) per share (basic and diluted)	(0.02)	(0.03)	(0.10)
Total assets	8,616,095	9,485,488	10,011,917

RESULTS OF OPERATIONS

Exploration and evaluation property expenditures

	Ti-pa-haa- kaa-ning (\$)	Croteau Est (\$)	Lac Surprise (\$)	Wapistan (\$)	Total (\$)
Acquisition, assessment and maintenance	99,218	3,077	7,978	2,844	113,117
Analytical	116,435	620	180,799	104	297,958
Geophysics	-	-	252,113	-	252,113
Geology	84,893	15,560	58,252	-	158,705
Drilling	1,621,613	(21,156)	539,953	-	2,140,410
Research	-	-	-	-	-
Project administration	1,638	-	2,401	-	4,039
Total expenditures	1,923,797	(1,899)	1,041,496	2,948	2,966,342
Recoveries	(498)	-	-	-	(498)
Refundable tax credits and adjustments	-	(32,605)	-	-	(32,605)
Recovery from option agreement	(2,000,000)	-	-	-	(2,000,000)
Net	(76,701)	(34,504)	1,041,496	2,948	933,239

General and administrative costs

	Years ended December 31,		Three months ended December 31,	
	2019 (\$)	2018 (\$)	2019 (\$)	2018 (\$)
General operating expenditures				
Consulting fees	86,465	86,978	21,510	19,078
Legal and accounting	66,478	72,011	20,700	37,125
Office expenses and salaries	500,478	600,244	96,128	145,242
Shareholder information	149,045	355,105	12,325	140,351
Travel	1,469	7,837	118	6,221
Foreign exchange	337	208	9	(50)
Taxes	-	-	(4,350)	(7,343)
	804,272	1,122,382	146,440	340,622
Other items				
Interest income	(16,100)	(6,256)	(1,646)	(6,640)
Management fees	-	-	90,366	-
Share-based payments	255,233	16,790	10,946	16,790
Ontario litigation	-	(252,311)	-	-
Flow-through share premium recovery	(242,424)	-	(242,424)	-
	(3,291)	(241,777)	(142,759)	10,150
Loss for the period	800,981	880,605	3,682	350,772

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For the year ended December 31, 2019 ("Year") as compared with the year ended December 31, 2018 ("2018 Year")

The loss for the Year decreased by approximately \$80,000 compared to the prior year. The major variances year on year relate to shareholder information costs, share based payments, the Ontario litigation settlement and the impact of flow through shares. Share-based compensation of \$255,000 arose on the granting of incentive stock options during the Period, an increase of \$238,000 year on year, and as a result of increased option grants during the Year. Consulting fees were in line for the Period as compared with 2018 Period, office expenses and salaries decreased by approximately \$100,000 on reduction of Directors' fees in the fourth quarter of the Period and the continued efforts by the Company to reduce costs, and shareholder information decreased on cessation of services provided by various consultants in the 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. In connection with a financing completed in 2018 and as a result of the funds being fully expended in the Year, the Company recognized the extinguishment of a flow-through premium liability of \$242,000 as a credit to the statement of loss.

For the three months ended December 31, 2019 ("Q4/19") as compared with the three months ended December 31, 2018 ("Q4/18")

The decrease in loss for Q4/19 as compared with the loss of Q4/18 results from the reduction of Directors' fees, the continued efforts by the Company to reduce costs and cessation of services provided by various consultants to the Company. In connection with a financing completed in 2018 and as a result of the funds being fully expended, the Company recognized a flow-through share credit of \$242,000 to the statement of loss. Shareholder information costs and office expenses reduced for the reasons outlined in the paragraph directly above.

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	2019				2018			
	Dec 31	Sept 30	June 30	March 31	Dec 31	Sept 30	June 30	March 31
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Interest (expense) income	1,644	3,088	4,637	6,731	6,640	2,941	2,161	(5,486)
Net (Loss)	(3,682)	(168,674)	(211,007)	(417,618)	(350,775)	(191,359)	(268,684)	(69,788)
Net (loss) per share (basic and diluted)	-	-	-	-	-	-	-	-
Total assets	8,616,095	9,097,441	9,129,565	9,550,762	9,485,488	8,789,551	8,995,787	9,322,982

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. Should the Company wish to continue fieldwork on its exploration projects, further financing will be required and the Company will either have to go to the market or engage a strategic partner to achieve this. Given the volatility in equity markets, unfavorable market conditions in the mining industry,

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uncertainties in the markets due to COVID-19, cost pressures and 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.

During 2018, the Company completed a financing for total flow-through gross proceeds of \$999,999. As at December 31, 2019, the Company had cash and cash equivalents of \$429,159 (December 31, 2018: unrestricted cash and cash equivalents of \$915,639) to settle trade payables and accrued liabilities totaling \$138,827 (December 31, 2018: \$443,740). During the Year, the Company received total advances of \$2,000,000 for exploration expenditures at the Company's TPK property (as to \$1,000,000 each on January 15, 2019 and April 1, 2019). 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 ("Private Placement") for total gross proceeds of \$3,924,000, of which \$705,000 is available for working capital purposes (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 (#)	
Warrants	0.100	January 21, 2023	6,242,858	6,242,858
Stock options	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	
			2,295,000	
				61,996,770

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), Arthur Murdy (until December 4, 2019), John Kiernan (until January 10, 2020), (independent, non-executive Directors of the Company), and Daniel Meldrum (V-P, Exploration until June 24, 2018).

During the years ended December 31, 2019 and 2018, the Company was charged for services, net of any share-based payments, by these parties as follows:

	<u>December 31,</u>	
	2019	2018
	(\$)	(\$)
CEO and President	225,000	225,000
Company controlled by CFO	48,000	48,000
Corporate Secretary	36,000	36,000
VP-Exploration	-	78,000
	309,000	387,000

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, 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.

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	2019 (\$)	2018 (\$)
Directors' fees	95,571 ⁽¹⁾	117,912 ⁽²⁾

(1) At December 31, 2019, a total of \$81,821 was owed to Directors in respect of Directors' fees, payable in common shares of the Company. Shares to be issued are subject to TSX-V approval, with the number of shares issuable to be determined based on the closing price of the Company's shares on the date such shares are issuable.

(2) At December 31, 2018, a total of \$41,250 was owed to Directors in respect of Directors' fees, as to \$13,750 payable in cash, and \$2,500 payable in common shares of the Company. Shares to be issued are subject to TSX-V approval, with the number of shares issuable to be determined based on the closing price of the Company's shares on the date such shares are issuable.

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

- a) 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.
- b) On January 20, 2020, the Company closed a non-brokered private placement for gross proceeds of \$437,000, pursuant to which the Company issued 6,242,858 units ("Unit") at \$0.07 per Unit, to a Director of the Company. Each Unit consists of one common share of the Company and one non-transferable share purchase warrant ("Warrant"), with each Warrant allowing for the purchase of one additional common share of the Company at \$0.10 per share until January 21, 2023.
- c) 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.
- d) On March 23, 2020, the Company issued, in the aggregate, 389,365 common shares to certain current and former Directors in satisfaction of unpaid Directors' Fees totalling \$81,766. The shares were issued at a deemed price of \$0.21 per share.
- e) On March 4, 2020, options allowing for the purchase of up to, in the aggregate, 250,000 common shares of the Company expired.
- f) On January 10, 2020, John Kiernan resigned as a Director and Gordon Morrison was appointed to the Board of the Company. Mr. Morrison brings a very successful career of mineral discovery to Northern Superior in addition to his deep and varied experience in the mineral exploration and mining industry. Mr. Kiernan remains active with the Company in an advisory capacity.

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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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 or on SEDAR at www.sedar.com.