Northern Superior Resources Inc.
Management's Discussion and Analysis
For the three and six months ended June 30, 2016 and 2015
(Expressed in Canadian dollars)

GENERAL

This Management's Discussion and Analysis ("MD&A"), is intended to assist the reader in understanding and assessing the trends and significant changes in the results of operations and financial condition of Northern Superior Resources Inc. (the "Company" or "Northern Superior"). This MD&A should be read in conjunction with the unaudited condensed interim financial statements of the Company, including the notes thereto, for the six months ended June 30, 2016 and 2015 (the "financial statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") for interim financial statements, as issued by the International Accounting Standards Board, and the annual MD&A for the year ended December 31, 2015. This MD&A has taken into account information available up to and including August 29, 2016. All dollar amounts are in Canadian dollars unless otherwise stated.

As at June 30, 2016, the Company has cash and cash equivalents of $1,307,210 and working capital of $869,784. In May 2016, the trial between Northern Superior and the Government of Ontario (the "Ontario litigation") was completed with the judge ruling against the Company ("the trial decision"). On August 26, 2016, the Ontario Superior Court of Justice ordered Northern Superior to pay an aggregate of $440,570 in costs to the Province of Ontario in connection with the lawsuit. At June 30, 2016 the Company provided for the full amount as decided by the Court; both the trial decision and the cost award are now under appeal to the Ontario Court of Appeal and the Company will not be required to pay any amount to the Province until the appeal has been heard and a decision rendered.

While the Company has enough funds to allow it to continue its planned activities in the normal course, 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 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 beyond 2017.

This MD&A contains forward-looking statements. For example, statements in the "Outlook" section are forward-looking, and any statements elsewhere 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.

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 and trades on the TSX Venture Exchange under the symbol SUP.

This MD&A contains forward-looking statements. Please refer to the cautionary language at the end of this document.

STRATEGY:

Responding to an improved commodities market, Northern Superior will initiate (for the first time in four years) an aggressive marketing campaign through September, October and November of 2016. Northern Superior has appointed two firms to provide capital market advisory services.

The focus of this activity will be to draw interest to the Company's 100% owned Croteau Est gold property. Within this property a mineralized body has been identified, referred to as the Croteau-Bouchard shear zone (CBSZ), having an inferred resource of 640,000 ounces of gold (11.6 million tonnes at 1.7g/t gold), determined using a gold cut-off of 1.0 g/t Au. The inferred mineral resource estimate is based on 64 core drill holes (20,643 m), with a collar spacing of greater than 50 m over a strike length of 550m. The mineralization associated with the CBSZ has a strike length of 1.1 km and up to 150m in width. This mineralized body is open along strike and depth. Structural studies completed within the Croteau Est property suggests a potential for additional mineralized bodies to exist on the property.

Marketing is also drawing attention to the Company's other assets, specifically the 100% owned Ti-pa-haa-kaa-ning (TPK) gold- silver- copper property in northwestern Ontario, and the Lac Surpise and Wapistan properties in Québec.

Northern Superior continues to update its proprietary data base by adding additional geoscientific data from the public domain. This data, coupled with more advanced stage opportunities from the addition of data derived from a property evaluation exercise of its Thorne Lake, Rapson Bay and Meston Lake properties, provides Northern Superior with a unique asset from which additional projects can generated. Twenty two (22) such projects have already been identified (in Québec), with one of those projects recently having been staked (Wapistan).

HIGHLIGHTS:

Two key activities were completed on Northern Superior properties during the second quarter of 2016: 1) the Company's option partner on the 100% owned Lac Surprise property completed a 12 hole, 1,700m core drill program; and 2) engagement with Neskantaga First Nation, involving a community meeting and a site visit to Northern Superior's Rowlandson Lake camp, situated on the Company's 100% owned TPK property.

Lac Surprise Property

The completion of a 12 hole (1,700m) core drill and prospecting programs associated with the Amber showing was deemed a significant success in that (see press release July 11, 2016):

- Coincident IP chargeability highs with Au-in-soil anomalies, the presence of which is a good indicator of underlying gold mineralization, providing a reliable exploration tool to generate targets for future drilling programs;
- Recovery of high grade gold results in grab and channel samples from the gold- bearing feldspar porphyry (Amber Showing, South IP Trend);

- Discovery of a new gold bearing horizon within the anomalous Amber Showing, Central IP Trend, which also appears to continue east beyond the Amber Showing within the Lac Surprise property;
- Confirmation that gold mineralization is structurally controlled; and
- Completion of a geologic technical report summarizing the results from the core drill and prospecting programs.

TPK Property

The Community meeting with Neskantaga and Rowlandson camp visit accomplished:

- Current update on status of the TPK property to the community and continued support from the community for the TPK project; and
- Condition of the camp remains excellent, little effort required to bring the camp up to operational status to support the next phase of exploration on the TPK property.

OUTLOOK, 2016

Lac Surprise Property Outlook

Review and completion of a next phase exploration program and budget for specific areas within the Lac Surprise property.

Marketing

Northern Superior has engaged consulting firms to support the Company's marketing efforts through Q3 and Q4 of 2016. The primary focus of these marketing efforts are to draw attention to one of Northern Superior's key asset, the Croteau Est gold project, west - central Québec. The property already has a defined inferred resouce of 640,000 at 1.7 g/t Au, based on just 64 core drill holes (50m collar spacing) and which management beleives can be expanded with minimal cost.. Northern Superior is looking for option/ JV partners for this property and it's other assets.

Ontario Litigation

The trial associated with Northern Superior's lawsuit against the Ontario Government was completed in November, 2015. This civil lawsuit was filed by Northern Superior in October of 2013 seeking, amongst other things, damages of $110 million consisting mainly of amounts expended to date as well as for the lost value of its properties, as a result of lost access to its Meston Lake, Rapson Bay and Thorne Lake exploration properties (the "Properties"). Unfortunately, the judge ruled in favor of Ontario in May of 2016. Since then, the Company has filed an appeal citing 65 errors in the trial judge's decision. As all facts in the case were presented at trial, the appeal process will involve judgement of the errors cited based upon review of those facts by a three judge panel. The Company has also appealed the latest decision of the Court related to the payment by the Company of the Province trial expenses of $440,570 (fully provided for at June 30, 2016). As the process is out of the hands of the Company, Northern Superior will now turn its full attention back to its exploration programs.

(Expressed in Canadian dollars)

Geoscientific Data Base

Northern Superior continues to update its geoscientific data base through the addition of public domain geoscientific data and updating the metadata file. The Company also identified a number of more advanced stage opportunities from the addition of data derived from a property evaluation exercise of its Thorne Lake, Rapson Bay and Meston Lake properties, associated with the Company's litigation against the Ontario Government.

RESULTS OF OPERATIONS

For the three and six months ended June 30, 2016, the Company incurred exploration and evaluation property expenditures before tax credits and cost recoveries of $32,968 and 99,815, respectively (same periods in 2015 – $75,557 and $222,600, respectively). The majority of the expenditures in 2016 were incurred on the TPK property ($65,650 spent in the first half of 2016 compared).

A net loss of $655,353 and $888,349 was recorded, respectively for the three and six months ended June 30, 2016 (same periods in 2015 - $478,012 and $972,272 respectively). The net loss for both periods of 2016 include the provision of $440,570 for the Province expenses in relation to the Ontario litigation (refer to the "Ontario Litigation" section under Outlook, 2016 on this MD&A). The Company spent $33,132 and $37,707 of litigation related costs, respectively for the three and six months ended June 30, 2016 compared to $288,486 and $474,452 spent respectively in the same periods in 2015.

For the three and six months ended June 30, 2016, the Company's operating expenses, net of Ontario litigation costs, depreciation and share-based payments, declined by 23% compared to the previous year as the Company continued to reduce overhead costs.

The Company reports share-based payments by expensing a portion of such costs to office expense and consulting fees, and allocating a portion of such costs to exploration properties for employees involved in exploration work.

The allocation of share-based payments for the three and six months ended June 30, 2016 and 2015 was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
Consulting fees	**2,000**	$1,587	**4,411**	$3,174
Office expense	**3,000**	13,580	**8,485**	27,160
	5,000	15,167	**12,896**	30,334
Capitalized on exploration and evaluation properties	**-**	2,752	**-**	5,504
Total share based payments	**$5,000**	$17,919	**$12,896**	$35,838

SUMARY OF QUARTERLY RESULTS

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's interim condensed consolidated financial statements:

(Expressed in Canadian dollars)

Quarter ended	**June 30, 2016**	March 31, 2016	December 31, 2015	September 30, 2015
Interest income	**5,300**	$2,975	$4,632	$5,739
Net loss	**($655,353)**	(232,996)	($2,794,510)	($577,360)
Net loss per share* - basic and diluted	**($0.00)**	($0.00)	($0.01)	($0.00)
Total Assets	**$5,053,626**	$5,254,266	$5,448,004	$8,527,117

Quarter ended	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Interest income	$7,237	$8,457	$12,013	$11,097
Net loss	($478,012)	($494,260)	($9,668,282)	($307,756)
Net loss per share* - basic and diluted	($0.00)	($0.00)	($0.05)	($0.00)
Total Assets	$8,956,895	$9,505,153	$9,873,902	$19,455,683

**Basic and diluted loss per share calculated based on the weighted average number of shares outstanding*

The net loss for the quarter ended December 31, 2015 and 2014 includes write down of exploration and evaluation properties of $2,548,449 and $9,236,059, respectively. In the last quarter of 2014 the Company accrued $135,000 for one time severance payments to one executive of the Company.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

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. At June 30, 2016 the Company had $1,307,210 of cash and cash equivalents and no debt, other than current trade accounts payable of $72,509. The Company's working capital as at June 30, 2016 was $869,784 (including the provision of 440,570 for the payments to the Province of Ontario as ordered by the judge in August 26, 2016; the Company is appealing the trial decision and costs award).

Cash used in operating activities during the three and six months ended June 30, 2016 was $189,443 and $340,490 respectively (same periods in 2015 - $487,731 and $932,507, respectively) and includes overhead expenditures and $33,132 and $37,707 of spending, respectively for the three and six months ended June 30, 2016 in relation to the Company's litigation with the Government of Ontario (same periods in 2015 - $288,486 and $472,454, respectively).

Prepaids and receivables at June 30, 2016 include $9,706 (December 31, 2015 - $30,825) in government sales taxes receivable, 14,262 (December 31, 2015 - $21,821) interest receivable, $21,160 (December 31, 2015 - $26,755) in prepaid expenses and advances and $15,753 (December 31, 2015 - $154,862) in refundable tax credits on exploration expenditures in Québec ($139,409 in Quebec refundable tax credits received in the first quarter of 2016). The Company also has long-term receivables of $3,241 in refundable tax credits from eligible exploration expenditures in Québec (December 31, 2015 - $3,241).

The Company's principal activity is the acquisition and exploration of exploration and evaluation properties. During the three and six months ended June 30, 2016, the Company incurred expenditures, including movements in working capital of $43,025 and $122,171, respectively (same periods in 2015 - $164,125 and $237,874, respectively) on exploration and evaluation properties and received $15,428 and $154,837, respectively in cost recoveries for joint venture partners and Quebec refundable tax credits (same periods in 2015 - $29,047 and $56,337 respectively). The Company's investment policy is to keep its cash on deposit in an interest-bearing Canadian chartered bank account.

(Expressed in Canadian dollars)

The Company does not hold any asset-backed commercial paper.

OUTSTANDING SHARE CAPITAL

At August 29, 2016, Northern Superior had 189,577,969 outstanding common shares outstanding and the following stock options:

Options outstanding	Exercise price
5,525,000	$0.050 - $0.100
2,275,000	$0.101 - $0.200
1,255,000	$0.201 - $0.24
9,055,000	

RELATED PARTY TRANSACTIONS

For the three and six months ended June 30, 2016 Northern Superior paid $7,500 and $12,500, respectively, to a company controlled by its current Chief Financial Officer ($18,114 and $36,240 paid, respectively, in the same periods in 2015 to a company controlled by the then Chief Financial Officer), for accounting and management services, which amounts are included in office expenses.

All related party transactions are in the normal course of operations and measured at the exchange amount agreed to between the related parties. For the purposes of disclosure, related parties are defined as the officers and directors of the Company and companies controlled by the officers and directors.

ACCOUNTING POLICIES, STANDARDS AND JUDGEMENTS

Changes in Accounting Policies

The Company has adopted the following new standard, along with any consequential amendments, effective January 1, 2016. These changes were made in accordance with the applicable transitional provisions.

Amendments to IAS 16, *Property, Plant and Equipment*, and IAS 38, *Intangible Asset*s: *Clarification of Acceptable Methods of Depreciation and Amortization*

On May 12, 2014, the IASB issued Amendments to IAS 16, Property, Plant and Equipment, and IAS 38, Intangible Assets. In issuing the amendments, the IASB has clarified that the use of revenue-based methods to calculate the depreciation of a tangible asset is not appropriate because revenue generated by an activity that includes the use of a tangible asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption for an intangible asset, however, can be rebutted in certain limited circumstances. The standard is to be applied prospectively for fiscal years beginning on or after January 1, 2016 with early application permitted. These amendments did not impact the Company's condensed interim financial statements.

IFRS 11, *Joint Arrangements*

On May 6, 2014 the IASB amended IFRS 11, Joint Arrangements ("IFRS 11"). The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments did not impact the Company's condensed interim financial statements.

IAS 1, *Presentation of Financial Statements*

On December 18, 2014 the IASB amended IAS 1, Presentation of Financial Statements ("IAS 1"). The amendments to existing IAS 1 requirements relate to materiality; order of the notes; subtotals; accounting policies; and disaggregation. The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments did not impact the Company's condensed interim financial statements.

IAS 19, *Employee Benefits*

On November 13, 2013 the IASB amended IAS 19, Employee Benefits ("IAS 19"). The amendments provide additional guidance to IAS 19 on the accounting for contributions from employees or third parties set out in the formal terms of a defined benefit plan. The amendments are effective for annual periods beginning on or after July 1, 2014. IAS 19 was further amended on July 30, 2014. The amendments to IAS 19 clarify the application of the requirements of IAS 19 on determination of the discount rate to a regional market consisting of multiple countries sharing the same currency. The amendments are effective for annual periods beginning on or after January 1, 2016. The amendments did not impact the Company's condensed interim financial statements.

Accounting Standards Issued but not yet Effective

IFRS 15, *Revenue from Contracts and Customers*

IFRS 15, *Revenue from Contracts and Customers* ("IFRS 15") was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard.

On July 22, 2015, the IASB deferred the mandatory effective date of IFRS 15 by one year to January 1, 2018 (with earlier application still permitted). The Company does not expect the implementation of IFRS 15 to impact its condensed interim financial statements.

IFRS 9, *Financial Instruments*

IFRS 9, *Financial Instruments* ("IFRS 9") was issued by the IASB on July 24, 2014, and will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9; fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held-for-trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative host contracts not within the scope of this standard. The effective date for this standard is for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 9 on its condensed interim financial statements.

IFRS 16, *Leases*

IFRS 16, *Leases* ("IFRS 16") was issued by the IASB on January 13, 2016, and will replace IAS 17, *Leases*. The new Standard will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15, *Revenue from Contracts with Customers,* has been applied. The Company does not expect the implementation of IFRS 16 to impact its financial statements.

IAS 7, *Statement of Cash Flows*

On January 29, 2016, the International Accounting Standards Board (IASB) published amendments to IAS 7, *Statement of Cash Flows*. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. They are effective for annual periods beginning on or after January 1, 2017, with earlier application being permitted. The Company is currently evaluating the impact of IAS 7 on its financial statements.

Use of Estimates and Judgments

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Impairment of assets

The carrying amounts of evaluation and exploration properties and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset by asset basis, except where such assets do not generate cash flows independent of other assets, and then the review is undertaken at the cash generating unit level ("CGU").

The assessment requires the use of estimates and assumptions such as, but not limited to, long-term commodity prices, foreign exchange rates, discount rates, future capital requirements, resource estimates, exploration potential and operating performance as well as the CGU definition. It is possible that the actual fair value could be significantly different from those assumptions, and changes in these assumptions will affect the recoverable amount of the mining interests. In the absence of any mitigating valuation factors, adverse changes in valuation assumptions or declines in the fair values of the Company's CGUs or other assets may, over time, result in impairment charges causing the Company to record material losses.

The Company considers both external and internal sources of information in assessing whether there are any indications that exploration and evaluation assets are impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of the assets. Internal sources of information the Company considers include the manner in which exploration and evaluation properties and equipment are being used or are expected to be used and indications of economic performance of the assets.

Environmental rehabilitation

Significant estimates and assumptions are made in determining the environmental rehabilitation costs as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates.

Those uncertainties may result in actual expenditures in the future being different from the amounts currently provided, if any.

Deferred income taxes

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the statement of financial position date, if any, could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company and its subsidiaries operate could limit the ability of the Company to obtain tax deductions in future periods.

Share based payments

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in note 3(c) of the Company's audit financial statements for the year ended December 31, 2015 and 2014. The fair value of stock options is measured using the Black-Scholes option valuation model. The fair value of stock options granted using valuation models is only an estimate of their potential value and requires the use of estimates and assumptions.

OFF-BALANCE SHEET ARRANGEMENTS

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

RISKS AND CONTROLS

Financial Instruments Risk Exposure

The Company is exposed to financial risks sensitive to changes in commodity prices, foreign exchange and interest rates. The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. For a more detailed discussion on the financial instruments risk exposure refer to the MDA for the year ended December 31, 2015. There are no significant changes on the Company's risk exposure as it relates to Financial Instruments.

Other Risks and Uncertainties

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. In addition to the other information presented in this Report, the following risk factors should be given special consideration when evaluating an investment in the Company's securities.

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, are insufficient in quantity and quality to return a profit from production.

The Company evaluates its property interests on an ongoing basis and intends to abandon properties that fail to remain prospective. At the time of writing the Company expects to incur further property exploration and acquisition expenses.

The Company's business is subject to exploration and development risks

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 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.

Political and economic instability may affect the Company's business

The Company's activities in Canada are subject to risks common to operations in the mining industry in general.

The Company's properties are subject to title risks

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 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 under Litigation Against Government of Ontario, the Company is not aware of any Aboriginal land claims having been asserted or any legal actions relating to Aboriginal issues having been instituted with respect to any of the exploration & evaluation assets in which the Company has an interest. The Company is in continuous communication with the interested parties in regards to these two properties. The Company 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.

Environmental risk

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.

The mineral exploration industry is extremely competitive

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. 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.

Metal prices affect the success of the Company's business

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.

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 mine exploration and 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.

QUALIFIED PERSON

Dr. T.F. Morris (President and CEO) is currently the Company's Qualified Person ("QP") (as defined in National Instrument 43-101, "Standards of Disclosure for Mineral Projects") for all projects, except the Croteau Est gold project. Mr. Ron Avery is the QP for the Croteau Est gold project. As the Company's QP, Dr. Morris has prepared or supervised the preparation of the scientific or technical information for the properties as referred to in this MD&A, except for the Croteau Est gold property. Mr. Avery was responsible for the preparation and supervision of scientific and technical information for Croteau Est gold project.

ADDITIONAL INFORMATION

Additional information is provided in the Company's audited financial statements for the year ended December 31, 2015. These documents are available on SEDAR at www.sedar.com.