

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the years ended December 31, 2012, and 2011
(Expressed in Canadian dollars)

GENERAL

The information in this Management's Discussion and Analysis, or MD&A, is intended to assist the reader in the understanding and assessment of the trends and significant changes in the results of operations and financial conditions of Northern Superior Resources Inc. (the "Company" or "Northern Superior"). This MD&A should be read in conjunction with the audited financial statements of the Company, including the notes thereto, for the years ended December 31, 2012 and 2011 and the MD&A of such financial statements, and other information relating to the Company on file with the Canadian provincial securities regulatory authorities on SEDAR at www.sedar.com.

The Company's audited financial statements for the years ended December 31, 2012 and 2011 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has taken into account information available up to and including March 7, 2013.

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.

HIGHLIGHTS

Recognizing the importance of the Croteau Est gold discovery and the challenges facing the Company in a difficult market, Northern Superior made a key addition to the Board of Directors, Frédéric Lecoq, an individual with considerable experience within the financial community of Québec. In addition, the Company reconciled its management and staffing needs to more appropriately reflect the Company's current level of exploration.

The Company's exploration programs are currently focused on two properties: a) the Croteau Est/Waconichi property of west-central Québec; and b) the Ti-pa-haa-kaa-ning (TPK)/ New Growth/ New Growth Annex property of northwestern Ontario. Discoveries made to date on both these properties indicate the potential for a large-scale gold system or district on each.

Awards of Distinction:

- Awarded the Association L'Exploration Minière du Québec (AEMQ) Prospector of the Year Award for 2012, for discoveries made on the Croteau Est gold property by Northern Superior in 2012.

Financial:

- Approximately \$8.2 million cash on hand (March 2013).

Croteau Est/ Waconichi:

- Extended the Croteau-Bouchard shear zone to 1.1km long (west- east). This shear zone remains open along strike in both directions, defined to 575m depth and remains open at depth, and as wide as 180m;

Northern Superior Resources Inc.
Management's Discussion and Analysis

For the years ended December 31, 2012, and 2011
(Expressed in Canadian dollars)

- Extended the mineralized zone within the Croteau- Bouchard shear zone to 850m long (west to east). This mineralized zone remains open along strike in both directions, has been defined to 525m depth and remains open to depth, and as wide as 150m;
- Defined several high grade lenses within the Croteau-Bouchard mineralized zone;
- Identified several additional targets across both the Croteau Est/ Waconichi gold properties, including the Croteau Nord shear zone;
- Initiated a 1200m core drilling program to further define the Croteau-Bouchard mineralized zone and test a target associated with the Croteau Nord shear zone;
- Initiated a 160 hole reverse circulation drill program, designed to identify additional targets on both the Croteau Est and Waconichi gold properties; and
- Engaged the Cree Nation of Oujé-Bougoumou, the Grand Council of the Crees and the Cree Regional Authority in negotiating a Pre-Development Agreement.

TPK

- Re-gained 100 % control of the TPK property. Northern Superior now has 100% control of a large, continuous land package consisting of three properties (TPK/ New Growth and New Growth Annex) within which the Company has defined: a) a 24km (minimum strike length) long gold-bearing shear zone; b) a second gold target on the New Growth property; and c) a new greenstone belt with gold, silver copper potential on the New Growth Annex property; and
- Engaged Neskantaga First Nation in negotiating an Early Economic Benefits Agreement that would cover all three properties.

OUTLOOK

Northern Superior finds itself in an enviable position relative to its peers, with regard to the difficult markets the junior exploration industry currently finds itself. The Company has a strong treasury and two excellent, large scale gold or district-scale exploration projects in a commodity (gold) that continues to retain the interest of the investment community. In particular, the Croteau Est/ Waconichi gold properties represent a tremendous opportunity for Northern Superior shareholders as demonstrated by the geology and mineralogy observed thus far: this, in an exploration/ mining friendly environment, with easy access to the property by road, with nearby rail, mill and other key support services, and in a Province with a progressive and favorable tax structure for exploration. The Company intends to focus its exploration efforts on this property through 2013.

Northern Superior maintains a very positive outlook on the Company's 100% owned TPK/ New Growth/ New Growth Annex property. Discoveries from the Company's exploration programs thus far, have emphasized the potential size and opportunity for not only significant gold mineralization, but also for silver and copper. With discoveries made to date within the adjacent "Ring of Fire", subsequent future development of infrastructure necessary to support the extraction of the vast deposits of chromite and other minerals from that area, only enhances the opportunity to development any discoveries made on the Company's 100% owned TPK/ New Growth/New Growth Annex property. Northern Superior is looking

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the years ended December 31, 2012, and 2011
(Expressed in Canadian dollars)

for a financially strong and experienced option partner to further exploration, discovery and development on this property.

Northern Superior Resources Inc. also has a number of 100% owned properties (see Company website, www.nsuperior.com) within the Stull-Wunnimun and Chibougamau gold districts of Ontario and Quebec respectively that were identified and developed from the Company's extensive geoscientific data base. The Company is currently seeking to option out a number of these properties.

Croteau Est/ Waconichi Property:

- Complete the 1200m core drilling program on the mineralized Croteau Est shear zone and the target identified on the Croteau Nord shear zone, by the end of Q2;
- Complete the 160 hole, reverse circulation drill program over both the Croteau Est and Waconichi gold properties, by the end of Q2;
- Compile, interpret and model the geology and associated assay data from the core drill program, by the end of Q3;
- Compile, interpret and identify any additional targets from the reverse circulation drill program, by Q3;
- Initiate an 1800m core drill program to test any targets identified from the Reverse circulation drill program, Q3; and
- Complete the Pre-Development Agreement with the Cree Nation of Oujé-Bougoumou, the Grand Council of the Crees and the Cree Regional Authority by Q2.

TPK/ New Growth/ New Growth Annex

- Complete negotiating the EEBA with Neskantaga First Nation by Q2; and
- Identify and negotiate an option agreement with another exploration company.

Meston Lake, Rapson Bay and Thorne Lake Properties

- Exploration to date has discovered gold-bearing shear zones and a gold porphyry system, through the Company's core drilling programs.
- Northern Superior has temporarily suspended exploration activities on these properties pending clarification and re-ratification of exploration agreements with certain First Nations groups.
- The Company continues to hold these properties for their excellent exploration potential.

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the years ended December 31, 2012, and 2011
(Expressed in Canadian dollars)

Other Properties

- The Company currently maintains 6 other exploration properties, 3 in Ontario and 3 in Québec (refer to website www.nsuperior.com) and is currently seeking option or joint venture partners for these properties.

RESULTS OF OPERATIONS

In the year ended December 31, 2012, the Company incurred expenditures of \$7,229,742 (2011-\$9,276,085) on exploration and evaluation properties. The Company's principal exploration expenditures were on two projects, with net expenditures of \$4,042,506 spent on the Croteau Est project and \$2,259,409 spent on the New Growth project in the year ended December 31, 2012.

A net loss of \$3,013,665 (2011-\$3,712,189) was recorded for year ended December 31, 2012. The net loss amount includes recognition for accounting purposes of \$1,300,161 (2011-\$1,885,736) in flow-through share income, in regard to the flow-through share financing completed by the Company in 2011.

Operating expenses of \$2,432,714 (2011-\$2,657,515) were slightly lower than last year due to decreases in shareholder information costs and consulting fees. Corporate office expenses of \$1,401,328 (2011-\$1,432,964) remained consistent with the preceding year.

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 year ended December 31, 2012 and 2011 was as follows:

<i>Years ended December 31,</i>	2012	2011
Consulting fees	\$ 195,375	\$ 266,984
Office expense	168,478	213,028
	363,853	480,012
Exploration and evaluation properties	320,121	359,764
Total share-based payments	\$ 683,974	\$ 839,776

SELECTED ANNUAL FINANCIAL INFORMATION

<i>Years ended December 31,</i>	2012	2011	2010
Interest income	\$ 147,910	\$ 248,132	\$ 23,549
Net loss and operating loss	(3,013,665)	(3,712,189)	(1,239,935)
(Loss) income per share * - basic diluted	(0.02)	(0.02)	(0.01)
Total assets	36,793,736	40,292,058	25,142,831

**(Loss) Income per share is calculated base on the weighted average number of shares outstanding.*

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the years ended December 31, 2012, and 2011
(Expressed in Canadian dollars)

QUARTERLY FINANCIAL INFORMATION

<i>Fiscal Quarter ended</i>	Dec. 31, 2012	Sept. 30, 2012	Jun. 30, 2012	Mar. 31, 2012
Interest income	\$ 29,875	\$ 34,335	\$ 37,901	\$ 45,799
Net income (loss)	(2,306,308)	(8,538)	(547,536)	(151,283)
Net income (loss) per share* - basic and diluted	(0.01)	(0.00)	(0.00)	(0.00)
Total Assets	36,793,736	39,282,360	39,110,166	40,424,629

<i>Fiscal Quarter ended</i>	Dec. 31, 2011	Sept. 30, 2011	Jun. 30, 2011	Mar. 31, 2011
Interest income	\$ 56,482	\$ 65,898	\$ 68,829	\$ 56,923
Net income (loss)	(3,562,016)	313,003	64,587	(529,723)
Net income (loss) per share* - basic and diluted	(0.01)	0.00	0.00	(0.01)
Total Assets	40,292,058	43,165,817	41,819,073	22,415,623

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

A net loss of \$2,306,308 was recorded for the three months ended December 31, 2012, compared to a net loss of \$3,562,016 for the three months ended December 31, 2011. For the three months ended December 31, 2012 operating expenses of \$778,885 (2011-\$832,415) were similar to the same period last year. A flow-through share income of \$121,153 (2011-\$432,560) was recognized for the three months ended December 31, 2012 as a result of the Company incurring qualifying Canadian exploration expenditures during the period.

For the three months ended September 30, 2012 operating expenses of \$489,339 (2011-\$623,483) were lower than the same period for the previous year, due to lower office-related costs and lower shareholder information costs in 2012. A flow-through share income of \$453,155 (2011-\$870,706) was recognized for the three months ended September 30, 2012 as a result of the Company incurring qualifying Canadian exploration expenditures during the period.

For the three months ended June 30, 2012 operating expenses of \$571,131 (2011-\$579,431) were similar to the same period last year. A flow-through share income of \$337,386 (2011-\$582,470) was recognized for the three months ended June 30, 2012 as a result of the Company incurring qualifying Canadian exploration expenditures during the period. The Company also recorded costs of \$346,623 (2011-Nil) for write-down of ten mineral properties during the quarter.

For the three months ended March 31, 2012 operating expenses of \$583,389 (2011-\$624,146) were lower than the same period for the previous year, due to lower consulting costs and lower shareholder information costs in 2012. A flow-through share income of \$388,367 (2011-Nil) was recognized for the three months ended March 31, 2012 as a result of the Company incurring qualifying Canadian exploration expenditures during the period.

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the years ended December 31, 2012, and 2011
(Expressed in Canadian dollars)

In 2012, the Company's net losses in all four quarters were significantly impacted by flow-through share income as follows:

Flow-through Share Income	2012	2011
<i>Fiscal quarter ended</i>		
March 31	\$ 388,367	\$ nil
June 30	337,386	582,470
September 30	453,155	870,706
December 31	121,153	432,560
	\$1,300,161	\$1,885,736

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 December 31, 2012 the Company had \$8,839,191 cash and no debt, other than current trade debt. The Company's working capital as at December 31, 2012 was \$9,038,791 (2011-\$15,776,704).

In the year ended December 31, 2012, the Company's sources of cash were:

- Government exploration refunds and recovery of exploration costs from option earn-in partners of \$303,913.
- Proceeds from exercise of stock options of \$16,400.
- Proceeds from private placement of \$500,000.

Cash used in operating activities during the year ended December 31, 2012 was \$1,690,161 (2011-\$2,173,989). Depreciation, share based payments, flow-through share income and changes in non-cash working capital items make up the amounts that reconcile the statement of loss for the year to the statement of cash flows from operating activities.

Prepays and receivables at December 31, 2012 include \$166,431 in government sales taxes receivable, \$90,391 in accrued interest income, \$54,412 in prepaid expenses and \$297,569 in refundable tax credits on exploration expenditures in Quebec.

The Company's principal activity is the acquisition and exploration of exploration and evaluation properties. During the year ended December 31, 2012, the Company incurred expenditures of \$7,229,742 (2011-\$9,276,085) on exploration and evaluation properties, with \$7,285,883 representing the cash portion of exploration property expenditures incurred during the year (2011-\$8,238,557). The Company's investment policy is to keep its cash on deposit in an interest-bearing Canadian chartered bank account. The Company does not hold any asset-backed commercial paper.

During the year ended December 31, 2012 the Company reviewed the carrying balances of all of its exploration properties for impairment purposes and based on its review wrote-off twelve exploration properties that are no longer being actively pursued by the Company, for an aggregate write-off of \$2,017,826 at December 31, 2012.

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the years ended December 31, 2012, and 2011
(Expressed in Canadian dollars)

OUTSTANDING SHARE CAPITAL

At the beginning of 2012, Northern Superior had 185,522,798 outstanding common shares and 9,824,568 outstanding options to acquire Company shares, of which 3,986,228 of these options were vested and exercisable.

The following shares were issued since the beginning of 2012:

Issued and outstanding	No. of Shares
Balance, January 1, 2012	185,522,798
Common shares issued for exploration and evaluation property	200,000
Exercise of stock options	146,666
Private placement - July 2012	2,631,579
Balance, December 31, 2012	188,501,043

The following is a summary of stock options outstanding at December 31, 2012, of which 4,906,231 were exercisable:

Number of Options	Exercise Price
5,466,234	\$0.10 - \$0.19
3,645,000	\$0.20 - \$0.39
2,200,000	\$0.40 - \$0.59
100,000	\$0.60 - \$0.79
11,411,234	

RELATED PARTY TRANSACTIONS

For the purpose of this disclosure, related parties are defined as the officers and directors of the Company.

<i>Years ended December 31,</i>	2012	2011
Management and other fees	\$ 118,892	\$ 112,451
Salaries and wages	920,676	973,312
Share-based payments	433,005	598,647
	\$ 1,472,573	\$ 1,684,410

All related party transactions are in the normal course of operations and measured at the exchange amount agreed to between the related parties.

OFF-BALANCE SHEET ARRANGEMENTS

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

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the years ended December 31, 2012, and 2011
(Expressed in Canadian dollars)

FINANCIAL INSTRUMENTS

The Company classifies all financial instruments as either available-for-sale, financial assets or liabilities at fair value through profit or loss ("FVTPL"), loans and receivables or other financial liabilities. Loans and receivables and other financial liabilities are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in accumulated other comprehensive income. These amounts will be reclassified from shareholders' equity to net income when the investment is sold or when the investment is impaired and the impairment is considered less than temporary. Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized on the statement of loss and comprehensive loss.

The Company has designated its cash as FVTPL, which is measured at fair value. Exploration advances and other receivables are classified as loans and receivables, which are measured at amortized cost. Trade payables are classified as other financial liabilities which are measured at amortized cost.

MANAGEMENT OF CAPITAL

The Company manages its cash, common shares and stock options as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account.

Use of Proceeds from Financings

As at December 31, 2012, all of the funds received from the \$8,637,480 flow-through private placement that was completed in January 2011 have been expended on exploration and evaluation properties.

CORPORATE GOVERNANCE

The Company's Board of Directors follows corporate governance policies for public companies to ensure transparency and accountability to shareholders.

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the years ended December 31, 2012, and 2011
(Expressed in Canadian dollars)

The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual financial statements prior to their submission to the Board of Directors for approval. The Audit Committee, comprised of three independent directors, meets with management on a quarterly basis to review the financial statements, including the MD&A, and to discuss other financial, operating and internal control matters.

CONTROLS AND PROCEDURES

Management is responsible for establishing and maintaining a system of controls and procedures over the public disclosure of financial and non-financial information regarding the Company. Management is also responsible for the design and maintenance of effective internal control over financial reporting to provide reasonable assurance regarding the integrity and reliability of the Company's financial information and the preparation of its financial statements in accordance with Canadian generally accepted accounting principles. Management maintains appropriate information systems, procedures and controls to ensure integrity of the financial statements and maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable. The Company has a Disclosure Policy and a Disclosure Committee in place to mitigate risks associated with the disclosure of inaccurate or incomplete information.

FORWARD-LOOKING STATEMENTS

Some of the statements in this document constitute "forward looking statements". Where Northern Superior expresses an expectation or belief as to future events or results, including management plans and objectives, and projections of exploration results, such expectation or belief is expressed in good faith and is believed to have a reasonable basis. The Company makes no representation that reasonable business people in possession of the same information would reach the same conclusions. While these statements represent our best current judgment, they are subject to risks and uncertainties that could cause actual results to vary, the specifics of which are detailed in disclosures with the heading "Risk Factors" in the Company's periodic filings with securities regulators. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Forward-looking statements in this MD&A are made as of the date of this MD&A or, in the case of documents incorporated by reference herein, as of the date of such documents, and Northern Superior does not assume the obligation to update any forward looking statement.

QUALIFIED PERSON

Mr. Scott Parsons is currently the Company's Qualified Person ("QP") (as defined in National Instrument 43-101, "Standards of Disclosure for Mineral Projects") for all projects. As the Company's QP, Mr. Parsons has prepared or supervised the preparation of the scientific or technical information for the properties as stated in this MD&A.

ADDITIONAL INFORMATION

Additional information is provided in the Company's audited financial statements for the year ended December 31, 2012. These documents are available on SEDAR at www.sedar.com.