

Northern Superior Resources Inc.
Management's Discussion and Analysis

For the three and nine months ended September 30, 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 condensed unaudited interim financial statements of the Company, including the notes thereto, for the three and nine month period ended September 30, 2012 and 2011, the audited financial statements of the Company for the years ended December 31, 2011 and 2010, 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 condensed unaudited interim financial statements for the three and nine months ended September 30, 2012 and 2011, the annual audited financial statements for the years ended December 31, 2011 and 2010 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has taken into account information available up to and including November 8, 2012.

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

Northern Superior continued to focus its exploration efforts on its Croteau Est gold property and the adjoining, optioned Waconichi gold property, west-central Québec during Q3 and into Q4. The exploration program continues to expand the known zones of mineralization previously reported on, and in identifying new exploration targets.

HIGHLIGHTS

Northern Superior focused its Q3 and Q4 exploration efforts on its west-central Québec, Croteau Est gold property and the adjoining, optioned Waconichi gold property (hereby referred to simply as the Croteau Est property). The exploration program continues to expand the known zones of mineralization previously reported on, and in identifying new exploration targets.

Croteau Est:

- Completed an 8,000m, 19 hole Phase III diamond drill program;
- Completed a till sampling program, 768 till samples collected;
- Completed an Mobile Metal Ion program, 747 overburden material collected;
- Completed a Soil Gas Hydrocarbon program, 854 overburden samples collected;
- Completed a prospecting program, 253 bedrock samples collected; and
- Completed down hole geophysics on 6 key drill holes.

OUTLOOK

Northern Superior plans to continue to focus its exploration efforts on the Croteau Est gold property for the balance of 2012 and into 2013. The geology and mineralogy observed thus far on both these

Northern Superior Resources Inc.
Management's Discussion and Analysis

*For the three and nine months ended September 30, 2012, and 2011.
(Expressed in Canadian dollars)*

properties continue to show tremendous opportunity for the Company: 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. Northern Superior has several other 100% owned gold properties (see Company web site, www.nsuperior.com) in both the Stull Wunnumin and Chibougamau gold districts that were identified and developed from the Company's extensive geoscientific data base and from which additional gold exploration projects are being generated. The Company is currently seeking to option-out a number of these properties.

Croteau Est Property:

- Compile, interpret and model the geology and associated assay data from the Phase III, 8,000m diamond drill program;
- Compile and interpret the heavy mineral data (primarily gold grains) derived from the till sampling program
- Compile and interpret the geochemical data derived from the Mobile Metal Ion program;
- Compile and interpret the geologic information and associated assay data derived from the prospecting program;
- Integrate and identify new exploration targets derived from the till sampling, Mobile Metal Ion and Soil Gas Hydrocarbon and prospecting programs;
- Complete mapping and interpretation of the Croteau Est trenches; and
- Define an exploration program for Q1, 2013.

RESULTS OF OPERATIONS

In the nine months ended September 30, 2012, the Company incurred expenditures of \$6,028,356 (2011-\$4,791,999) on exploration and evaluation properties. The Company's principal exploration expenditures were on two projects, with expenditures of \$3,192,529 spent on the Croteau Est project and \$2,241,158 spent on the New Growth project in the first nine months ended September 30, 2012.

A net loss of \$707,357 (2011-\$150,173) was recorded for the nine months ended September 30, 2012. The net loss amount includes recognition for accounting purposes of \$1,178,908 (2011-\$1,453,176) in flow-through share income, in regard to the flow-through share financing completed by the Company in 2011.

Operating expenses of \$1,643,859 (2011-\$1,825,100) were slightly lower than last year due to decreases in shareholder information costs and consulting fees. Corporate office expenses of \$924,112 (2011-\$930,405) remained consistent with the preceding year and for the rest of 2012 the Company expects to maintain operating costs lower than 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 nine months ended September 30, 2012 and 2011 was as follows:

Northern Superior Resources Inc.
Management's Discussion and Analysis

For the three and nine months ended September 30, 2012, and 2011.
(Expressed in Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
Consulting fees	\$ 42,515	\$ 71,751	\$ 132,362	\$ 207,743
Office expense	63,990	59,842	190,308	177,332
	106,505	131,593	322,670	385,075
Exploration and evaluation properties	99,698	93,752	280,354	257,319
Total share-based payments	\$ 206,203	\$ 225,345	\$ 603,024	\$ 642,394

QUARTERLY FINANCIAL INFORMATION

<i>Fiscal Quarter ended</i>	Sept. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011
Interest income	\$ 34,335	\$ 37,901	\$ 45,799	\$ 56,482
Net income (loss)	(8,538)	(547,536)	(151,283)	(3,562,016)
Net income (loss) per share* - basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)
<i>Fiscal Quarter ended</i>	Sept 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2010
Interest income	\$ 65,898	\$ 68,829	\$ 56,923	\$ 11,043
Net income (loss)	313,003	64,587	(529,723)	(479,822)
Net income (loss) per share* - basic and diluted	0.00	0.00	(0.01)	(0.00)

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

In the quarter ended September 30, 2012, the Company incurred expenditures of \$1,469,985 on resource properties. The third of three private placements from Rainy River in the amount of \$500,000 that were a condition of the Rainy River-Northern Superior TPK option agreement closed in July 2012.

A net loss of \$8,538 was recorded for the three months ended September 30, 2012, compared to net income of \$313,003 for the three months ended September 30, 2011. For the three months ended September 30, 2012 operating expenses of \$489,339 (2011-\$623,483) were lower than the same period last year primarily as a result of decreases in consulting fees, office expenses and shareholder information costs. 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.

In the first three quarters of 2012, the Company's financial statements were significantly impacted by flow-through share income in the amounts of \$388,367 for the three months ended March 31, 2012 (2011-Nil), \$337,386 for the three months ended June 30, 2012 (2011-\$582,470) and \$453,155 for the three months ended September 30, 2012 (\$870,706).

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 September 30, 2012 the Company had \$10,752,188 cash and no debt, other than current trade debt.

In the nine months ended September 30, 2012, the Company's sources of cash were:

Northern Superior Resources Inc.
Management's Discussion and Analysis

For the three and nine months ended September 30, 2012, and 2011.
(Expressed in Canadian dollars)

- 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 for the nine months ended September 30, 2012 was \$1,253,731 (2011-\$1,537,234). 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 period to the statement of cash flows from operating activities.

Prepays and receivables at September 30, 2012 include \$289,079 in government sales taxes receivable, \$75,703 in accrued interest income, \$55,786 in prepaid expenses, \$6,778 in option earn-in reimbursements on exploration projects and \$46,249 in advances and other receivables.

The Company's principal activity is the acquisition and exploration of exploration and evaluation properties. During the nine months ended September 30, 2012, the Company incurred expenditures of \$6,028,356 (2011-\$4,791,999) on exploration and evaluation properties, with \$5,855,133 representing the cash portion of resource property expenditures incurred during the period (2011-\$4,423,948). 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.

In the nine month period ended September 30, 2012 the Company reviewed the carrying balances of all of its exploration properties for impairment purposes and based on its review wrote-off eleven exploration properties that are no longer being actively pursued by the Company, for an aggregate write-off of \$351,418 at September 30, 2012.

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:

	No. of Shares
Issued and outstanding	
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, September 30, 2012	188,501,043

Northern Superior Resources Inc.
Management's Discussion and Analysis

For the three and nine months ended September 30, 2012, and 2011.
(Expressed in Canadian dollars)

The following is a summary of stock options outstanding at September 30, 2012, of which 2,937,893 were exercisable:

Number of Options	Exercise Price
2,241,234	\$0.10 - \$0.19
4,085,000	\$0.20 - \$0.39
2,200,000	\$0.40 - \$0.59
100,000	\$0.60 - \$0.79
8,626,234	

RELATED PARTY TRANSACTIONS

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

	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
Management and other fees	\$ 69,085	\$ 50,750	\$ 177,085	\$ 175,750
Salaries and wages	257,912	119,865	702,912	337,765
Share-based payments	116,419	175,343	358,151	417,075
	\$ 443,416	\$ 345,958	\$ 1,238,148	\$ 930,590

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.

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.

Northern Superior Resources Inc.
Management's Discussion and Analysis

For the three and nine months ended September 30, 2012, and 2011.
(Expressed in Canadian dollars)

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

<i>Planned Use of Proceeds</i>	<i>Actual Use of Proceeds to September 30, 2012</i>
January 2011 Flow-Through Financing:	
<ul style="list-style-type: none">• \$8,637,480 to be used for exploration on the Company's gold projects in Ontario and Quebec.	<ul style="list-style-type: none">• Approximately \$8,309,308 has been used for exploration and evaluation properties.• Approximately \$328,172 remains to be spent.

CORPORATE GOVERNANCE

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

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

Northern Superior Resources Inc.
Management's Discussion and Analysis

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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. Casey Hetman 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. Hetman 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, 2011. These documents are available on SEDAR at www.sedar.com.