Northern Superior Resources Inc.
Management's Discussion and Analysis
For the six months ended June 30, 2012
(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 unaudited interim financial statements of the Company, including the notes thereto, for the six months ended June 30, 2012 and the audited financial statements of the Company for the year ended December 31, 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 interim financial statements for the six months ended June 30, 2012 and the annual audited financial statements for the year ended December 31, 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 August 15, 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 focused its exploration efforts during Q2 on its Croteau Est gold property and the adjoining, optioned Waconichi gold property, west-central Québec. This, as exploration is quickly identifying key targets on both properties in a cost and time effective manner, important during this time of economic difficulty.

Croteau Est:

- Initiated and completed an additional seven diamond drill holes to the twenty-nine (29) already completed earlier in the year. All seven holes focused on the current mineralized zone (see press release June 11, 2012) with the purpose of expanding the mineralized zone from 150m depth to 500m depth and along strike in both directions. Assay results are pending.
- Initiated and completed Mobile Metal Ion (MMI) and Soil Gas Hydrocarbon (SGH) studies over the mineralized zone. The purpose of these studies to better identify and delineate the mineralized zone in a quick and cost effective manner, providing the Company with additional tools to effectively delineate the current mineralized zone and identify others on the Croteau Est and Waconichi gold properties.
- Initiated and completed an overburden heavy mineral sampling program over the mineralized zone. The purpose of which to identify and define the characteristics of any gold grain dispersal train extending from the mineralized zone. Again, this is very important in identifying and delineating the mineralized zone in a quick and cost effective manner, providing the Company with an additional tool to effectively identify and delineate other mineralized zones on the Croteau Est and Waconichi gold properties.
- Initiated and completed an extended MMI and SGH sampling program in the area around the mineralized zone to better delineate the zone.
- Initiated and completed a regional overburden sampling program over both the Croteau Est and Waconichi gold properties to identify additional gold exploration targets.

OUTLOOK

Northern Superior will continue to focus its exploration program on the Croteau Est and Waconichi gold properties for the balance of 2012 and into 2013. The definition and development of the mineralized shear zone on the Croteau Est is progressing rapidly and the Company expects additional exploration targets to be defined on both properties from the efforts of the 2012 exploration programs. The Company will not be committing funds for the Rapson, Meston and Thorne Lake properties in Northwestern Ontario and will be seeking exploration alternatives for these properties. The Company has a number of 100% owned 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:

- Initiate compilation of data from the Q2 diamond drill program, Q3 2012;
- Initiate compilation and interpretation of data from the Q2 MMI, SGH and overburden heavy mineral sampling programs and initiate additional sampling programs over new gold exploration targets;
- Initiate permitting for stripping overburden for additional trenches to bedrock and complete structural mapping and sampling of bedrock and mineralized zones exposed in current and future trenches, balance of 2012;
- Initiate down hole and ground geophysical programs, Q3 2012;
- Initiate a baseline water sampling program, Q3 2012;
- Initiate SRK Consulting geotechnical, density and structural studies, balance of 2012;;
- Update Northern Superior geologic model, balance of 2012;
- Reclamation of north trenches, balance of 2012;
- Initiate third phase diamond drilling (approximately 10,000 m, 2 rigs), balance of 2012; and
- Plan 2013 exploration program, Q4, 2012.

Waconichi Property:

- Initiate compilation and interpretation of data from the Q2 overburden heavy mineral sampling program, Q3 2012; and
- Follow-up overburden heavy mineral sampling program over new gold exploration targets identified from the Q2 program, Q3 and Q4 2012.

RESULTS OF OPERATIONS

In the six months ended June 30, 2012, the Company incurred expenditures of $4,558,371 (2011-$2,356,630) on exploration and evaluation properties. The Company's principal exploration expenditures were on two projects, with expenditures of $2,226,398 spent on the New Growth project and $1,989,452 spent on the Croteau Est project in the first six months ended June 30, 2012.

A net loss of $698,819 (2011-$463,176) was recorded for the six months ended June 30, 2012. The net loss amount includes recognition for accounting purposes of $725,753 (2011-$582,470) in flow-through share income, in regard to the flow-through share financing completed by the Company in 2011.

(Expressed in Canadian dollars)

Operating expenses of $1,154,520 (2011-$1,201,617) were slightly lower than last year due to decreases in shareholder information costs and consulting fees. Office expenses increased slightly over last year at this time to $628,461 (2011-$593,115), primarily due to higher personnel costs from the greater number of personnel on staff. 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 six months ended June 30, 2012 and 2011 was as follows:

	Three months ended June 30		Six months ended June 30	
	2012	2011	**2012**	2011
Exploration and evaluation properties	**$ 105,238**	$ 86,737	**$ 180,656**	$ 163,567
Consulting fees	**42,878**	70,655	**89,847**	135,992
Office expense	**63,574**	59,826	**126,318**	117,490
Total share-based payments	**$ 213,702**	$ 217,218	**$ 396,821**	$ 417,049

QUARTERLY FINANCIAL INFORMATION

Fiscal Quarter ended	**Jun. 30, 2012**	**Mar. 31, 2012**	Dec. 31, 2011	Sept 30, 2011
Interest income	**$ 37,901**	**$ 45,799**	$ 56,482	$ 65,898
Net income (loss)	**(547,536)**	**(151,283)**	(3,562,016)	313,003
Net income (loss) per share* - basic and diluted	**(0.00)**	**(0.00)**	(0.01)	0.00
Fiscal Quarter ended	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sept 30, 2010
Interest income	$ 68,829	$ 56,923	$ 11,043	$ 3,940
Net income (loss)	64,587	(529,723)	(479,822)	(374,079)
Net income (loss) per share* - basic and diluted	0.00	(0.00)	(0.00)	(0.00)

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

In the quarter ended June 30, 2012, the Company incurred expenditures of $1,505,796 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 $547,536 was recorded for the three months ended June 30, 2012, compared to an income of $66,587 in June 30, 2011. Operating expenses of $571,131 (2011-$579,431) 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 $337,386 was recognized for the three months ended June 30, 2012 as a result of the Company incurring qualifying Canadian exploration expenditures during the period.

In the first and second 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) and $337,386 for the three months ended June 30, 2012 (2011-$582,470).

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, 2012 the Company had $12,224,295 cash and no debt, other than current trade debt.

In the six months ended June 30, 2012, the Company's sources of cash were:

- Government exploration refunds and recovery of exploration costs from option earn-in partners of $256,094
- Proceeds from exercise of stock options of $16,400.

Cash used in operating activities during the six months ended June 30, 2012 was $679,960 (2011-$917,200). 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 quarter to the statement of cash flows from operating activities.

Prepaids and receivables at June 30, 2012 include $188,928 in government sales taxes receivable, $52,429 in accrued interest income, $4,038 in prepaid expenses, $33,289 in option earn-in reimbursements on exploration projects and $33,000 in advances for field expenses.

The Company's principal activity is the acquisition and exploration of exploration and evaluation properties. During the six months ended June 30, 2012, the Company incurred expenditures of $4,558,370 (2011-$2,356,630) on exploration and evaluation properties, with $4,642,969 representing the cash portion of resource property expenditures incurred during the period (2011-$2,159,387). 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 six month period ended June 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 propertiesthat are no longer being actively pursued by the Company, for an aggregate write-off of $346,623 at June 30, 2012.

OUTSTANDING SHARE CAPITAL

At June 30, 2012, Northern Superior had 185,669,464 common shares issued and outstanding.

(Expressed in Canadian dollars)

The following is a summary of stock options outstanding at June 30, 2012, of which 3,377,893 were exercisable:

	Six months ended June 30, 2012		Year ended December 31, 2011	
	Number of options	**Weighted-average exercise price**	Number of options	Weighted-average exercise price
Outstanding, beginning of year	**9,824,568**	**$0.33**	7,753,900	$0.33
Granted	**150,000**	**$0.27**	3,595,000	$0.26
Expired	**(335,000)**	**$0.63**	(50,000)	$0.50
Exercised	**(146,666)**	**$0.11**	(1,134,332)	$0.18
Forfeited	**(326,668)**	**$0.43**	(340,000)	$0.43
Outstanding, end of period	**9,166,234**	**$0.31**	9,824,568	$0.33
Exercisable, end of perioid	**3,377,893**	**$0.29**	3,986,228	$0.32

RELATED PARTY TRANSACTIONS

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

	Three months ended June 30		Six months ended June 30	
	2012	2011	**2012**	2011
Management and other fees	**$ 86,000**	$ 61,665	**$ 108,000**	$ 125,000
Salaries and wages	**252,173**	105,786	**445,000**	217,900
Share-based payments	**120,763**	147,758	**241,732**	277,697
	$ 458,936	$ 315,209	**$ 794,732**	$ 620,597

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.

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

Planned Use of Proceeds	***Actual Use of Proceeds to June 30, 2012***
January 2011 Flow-Through Financing:	
• $8,637,480 to be used for exploration on the Company's gold projects in Ontario and Quebec.	• Approximately $7,080,682 has been used for exploration and evaluation properties. • Approximately $1,557,138 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 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 PERSONS

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.