



**Northern Superior Resources Inc.
Management's Discussion and Analysis
For the six months ended June 30, 2020**

CONTENTS

GENERAL	3
KEY EVENTS Q2 2020	7
RESULTS OF OPERATIONS	9
SUMMARY OF QUARTERLY RESULTS	10
FINANCIAL CONDITION, LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN	10
OUTSTANDING SHARE CAPITAL INFORMATION AT THE REPORT DATE	11
RELATED PARTY TRANSACTIONS	11
ACCOUNTING STANDARDS	12
OFF-BALANCE SHEET ARRANGEMENTS	13
SUBSEQUENT EVENTS	13
RISKS AND UNCERTAINTIES	13
FORWARD-LOOKING STATEMENTS	16
QUALIFIED PERSON	17
APPROVAL	17
ADDITIONAL INFORMATION	17

Northern Superior Resources Inc. Management's Discussion and Analysis For the six months ended June 30, 2020

GENERAL

This Management's Discussion and Analysis ("MD&A" or "Report") of the financial condition of Northern Superior Resources Inc. ("Northern Superior" or the "Company") and results of operations of the Company for the six months ended June 30, 2020 (the "Period") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at August 12, 2020 (the "Report Date"). The Report should be read in conjunction with the Company's condensed interim financial statements for the six months ended June 30, 2020 and the notes thereto, and the audited financial statements for the year ended December 31, 2019, which have been prepared using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and within which the Company's accounting policies are described in Note 3 (collectively, the "Financial Statements"). All dollar amounts in the Report are in Canadian dollars unless otherwise noted.

On January 3, 2019, the Company received regulatory approval to consolidate its issued and outstanding common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares. Regulatory approval having been received, the common shares of the Company commenced trading on the TSX Venture Exchange ("TSX-V" or the "Exchange") on a post-consolidated basis on January 7, 2019. There was no change to the Company's trading symbol on the TSX-V or the OTCQB. All information relating to earnings/loss per share, issued and outstanding common shares, share options and warrants, and per share amounts in the financial statements and this Report have been adjusted retrospectively to reflect the share consolidation.

The Financial Statements, together with the MD&A, are intended to provide investors with a reasonable basis for assessing the performance and potential future performance of the Company and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward-looking statements, and the Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events. Please refer to the risks and cautionary notices of this MD&A. Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Northern Superior is an exploration stage company engaged in the identification, evaluation, acquisition and exploration primarily of gold properties in Ontario and Québec. The Company is a reporting issuer in British Columbia, Alberta, Ontario and Québec. The Company trades on the TSX Venture Exchange under the symbol SUP and on the OTCQB under the symbol NSUPF.

As at June 30, 2020, the Company has cash and cash equivalents of \$6,838,742 and working capital of \$6,763,688, of which \$5,685,036 is restricted to flow-through purposes, resulting in an unrestricted working capital of \$1,078,652. From January 1 to June 30, 2020, the Company completed private placements which raised a total of \$6,861,000. 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 favorable 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.

Northern Superior Resources Inc. Management's Discussion and Analysis For the six months ended June 30, 2020

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020. The Company continues to operate its business, and in response to Federal and Provincial emergency measures, has requested its employees and consultants work remotely wherever possible. These government measures, which could include temporary government mandated closures of the Company or its contractors or restrictions on travel of various personnel, could impact the Company's ability to conduct its exploration programs in a timely manner, and the Company is evaluating the best way to move its exploration activities forward when the emergency measures are lifted.

This MD&A contains forward-looking statements. Statements throughout this Report with respect to the cost or timeline of planned or expected exploration are all forward-looking statements. As well, statements about growth, financial position, capital adequacy and/or the need for future financing are also forward-looking statements. All forward-looking statements, including forward-looking statements not specifically identified in this paragraph, are made subject to the cautionary language at the end of this document, and readers are directed to refer to that cautionary language when reading any forward-looking statements. Please refer to the cautionary language at the end of this document.

STRATEGY

Northern Superior focused on two points of strategy through Q2. The first, to continue the re-build and to strengthen the Company's foundation. The second, to ensure that all planning and logistics for each of the Company's three key projects (Ti-paa-haa-ka-ning [TPK], Lac Surprise, Croteau Est) are positioned such that exploration programs can be executed.

Strategy 1

Through Q1, Northern had completed: i) two hard dollar financings with a cumulative raise of \$1,142,000 ensuring the sustainability of the Company through 2021 (see Northern Superior press releases January 20 and April 6, 2020); ii) an Ontario charity flow-through financing of \$3,219,000 to adequately fund an exploration program on its 100% owned TPK project in northwestern Ontario, the first such properly funded program since 2012 (see Northern Superior press release, April 6, 2020); and iii) the addition of three key board members, making the current board of directors a strong, vested and well balanced board (see Northern Superior press releases, December 30, 2019, January 14, and April 15, 2020).

Through Q2 efforts continued to re-build and strengthen the Company's foundation through an additional financing, primarily in support of its Québec-based assets (see Northern Superior press release, June 3, 2020). This financing provides a broad variety of options to the Company to advance its 100% owned Lac Surprise and Croteau Est properties. Options include initiating core drill programs on one or both properties. Additional funds were also procured for the Company's primary exploration focus, its 100% owned TPK property in northwestern Ontario (see Northern Superior press release, June 3, 2020).

For the Québec projects, \$2,000,000 was raised through the issuance of 3,703,704 charity flow-through shares (the "Québec Charity FT Shares") priced at CAD\$0.54 per share. For TPK, an additional \$500,000 was raised through the issuance of 1,149,426 charity flow-through shares (the "Ontario Charity FT Shares") priced at CAD\$0.435 per share. The Company now has an aggregate of \$3,719,000 of flow through funds to support an exploration program on its TPK property.

Northern Superior Resources Inc. Management's Discussion and Analysis For the six months ended June 30, 2020

Two notable points associated with this financing are: i) all components of this financing were completed at a premium to the Company's current share price of CAD\$0.32 (as of June 2, 2020); and ii) New Gold Inc. (TSX and NYSE American: NGD) elected to acquire 437,176 common shares following this financing to maintain its 9.99% investment in Northern Superior.

Strategy 2:

During Q2, management focused on developing exploration plans and budgets for both the TPK and Lac Surprise properties. Note that a core drill program and budget is already in place for the Croteau Est property (see Northern Superior corporate presentation, www.nsuperior.com).

TPK

Big Dam/ New Growth Areas

Northern Superior's 100% owned TPK property hosts two district scale mineral systems. The first stretches generally east-west 35km across the Big Dam and New Growth areas of the property. This system is most clearly defined within the Big Dam area of the property, where most exploration has been focused. This part of the system strikes 6kms east-west and hosts the largest gold grain-in-till dispersal apron in North America. This apron is largely composed of pristine gold grains with recovery of over 1200 gold grains per 10kg till sample. *Gold grain anomalies of this scale are amalgamated responses from a cluster of gold zones. They normally indicate a large gold system or district rather than a single gold zone.* The dispersal of gold grains elsewhere has led to the discovery of many important and sizeable gold deposits including those associated with Atlantic Gold (Moose River Gold Mine), Agnico Eagle (Meadowbank, Meliadine), TMAC (Hope Bay), Hecla Mining (Casa Berardi) and Aurion Resources (Kutuvuoma and Silasselkaand). Embedded within this apron are distinct dispersal trains of mineralized boulders, with high grade assays up to **94g/t gold**.

Two prominent boulder trains emanate from the Goose Lake and Little Crying Boy Lake areas within the Big Dam area of the property. A discovery hole at Goose Lake has already been reported: **25.87 g/t gold over 13.5m**. Intersections of **59.60g/t gold, 92.3g/t silver and 3.19% copper over 0.5m (TPK-12-30)**, **16.15g/t gold over 1.5m (TPK-12-34)**, **7.85g/t gold over 0.8m (TPK-12-40)** and **8.85g/t gold over 1.0m (TPK-12-43)** have been reported from the tail of the boulder dispersal train associated with little Crying Boy Lake, indicating the presence of a large mineral-bearing system associated with the lake.

Annex Area

The second district scale mineral system is associated with the Keely Lake gold grain-in-till dispersal corridor defined within the Annex area of the TPK property. This corridor is large, with a 3.5km strike length and a dispersal of gold grains and mineralized boulders of up to 13.5kms. As with the Big Dam area, this corridor is composed largely of pristine gold grains with recovery of over 1200 gold grains from 10kg till samples. Embedded within this corridor are boulders that assay as high as 727g/t gold, 111g/t silver and 4.05% copper.

The gold grains and mineralized boulders emanate from three key targets. These targets were defined from additional prospecting and overburden sampling programs completed in 2017 that also defined the head of the corridor. Drilling, completed within the tail of this corridor in 2012, intersected rock with reported assays of **4.26 g/t gold over 5.50m (NG-12-003C)**, **13.40g/t gold over 1.90m (NG-12-005C)** and **1.20b/t gold over 2.50m (NG-12-007C)**. As with the assays associated with drilling in the Little Crying Boy Lake

Northern Superior Resources Inc. Management's Discussion and Analysis For the six months ended June 30, 2020

dispersal train, this value and others indicate the presence of a large mineralized system associated with the Annex area (see Northern Superior corporate presentation, www.nsuperior.com).

Program Planning

Through Q2, management initiated and completed the development of an exploration program for the TPK property. This included enhanced health and safety provisions to manage issues associated with the current COVID-19 pandemic. Targeting is now complete, with a two phased approach built into the program. Phase I includes testing of two key targets within the Big Dam area of the property, Goose Lake and Little Crying Boy Lake (8 core holes, approximately 2,500m of core drilling from 3 collar locations) and three key targets in the Annex area of the property (8 holes, approximately 2,400m of core drilling from 7 collar locations)(see Northern Superior corporate presentation, www.nsuperior.com). The scope of the Phase II program will be contingent on the results from Phase I. Budgeting has allowed for additional drilling in this program beyond Phase II if required.

Management has also procured all service providers and assembled a geologic team to execute a program on TPK. Once engagement restrictions associated with the COVID-19 pandemic have been lifted by the Company's local stakeholder, Neskantaga First Nation, Northern Superior is in a position to initiate and execute the proposed drill program.

Lac Surprise

During the Fall of 2019, Northern Superior completed a relatively small but significant core drill program focused on the northeastern part of this property (12 holes, 4,400m)(see Northern Superior press releases, October 23 and December 9, 2019). The purpose of the program was to ascertain if the system associated with the neighboring Nelligan gold deposit extended onto the Lac Surprise property. The Nelligan gold deposit is an open pit, 43-101 compliant resource, containing 3.2 million ounces gold, grading 1.02g/t Au.

This program was successful in proving that the gold-bearing hydrothermal system of this deposit extended onto the Lac Surprise property. All holes designed to intersect this system in fact did so, highlighted by an intersection of **1.54g/t Au over 15.15m** (LCS-19-008), an intersection with grade and width typical of that reported for Nelligan. The strike and length of this system on the Lac Surprise property has not been clearly defined. However, it is hypothesized that the system likely folded back towards the Nelligan property along a northern limb of an F4 fold (see Northern Superior Corporate Presentation, www.nsuperior.com).

On June 18, 2020, IAMGOLD announced the westward extension of the Renard Gold Zone of the Nelligan deposit to within 1.2kms of the northeastern boundary of the Lac Surprise property (see IAMGOLD press release, June 18, 2020). The location of this hole, and information provided through the release of the Nelligan 43-101 resource complaint report in 2020, indicates that the trajectory of the Renard gold zone is aligned with the hypothesized extension of the hydrothermal system on the Lac Surprise property along the northern arm of an F4 fold.

Further interpretation of Northern Superior's geophysical data indicates that there may be an additional extension of the gold-bearing hydrothermal system from the Renard gold zone across the northern part of the Lac Surprise property. A very clear geophysical "low trough" extends from the geophysical low associated with the Renard gold zone 3kms+ across the northern part of the Lac Surprise property. As with the northern limb associated with the F4 fold, this feature has never been drilled. However, farther east of this geophysical "low trough" a number of gold showings occur including the Black Phoenix gold showing,

Northern Superior Resources Inc. Management's Discussion and Analysis For the six months ended June 30, 2020

from which a surface tourmaline-quartz grab sample ran **19.90g/t gold** (see Northern Superior corporate presentation, www.nsuperior.com).

Management is currently completing a core drill plan and budget, the purpose of which to further define and determine the extension(s) of the gold-bearing hydrothermal system associated with the Nelligan gold deposit onto and across the Lac Surprise property. Such a program, with COVID-19 safety protocols embedded within the program, service providers and a geological team in place, will be set and ready to execute for September 2020.

Croteau Est

The Croteau Est property hosts a NI 43-101 compliant resource consisting of 640,000oz gold. Originally modelled as an open pit, gold mineralization associated with this deposit is now understood to be associated high grade gold-bearing shoots: nine defined within a system open at depth and along strike in both directions. Assays derived from drilling this deposit include intersections of: **11.06g/t gold over 9.10m** (including 43.75g/t gold over 2.00m), **61.24g/t gold over 5.95m** (including 705g/t gold over 0.5m), **7.50g/t gold over 7.95m** (including 56.40g/t gold over 1.00m) and **1.99g/t gold over 34.65m** (including 9.46g/t gold over 2.35m) (see Northern Superior Resources press release, January 10, 2018). In addition, several gold showings have also been identified on the property indicating potential for additional gold deposit opportunities (see Northern Superior Resources Corporate presentation, www.nsuperior.com).

A drill program and budget has already been developed including 20 holes or approximately 6,000m of core drilling. The primary purpose of this program is to extend the eastern and western strike of the high-grade shoots and also their distribution at depth. A provision also exists in the budget to test key showings discovered elsewhere on the property.

KEY EVENTS Q2 2020

Corporate

- Completed a financing to:
 - i) Provide a wide range of options to advance the Company's two key Québec assets, Lac Surprise and Croteau Est, by raising \$2,000,000 Québec charitable flow through. Options include core drilling one or both assets; and
 - ii) Topped up the capital available for a core drill program at TPK by raising an additional \$500,000 Ontario charitable flow through. This additional financing provides a total of \$3,719,000 for the next phase of core drilling.

TPK

- Completed project planning and budgeting for two phases of core drilling:
 - i) Big Dam area, Phase I consisting of 8 core holes or approximately 2,500m of core drilling from 3 collar locations testing the Goose Lake and Little Crying Boy Lake targets;
 - ii) Annex area, Phase I consisting of 8 core holes or approximately 2,400m of core drilling from 7 collar locations, testing 3 targets; and
 - iii) Phase II drilling and budgets are developed for both areas, however, the final plan for Phase II is dependent on core drilling results, Phase I.

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the six months ended June 30, 2020

Lac Surprise

- Completed evaluation of all data associated with the last phase of drilling, 2019;
- Identified two additional areas on the Lac Surprise property that could host the extension of the gold-bearing hydrothermal system associated with the neighboring Nelligan gold deposit onto the Lac Surprise property; and
- Initiated planning and budgeting for a core drill program.

OUTLOOK AND STRATEGY, Q3-Q4, 2020

TPK

- Execute the planned core drill program for both the Big Dam and Annex areas of the property (COVID-19 issues permitting).

Lac Surprise

- Complete geophysical inversion modelling for the Nelligan gold deposit and associated gold-bearing hydrothermal extension onto the Lac Surprise property;
- Complete the core drill program and budget for the Lac Surprise property, designed to test for the various proposed extensions of the gold-bearing hydrothermal system from the neighboring Nelligan gold deposit onto the Lac Surprise property; and
- Acquire all necessary service providers and assemble a geological team to execute a core drill program if required.

Croteau Est

- Completion of a core drill program and budget is already prepared for the Croteau Est property, the purpose of which to test the extension of several high-grade gold shoots along strike both to the east and west as well as at depth; and
- In conjunction with the development of the Lac Surprise core drill program, acquire all necessary service providers and assemble a geological team to execute a core drill program as required.

Other Properties

- The Wapistan mineral property is strategically positioned within the James Bay Lowlands, an emerging and important exploration and mining camp in the James Bay Lowlands of Québec. The reconnaissance exploration program completed in the fall of 2018 verified the existence of several historical mineral showings on this property and led to the discovery of four new showings.
- Northern Superior has initiated the process of applying to the Ontario Ministry of Energy, Northern Development and Mines, for an extension of time regarding its mineral claims associated with its Thorne Lake, Rapson Bay and Meston Lake properties, northwestern Ontario. This process was initiated in response to a lack of engagement from Sachigo Lake First Nation with the Company, despite best efforts by the Company to engage Chief and Council and financially supporting local Community events.

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the six months ended June 30, 2020

Geoscientific Data Base

- Historically a project generator, Northern Superior will continue to build its geoscientific data base through acquiring and integrating any new publicly available data and all data generated through its own exploration activities.

RESULTS OF OPERATIONS

Exploration and evaluation property expenditures

For the six months ended June 30, 2020	Ti-pa-haa- kaa-ning (\$)	Croteau Est (\$)	Lac Surprise (\$)	Wapistan (\$)	Total (\$)
Acquisition, assessment and maintenance	25,434	2,671	19,825	123	48,054
Analytical	-	-	4,653	-	4,653
Geology	42,139	13,845	13,665	-	69,649
Project administration	9,298	-	3,302	582	13,181
Total expenditures	76,871	16,516	41,445	705	135,538
Refundable tax credits and adjustments	-	(27,731)	(9,244)	(9,244)	(46,219)
Net	76,871	(11,215)	32,201	(8,539)	89,318

General and administrative costs

	Six months ended June 30,		Three months ended December 31,	
	2020	2019	2020	2019
	(\$)	(\$)	(\$)	(\$)
<u>General operating expenditures</u>				
Consulting fees	43,148	43,466	21,340	21,552
Legal and accounting	102,409	40,357	80,455	19,512
Office expenses and salaries	266,423	274,528	126,680	139,338
Shareholder information	127,283	121,113	85,717	63,344
Foreign exchange	364	318	458	281
Taxes	12,027	4,350	(1,408)	4,350
	551,652	484,819	313,242	249,063
<u>Other items</u>				
Interest income	(3,973)	(11,367)	(2,812)	(4,637)
Share-based payments	484,024	244,287	484,024	-
	480,052	143,803	481,212	(38,061)
Loss for the period	1,031,704	628,622	794,455	211,002

For the six months ended June 30, 2020 ("Period") as compared with the six months ended June 30, 2019 ("2019 Period")

The loss for the Period increased as compared with the 2019 Period, primarily as a result of increased legal expenditures in connection with the various financings completed in the period, and shareholder communication costs. Additionally, the share-based payments calculated on the grant of incentive stock options during the Period was \$484,024 as compared with \$244,287 in the 2019 Period. Share-based compensation is a non-cash item resulting from the application of the Black-Scholes Option Pricing Model using assumptions in respect of expected dividend yield average risk-free interest rates, expected life of

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the six months ended June 30, 2020

the options and expected volatility. The Company paid taxes in respect of the look-back rule on expenditures incurred during 2019 on flow-through funds received in 2018.

For the three months ended June 30, 2020 ("Q2") as compared with the three months ended June 30, 2019 ("2019 Q2")

The loss for Q2 increased as compared with 2019 Q2, primarily as a result of increased legal expenditures in connection with the various financings completed in the period, and shareholder communication costs. Additionally, the share-based payments calculated on the grant of incentive stock options during Q2 was \$484,024 as compared with \$Nil in 2019 Q2.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data (in "000s) for the Company's eight most recently completed quarters.

Quarter ended	2020		2019				2018	
	June 30	March 31	Dec 31	Sept 30	June 30	March 31	Dec 31	Sept 30
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Interest (expense) income	2,812	1,161	1,644	3,088	4,637	6,731	6,640	2,941
Net (Loss)	(794,455)	(237,250)	(3,682)	(168,674)	(211,007)	(417,618)	(350,775)	(191,359)
Net (loss) per share (basic and diluted)	(0.01)	(0.01)	-	-	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	15,040,181	8,887,682	8,616,095	9,097,441	9,129,565	9,550,762	9,485,488	8,789,551

FINANCIAL CONDITION, LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

The Company is not in commercial production on any of its mineral properties and accordingly, it does not generate cash from operations. The Company finances its activities by raising capital through the equity markets, and its investment policy is to keep its cash on deposit in an interest-bearing Canadian chartered bank account. Given the volatility in equity markets, uncertainties in the markets due to COVID-19 and results of exploration activities, management constantly reviews expenditures and exploration programs and equity markets in order that the Company have sufficient liquidity to support its growth strategy.

From January 1 to June 30, 2020, the Company completed private placements which raised a total of \$6,861,000, of which \$5,719,000 is to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements, as to \$3,719,000 in Ontario and \$2,000,000 in Québec. At June 30, 2020, the Company has \$3,685,036 remaining to be expended in Ontario and \$2,000,000 in Québec.

At June 30, 2020, the Company has working capital (current assets less current liabilities, net of flow-through share premiums) of \$6,763,688 (December 31, 2019: \$417,919), of which \$5,685,036 is restricted to flow-through purposes (December 31, 2019: \$Nil), resulting in an unrestricted working capital of \$1,078,652 (December 31, 2019: \$417,919), has incurred a loss for the period of \$1,031,705 (year ended December 31, 2019: \$800,981) and has an accumulated deficit of \$67,873,767 (December 31, 2019: \$66,842,062).

The Company's cash position is highly dependent on the ability to raise cash through financings and the expenditures on its exploration programs. As results of exploration programs are determined and other

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the six months ended June 30, 2020

opportunities become available to the Company, management may seek to complete external financings as required in order to fund further exploration.

The outlook is based on the Company's current financial position and is subject to change if opportunities become available based on current exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its resource to partners. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term but recognizes that there will be risks involved which may be beyond its control.

OUTSTANDING SHARE CAPITAL INFORMATION AT THE REPORT DATE

Common shares - issued and outstanding 58,312,042

	Exercise price (\$)	Expiry Date	Shares issuable (#)	
Warrants	0.100	January 21, 2023	6,242,858	6,242,858
Stock options	0.500	November 5, 2020	95,000	
	1.000	August 1, 2021	50,000	
	0.500	November 21, 2021	105,000	
	0.650	April 23, 2022	660,000	
	0.500	November 30, 2022	285,000	
	0.220	March 29, 2024	730,000	
	0.340	June 16, 2025	1,450,000	
			<u>3,375,000</u>	
			<u>67,929,900</u>	

RELATED PARTY TRANSACTIONS

The Company has arrangements pursuant to which parties related to the Company by way of directorship or officership provide certain services, either directly or through companies owned or controlled by the officers and directors. Transactions were in the normal course of operations and all of the costs recorded are based on estimated fair value. Key management personnel consist of Thomas Morris (President and CEO), Jeannine Webb (CFO), Daniel Rothberg (Corporate Secretary), François Perron (Chairman of the Board of Directors), Andrew Farncomb, David Beilhartz, Michael Gentile (effective December 30, 2019), Gordon Morrison (effective January 10, 2020), David Medilek (effective April 15, 2020), (independent, non-executive Directors of the Company).

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the six months ended June 30, 2020

During the periods ended June 30, 2020 and 2019, the Company incurred fees for services for services, net of any share-based payments, by these parties as follows:

	June 30,	
	2020	2019
	(\$)	(\$)
CEO and President	112,500	112,500
Company controlled by CFO	24,000	24,000
Corporate Secretary	18,000	18,000
	154,500	154,500

Directors' Compensation

Each independent Director is paid a fee of \$20,000 per annum, with the Chairman of the Board and the Chairman of the Audit Committee each receiving an additional \$5,000 per annum. Fees are due quarterly, with one-half of the fees payable in common shares of the Company, subject to TSX-V approval. Effective October 1, 2019, only the portion of fees payable in common shares of the Company are in effect.

	June 30,	
	2020	2019
	(\$)	(\$)
Directors' fees	30,000 ⁽¹⁾	55,000 ⁽²⁾

(1) At June 30, 2020, a total of \$30,000 was owed to Directors in respect of Directors' fees incurred in the period ended June 30, 2020.

(2) At June 30, 2019, a total of \$68,750 was owed to Directors in respect of Directors' fees incurred during the period ended June 30, 2019 and prior periods.

ACCOUNTING STANDARDS

Critical accounting estimates and judgments

The preparation of the Financial Statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Judgments

- (i) The assessment by management of the Company's liquidity position and whether going concern disclosure is required in the financial statements.

As part of this process, management prepares cash flow budgets detailing expected expenditures for at least the next twelve months. The assessment of the Company's liquidity position takes into account the Company's working capital position, the timing of discretionary and non-discretionary expenditures and also the status of any potential equity financings.

- (ii) The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and these assets have been accounted for under the assumption that the carrying value will be recoverable. Recoverability is dependent on various

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the six months ended June 30, 2020

factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves.

Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets. Management reviewed exploration and evaluation assets for the six months ended June 30, 2020 and the year ended December 31, 2019 and did not identify any impairment indicators.

Estimates and assumptions

The Company uses the fair-value method of accounting for share-based payments related to stock options and share purchase warrants granted, modified or settled. Under this method, cost attributable to options granted is measured at fair value using the Black Scholes option pricing model. In determining fair value, the Company makes estimates of the expected volatility of the stock and the risk-free interest rate and assumptions about the expected life and the forfeiture rates of the options.

OFF-BALANCE SHEET ARRANGEMENTS

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

SUBSEQUENT EVENTS

On July 30, 2020, 100,000 common shares were issued on the exercise of stock options at \$0.22 per share, for gross proceeds of \$22,000, and on August 3, 2020, a further 100,000 common shares were issued on the exercise of stock options at \$0.22 per share, for gross proceeds of \$22,000.

RISKS AND UNCERTAINTIES

General

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, may be insufficient in quantity and quality to return a profit from production at a given time. The Company evaluates its property interests on an ongoing basis and intends to abandon properties that fail to remain prospective. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. At the time of writing this Report the Company expects to incur further property acquisition, and development and exploration expenses. The Company has a history of incurring losses and deficits and is subject to a number of risks and uncertainties due to the nature of its business and present stage of explorations, such as, but not limited to, the risks discussed below and contained elsewhere in this Report. In addition to the other information presented in this Report, the reader is directed to the risks discussed in the Financial Statements. The Company, and thus the securities of the Company, should be considered a highly speculative investment, and investors should carefully consider all of the information disclosed in this MD&A prior to making an investment in the Company as well as during their time as investors.

Coronavirus (COVID-19)

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these

Northern Superior Resources Inc.

Management's Discussion and Analysis

For the six months ended June 30, 2020

measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020. The Company continues to operate its business, and in response to Federal and Provincial emergency measures, has requested its employees and consultants work remotely wherever possible. These government measures, which could include government mandated closures of the Company or its contractors or restrictions on travel of various personnel, could impact the Company's ability to conduct its exploration programs in a timely manner, and the Company is evaluating the best way to move its exploration activities forward when the emergency measures are lifted.

Limited Financial Resources and Going Concern

The Company has no significant source of operating cash flow and no revenues from operations. The Company has limited financial resources, no operating revenues and its ability to continue operating as a going concern is dependent upon management's success in raising additional monies to sustain the Company until cash flow from operations is adequate to sustain the Company's viability. Substantial expenditures are required to be made by the Company and/or its development partners to establish ore reserves and develop a mining operation. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. At present, the Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing exploration budgets.

Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's projects and the Company may become unable to carry out its business objectives. The Financial Statements contain a note that indicates the existence of material uncertainties that raise substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through the issuance of capital stock or joint ventures, and to realize future profitable production or proceeds from the disposition of its mineral interests.

While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favorable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favorable terms, or at all. Restrictions on the Company's ability to finance could have a materially adverse outcome on the Company and its securities, and its ability to continue as a going concern.

Title and Rights

The Company has investigated title to all of its exploration properties and, to the best of its knowledge, title to all of its properties, and properties that it has the right to acquire or earn an interest in are in good standing; however, the Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. These defects could adversely affect the Company's title to such properties or delay or increase the cost of the development of such properties.

The Company's properties may also be subject to Aboriginal/First Nations or other historical rights that may be claimed on Crown properties or other types of tenure with respect to which mineral rights have been conferred. The Company is in ongoing communication with the Aboriginal/First Nations communities associated with its properties, and is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration activity, and is supportive of measures established to achieve such co-operation.

Northern Superior Resources Inc. Management's Discussion and Analysis For the six months ended June 30, 2020

Market

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Metal and Commodities Prices

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of such product. Factors beyond the control of the Company may affect the marketability of any minerals discovered. No assurance may be given that metal prices will remain stable. Significant price fluctuations over short periods of time may be generated by numerous factors beyond the control of the Company, including domestic and international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The effect of these factors on the price of minerals and therefore the economic viability of any of the Company's exploration projects cannot accurately be predicted. As the Company's properties are in the exploration stage, the above factors have had no material impact on present operations or income.

Exploration and Development

All of the Company's properties are in the exploration stage and no known reserves have been discovered on such properties. There is no certainty that the expenditures to be made by the Company or its option partners in the exploration of its properties described herein will result in discoveries of metals in commercial quantities or that any of the Company's properties will be developed. Most exploration projects do not result in the discovery of economic deposits of metals and no assurance can be given that any particular level of recovery of metals will in fact be realized or that any identified resource will ever qualify as a commercially mineable (or viable) resource which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permit regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of metals ultimately discovered may differ from that indicated by drilling results. There can be no assurance that metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Exploration, Development and Operating

Mineral exploration and mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of base metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. The financing, exploration, development and mining of any of the Company's properties is furthermore subject to a number of macroeconomic, legal and social factors, including commodity prices, laws and regulations, political conditions, currency fluctuations, the ability to hire and retain qualified people, the inability to obtain suitable adequate machinery, equipment or labor and obtaining necessary services in jurisdictions in which the Company operates. Unfavorable changes to these and other factors have the potential to negatively affect the Company's operations and business.

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the six months ended June 30, 2020

Political and Economic Instability

The Company's activities in Canada are subject to risks common to operations in the mineral exploration and mining industry in general. Mineral exploration and mining activities and production activities may be affected in varying degrees by political stability and government regulations relating to this industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental legislation, water use, labor standards and workplace safety.

Environmental

Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development and a higher level of responsibility for companies and their officers, directors and employees. There is no assurance that future changes to environmental legislation in Canada will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown at present and which have been caused by previous owners or operators. Furthermore, future compliance with environmental reclamation, closure and other requirements may involve significant costs and other liabilities. In particular, the Company's operations and exploration activities are subject to Canadian federal and provincial laws and regulations governing protection of the environment. Such laws are continually changing and, in general, are becoming more restrictive.

Competition in the Mineral Exploration Industry

The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition could adversely affect the Company's ability to acquire suitable new prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel.

Key Personnel

The Company's operations are dependent to a large degree on the skills and experience of certain key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a materially adverse outcome on the Company and its securities.

Uninsurable

The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

FORWARD-LOOKING STATEMENTS

Certain of the statements made herein may constitute "forward-looking statements" or contain "forward-looking information" within the meaning of applicable Canadian securities laws. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All

Northern Superior Resources Inc.
Management's Discussion and Analysis
For the six months ended June 30, 2020

statements, other than statements of historical fact, included herein including, without limitation; statements about the potential for mineralization at the Company's properties, the timelines to complete the Company's exploration programs, timing for permit applications, timing for resource estimates, timing to complete technical reports, forecasts for exploration expenditures, estimates of future administrative costs and statements about the Company's future development of its properties.

Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to foreign currency fluctuations; risks inherent in mineral exploration and mine development including environmental hazards, industrial accidents, unusual or unexpected geological formations, ground control problems and flooding; risks associated with the estimation of mineral resources and reserves and the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; the potential for and effects of labor disputes or other unanticipated difficulties with or shortages of labor 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 labor 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

The Company's disclosure of a technical or scientific nature in this Report has been reviewed and approved by Dr. T.F. Morris (President and CEO of the Company), a Qualified Person ("QP") (as defined in National Instrument 43-101, "Standards of Disclosure for Mineral Projects").

APPROVAL

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the Financial Statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

ADDITIONAL INFORMATION

Additional information is available on the Company's website at www.nsuperior.com or on SEDAR at www.sedar.com.