



**Northern Superior Resources Inc.
Management's Discussion and Analysis
For the year ended December 31, 2020**

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Northern Superior Resources Inc. Management's Discussion and Analysis For the year ended December 31, 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 year ended December 31, 2020 (the "Period" or "Year") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at April 14, 2021 (the "Report Date"). The Report should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2020 and 2019 and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") (the "Financial Statements"). All dollar amounts in the Report are in Canadian dollars unless otherwise noted.

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.

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 the future. The Company continues to operate its business and adheres to Canadian Federal and Provincial emergency measures as those are developed.

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.

PRESIDENT'S MESSAGE

2020 was a transformational year for Northern Superior Resources with a re-organized board of directors and a major discovery on its 100% owned Lac Surprise gold property.

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The Board of Directors is now a strong and well balanced one consisting of members with proven experience and success in the corporate and financial aspects of the industry and members with a proven track record of successfully discovering mines. All board members are well vested in the Company and are actively involved with the planning and execution of all financial and exploration activities.

Financially, Northern Superior was successful in raising significant funds through four separate financings. This success was primarily achieved through marketing specifically to selected institutions and mid to upper tier mining companies, the first time Northern Superior's story has been presented to such groups since 2012. Based on current levels of spending sufficient hard dollars (\$2,892,000) were raised to meet the Company's general administration needs for the next three years. For the first time since 2012, sufficient Ontario flow through funds were raised (\$3,719,000) to apply a properly sized and fully funded core drill program on the Company's 100% owned Ti-pa-haa-kaa-ning (TPK) gold property in northwestern Ontario. Québec flow through funding (\$4,500,000) led to the discovery of the Falcon Gold Zone on the Company's 100% owned Lac Surprise property: thought to be the westward extension of the gold-bearing system associated with the neighboring 3.2 million ounce Nelligan gold deposit. This Québec flow through raise allows us to start 2021 with approximately \$3.5 million in funds to follow-through on initiating a Phase II core drill program on the Lac Surprise property, designed to characterize the dimensions of the Falcon Gold Zone and test our large and prospective Target 3, which lies 5km to the West of our Falcon Gold Zone discovery. This funding also provides the flexibility to further evaluate and expand the Croteau Est NI43-101 compliant resource and other, highly prospective targets defined on both the Lac Surprise and Croteau Est properties.

The Lac Surprise discovery is significant. Building off the success of the 2019 core drill program that led to the discovery of the Épervier Gold Zone, the Company launched a core drill program in 2020 that led to the discovery of the Falcon Gold Zone highlighted by two discovery holes: LCS20-13 (**1.02 g/t gold and 3.92 g/t silver or 1.07 g/t AuEq over 35.5m with a high-grade interval of 7.70 g/t gold and 38.96 g/t silver or 8.22 g/t AuEq over 2.6m**); and LCS19-005 (ext.) (**1.44 g/t gold and 1.08 g/t silver or 1.55g/t AuEq over 44.9m, including 3.60 g/t gold and 1.92 g/t silver or 3.82g/t AuEq over 15m**). The assays and associated geology strongly suggests that the Falcon Gold Zone is the extension of Nelligan gold deposit. It is anticipated that this current drill program will go a long way in establishing this relationship.

Managing all aspects of the Company's activities through 2020 was challenging given the negative impact that the COVID-19 Pandemic had on all aspects of society this past year. In particular, many First Nations across Canada completely closed their Communities to engagement with any outside group. Neskantaga First Nation, isolated geographically to protect themselves from the pandemic, given limited healthcare resources in remote communities, and exacerbated by an ongoing boil water advisory that has been in place for the past 25 years, was understandably one of these Communities who ceased engagement with outside groups. As such, Northern Superior was unable to initiate the 2020 exploration program as planned for its TPK property. However, with the vaccination of the Community now complete and the promise by the federal Government to address the long-standing issues with the Community's water treatment plant, Northern Superior is hopeful to initiate this long-awaited drill program during Q2, 2021. We congratulate the election of the Chief and look forward to working with him to create opportunity for those in the community.

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A second challenge involved the turn-around time to receive assay values from geochemical laboratories. The capacity and ability of laboratories to generate assay results in a timely manner had already been severely restricted by the extended downturn (2012- 2019) in the Commodity markets. This was only exacerbated by the sudden and intense increase in exploration activity that flooded these laboratories with material to process... just when the COVID-19 Pandemic hit. As such, the ability to react and adjust drill plans were made from observations of the drill core alone. Fortunately, characterizing controls and materials associated with gold mineralization at the neighboring Nelligan gold deposit prior to initiating the 2020 Lac Surprise drill program was instrumental to the success the Company had on the Lac Surprise property.

Northern Superior is very much looking forward in building off its successes from 2020. 2021 will be the most active exploration year in the company's history, with over 20,000 meters of fully funded drilling spread over multiple properties and targets. Led by an experienced, proven, vested and engaged board and management team, a strong foundation of well-funded and well-planned core drill programs for properties with exceptional opportunity, we are looking forward to sharing with you the ongoing effort of building value in this Company through 2021.

Tom Morris
President and CEO

KEY EVENTS 2020

Corporate

- Completed restructuring the Board of Directors with the addition of 3 new members and the organization of several key committees.
- Increased awareness of the company within institutional and retail mining investors through sustained marketing and awareness building programs.
- Completed 4 separate financings culminating in the procurement of:
 - \$2,892,000 hard dollars to cover General Administration expenditures 2020 - 2022;
 - \$3,719,000 flow through dollars to cover 2021 TPK exploration costs; and
 - \$4,500,000 flow through dollars to cover 2020 and 2021 Lac Surprise and Croteau exploration costs.
- Developed health and safety protocols in response to the COVID-19 Pandemic outbreak, ensuring safe office and field operations resulting in no staff or contractors becoming ill from the COVID-19 virus.

TPK

- Completed re-interpretation of the geological model associated with both the Big Dam and Annex areas of the property:
 - Five specific targets identified within the Big Dam area of the property; and
 - Four specific targets identified within the Annex area of the property.
- Completed Phase I planning and budgeting for drilling targets within the Big Dam and Annex areas of the property:

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- Approximately \$1,000,000 allocated to test the Goose (1 collar, four holes, ~690m) and Little Crying Boy (2 collars, four holes, 1900m) targets, Big Dam area; and
- Approximately \$1,000,000 allocated to test four targets (7 collars, 8 holes, 2400m), Annex area.

Note: Phase II drilling plan will be dependent on results from Phase I drilling.

- Developed and presented, at Neskantaga First Nation request, two different business plans with emphasis on engagement with the Community through the application of strict COVID-19 engagement policies and at the same time ensuring that the Community would maintain all financial benefits as stipulated in the Early Exploration Benefits Agreement.
- Winterized the Rowlandson Lake exploration camp.

Lac Surprise

- Completed the interpretation and integration of all data derived from the 2019 core drill program into the Lac Surprise geoscientific database;
- Completed characterizing geologic controls associated with the neighboring 3.2 million ounce Nelligan gold deposit including;
 - Recognition of magnetic destruction;
 - Presence of 60° faults; and
 - Association of gold to coarse clastic sediments, pyrite, silicification and potential stratigraphic controls.
- Applied the same methodology used to characterize geologic controls on the Nelligan deposit to the northeastern part of the Lac Surprise property, identifying 2 potential targets (Target 1 and 2).
- Discovery of the Falcon Gold Zone at Target 1 from two discovery holes: LCS20-13 (**1.07 g/t AuEq over 35.5m with a high-grade interval of 7.70 g/t including 8.22 g/t AuEq over 2.6m**) and LCS19-005 (ext.)(**1.55g/t AuEq over 44.9m including 3.82 g/ t AuEq over 15.0m**).
- There was a total of 8 holes completed or 2,872.5m drilled at Target 1, 2 holes completed at Target 1b or 942.0m and 2 holes at Target 2 or 834.0m. (12 holes total, 4,648.5m).
- Verified hypothesis for the movement of gold-bearing fluids having moved through the “North Trend” towards Targets 2 and 3.
- Initiated revision of geological model associated with Target 3, planning and budget for drilling this target.
- Initiated planning and budgeting for core drilling, “Confluence Area” of the property which included and where:
 - Review of geophysical data covering the area where the prominent Doda and Remick deformation corridors merge;
 - Recovery of up to 107 gold grains from overburden samples occur within this area;
 - Assay of 1.35 g/t Au from a grab sample, Surprise-1 Showing;
 - Several prominent 60° faults cut through the east- west aligned deformation zones in this area; and
 - Strike length of this target is approximately 4 kms.

Croteau Est

- Engaged consultant to independently review the Croteau Est 43-101 compliant resource and propose both new resource and regional resource expansion and exploration potential.

Geoscientific Database

- Completed the integration of data derived from the 2020 core drill program at Lac Surprise into the database.
- Completed the integration of data derived from the geologic modelling at TPK into the database.
- Continued growth of the Company's geoscientific data base from the acquisition of newly published, publicly available geoscientific data (database now almost a tera byte in size).

OUTLOOK AND STRATEGY, 2020

TPK Property

The TPK project is a large 30 x 20km (2,431 claims or 47,796 hectare) property, 100% owned by Northern Superior and contains within the boundaries of the property two district scale mineral systems:

- 1) Big Dam/ New Growth gold-bearing system that stretches 35kms in an east to west arc across the property, highlighted by the largest gold grain-in-till dispersal apron in North America (**6 km wide x 11 kms long, gold grain counts as high 1262 grains per 10kg sample**), embedded within high grade gold-bearing boulders (assay values as high as 94 g/t Au) and several high-grade intersections (**including an intersection of 25.87 g/t Au over 13.5m**). ***Note that the source areas for the gold grains and high-grade boulders within the Big dam area of the property have never been drilled;*** and
- 2) The Annex gold-silver-copper system, 3.4kms wide as defined by the head (or source area for the gold grains and high-grade boulders) of west-northwest to east-southeast strike length of the gold grain-in-till corridor. This corridor stretches down-ice (southwest) 13kms and is comprised of **gold grain-in till anomalies of as high as 1302 gold grains** (1295 pristine) from a 10kg sample with **high grade mineralized boulders embedded within that assayed as high as 727 g/ t Au, 111g/t Ag and 4.05% copper**. Stratigraphy drilling completed in 2012 intersected high grade material (**including 4.63g/t Au over 5.50m**) in the "tail of the dispersal corridor." ***The actual source areas have never been tested.***

The Company operates exploration of this property under an Early Exploration Benefits Agreement (EEBA) with the local First Nation Community of Neskantaga. Although the exploration program for 2020 was delayed due to COVID-19 related and water treatment plant issues, the Company is optimistic with regard to launching a core drill program in 2021 with the recent three-year extension of the EEBA in November of 2019, that Community members have now all had both vaccination shots and the promise by the Federal Government to address the Community's water treatment plant issues.

Following a thorough review of all geoscientific data, another targeting exercise was undertaken in the Big Dam area which included a geophysical inversion model. This modeling, coupled with the application of other geoscientific data and observations from previous exploration programs, led to the development of a

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core drill program designed to efficiently and economically test two (Goose and Little Crying Boy) of five key targets in the Big Dam area of the TPK property. Proof of concept should be realized quickly with the Goose target tested from 1 collar location with 4 four holes (690m) and the Little Crying Boy target tested from 2-3 collars with 4 holes (1900m). The strike distance between both Goose and Little Crying Boy is approximately 3.2km and appears to be connected geologically by a silicified zone identified from airborne geophysical data, inversion modelling and field observations. That this 3.2km long target is gold-bearing is also confirmed by the presence of gold grain-in-till anomalies and gold-bearing boulders dispersed down-ice from this zone. Success at the Goose and Crying Boy targets would provide an understanding on why gold mineralization occurs at these two targets, critical in verifying the potential of the other three targets identified and identifying additional targets within this 6km by 11km gold grain dispersal apron defined within the Big Dam area.

At the same time, targeting at the Annex area defined 4 high potential targets. Three of these are likely associated with gold and silver while the other gold and copper as suggested by the distribution of high-grade gold-silver and gold-copper boulders. The drill program designed to test these targets will provide proof of concept efficiently and economically through 7 collars and 8 drill holes or approximately 2400m of drilling. In 2012 our first 5 holes all encountered gold bearing Zones included several with commercial grade intercepts, **(4.62 g/t Au over 5.50m; 13.40 g/t Au over 1.90m and 1.20g/t Au over 1.20m)**. However, due to poor market conditions and lack of funding these discovery holes were never followed up with any additional drilling. Remarkably, we now understand that these discovery holes were drilled approximately 2km away from the now defined head of the system located to the North East. As such, management now considers the prospectivity of the Annex area for additional discovery holes even greater than previously understood.

The cost of drilling proposed for both areas will be approximately \$2.0M, leaving enough capital to complete a follow-up drilling program which will be based on the results from the first phase.

Québec Projects

Lac Surprise

The Lac Surprise property is a large 20x 20km (274 claims, 15,178.5 hectares) property 100% owned by Northern Superior. This highly prospective property is located within the Chapais-Chibougamau gold-copper camp, west-central Québec. The property is accessible by road year-round with all exploration supplies and services readily available from three neighboring communities; Chibougamau, Chapais and Waswanipi. As the Lac Surprise property lies within the traditional territory of Waswanipi First Nation, Northern Superior is currently negotiating a Mineral Exploration Agreement (MEA) with Waswanipi.

Following the successful discovery of the Épervier Gold Zone in the Fall of 2019, highlighted by the discovery hole LCS19-008 **(1.54 g/t Au over 15.15m; Incl. 10.80 g/t Au over 0.6m)**, Northern Superior decided to advance exploration on this property in 2020 by raising significant capital, initiating and completing a Phase I core drill program consisting of 11 holes (4,648.5m). This program was to test 4 targets: 1, 1b 2 and 3. Unfortunately due to time constraints Target 3 was not tested.

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The Phase I program was very successful, highlighted with the discovery of the Falcon Gold Zone based on two discovery holes: LCS20-13 (**1.02 g/t gold and 3.92 g/t silver or 1.07 g/t AuEq over 35.5m with a high-grade interval of 7.70 g/t gold and 38.96 g/t silver or 8.22 g/t AuEq over 2.6m**); and LCS19-005 (ext.) (**1.44 g/t gold and 1.08 g/t silver or 1.55g/t AuEq over 44.9m, including 3.60 g/t gold and 1.92 g/t silver or 3.82g/t AuEq over 15m**). These two holes represent 200m of strike length for the Falcon Gold Zone remains open to the East and West and appears to be on strike and only 1.6km from IAMGOLD/Vanstar's westernmost reported step-out drillhole (see Vanstar/IAMGold press releases August 11, 2020). In addition, the host material and associated properties are very similar to that reported for Nelligan including:

- Host material consists of coarser clastic materials (hole LCS19-005ext. consists mainly of greywacke);
- Moderate- strong Pyrite content varying between 3 to 6% mostly in thin dissemination, fracture, veinlets controlled and often in stringers; and
- With decametric moderate to strong silicification and sericitization spatially related.

Building off the successful results from the Phase I program, the Company has initiated a Phase II program consisting of two stages. **Stage 1 will consist of approximately 5,000m of core drilling (15- 17 holes), designed to better define the dimensions of the Falcon Gold Zone** (see Northern Superior Press Release, March 15, 2021). Currently, the strike length of the Falcon Gold Zone is defined over a minimum of strike of 200m. The Épervier Gold Zone, traced over a strike close to 1km, is aligned parallel to the Falcon Gold Zone and as such they appear to be related. Thus, there is the potential to extend the strike of the Falcon Gold Zone (both East and West) to over a minimum of 1km with the 15-17 holes planned in Phase II. At the time of writing this report, 8 holes or 2,591m of drilling had been completed at Target 1.

The Falcon Zone also remains open at depth with the current deepest intersection of the Falcon Zone at a true vertical depth of 200- 210m. The neighboring Nelligan gold deposit has intersected gold bearing zones to a depth of 500m and remains open at depth. This Phase II program is also designed to test the vertical extension of the Falcon Zone discovery.

Phase II, Stage 2 will consist of approximately 5,000m or 12 to 13 holes and is designed to test Target 3 and an area to the south referred to as the "Confluence Area". Target 3, a very compelling target, was not tested during Phase I drilling due to rig availability and time constraints. Research on this target, including additional geophysical modelling and a more thorough review of regional historic work, has dramatically increased the size and scope of this opportunity. Recent geophysical inversion modeling suggests the presence of an intrusion (potential heat source) with characteristics similar to those defined within the Nelligan gold deposit, 7km to the east, and those that also led the discovery of the Falcon Gold Zone in, Target Area 1, including:

- A large, deeply rooted intrusion;
- Association with 60° faults; and
- Associated large areas of magnetic geophysical lows suggesting areas of silicification and alteration leading to magnetic destruction. There are three such large areas identified to the southeast (~4.0 x 1.0kms), northeast (~2.0 x 2.0kms) and northwest (~1.0km x 1.0km) of the proposed intrusion.

The Confluence Area occurs southwest of Target 3 and it is in this area where two prominent deformation zones, the Remick and Doda, converge. This area contains a prominent gold grain dispersal train (**maximum 49 gold grains**, 10kg till sample) the head of which has never been tested by core drilling. A

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10kg stream sediment sample just west and at the intersection of two faults yielded **107 gold grains**. This area also has a gold showing (Surprise 1) where a grab sample was recovered that assayed **1.35g/t Au**.

Croteau Est

In keeping with the philosophy of staking large land packages to capture mineralized systems, the Croteau Est property is another large property package, 30 x15kms (237 claims, 12,545ha) and is also 100% owned by Northern Superior. This property lies 65kms north of Lac Surprise and is also located in the Chapais-Chibougamau mineral exploration camp. The property contains a 43-101 compliant gold resource (CBSZ) of 640,000 ounces (11.6 million tonnes, grade 1.7 g/t Au). The deposit was defined on the basis of only 64 holes (20,643m) with most of the holes only extending to 350m. This deposit remains open along strike (both east and west) and at depth (>350m). In addition to the CBSZ, the Company has discovered several gold showings across the property.

Northern Superior operates its exploration programs on the Croteau Est property under a Pre-Development agreement with Oujé Bougoumou within whose traditional territory this property occurs.

A two-phase core drill program in 2017 was the last meaningful exploration program completed on the Croteau Est property by Northern Superior. The purpose of this program was to define the continuity of high-grade gold-bearing shoots within the CBSZ gold deposit. The program was very successful, intersecting several of these shoots with high-grade intersections that include **72.90 g/t gold over 0.70m; 11.06g/t gold over 9.10m (including 43.75g/t gold over 2.00m); and 1.99g/t gold over 34.65m(including 9.46g/t gold over 2.35m)**.

Following this core drill program, management proposed a 21 hole, 6,200m program to test the extension of the CBSZ along strike (east and west) and at depth. In addition, this drilling program was also designed to test four gold showings on the property previously identified from the Company's regional prospecting and overburden sampling programs.

In the Fall of 2020 the Company engaged a contractor to undertake an independent evaluation of the CBSZ deposit and the various gold showings identified on the property. At the time of writing this MD&A, the Company was in the process of evaluating recommendations presented.

Wapistan

Wapistan Property Northern Superior Resources' Wapistan (Cree for 'Marten') mineral property is situated in the James Bay (or Baie James) region of Central Québec, an emerging and important exploration and mining camp. The property was staked by Northern Superior in July 2015 after an extensive review of geoscientific data of the James Bay region. To date, the company has conducted an airborne magnetic survey across the property and completed a prospecting program in the Fall of 2018 (see Northern Superior press release, January 29, 2019). The purpose of the 2018 prospecting program was to verify and prospect at least 4 of the 9 historic showings that occur on the property and prospect favorable geological sites identified from the Company's proprietary airborne imagery (see press release, Northern Superior Resources, May 16, 2017). The objectives of the 2018 prospecting program was to verify and prospect at least 4 of the 9 historic showings that occur on the property and prospect favorable geological sites identified from the Company's proprietary airborne imagery (see press release, Northern Superior Resources, May 16, 2017). The objectives of the program were met with the four historical showings prospected and the discovery of an additional four showings (see Northern Superior press release, January 29, 2019).

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Planning for a prospecting, geological mapping and material sampling program will be completed in advance of Q2, 2021.

Geoscientific Database

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.

ANNUAL FINANCIAL INFORMATION

As at and for the years ended December 31,	2020 (\$)	2019 (\$)	2018 (\$)
Interest income	20,820	16,100	6,256
Net loss	(999,996)	(800,981)	(880,606)
Net loss per share (basic and diluted)	(0.02)	(0.02)	(0.03)
Total assets	19,137,560	8,616,095	9,485,488

RESULTS OF OPERATIONS

Exploration and evaluation property expenditures

For the year ended December 31, 2020	Ti-pa-haa- kaa-ning (\$)	Croteau Est (\$)	Lac Surprise (\$)	Wapistan (\$)	Total (\$)
Acquisition, assessment and maintenance	41,233	2,671	20,724	123	64,751
Analytical	-	-	178,771	-	178,771
Geophysics	7,675	-	1,250	-	8,925
Geology	74,160	19,710	131,217	-	225,087
Drilling	-	-	750,614	-	750,614
Project administration	9,568	-	3,827	582	13,977
Total expenditures	132,636	22,381	1,086,403	705	1,242,125
Refundable tax credits and adjustments	-	(27,731)	(9,244)	(9,244)	(46,219)
Net	132,636	(5,350)	1,077,159	(8,539)	1,195,905

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General and administrative costs

	Years ended December 31,		Three months ended December 31,	
	2020	2019	2020	2019
	(\$)	(\$)	(\$)	(\$)
General operating expenditures				
Consulting fees	86,316	86,465	21,595	21,510
Legal and accounting	197,248	66,478	91,839	20,700
Office expenses and salaries	526,999	500,478	135,888	96,128
Shareholder information	178,156	149,045	44,569	12,325
Travel	-	1,469	-	118
Foreign exchange	566	337	135	9
Taxes	10,082	-	(5,450)	(4,350)
	999,367	804,272	288,576	146,440
Other items				
Interest income	(20,820)	(16,100)	(6,483)	(1,646)
Other income	(10,000)	-	(10,000)	-
Management fees	-	-	-	90,366
Share-based payments	484,024	255,233	-	10,946
Flow-through share premium recovery	(452,575)	(242,424)	(452,575)	(242,424)
	630	(3,291)	(469,058)	(142,758)
Loss (income) for the period	999,997	800,981	(180,482)	3,682

For the year ended December 31, 2020 ("Year") as compared with the year ended December 31, 2019 ("2019 Year")

The loss for the Year increased as compared with the 2019 Year, primarily as a result of increased legal expenditures on increased activity, and shareholder communication costs. Additionally, the share-based payments calculated on the grant of incentive stock options during the Year was \$484,024 as compared with \$255,233 in the 2019 Year. The Company paid taxes in respect of the look-back rule on expenditures incurred during 2019 on flow-through funds received in 2018. In connection with flow-through financings completed during the Year and as a result of the funds being expended in the Year, the Company recognized the extinguishment of flow-through premium liabilities of \$452,575 as a credit to the statement of loss (2019 Year: \$242,424).

In April 2020, the Company received \$40,000 in respect of the Canada Emergency Business Account ("CEBA") loan, in response to the impact of the COVID-19 pandemic (the "Loan"). The Loan had an early repayment incentive trigger amount (the "Early Repayment Option"), such that if the Company repaid 75% of the amount of the Loan on or before December 31, 2022, the repayment of the remaining 25% of the Loan would be forgiven. On November 29, 2020, the Company elected to exercise the Early Repayment Option and repaid \$30,000 of the Loan. The Forgiven Amount of \$10,000 was recognized as other income in the Statements of Loss and Comprehensive Loss.

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For the three months ended December 31, 2020 ("Q4/20") as compared with the three months ended December 31, 2019 ("Q4/19")

The loss for Q4/20 as compared with the income in Q4/19 results primarily from increased legal expenditures and filing fees, office expenditures and shareholder communication costs, and the reclassification of management fees relating to an optioned property in Q4/19. In respect of the Loan, the Company exercised the Early Repayment Option on November 29, 2020. In connection with flow-through financings and as a result of the funds being expended, the Company recognized the extinguishment of flow-through premium liabilities of \$452,575 (Q4/19: \$242,424) as a credit to the statement of loss.

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			
	Dec 31	Sept 30	June 30	March 31	Dec 31	Sept 30	June 30	March 31
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Interest (expense) income	6,483	10,364	2,812	1,161	1,644	3,088	4,637	6,731
Net (Loss)	180,482	(148,775)	(794,454)	(237,249)	(3,682)	(168,674)	(211,007)	(417,618)
Net (loss) per share (basic and diluted)	0.00	(0.00)	(0.01)	(0.01)	-	-	(0.01)	(0.01)
Total assets	19,137,560	15,309,417	15,040,181	8,887,682	8,616,095	9,097,441	9,129,565	9,550,762

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 December 31, 2020, the Company completed private placements which raised a total of \$11,111,000, of which \$8,219,000 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 \$4,500,000 in Québec. At December 31, 2020, the Company has \$3,645,341 in qualifying expenditures remaining to be spent in Ontario and \$3,455,439 in Québec.

At December 31, 2020, the Company has working capital (current assets less current liabilities) of \$9,487,461 (2019: \$417,919), of which \$7,100,780 is restricted to flow-through purposes (December 31, 2019: \$Nil), resulting in an unrestricted working capital of \$2,386,681 (December 31, 2019: \$417,919). For the year ended December 31, 2020, the Company incurred a loss of \$999,996 (2019: \$800,981) and used cash in operating activities of \$729,326 (2019: \$842,667).

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 opportunities become available to the Company, management may seek to complete external financings as required in order to fund further exploration. Management believes that the Company's working capital is sufficient for it to continue in operation and meet its liabilities as they fall due for at least twelve months from December 31, 2020.

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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 63,472,270

	Exercise price (\$)	Expiry Date	Shares issuable (#)	
Warrants	0.100	January 21, 2023	6,242,858	
	1.200	June 14, 2022	1,190,150	
				7,433,008
Stock options	1.000	August 1, 2021	50,000	
	0.500	November 21, 2021	105,000	
	0.650	April 23, 2022	510,000	
	0.500	November 30, 2022	285,000	
	0.220	March 29, 2024	530,000	
	0.340	June 16, 2025	1,350,000	
				2,830,000
				73,735,278

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, Gordon Morrison (effective January 10, 2020) and David Medilek (effective April 15, 2020), (independent, non-executive Directors of the Company).

During the years ended December 31, 2020 and 2019, the Company incurred fees for services for services, net of any share-based payments, by these parties as follows:

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	December 31,	
	2020	2019
	(\$)	(\$)
CEO and President	225,000	225,000
Company controlled by CFO	48,000	48,000
Corporate Secretary	36,000	36,000
	309,000	309,000

Directors' Compensation

During the period January 1 to June 30, 2020, each independent Director earned a fee of \$2,500 per quarter, with Board and committee chairs earning an additional \$625 per quarter. Effective July 1, 2020, each independent Director earns a fee of \$5,000 per quarter, with Board and committee chairs earning an additional \$625 per quarter. The fees are to be paid exclusively in common shares of the Company, subject to TSX-V approval. As at December 31, 2020, none of the common shares in respect of fees earned by Directors in the Year had been issued.

	December 31,	
	2020	2019
	(\$)	(\$)
Directors' fees	96,250 ⁽¹⁾	95,571 ⁽²⁾

(1) At December 31, 2020, a total of \$96,250 was owed to Directors in respect of Directors' fees incurred in the year ended December 31, 2020.

(2) At December 31, 2019, a total of \$81,821 was owed to Directors in respect of Directors' fees incurred during the year ended December 31, 2019.

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 factors, including the discovery of economically recoverable reserves, the ability of the Company

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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 years ended December 31, 2020 and did not identify any impairment indicators.

OFF-BALANCE SHEET ARRANGEMENTS

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

SUBSEQUENT EVENTS

Subsequent to December 31, 2020, the Company issued a total of 170,000 shares on the exercise of stock options, for total gross proceeds of \$49,400.

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 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 2021. 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

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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.

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.

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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.

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

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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 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.

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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.