



**Northern Superior Resources Inc.
Management's Discussion and Analysis
For the six months ended June 30, 2021**

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Northern Superior Resources Inc.

Management's Discussion and Analysis

For the six months ended June 30, 2021

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, 2021 (the "Period") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at August 25, 2021 (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, 2021 and the notes thereto, and the audited financial statements for the year ended December 31, 2020, 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.

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.

STRATEGY

Corporate

Northern Superior focused on its exploration programs during this quarter, made possible through the re-organizing the Company during 2020. Three key members were added to the Board Directors in addition to procuring sufficient funds to effectively cover administration overhead for the next two years and complete meaningful exploration programs on its three main exploration properties in 2021. As this process

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was well summarized in the Company's 2020 Q4 Management, Discussion and Analysis report (filed April 15th, 2021) details will not be repeated here. The Company will continue to focus on its exploration programs for the balance of the year.

Key Properties

Lac Surprise

Through the first half of 2021 Northern Superior initiated and completed a very successful 26 hole, 7010.7m core drill program on Target 1 of its 100% owned Lac Surprise property, located in the active Chapais-Chibougamau gold camp of Québec (see Northern Superior press releases March 15 and August 17, 2021). This Phase II program follows on the success of the Phase I core drill program, completed in the fall of 2020, with the important discovery of the Falcon Gold Zone associated with Target 1, one of four targets identified northeast part of the Lac Surprise property (see Northern Superior press release, November 5 and December 22, 2020). This gold zone is believed to be the western extension of the neighboring IAMGold/ Vanstar's Nelligan gold deposit* located approximately 2.4 kilometers ("km") to the east with an inferred resource* of 3.2 million ounces at 1.02 g/t Au.

Two discovery holes from Phase I drilling initially identified the Falcon Gold Zone (see Northern Superior press release, March 15, 2021). The first discovery hole, LCS20-13 intersected **1.02 g/t Au over 35.5 meters ("m")**. As a result, the Company adjusted the 2020 core drill program by extending hole LCS19-005 (originally drilled in 2019), to test the hypothesis that the gold-bearing intersection associated with LCS20-13 extended further west onto the Lac Surprise property. By extending the orientation of the projected strike of the westward extension of the Nelligan Renard Gold Zone through the discovery intersection at LCS20-13, extending hole LCS19-005 intersected the zone and recorded an even higher-grade gold intersection of **1.54g/t Au over 44.9m**. These two discovery holes appeared to be on strike with, and at the time only 1.6 kilometres ("kms") from, IAMGold/Vanstar's westernmost reported step-out drillhole (see Vanstar/IAMGold press releases August 11, 2020) of their Nelligan 3.2MM inferred gold resource. These two discovery holes defined the Falcon Gold Zone with a strike length of 200m, open east towards the property boundary and also to the west.

Phase II drilling of Target 1 was successful (see Northern Superior press release, August 17, 2021) in defining **900m of continuous strike length** of the Falcon Gold zone from the property's eastern boundary (adjacent to the neighboring Vanstar/ IAMGold Nelligan gold deposit) west and remains open in that direction. Every hole from this year's core drill program intersected the Falcon Gold Zone over the 900m strike length, emphasizing its' robust lateral continuity: a 100% strike rate (26/26 holes) with all holes intersecting gold mineralization.

Vertical continuity of the Zone was also demonstrated, with several sections completed proving extension of this Zone from surface to 250m depth. **This Zone remains open at depth through the whole 900m of strike length defined so far** (see Northern Superior press release, August 17, 2021).

Multiple holes intersecting the Falcon Gold Zone from drill programs completed in 2019, 2020 and 2021 assayed over 1.00 g/t Au and include (east to west) (see Northern Superior press release August 17, 2021):

- LCS21-027: 1.01g/t Au over 19.2m 249.00- 268.20m
- LCS20-013: 1.02g/t Au over 35.5m 160.50- 196.00m
- LCS21-029: 1.36g/t Au over 40.0m 273.00- 313.00m
- LCS21-024: 1.03g/t Au over 42.6m 109.40- 152.00m

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• LCS19-005ext:	1.54g/t Au over 44.9m	293.50- 338.40m
• LCS21-043:	1.10g/t Au over 43.0m	095.00- 138.00m
• LCS21-031:	1.32g/t Au over 08.5m	295.50- 304.00m
• LCS21-032:	1.99g/t Au over 42.6m	107.40- 150.00m
• LCS21-035:	1.14g/t Au over 16.0m	219.00- 235.00m
• LCS19-010ext :	1.21g/t Au over 15.0m	337.00- 352.00m
• LCS19-008:	1.10g/t Au over 22.0m	274.00- 296.00m
• LCS21-041:	1.16g/t Au over 11.5m	228.50- 240.00m

The western end of the defined Falcon Gold Zone is thought to be disrupted or displaced by either a fold or fault as indicated by geophysical data and modelling. As such, although this zone may continue farther west it may be displaced northwest then west and on strike with the Black Phoenix gold showing, 5.7km west of the Falcon Gold Zone. The Black Phoenix gold showing occurs 5.7kms west of the Falcon Gold Zone and from which a grab sample of quartz-tourmaline vein material was collected, assaying 19.9g/ t gold.

The presence of gold grains-in-till down-ice from the proposed western extension(s) of the Falcon Gold Zone indicate the presence of gold associated with this area. A more extensive gold grain-in-till signature exists down-ice from Target Area 1.

The Company also completed drilling two additional targets west of the Falcon Gold Zone to determine potential for additional gold mineralization at Target 3 (3 holes, 1,051m) and the Fox gold showing (4 holes, 1,302m). Recent geophysical inversion modeling of Target 3 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. Just south of Target 3, the Fox gold showing represents another large gold target (500m x 400m) with reported historical gold assays collected from two channel samples (up to 6.76g/t Au over 1.0m and 2.95g/t Au) and grab samples from SOQUEM trenches up to 900ppb (ref. GM49908) (see Northern Superior press release, April 19, 2021).

The Company is waiting for the results from an extensive 954 line-kilometer, 50m spaced drone magnetic survey completed in Q2 over the "Confluence Area" of the property (see Northern Superior press release, April 19, 2021). Prospecting and overburden sampling within this large area produced several gold showings (1.35g/t Au grab sample) and highly anomalous overburden gold grain anomalies (up to 107 gold grains). The drone survey data coupled with the other geoscience data sets is expected to produce several high-quality gold exploration targets.

Finally, Northern Superior initiated a thorough evaluation of all data associated with Target 1. Detailed sections and a data cube will generate 3-dimensional images and plan views of gold mineralization associated with Target 1. This information will be used to develop an understanding of the economic potential of Target 1 and assist in planning the next phase of drilling.

*Reference for IAMGOLD/Vanstar's Nelligan 3.2MM Inferred Gold Resource: "Carrier, Alain (M.Sc., P.Geo); Nadeau-Benoit, Vincent (P.Geo); Fauvre, Stéphane (PhD., P.Geo). October 22, 2019. NI 43-101 Technical Report and Initial Resource Estimate for the Nelligan Project, Québec, Canada."

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Croteau Est

In July of this quarter Northern Superior announced that it had initiated plans to define the northern and eastern extension of the gold "footprint" associated with the NI 43-101 compliant (640,000 ounce at 1.7 g/t gold inferred) CBSZ gold deposit on its large (30km by 15km, 12,545 hectare), 100% owned Croteau Est gold property, Québec (see Northern Superior press release, July 20, 2021). The Company will test the potential northern and eastern extension of the CBSZ with a 2,530m, 220-hole reverse circulation (RC) drill program that commenced in August, 2021.

The Croteau Est property is a large gold property (12,545 hectares), located in the Chapais-Chibougamau gold camp. The resource was determined from only 64 core drill holes over a 550m strike length and a width of 150m, with most of the drill holes <350m. There is an additional 270,000 ounces gold unclassified (see Northern Superior press release February 20, 2018). Within the CBSZ there are at least nine high grade ore shoots of mineable width (5m true width) and grade (2g/ t Au). The Company has developed a core drill program (13 holes, 4800m; Northern Superior internal memo, January 2020) to test the continuity of these plunging ore shoots along strike to the west, east and at depth.

TPK

The drill plan for TPK is set and capital has been raised to execute that plan. Unfortunately, many First Nation communities across Canada with the onset of COVID-19 completely closed-down any form of engagement with outside groups to protect themselves from the pandemic. Neskantaga First Nation, the Community with whom the Company has an Early Exploration Benefits Agreement (EEBA) with, and which the Community ratified for another three years in November of 2019, was one of those Communities. Given the Communities isolation geographically, limited healthcare resources and exacerbated by an ongoing boil water advisory that has been in place for the past 25 years, it is understandable why the Community made the decision it did to isolate. However, given that all Community members have had both vaccinations the Company is hopeful that re-engagement will happen in the near term so that the TPK project can move forward during H2 of 2021.

Other Properties and the Company's Geoscientific Data Base

Maintaining a stable of new and exciting exploration properties to replace those that move to more advance development is critical in moving Northern Superior forward. Always a project generator, the Company has built and maintained a robust and current geoscientific data base to meet this need.

Northern Superior's 100% owned Wapistan property is an example of such a property. Located within the James Bay region of Québec, this property is an important early mineral exploration stage one with multiple mineral showings hosting a variety of commodities (Gold, Silver, Copper, Lead, Zinc). The Company has developed a geophysical drone survey plan which would add tremendous value to the understanding of the various structural components of the Property.

KEY EVENTS Q2 2021

Lac Surprise

- Completed Phase II, 33 holes, (9,363.7m) core drill program consisting of two Stages:
 - ✓ Stage one consisting of 26 holes (7,010.7m) to better delineate the strike and depth of the Falcon Gold Zone, Target Area 1; and
 - ✓ Stage two to test Target Area 3 (3 holes, 1,051.0m) and the Fox gold showing (4 holes, 1,302.0m).
- Announced results from Stage one drilling
 - ✓ Defined lateral continuity of 900m strike length for the Falcon Gold Zone from the eastern part of the property boundary west, remaining open to the west.
 - ✓ Continuity of the Falcon Gold Zone robust, with a 100% hit rate (26/26) from all holes.
 - ✓ Vertical continuity of the Falcon Gold Zone proved from bedrock surface to a minimum of 250m.
 - ✓ Multiple intersections with gold assay values >1.0g/t Au.
- Initiated compilation and interpretation of all data from Phase II, Stage one core drill program.
- Completed inversion modelling, drill plan and budget for Target Area 3.
- Completed drill plan and budget for Fox Gold Showing.
- Initiated and completed a 954 line-kilometer, 50m spaced, drone magnetic survey over the central part of the property to better define targets within the Confluence Target Area of the property.

Croteau Est

- Initiated a 2,530m, 220-hole reverse circulation (RC) drill program to define the northern and eastern extension of the gold "footprint" associated with the NI 43-101 compliant (640,000 ounce at 1.7 g/t gold inferred) CBSZ gold deposit.

Geoscientific Database

- Real time integration of data derived from the 2021 Lac Surprise core drill program and Croteau Est RC program 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 two tera bytes in size).

OUTLOOK AND STRATEGY, Q3- Q4 2021

TPK Property

- Consider geophysical inversion modelling for the Annex area of the property to further refine targets.
- Logistics planning and procurement of various suppliers and contractors in anticipation of initiating a core drill program H2, 2021.

Lac Surprise

- Complete analysis of all data associated with Phase II, Stage 1 drilling
 - ✓ Plan next phase drilling for Target 1.
- Announce results from the Phase II, Stage II drill program:

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- ✓ Compile all assay data upon receipt; and
- ✓ Plan additional drilling to build on data acquired from Stage 2 drilling.
- Interpret drone magnetic survey data:
 - ✓ Refine core drill targets, Confluence Area; and
 - ✓ Identify additional targets southwest of the Confluence Area.

Croteau Est

- Complete RC drill program:
 - ✓ Compile and interpret all data; and
 - ✓ Make recommendations for additional drilling and defining the northern and eastern extension of the gold "footprint" associated with the NI 43-101 compliant (640,000 ounce at 1.7 g/t gold inferred) CBSZ gold deposit.
- Review data associated with other gold showings across the property:
 - ✓ Make recommendations for additional exploration to define gold potential of each.

Wapistan

- Present exploration and budget to the Board for consideration.

Geoscientific Database

- Integrate all geoscientific data derived from the TPK, Lac Surprise and Croteau Est drill programs into the geoscientific data base.
- Continue to integrate any relevant geoscientific data that becomes available in the public domain.

RESULTS OF OPERATIONS

Exploration and evaluation property expenditures

For the six months ended June 30, 2021	Ti-pa-haa- kaa-ning (\$)	Croteau Est (\$)	Lac Surprise (\$)	Wapistan (\$)	Total (\$)
Acquisition, assessment and maintenance	19,364	1,572	19,037	52	40,025
Analytical	-	-	268,877	-	268,877
Geophysics	-	-	113,405	-	113,405
Geology	5,951	5,512	77,647	413	89,523
Drilling	-	2,929	1,415,882	-	1,418,811
Project administration	786	13,965	5,871	-	20,622
Total expenditures	26,101	23,978	1,900,719	465	1,951,263
Refundable tax credits and adjustments	-	-	(235)	-	(235)
Net	26,101	23,978	1,900,484	465	1,951,028

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General and administrative costs

	Six months ended June 30,		Three months ended June 30,	
	2021	2020	2021	2020
	(\$)	(\$)	(\$)	(\$)
<u>General operating expenditures</u>				
Consulting fees	43,702	43,148	21,584	21,340
Legal and accounting	16,512	102,409	9,388	80,455
Office expenses and salaries	270,934	266,423	139,915	126,680
Shareholder information	70,080	127,283	41,761	85,717
Foreign exchange	541	364	466	458
Taxes	3,393	12,027	3,393	(1,407)
	405,162	551,654	216,507	313,243
<u>Other items</u>				
Interest income	(13,719)	(3,973)	(5,785)	(2,812)
Share-based payments	-	484,024	-	484,024
Flow-through share premium recovery	(407,923)	-	(223,429)	-
	(421,641)	480,051	(229,214)	481,212
Loss (income) for the period	(16,480)	1,031,705	(12,707)	794,455

For the six months ended June 30, 2021 ("Period 2021") as compared with the six months ended June 30, 2020 ("Period 2020")

The net income for Period 2021 as compared with the net loss for Period 2020, results primarily from reduced legal expenditures, the payment of taxes during Period 2020 in respect of the look-back rule on flow-through expenditures (Period 2021: \$Nil), the extinguishment of flow-through premium liabilities of \$407,923 on spending flow-through funds in Period 2021 (Period 2020: \$Nil extinguished), and share-based payments of \$484,024 in Period 2020 (Period 2021: \$Nil).

For the three months ended June 30 31, 2021 ("Q2/21") as compared with the six months ended June 30, 2020 ("Q2/20")

The net income for Q2/21 as compared with the net loss for Q2/20, results primarily from reduced shareholder information expenditures, flow-through funds being expended in Q2/21, such that the Company recognized the extinguishment of flow-through premium liabilities of \$223,429 (Q2/20: \$Nil extinguished), and share-based payments of \$484,024 in Q2/20 (Q2/21: \$Nil).

SUMMARY OF QUARTERLY RESULTS

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

Quarter ended	2021		2020				2019	
	June 30	March 31	Dec 31	Sept 30	June 30	March 31	Dec 31	Sept 30
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Interest (expense) income	5,785	7,934	6,483	10,364	2,812	1,161	1,644	3,088
Net income (loss)	12,707	3,773	180,482	(148,775)	(794,454)	(237,249)	(3,682)	(168,674)
Net income (loss) per share (basic and diluted)	0.00	0.00	0.00	(0.00)	(0.01)	(0.01)	-	-
Total assets	18,739,160	19,168,820	19,137,560	15,309,417	15,040,181	8,887,682	8,616,095	9,097,441

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.

During the year ended 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. At June 30, 2021, the Company has \$3,639,391 in qualifying expenditures remaining to be spent in Ontario and \$1,587,793 in Québec.

At June 30, 2021, the Company has working capital (current assets less current liabilities) of \$7,191,790 (December 31, 2020: \$9,487,461), of which \$5,227,184 is restricted to flow-through purposes (December 31, 2020: \$7,100,780), resulting in an unrestricted working capital of \$1,964,606 (December 31, 2020: \$2,386,681). For the period ended June 30, 2021, the Company had income of \$16,480 (June 30, 2020: loss of \$1,031,705) and used cash in operating activities of \$507,860 (June 30, 2020: \$405,433).

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 June 30, 2021.

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.

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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	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	
				2,780,000
				<u>73,685,278</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, Gordon Morrison and David Medilek, (independent, non-executive Directors of the Company).

During the six months ended June 30, 2021 and 2020, the Company incurred fees for services by these parties as follows:

	June 30,	
	2021	2020
	(\$)	(\$)
CEO and President	112,500	112,500
Company controlled by CFO	24,000	24,000
Corporate Secretary	18,000	18,000
	<u>154,500</u>	<u>154,500</u>

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Directors' Compensation

Each independent Director earns a fee of \$5,000 per quarter, with Board and committee chairs earning an additional \$625 per quarter.

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
	<u>(\$)</u>	<u>(\$)</u>
Directors' fees	66,250 ⁽¹⁾	30,000 ⁽²⁾

(1) \$162,555 owed at June 30, 2021, in respect of fees incurred during the year ended December 31, 2020 and the six months ended June 30, 2021

(2) \$13,750 owed at June 30, 2020

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 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 period ended June 30, 2021 and did not identify any impairment indicators.

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OFF-BALANCE SHEET ARRANGEMENTS

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

SUBSEQUENT EVENTS

On August 1, 2021, stock options allowing for the purchase of up to 50,000 common shares at \$0.10 per share expired.

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 during 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 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

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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.

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.

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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 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

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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.

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.

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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.