



**Northern Superior Resources Inc.
Management's Discussion and Analysis
For the year ended December 31, 2021**

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Northern Superior Resources Inc.

Management's Discussion and Analysis

For the year ended December 31, 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 year ended December 31, 2021 (the "Period") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at April 12, 2022 (the "Report Date"). The Report should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2021 and 2020 and the notes thereto (collectively, the "Financial Statements"), 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. 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. Statements throughout this Report with respect to the cost or timeline of planned or expected exploration are all forward-looking statements. 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 in this document. Readers are directed to refer to that cautionary language when reading any forward-looking statements. See "*RISKS AND UNCERTAINTIES*" and "*FORWARD-LOOKING STATEMENTS*" in this Report. 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.

STRATEGY

Corporate

Financial

Northern Superior believes in maintaining a strong reserve of capital to advance its exploration programs and maintain its corporate activities. Supported from positive and encouraging results derived from its 100% owned Lac Surprise and Croteau Est 2021 mineral exploration programs, the Company executed a financing in the fall of 2021. This financing raised a total of \$6,650,351.01 (see Northern Superior press release December 3, 2021), comprised of:

- a) \$3,321,416.70 through the issuance of 3,690,463 "flow through" common shares of the Company to purchasers in Québec ("Québec FT shares") at an issue price of \$0.90 per Québec FT share;
- b) \$1,963,583.72 through issuance of 1,664,054 charity "flow-through" common shares of the Company to purchasers in Québec ("Québec Charity FT Shares"), at a front-end issue price of \$1.18 per Québec Charity FT share; and
- c) \$1,365,350.59 "hard dollars" consisting of the issuance of 2,037,837 common shares at \$0.67 per common share.

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Flow through funds raised will ensure adequate capital to complete meaningful exploration programs on all of the Company's Québec based properties in 2022. The hard dollar funds raised, in addition to hard dollars previously held by the Company, are expected to be sufficient to cover corporate expenditures for the next 3 years.

Highlights of this financing include:

- a) Board members supporting the financing by investing an aggregate of \$225,409.48;
- b) Participation of the Cree First Nation of Waswanipi;
- c) New Gold Inc. acquires sufficient shares to maintain a 9.9% stake in the Company;
- d) Continued support from the existing shareholder base;
- e) Strong institutional support with the addition of 7 new institutional shareholders; and
- f) Excellent financial position at the end of 2021 with a cash balance of approximately \$12,000,000

Personnel

In anticipation of a very busy 2022 mineral exploration program and confident on further developing its key mineral exploration properties, Northern Superior strengthened its exploration team with the appointment of Mr. Rodney Barber (BSc., PGeo.) as its Vice President of Exploration and the addition of key contract staff representing an additional 110 years of field experience to an already highly qualified team of geologists and mineral exploration advisors (see Northern Superior press release, September 24, 2021).

Furthermore, Northern Superior strengthened its corporate and exploration team by adding two key advisors (see Northern Superior press release December 9th, 2021). First, the Company appointed Franco-Nevada Board member Dr. Catharine Farrow as an advisor to provide strategic advice on all of Northern Superior's corporate and exploration activities bringing with her over 30 years of Board, management, development, operations and geological experience. Second, the Company appointed Mr. Alan King who will provide geophysical interpretation on the Company's various exploration projects in Ontario and Québec. Mr. King has over 40 years of experience in geophysics, mineral exploration and resource development in Canada and Australasia.

Since these appointments, the Company was successful in early 2022 in recruiting key field exploration personnel that included an additional Québec registered professional geoscientist.

First Nation

Northern Superior has worked hard over the years to establish meaningful and productive relationships with First Nations within whose traditional territories the Company's mineral exploration properties occur. In addition to extending its Early Exploration Benefits Agreement (EEBA) for three years with Neskantaga First Nation (see Northern Superior press release, November 19, 2019), the Company negotiated an exploration agreement with the Cree Nation of Waswanipi (see Northern Superior press release, May 5th, 2021) and re-engaged the Cree Nation of Oujé Bougoumou July of 2021 through its Pre-Development Agreement originally signed in 2013 (see Northern Superior press release June 11, 2013).

Projects

Northern Superior had tremendous success with its Québec mineral properties during this past quarter, building its understanding of the economic mineral potential on both its 100% owned Lac Surprise and Croteau Est properties. The Company will continue mineral exploration on both properties through 2022. Already, the Company has:

- a) Completed another phase of reverse circulation drilling on the Croteau Est property (see Northern Superior press release, January 11, 2022);

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- b) Initiated core drilling on the Lac Surprise property (see Northern Superior press releases February 8, March 10, 2022);
- c) Initiated an induced polarization geophysical survey over the Amber area of the Lac Surprise property is nearing completion (see Northern Superior press release March 14, 2022);
- d) Initiated a core drill program on its Croteau Est property (see Northern Superior press release March 22, 2022); and
- e) Initiated a drone geophysical survey over its 100% owned Wapistan property (see Northern Superior press release April 5, 2022).

In the fall of 2021, Northern Superior engaged Orix Geoscience to compile and interpret all available geoscientific data (the Company's private data plus all available public data) pertaining to the Lac Surprise property. Bedrock lithological and structural interpretation of this data will assist the Company in not only directing its current core drill program, but also in planning and directing this summer's bedrock mapping and prospecting programs, and another 2022 Q3/ Q4 core drill program (see Northern Superior press release March 14, 2022).

The Company also made a strategic mineral property acquisition in 2021 by acquiring 100% of Kintavar Exploration Inc's Gaspard Nord property (see Northern Superior press release, September 15, 2021). This property ties onto the north-central part of the Company's Lac Surprise property and covers additional ground associated with the Opawica Guercherville Deformation Zone (OGDZ). This zone hosts the Vanstar/ IAMGOLD Nelligan Deposit and Northern Superior's Falcon gold zone, both southeast of the Gaspard Nord property. The Gaspard Nord property hosts two gold occurrences and "B" soil horizon gold anomalies that warrant further exploration.

At the TPK property, as well as the Thorne Lake and Rapson Bay mineral properties, the Company has initiated with the Ontario Provincial Government the drill permitting process as previous permits have expired. All these properties are located in northwestern Ontario.

Key Properties

Lac Surprise

Falcon Gold Zone (FGZ) Discovery

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 very active Chapais-Chibougamau gold camp of Québec (see Northern Superior press releases March 15 and August 17, 2021). This program follows on the success of a core drill program, completed in the fall of 2020, with the important discovery of the FGZ associated with Target 1, one of four targets identified within the northeastern 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.

The FGZ: Proven Robust Lateral Continuity

The FGZ is a major, near-surface new discovery made by Northern Superior over the past 18 months and can be traced west over 900m from the eastern boundary of the property, on strike with Vanstar/ IAMGold's 3.2M ounces at 1.02 g/t Au Nelligan gold deposit*(see Figure 2, Northern Superior press release, August 17, 2021). The robust, lateral continuity of the FGZ is highlighted by a **100% drill hole strike rate (29 of 29 holes)**. Notable holes from the Falcon Zone include: **LCS21-029 (1.36g/t Au over 40.0m; 273.00-**

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313.00m); LCS19-005ext (1.54g/t Au over 44.9m; 293.50-338.40m); LCS21-43 (1.10g/t Au over 43.0m; 95.00-138.00m); and LCS21-032 (1.99g/t Au over 42.6m; 107.40-150.00m) (Table 1; see Northern Superior press releases, August 17, 2021; March 10, 2022).

Sample Number	Grade g/t Au	Interval (meters)
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
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

Table 1. Multiple intersections within the FGZ with gold values > 1.0 g/t Au over 900m strike length.

The FGZ has demonstrated excellent lateral continuity thus far, with over 900m of strike length defined and with all 26 holes drilled in 2021 successfully intersecting this gold zone, highlighting its remarkable consistency and predictability (100% success rate; see Northern Superior press release, February 8, 2022).

Historically, multiple holes drilled intersecting the FGZ from drill programs completed in 2019, 2020 and 2021 **assayed over 1.00 g/t Au** (Table 1). The current program will seek to expand on this 900m of strike by testing for additional extensions of the FGZ to the west, over an additional 3km (see Northern Superior press release, February 8th, 2022).

The FGZ: Proven Robust Vertical Continuity

Historically, vertical continuity of the FGZ has proven to be excellent with multiple sections defined with 3 to 6 pierce points and demonstrating a currently defined vertical continuity of up to 250m (see Northern Superior press release February 8, 2022). Equally encouraging, the FGZ remains open at depth over the whole 900m strike length drilled to date.

The Company recently announced that the first three holes of its winter 2022 core drill program intersected the FGZ at depth. This extends the vertical continuity of the FGZ from 250m to 343m, an additional 93m (see Northern Superior press release March 10, 2022).

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The FGZ: Potential for Higher Grades at Depth

The FGZ's defining characteristics include presence of silicification, sericitization, coarse clastic materials (wacke) and pyrite, traceable along the whole 900m of strike length and 343m depth drilled to date. Higher gold and silver grades within the FGZ are associated with smoky grey quartz veins and silicification often containing molybdenite and pyrite, enveloped within strong sericite-carbonate-pyrite alteration. Selected higher grade intersections are summarized in Table 2 (see Northern Superior press release, February 8, 2022).

These higher-grade intervals are showing some good vertical continuity, and thus, in addition to testing the vertical extent of the FGZ an additional objective of the 2022 winter core drill program will be to see if these higher-grade intervals expand in either thickness or grade at depth (see Northern Superior press release, February 8, 2022). The higher-grade material is thought to occur between the footwall of the FGZ and a Wacke unit. Four holes will be drilled to test this hypothesis.

Hole #	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)
LCS20-013	186	188.6	2.6	7.70	38.96
LCS19-005	303.9	307	3.1	15.61	6.61
LCS21-024	148	151	3	4.50	9.13
LCS-21-029	306	307.5	1.5	23.80	51.70
LCS-21-030	234.2	237	2.8	3.84	2.07
LCS-21-032	145	148	3	22.13	18.85
LCS-21-034	142	145	3	2.94	10.00
LCS-19-010ext	348	351	3	5.21	1.69
LCS-21-035	228	232	4	3.86	2.05
LCS-21-043	102	107.5	5.5	3.91	8.03
LCS-21-047	262.5	265.7	3.2	4.01	9.32

Table 2. FGZ higher grade intersections. True width is estimated to be between 70 and 85% of core length.

Lac Surprise Exploration 2022

The Lac Surprise property is a large land package (20 x 15 km). Aside from the potential of growing the FGZ at Target 1, additional opportunities occur across the property. These are specifically associated with the area west of Target 1 and the FGZ, Target 1B, the Confluence and Amber areas (see Northern Superior press releases August 17, Corporate Presentation www.nsuperior.com).

Target 1, West of Target 1, Target 1B

The Company recently announced the initiation of a 15-hole (6,650m) core drill program (see Northern Superior press release, February 8, 2022) and has also subsequently provided an update on that program (see Northern Superior press release, March 10, 2022).

The objectives of this program are threefold:

- 1) Continue to expand the FGZ strike extension west. The FGZ extends over 900m and remains open to the west, where Northern Superior controls 12km of the host Opawica-Guercheville Deformation one. This zone is thought to be the western extension of the neighboring Vanstar/ IAMGold's, 3.2M ounces at 1.02 g/t Au Nelligan gold deposit* (see Northern Superior press release, August 17, 2021). There are 9 core drill holes (3,375m) planned for this purpose that will test an additional 3 km of ground west of the currently defined FGZ.

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- 2) Extend the currently defined FGZ at depth, and test for higher grade mineralization at depth. The FGZ was known to extend to a True Vertical Depth (TVD) of 250 meters and has shown consistent vertical continuity over that interval, remaining open at depth and to surface. The first 3 of 4 deeper drill holes (2,275m) planned in this program have already established that the TVD of the FGZ extends to at least 343m (see Northern Superior press release, March 10, 2022). Assay results will demonstrate whether or not higher grades occur at depth.
- 3) Determine if a parallel gold-bearing structure exists south of the FGZ, Target 1B. Drilling in 2020 intersected 0.29 gpt over 23.1 meters and collared in what we now recognize to be similar lithology to the FGZ. There are 3 core drill holes (800m) planned for this purpose.

Orix Geoscience Inc. was contracted to compile, organize and interpret the large amount of geoscientific information associated with the Lac Surprise property. The purpose of this program was three-fold:

- 1) Assist in proper placement of collar locations and trace orientations of the 2022 winter core drill program, particularly with the area west of the FGZ;
- 2) Identify additional areas of mineralization and specific targets within the property; and
- 3) Assist in directing bedrock mapping and prospecting programs for the summer/ fall of 2022 across the whole Lac Surprise property.

Confluence Area

During Q2 of 2021 the Company initiated and completed a 954 line-km drone magnetic survey over the central part of the property referred to as the "Confluence Area", so named after the confluence of two prominent deformation zones in this area: the Remick and Doda. Within this area there exists a prominent gold grain-in-till dispersal train (**maximum 49 grains**), stream sediment sample yielding **107 gold grains** and a gold showing with a grab sample that assayed **1.35g/t Au** (see Northern Superior press release, April 19, 2021). Multiple targets have been identified from this survey and management is currently combining this data with other field data and recommendations from the Orix Geoscience report to develop a field geology mapping and prospecting program in addition to a core drill program.

Amber Area

Northern Superior has initiated an extensive IP and magnetometer geophysical survey program (58 line kilometers) over its prospective Amber area (see Northern Superior press release, March 14, 2022). This geophysical program is designed to test the southeastward extension of these three gold-bearing shear zones previously identified in this area of the Lac Surprise property (see Northern Superior press releases, February 17, 2015; October 5, 2015; March 9, 2017). The three gold-bearing shear zones are aligned parallel to each other with gold being associated with strongly sheared silicified carbonatized gabbro, diorite quartz feldspar porphyry. Highlights for each of three gold zones include:

- a) South Trend (310°), consisting of the Amber Gold showing.
 - I. Bedrock grab sample, 28.6g/t Au.
 - II. Channel sample, 10.0g/t Au over 1.0m including 26.1g/t Au over 0.5m.
 - III. Trenching defines 290.0m strike, 20m wide, open along strike, both directions.
 - IV. Core drill intersection of 2.26g/t Au over 4.85m *incl.* 11.5g/t Au over 0.82m.
- b) Central Trend, consisting of the Till-39 Gold Showing, aligned parallel to (310°), and 325m north of the South Trend.
 - i. Till sample yielding 17 pristine gold grains.
 - ii. Channel sample, 2.89g/t Au over 1.0m.
- c) North Trend, consisting of the Till- 68 Gold Showing, aligned parallel to (310°), and 550m north of the South Trend.
 - i. Till sample yielding 68 pristine gold grains.
 - ii. Channel sample, 2.44g/t Au over 0.85m.

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This program is the foundation for a prospecting, bedrock mapping and sampling program being planned for Q2/ Q3 of 2022. The Company will design a 2022 Q3/ Q4 core drill program to test any prospective mineral targets that may be defined from the geophysics, prospecting, bedrock mapping and sampling programs.

*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."

Croteau Est

The Croteau Est property is highlighted by an NI 43-101 compliant inferred gold resource consisting of 640,00 ounces at 1.7 g/t Au, referred to as the Croteau Bouchard Shear Zone (CBSZ). 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**).

In August of 2021 the Company initiated a 220 hole, 2,530m reverse circulation drill program (RC) to define the northern and eastern extension of the gold footprint associated with the CBSZ (see Northern Superior press release, August 24, 2021). Due to wet ground conditions, this program was not completed as planned. However, the program was successful in significantly expanding the gold-footprint of the CBSZ, through:

- a) Identifying a third area of gold-mineralized sericite-carbonate alteration north of both the gold-bearing CBSZ (hosting the NI 43-101 compliant resource) and the Croteau Nord Shear Zone (CNSZ) previously defined. This third area defined by:
 - i. Gold-bearing bedrock chips (highlighted by a gold assay of 0.189 g/t Au);
 - ii. Bedrock chips characterized by sericite- carbonate alteration (same alteration associated with the CBSZ); and
 - iii. Pervasive dispersal of gold grain from this third area with at least 7 targets defined by the presence of anomalous, pristine gold grain-in-till values (>25; see Northern Superior press release, January 11, 2022);
- b) All primary lithologies associated with the CBSZ, CNSZ and the intervening tuffaceous sediments intersected in this RC program host gold;
- c) Defined at least 9 core drill targets within this expanded gold footprint.

In January of 2022, Northern Superior announced a second RC drill program with a three-fold purpose (see Northern Superior press release, January 11, 2022):

- a) Complete the RC program initiated in August 2021 (not completed due to saturated ground conditions);
- b) Refine the targets identified from the 2021 RC program; and
- c) Identify any additional targets within the expanded area of this RC program.

Preliminary results from the winter 2022 RC drill program met the first two of three goals based on bedrock chip lithology and geochemistry data (see Northern Superior press release, January 11, 2022). This new data, combined with the Company's other data sets (including geophysics, till gold and gold geochemistry-in-till, core drilling, bedrock mapping, structural interpretation and prospecting), provides sufficient confidence in the core drill targets identified from the previous RC program (see Northern Superior press release, January 11, 2022) to drill them.

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Taking advantage of the 2022 cold winter conditions and that drill trails and pads are already cut from the last RC program over areas inaccessible in the summer due to wet ground conditions, the Company initiated a core drill program to test at least 6 targets associated with these summer "wet" areas (see Northern Superior press release, March 22, 2022). The Company may drill more targets if weather conditions permit and has procured the necessary service providers to accommodate between 2,000-5,000m of drilling. Additional drilling may include some of the targeting the Company has developed for the CBSZ to test continuity of eastward plunging high grade gold shoots (see Northern Superior press release, November 13, 2017).

Northern Superior is now in the process of reviewing and re-interpreting all geoscientific information associated with the property. The results from this exercise, coupled with: i) the gold grain-in-till data yet to be received from the winter 2022 RC drill program; and ii) results from the 2022 winter core drill program, will direct a property scale bedrock mapping and prospecting program planned for Q2/ Q3 of 2022. The Company intends to initiate a core drill program for H2 of 2022 to test targets derived from the data compilation and bedrock mapping and prospecting programs.

Wapistan

Wapistan is an important, early-stage mineral exploration property within Northern Superior's exploration property portfolio. Strategically positioned within the James Bay Lowlands, an emerging and important exploration and mining camp in Québec (see Northern Superior press release, April 5, 2022). Several historical showings occur across the property, including: Lac Atsynia, Know Bull, Threefold, Lac Kaychikuapichu-NW, Anomalie 3-26, Atikamakuch North, Lac Shabudowan, Anomalie 340, Poplar, Lac Wapistan, Lac Waistan Ouest, P-G Zone West and Threefold (see Northern Superior press release January 29, 2019).

Previous work completed by Northern Superior on the property include (see Northern Superior press releases, May 16, 2017, January 29, 2019):

- a) Verification through prospecting of four key historic showings previously reported (Lac Atsynia, Know Bull, Threefold, Lac Kaychikuapichu-NW);
- b) Discovery of 4 new showings (PG-Zone west; Lac Kaychikuapichu; Nimaastaakuwit; AtikamakuchNorth); and
- c) a 934 line-km helicopter-borne magnetic geophysical survey.

Northern Superior has initiated a drone supported, low elevation (20- 30m above ground level), extensive (~1600 line kilometer) high resolution UAV magnetic survey over the property (see Northern Superior press release, April 5, 2022). Data derived from this survey coupled with observations made from the 2018 fall prospecting program will be used to plan a property scale 2022 Q2/ Q3 bedrock mapping and prospecting program. Pending results from the summer program, the Company may execute a fall core drill program over any defined targets.

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 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 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 to isolate. However, given that all community members have had both vaccinations the Company is hopeful

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that re-engagement will happen in the near term so that the TPK project can move forward during H1 of 2022.

In addition, due to the lapse of time passed during the COVID-19 pandemic, the Company's standard 3 year exploration permit in place for the TPK property expired. The Company is currently working with the Ontario Government to renew this permit.

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 advanced development is critical in moving Northern Superior forward. Always a project generator, the Company has built and maintained a robust and current geoscientific database to meet this need.

KEY EVENTS Q4 2021

Corporate

- Closed two flow-through financings to support ongoing exploration programs on the Company's 100% Québec properties in 2022:
 - i) \$3,321,416.70 through issuance of Québec flow through shares; and
 - ii) \$1,963,583.72 through issuance of Québec Charity flow through shares.
- Closed a hard dollar financing of \$1,365,350.59 for general working capital and to fund corporate matters, coupled with current hard dollars, the Company has enough capital to support current Corporate activities for the next 3 years;
- Appointed Rodney Barber as the Company's Vice President of Exploration.
- Appointment of two key advisory personnel in Catharine Farrow and Alan King.
- Signed a Mineral Exploration Agreement with the Cree Nation of Waswanipi.
- Activated the Pre-development Agreement with the Cree Nation of Oujé Bougoumou.
- Received regulatory approval for the Restricted Share Unit Plan ("RSU Plan") approved by the shareholders at the Company's Annual General Meeting on June 24, 2021 (see "*RESULTS OF OPERATIONS*" in this Report).

Lac Surprise

- Completed 9,366m of core drilling, no lost time due to personal injury or COVID-related illness
- Extended westward strike length of the FGZ to 900m from the northeastern boundary of the property;
- Defined strong vertical continuity of the FGZ to 343m;
- 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 and an extensive area to the southwest of that.
- Integrated all geoscientific data from the 2020, 2021 core drill programs and the drone magnetic survey into the properties extensive geoscientific data base.
- Engaged Orix Geoscience Inc. to compile all Lac Surprise geoscientific information into a comprehensive bedrock geology and structural map, identifying key areas for mineral exploration.
- Initiated a 15 hole, 6,650m core drill program to test the depth and western extensions of the FGZ.

Croteau Est

- Completed 114 of the proposed 228-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;
- Integrated and interpreted the bedrock lithology, geochemistry and gold grain and geochemical-in-till data with the properties extensive geoscientific database.

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- Defined at least 9 compelling mineral targets from the integration and interpretation of the 2021 RC data.
- Initiated and completed a 113-hole RC program designed to complete the 2021 RC program suspended due to wet ground conditions.
- Integrated and interpreted the bedrock lithology and geochemistry data into the properties extensive geoscientific database (gold grain and geochemical-in till data pending at the time of writing this report).
- Planned, budgeted and initiated a winter core drill program to test 7 targets (2,000- 5,000m) defined from the 2021 and 2022 RC programs.

Wapistan

- Completed planning for a drone magnetic survey, to be initiated and completed, Q2 of 2022.
- Initiated a 2,450 line kilometer drone-supported magnetic survey, Q2, 2022.

Geoscientific Database

- Real time integration of data derived from the 2021 Lac Surprise core drill program and Croteau Est RC programs into the database; and
- 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, Q4 2021- Q1 2022

Corporate

- Continue strengthening the Company's field personnel.
- Continue to build and strengthen the Company's relationships with its various First Nation stakeholders.
- Evaluate various Corporate opportunities to build value for the Company's shareholders and stakeholders.

Lac Surprise

- Complete the current 15 hole, 6,650m core drill program to determine:
 - i) Potential expansion of the FGZ west from its current strike length of 900m;
 - ii) Potential extension of the vertical depth of the FGZ and determine if gold grade increases with depth; and
 - iii) Test for a parallel gold zone south of the FGZ.
- Complete and interpret ground geophysical program within the Amber area of the property and integrate data into the properties extensive geoscientific database.
- Apply recommendations from Orix Geoscience Inc., coupled with data derived from the current drill program and Amber geophysical surveys to planning a property scale, summer bedrock mapping and prospecting program.
- Plan and budget for a 2022 Q3/ Q4 core drill program based off the results from the summer bedrock mapping and prospecting program.

Croteau Est

- Complete the current 7 hole, 2,000- 5,000m core drill program.
- Integrate data from the current core drill program with gold grain and geochemistry-in-till data derived from the 2022 winter RC program.
- Integrate and interpret all geoscience data to direct a property scale 2022 Q2/ Q3 bedrock mapping and prospecting program.
- Plan and budget a 2022 Q3/ Q4 core drill program.

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Wapistan

- Complete the 2,450 line kilometer drone magnetic survey Q2, 2022.
- Integrate data from the drone survey into the properties geoscientific data base.
- Interpret property geoscience data to plan and execute and bedrock mapping and prospecting program, Q3, 2022.
- Plan and budget a core drill program for the Wapistan property, Q3/ Q4, 2022.

TPK Property

- Consider geophysical inversion modelling for the Annex area of the property to further refine targets in that area;
- Logistics planning and procurement of various suppliers and contractors in anticipation of initiating a core drill program 2022; and
- Procurement of exploration permit.

Geoscientific Database

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

RESULTS OF OPERATIONS

Exploration and evaluation property expenditures

For the year ended December 31, 2021	Ti-pa-haa- kaa-ning (\$)	Croteau Est (\$)	Lac Surprise (\$)	Wapistan (\$)	Total (\$)
Acquisition, assessment and maintenance	50,830	7,850	85,784	52	144,516
Analytical	-	30,349	490,100	-	520,449
Camp	14,685	-	-	-	14,685
Geophysics	-	-	119,305	-	119,305
Geology	6,605	35,056	247,033	667	289,361
Drilling	-	339,371	1,925,148	-	2,264,519
Project administration	8,814	34,447	144,062	-	187,323
Total expenditures	80,934	447,073	3,011,432	719	3,540,158
Refundable tax credits and adjustments	-	-	(299)	-	(299)
Net	80,934	447,073	3,011,133	719	3,539,859

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General and administrative costs

	Years ended December 31,		Three months ended December 31,	
	2021	2020	2021	2020
	(\$)	(\$)	(\$)	(\$)
<u>General operating expenditures</u>				
Consulting fees	86,697	86,316	21,522	21,595
Legal and accounting	106,512	197,248	75,000	91,839
Office expenses and salaries	597,568	526,999	173,787	135,888
Shareholder information	112,105	178,156	17,312	44,569
Travel	2,587	-	870	-
Foreign exchange	953	566	2	135
Taxes	-	10,082	2,186	(5,450)
	906,422	999,367	290,679	288,576
<u>Other items</u>				
Interest income	(23,248)	(20,820)	(5,040)	(6,483)
Other income	-	(10,000)	-	(10,000)
Share-based payments	854,151	484,024	854,151	-
Flow-through share premium recovery	(431,194)	(452,575)	(4,954)	(452,575)
	399,710	629	844,157	(469,058)
Loss (income) for the period	1,306,131	999,996	1,134,836	(180,482)

For the years ended December 31, 2021 ("Year 2021") as compared with the year ended December 31, 2020 ("Year 2020")

The Company continued in its efforts to conserve treasury, such that the general operating expenditures in Year 2021 decreased from Year 2020, primarily as a result of reduced legal expenditures and shareholder information costs. The Company granted incentive stock options, pursuant to which it recorded shares-based payments of \$845,234 on the vested portion of the options during the Year 2021 (Year 2020: \$484,024) and capitalized \$99,914 to exploration and evaluation assets (Year 2020: \$Nil). The Company recorded the extinguishment of flow-through premium liabilities of \$431,194 on spending flow-through funds in Year 2021 (Year 2020: \$452,575).

On August 29, 2021, the Company received regulatory approval for the Restricted Share Unit Plan ("RSU Plan") approved by the shareholders at the Company's Annual General Meeting on June 24, 2021. The RSU Plan permits the Company to grant awards of RSUs. Pursuant to the terms of the RSU Plan, the RSUs will be redeemed, upon vesting, within 30 days of the applicable redemption date, for:

- (i) the number of common shares equal to the numbers of RSUs vested on the redemption date;
- (ii) a cash amount equal to the number of common shares set out in (i) multiplied by the fair market value of the common shares on the redemption date; or
- (iii) a combination of (i) and (ii)

as determined by the Company.

The redemption date in respect of any RSU is the date provided for in the agreement granting the RSUs or if no date is set, the third anniversary of the grant date, unless otherwise provided for in the RSU Plan. The Company has the discretion to stipulate the length of time for vesting and to determine various performance objectives based on certain business criteria as a pre-condition to an RSU vesting.

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The maximum number of common shares available for issuance upon the vesting of RSUs under the RSU Plan is fixed at 300,000 common shares, and in combination with all security-based compensation arrangements of the Company (including any incentive stock options granted), cannot exceed 10% of the issued and outstanding common shares. Vested RSU Awards are not available for re-grant under the RSU Plan.

During the Year 2021, the Company granted RSUs allowing for the acquisition of up to, in the aggregate, 98,900 common shares, pursuant to which it recorded a share-based payments expense of \$8,917 in respect of the vested portion of the grants (Year 2020: \$Nil) and capitalized \$33,558 in exploration and evaluation assets (Year 2020: \$Nil).

For the three months ended December 31, 2021 ("Q4/21") as compared with the three months ended December 31, 2020 ("Q4/20")

General operating expenditures remained relatively unchanged overall. The difference in loss for Q4/21 as compared with the income for Q4/20, results primarily from share-based payments of \$854,151 in Q4/21 (Q4/20: \$Nil) on the vesting of incentive stock options and RSUs, and the Company recording the extinguishment of flow-through premium liabilities of \$4,954 in Q4/21 (Q4/20: \$452,575).

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			
	Dec 31 (Q4) (\$)	Sept 30 (Q3) (\$)	June 30 (Q2) (\$)	March 31 (Q1) (\$)	Dec 31 (Q4) (\$)	Sept 30 (Q3) (\$)	June 30 (Q2) (\$)	March 31 (Q1) (\$)
Interest (expense) income	5,040	4,489	5,785	7,934	6,483	10,364	2,812	1,161
Net income (loss)	(1,134,836)	(187,775)	12,707	3,773	180,482	(148,775)	(794,454)	(237,249)
Net income (loss) per share (basic and diluted)	(0.02)	(0.00)	0.00	0.00	0.00	(0.00)	(0.01)	(0.01)
Total assets	24,846,553	18,590,300	18,739,160	19,168,820	19,137,560	15,309,417	15,040,181	8,887,682

In connection with the financings totaling \$10,674,000 completed from April to December 2020, the Company had funds available to place in interest-bearing instruments. The change in net income from Q1/20 to Q2/20 reflects the recording of share-based payments in Q2/20 of \$484,024 (Q1/20: \$Nil). Income in Q4/20 reflects the recovery of flow-through premium of \$452,575 in Q4/20 (Q3/20: \$Nil). The change from income in Q2/21 to loss in Q3/21 results from the recording of the flow-through share premium recovery of \$18,317 in Q3/21 (Q2/21: \$223,429), and the increase in loss in Q4/21 results from the recording share-base payments of \$854,151 in Q4/21 (Q3/21: \$Nil). The movement of total assets quarter over quarter relates to the cash and capitalized exploration and evaluation assets at each quarter end.

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ANNUAL FINANCIAL INFORMATION

As at and for the years ended December 31,	2021 (\$)	2020 (\$)	2019 (\$)
Interest income	23,248	20,820	16,100
Net loss	(1,306,131)	(999,996)	(800,981)
Net loss per share (basic and diluted)	(0.02)	(0.02)	(0.02)
Total assets	24,846,553	19,137,560	8,616,095

The increase in net loss for the year ended December 31, 2020 of \$999,996 to \$1,306,131 for the year ended December 31, 2021 relates primarily to the share-based payments of \$854,151 in 2021 (2020: \$484,024). Total assets increased from December 31, 2019 to December 31, 2020 in connection with cash and cash equivalents at December 31 2020 from private placements completed in 2020, and capitalized exploration and evaluation assets of \$8,059,349 at December 31, 2019 and \$9,255,254 at December 31, 2020. Total assets increased from December 31, 2020 to December 31, 2021 in connection with cash at December 31, 2021 from private placements completed in 2021, and capitalized exploration and evaluation assets of \$9,255,254 at December 31, 2020 and \$12,795,113 at December 31, 2021.

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), Rodney Barber (V-P Exploration), 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 years ended December 31, 2021 and 2020, the Company incurred fees for services by these parties as follows:

	December 31,	
	2021 (\$)	2020 (\$)
CEO and President	225,000	225,000
Company controlled by CFO	48,000	48,000
Corporate Secretary	36,000	36,000
VP-Exploration	116,875	-
	425,875	309,000

At December 31, 2021, the Company owed:

- \$12,332 (2020: \$8,655) to officers of the Company in respect of services rendered
- \$2,536 (2020: \$59) to officers in respect of expenses incurred on behalf of the Company.

Directors' Compensation

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

During the years ended December 31, 2021 and 2020, the Company incurred Directors' fees as follows:

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	December 31,	
	2021	2020
	(\$)	(\$)
Directors' fees	132,500	96,250 ⁽¹⁾

(1) At December 31, 2020, a total of \$96,305 was owed to Directors in respect of Directors' fees incurred during the year ended December 31, 2020.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents are comprised of bank deposits. At December 31, 2021, the Company had cash and cash equivalents of \$11,959,293 (which amount includes \$9,232,398 remaining to be spent on qualifying Canadian exploration expenditures under the terms of flow-through share agreements), prepaids and receivables of \$88,547, and accounts payable and accrued liabilities of \$293,501, resulting in a gross working capital of \$11,757,939 (net of flow-through funds: working capital of \$2,525,541).

The Company is not in commercial production on any of its mineral properties and continues to incur operating losses, has limited financial resources, no source of operating cash flow, and there can be no assurance that sufficient funding will be available to conduct further exploration and development of its mineral properties. 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, through entering into joint ventures or by realizing proceeds from the disposition of its mineral interests. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Management plans to continue to secure the necessary financing through a combination of equity financing and entering into joint venture arrangements; however, there is no assurance that the Company will be successful in these actions. The Financial Statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company must manage its treasury while satisfying regulatory requirements, maintaining its property agreements in good standing, and conducting 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. Should the Company wish to continue fieldwork on its exploration projects, further financing will be required and the Company will either have to go to the market or engage a strategic partner to achieve this. Given the volatility in equity markets, unfavorable market conditions in the mining industry, uncertainties in the markets due to COVID-19, cost pressures and results of exploration activities, management regularly reviews expenditures and exploration programs and equity markets in order that the Company have sufficient liquidity to support its growth strategy.

CHANGES IN ACCOUNTING POLICIES

The Company's accounting policies for the year ended December 31, 2021 are described in Note 3 of the Financial Statements. There were no changes in the Company's accounting policies during the year ended December 31, 2021.

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SUBSEQUENT EVENTS

There are no events subsequent to December 31, 2021 to report.

OFF-BALANCE SHEET ARRANGEMENTS

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

OUTSTANDING SHARE CAPITAL INFORMATION AT THE REPORT DATE

Common shares - issued and outstanding				70,949,624
	Exercise price	Expiry Date	Shares issuable	
	(\$)		(#)	
Warrants	0.100	January 21, 2023	6,242,858	
	1.200	June 14, 2022	1,190,150	
	0.900	June 2, 2023	254,627	
				7,687,635
Stock options	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	
	0.690	April 22, 2026	400,000	
	0.690	June 28, 2026	100,000	
	0.690	December 9, 2026	1,490,000	
				4,665,000
		Vesting Date	Shares issuable	
			(#)	
Restricted Share Units		April 22, 2022	24,450	
		April 22, 2023	24,450	
		July 17, 2024	50,000	
				98,900
				83,401,159

FINANCIAL INSTRUMENTS

As at December 31, 2021, the Company's financial instruments consist of cash and cash equivalents, prepaids and receivables, and accounts payable and accrued liabilities. IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

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As at December 31, 2021, the Company believes that the carrying values of prepaids and receivables, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations, thus this risk is primarily attributable to cash. The Company's cash and cash equivalents are held at large financial institutions such that counterparty risk is considered to be very low.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2021, this risk relates just to the Company's cash where interest rate risk is low due to the low prevailing interest rates.

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. 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 continues to operate its business and adheres to Canadian Federal and Provincial emergency measures as those are developed, to adapt to these changing circumstances, and to evaluate the best way to move its exploration activities forward during current conditions and when 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.

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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, Rights and Permits

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.

The Company may be required to receive permits to conduct some of its exploration work at certain projects. While the Company diligently completes the application process, there is no guarantee that the permit(s) will be secured. Failure to acquire the necessary permit(s) could have a material impact on the Company's ability to fulfill its programs.

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

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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 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

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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.

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.