Northern Superior Resources Inc.

Condensed Interim Financial Statements

(Expressed in Canadian dollars)

For the three months ended March 31, 2016 and 2015

Northern Superior Resources Inc.

Notice to Reader:

These condensed interim financial statements of Northern Superior Resources Inc. (the “Company”) have been prepared by management and reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

Northern Superior Resources Inc.
Condensed Interim Financial Statements
(Expressed in Canadian dollars)

Statements of Financial Position

As at	*Notes*	**March 31, 2016**	December 31, 2015
Assets			
Current assets			
Cash and cash equivalents		**$1,524,249**	$1,615,034
Prepaids and receivables	*3*	**68,141**	236,289
Available for sale investment		**2,000**	2,000
		$1,594,390	$1,853,323
Non-current assets			
Receivables	*3*	**$3,241**	$3,241
Equipment		**8,870**	10,523
Exploration and evaluation properties	*4*	**3,647,765**	3,580,917
		$5,254,266	$5,448,004
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	*5*	**$59,289**	$34,004
Shareholders' Equity			
Share Capital		**62,799,807**	62,799,807
Reserve - Stock options		**4,675,205**	4,661,234
Accumulated other comprehensive income		**(3,250)**	(3,250)
Deficit		**($62,276,786)**	(62,043,791)
		5,194,976	5,414,000
		$5,254,266	$5,448,004

APPROVED AND AUTHORIZED FOR ISSUE BY THE BOARD ON MARCH 24, 2016

"Alan C. Moon" *"Arnold Klassen"*

Director Director

See accompanying notes to financial statements

Northern Superior Resources Inc.
Condensed Interim Financial Statements
(Expressed in Canadian dollars)

Statements of Loss and Comprehensive Loss

For the three months ended March 31,	*Notes*	**2016**	2015
Expenses			
Consulting fees	*6(c)*	**$30,273**	$30,087
Depreciation		**1,653**	2,803
Legal and accounting		**24,213**	52,898
Office expense	*6(c)*	**128,109**	165,479
Shareholder information		**42,153**	59,890
Travel		**4,994**	7,592
Loss before the undernoted		**(231,395)**	(318,749)
Interest income		**2,975**	8,457
Ontario litigation costs	*4*	**(4,575)**	(183,968)
Net loss for the period		**(232,995)**	($494,260)
Other comprehensive loss			
Items that may be classified subsequently to profit or loss			
Change in available for sale investment		**-**	750
Total comprehensive loss		**($232,995)**	($493,510)
Basic and diluted loss per share		**($0.00)**	($0.00)
Weighted-average number of common shares outstanding	*6(d)*		
Basic		**189,577,969**	188,654,889
Diluted		**189,577,969**	188,654,889

See accompanying notes to financial statements

Northern Superior Resources Inc.
Condensed Interim Financial Statements
(Expressed in Canadian dollars)

Statements of Equity

		Share Capital		Reserves			
	Note	Number of Shares	Amount	Stock options	Investment revaluation reserve	Deficit	Equity
Balance, December 31, 2014		**188,962,583**	**$62,784,407**	**$4,600,764**	**($1,500)**	**($57,699,649)**	**$9,684,022**
Share based payments	*6(c)*	-	-	17,919	-	-	17,919
Change in available for sale investment		-	-	-	750	-	750
Net loss		-	-	-	-	(494,260)	(494,260)
Balance, March 31, 2015		**188,962,583**	**$62,784,407**	**$4,618,683**	**($750)**	**($58,193,909)**	**$9,208,431**
Common shares issued for properties		615,386	15,400	-	-	-	15,400
Share based payments		-	-	42,551	-	-	42,551
Change in available for sale investment		-	-	-	(2,500)	-	(2,500)
Net loss		-	-	-	-	(3,849,883)	(3,849,883)
Balance, December 31, 2015		**189,577,969**	**$62,799,807**	**$4,661,234**	**($3,250)**	**($62,043,791)**	**$5,413,999**
Share based payments	*6(c)*	-	-	13,971	-	-	13,971
Change in available for sale investment		-	-	-	-	-	-
Net loss		-	-	-	-	(232,995)	(232,995)
Balance, March 31, 2016		**189,577,969**	**$62,799,807**	**$4,675,205**	**($3,250)**	**($62,276,786)**	**$1,345,091**

See accompanying notes to financial statements

(Expressed in Canadian dollars)

Statements of Cash Flows

For the three months ended March 31,	*Notes*	**2016**	2015
Operating Activities			
Net loss for the period		**($232,995)**	($494,260)
Items not involving cash:			
Depreciation		**1,653**	2,803
Share based payments	*6(c)*	**13,971**	15,167
Change in non-cash operating working capital items:			
Decrease in prepaids and receivables		**41,008**	1,458
Increase in trade payables and accrued liabilities		**25,316**	30,056
Cash used in operating activities		**($151,047)**	(444,776)
Investing Activities			
Exploration and evaluation expenditures, including movements in working capital		**(79,147)**	(73,749)
Recovery of exploration and evaluation expenditures		**139,409**	27,290
Cash used in investing activities		**60,262**	(46,459)
Decrease in cash during the year		**(90,785)**	(491,235)
Cash, beginning of year		**$1,615,034**	3,615,065
Cash, end of period		**$1,524,249**	$3,123,830

Supplemental cash flow information note 8

See accompanying notes to financial statements

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Northern Superior Resources Inc. ("Northern Superior" or the "Company") is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of gold properties in Ontario and Québec. The Company has not determined whether its properties contain mineral reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and attaining future profitable production from the properties or proceeds from disposition.

The head office, principal address and registered and records office of the Company is 1351C Kelly Lake Road, Unit 7, Sudbury, Ontario, Canada, P3E 5P5.

2. BASIS OF PREPARATION

a) Statement of Compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Except as noted below under Changes in Accounting Policies, these condensed financial statements follow the same accounting policies and methods of application as the annual financial statements of the Company for the year ended December 31, 2015. These condensed interim financial statements do not contain all disclosures required by International Financial Reporting Standards ("IFRS") and accordingly should be read in conjunction with the 2015 annual financial statements and the notes thereto.

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for certain financial instruments, as set out in the accounting policies in note 3 of the 2015 annual consolidated financial statements.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements are disclosed in note 3(m) of the 2015 annual financial statements.

As at March 31, 2016, the Company has cash and cash equivalents of $1,524,249 and working capital of $1,535,101. While the Company has enough funds to allow it to continue its planned activities in the normal course, the Company is dependent on raising funds through the issuance of shares and/or attracting joint venture partners in order to undertake further exploration and development of its mineral properties. If the Company is unable to raise additional capital in the future and/or attracting joint venture partners for further exploration on its properties, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern beyond 2017.

These condensed interim financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

b) Changes in Accounting Policies

The Company has adopted the following new standard, along with any consequential amendments, effective January 1, 2016. These changes were made in accordance with the applicable transitional provisions.

Amendments to IAS 16, *Property, Plant and Equipment*, and IAS 38, *Intangible Asset*s: Clarification of Acceptable Methods of Depreciation and Amortization.

On May 12, 2014, the IASB issued Amendments to IAS 16, Property, Plant and Equipment, and IAS 38, Intangible Assets. In issuing the amendments, the IASB has clarified that the use of revenue-based methods to calculate the depreciation of a tangible asset is not appropriate because revenue generated by an activity that includes the use of a tangible asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption for an intangible asset, however, can be rebutted in certain limited circumstances. The standard is to be applied prospectively for fiscal years beginning on or after January 1, 2016 with early application permitted. These amendments did not impact the Company's condensed interim financial statements.

IFRS 11, *Joint Arrangements*

On May 6, 2014 the IASB amended IFRS 11, Joint Arrangements ("IFRS 11"). The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments did not impact the Company's condensed interim financial statements.

IAS 1, *Presentation of Financial Statements*

On December 18, 2014 the IASB amended IAS 1, Presentation of Financial Statements ("IAS 1"). The amendments to existing IAS 1 requirements relate to materiality; order of the notes; subtotals; accounting policies; and disaggregation. The amendments are effective for annual periods beginning on or after January 1, 2016. These amendments did not impact the Company's condensed interim financial statements.

IAS 19, *Employee Benefits*

On November 13, 2013 the IASB amended IAS 19, Employee Benefits ("IAS 19"). The amendments provide additional guidance to IAS 19 on the accounting for contributions from employees or third parties set out in the formal terms of a defined benefit plan. The amendments are effective for annual periods beginning on or after July 1, 2014. IAS 19 was further amended on July 30, 2014. The amendments to IAS 19 clarify the application of the requirements of IAS 19 on determination of the discount rate to a regional market consisting of multiple countries sharing the same currency. The amendments are effective for annual periods beginning on or after January 1, 2016. The amendments did not impact the Company's condensed interim financial statements.

c) Accounting Standards Issued but not yet Effective

IFRS 15, *Revenue from Contracts and Customers*

IFRS 15, *Revenue from Contracts and Customers* ("IFRS 15") was issued by the IASB on May 28, 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard.

On July 22, 2015, the IASB deferred the mandatory effective date of IFRS 15 by one year to January 1, 2018 (with earlier application still permitted). The Company does not expect the implementation of IFRS 15 to impact its condensed interim financial statements.

IFRS 9, *Financial Instruments*

IFRS 9, *Financial Instruments* ("IFRS 9") was issued by the IASB on July 24, 2014, and will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9; fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held-for-trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative host contracts not within the scope of this standard. The effective date for this standard is for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 9 on its condensed interim financial statements.

IFRS 16, *Leases*

IFRS 16, *Leases* ("IFRS 16") was issued by the IASB on January 13, 2016, and will replace IAS 17, *Leases*. The new Standard will bring most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15, *Revenue from Contracts with Customers,* has been applied. The Company does not expect the implementation of IFRS 16 to impact its financial statements.

IAS 7, *Statement of Cash Flows*

On January 29, 2016, the International Accounting Standards Board (IASB) published amendments to IAS 7, *Statement of Cash Flows*. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. They are effective for annual periods beginning on or after January 1, 2017, with earlier application being permitted. The Company is currently evaluating the impact of IAS 7 on its financial statements.

(Expressed in Canadian dollars)

3. PREPAIDS AND RECEIVABLES

As at	**March 31, 2016**	December 31, 2015
Quebec government refundable tax credits	**$15,753**	$154,862
Sales tax receivable	**17,246**	30,825
Prepaid expenses	**26,130**	26,755
Interest receivable	**8,711**	21,821
Other receivables	**302**	2,026
Total Current Prepaids and Receivables	**$68,141**	$236,289
Receivables (non-current):		
Quebec Government refundable tax credits	**3,241**	3,241
Total	**$71,383**	$239,530

The fair value of receivables approximates their carrying value. None of the amounts included in receivables at March 31, 2016 are past due.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION PROPERTIES

For the period ended March 31, 2016	Ti-pa-haa-kaa-ning	Croteau Est	Lac Surprise	Wapistan	Total
Balance, December 31, 2015	**$1,152,408**	**$1,682,508**	**$717,638**	**$28,363**	**$3,580,917**
Acquisition, assessment and maintenance	**613**	**263**	**286**	**-**	**1,162**
Analytical	**-**	**350**	**-**	**-**	**350**
Geology	**1,074**	**11,873**	**276**		**13,223**
Research	**49,870**	**-**	**-**	**-**	**49,870**
Project administration	**208**	**2,035**	**-**		**2,243**
Net increase for the period	**51,765**	**14,521**	**562**	**-**	**66,848**
Balance, March 31, 2016	**$1,204,173**	**$1,697,029**	**$718,200**	**$28,363**	**$3,647,765**

For the year ended December 31, 2015	Ti-pa-haa-kaa-ning	Croteau Est	Lac Surprise	Wapistan	Waconichi	Grizzly	Total
Balance, December 31, 2014	$2,254,124	$1,917,421	$1,161,115	$-	$234,766	$105,053	$5,672,479
Acquisition, assessment and maintenance	74,541	176,697	-	29,062	105	5,969	286,374
Analytical	-	998	-	-	-	-	998
Geology	13,841	63,840	20,817	9,315	-	31,326	139,139
Drilling	384	689	-	-	-	-	1,073
Research	72,684	228	-	-	-	-	72,912
Project administration	1,526	5,388	2,031	765	-	1,434	11,144
Cost recoveries	-	(52,223)	(20,247)	-	-	-	(72,470)
Refundable tax credits and adjustments	-	27,246	3,593	(3,062)	-	(10,060)	17,717
Write-off exploration and evaluation properties	(1,264,692)	($457,776)	(449,671)	(7,717)	(234,871)	(133,722)	(2,548,449)
Net (decrease) increase for the year	(1,101,716)	(234,913)	(443,477)	28,363	(234,766)	(105,053)	(2,091,562)
Balance, December 31, 2015	$1,152,408	$1,682,508	$717,638	$28,363	$-	$-	$3,580,917

Contingent Gain - Ontario Litigation

In 2013 the Company recorded a write-off of $6,005,125, representing the unamortized balance of its deferred exploration costs incurred in connection with its exploration of the Meston Lake, Rapson Bay and Thorne Lake properties (the “Properties”). The decision to write-off the Properties was based on the Company’s determination that it lost the ability to access to the Properties, as well as its ability to realize the benefits of any value created from its exploration expenditures to date, due to the actions of third parties. On October 24, 2013, the Company filed a civil lawsuit against the Government of Ontario seeking among other things, damages of $110 million and consisting mainly of amounts expended to date as well as for lost value of the Properties, as a result of lost access to the Properties.

The trial with the Ontario Superior Court was completed in November 2015 with the court decision pending. The Company incurred costs of $4,575 in respect to the litigation of its claim for the first three months of 2016 (same period in 2015 - $189,968).

5. TRADE PAYABLES AND ACCRUED LIABILITIES

As at	**March 31, 2016**	December 31, 2015
Trade payables	**$13,209**	$9,126
Amounts due to related parties	**25,062**	763
Accrued liabilitites - general	**21,018**	24,115
	$59,289	$34,004

The fair value of accounts payable and accrued liabilities approximate their carrying amount. Trade payables relate mainly to the acquisition of materials, supplies and contractor services. These payables do not accrue interest and no guarantees have been granted. Trade payables and accrued liabilities at March 31, 2016 and December 31, 2015 are denominated in Canadian dollars.

6. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value.

b) Stock Options

As at March 31, 2016, the Company had 9,030,000 stock options outstanding of which 5,330,000 were exercisable under the Company’s stock option plan. A summary of the changes in the Company’s stock option plan for the three months ended March 31, 2016 and 2015 is as follows:

(Expressed in Canadian dollars)

	Three months ended March 31, 2016		Three months ended March 31, 2015	
	Number of options	**Weighted-average exercise price**	Number of options	Weighted-average exercise price
Outstanding, beginning of year	**8,930,000**	**$0.11**	11,160,000	$0.28
Granted	**100,000**	**$0.05**	-	-
Expired	**-**	**-**	(375,000)	$0.11
Outstanding, end of period	**9,030,000**	**$0.11**	10,785,000	$0.29
Exercisable, end of period	**5,330,000**	**$0.13**	6,176,666	$0.28

The weighted average grant-date fair value for options granted during the three months ended March 31, 2016 was $0.004 (same period in 2015 - $0.03), which was determined using the Black-Scholes Option Pricing Model and the following assumptions: no dividends to be paid; volatility of 40% (same period in 2015 – 121.5%); risk-free interest rate 0.71% (same period in 2015 - 1.43%); and expected life of 5 years (same period in 2015 - 5 years).

The following table summarizes information regarding stock options outstanding and exercisable at March 31, 2016:

Exercise price	**Options outstanding**	**Options exercisable**	**Remaining contractual life (years)**	**Expiry dates**
$0.050 - $0.100	5,750,000	2,050,000	3.80	December 3, 2018 to March 1, 2021
$0.101 - $0.200	1,875,000	1,875,000	1.90	December 10, 2017
$0.201 - $0.300	1,355,000	1,355,000	0.80	November 2, 2016
$0.700	50,000	50,000	0.30	May 1, 2016
	9,030,000	5,330,000		

c) Share Based Payments

Share based payments recognized in the period are capitalized to exploration and evaluation properties or expensed as consulting fees and office expense.

The following table summarizes the share based payment expense for stock option grants that the Company recorded for the three months ended March 31, 2016 and 2015:

For the three months ended March 31,	**2016**	2015
Consulting fees	**698**	$1,587
Office expense	**13,273**	13,580
	13,971	15,167
Capitalized on exploration and evaluation properties	**-**	2,752
Total share based payments	**$13,971**	$17,919

(Expressed in Canadian dollars)

d) Basic and Diluted Loss per Share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive.

Potentially dilutive items not included in the calculation of diluted loss per share for the three months ended March 31, 2016 were 9,030,000 (same period in 2015 – 10,785,000) stock options that were anti-dilutive.

7. RELATED PARTY TRANSACTIONS

In the first quarter of 2016 Northern Superior paid $5,000 to a company controlled by its current Chief Financial Officer ($18,126 paid in the same period in 2015 to a company controlled by the then Chief Financial Officer), for accounting and management services, which amounts are included in office expenses.

All related party transactions are in the normal course of operations and measured at the exchange amount agreed to between the related parties. For the purposes of disclosure, related parties are defined as the officers and directors of the Company and companies controlled by the officers and directors.

8. SUPPLEMENTAL CASH FLOW INFORMATION

For the three months ended March 31,	**2016**	2015
Non-cash investing activities		
Change in working capital related to exploration and evaluation properties	**($12,300)**	$76,785
Share based payments capitalised	**-**	2,752
	($12,300)	$79,537
Interest received	**$8,000**	$35,051
Interest paid	**$250**	$-
Taxes paid	**$-**	$-

Cash and cash equivalents at March 31 consists of:		
Cash	**$274,249**	$115,034
Short term investments	**1,250,000**	1,500,000

(Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS

Carrying Values of Financial Instruments

The carrying value of financial assets and liabilities as at March 31, 2016 and December 31, 2015 are as follows:

As at	**March 31, 2016**	December 31, 2015
Financial Assets		
At fair value through profit or loss		
Cash and cash equivalents	**$1,524,249**	$1,615,034
Loans and receivable, measured at amortized cost		
Receivables *note 3*	**$45,253**	$212,774
Available-for-sale, measured at fair value		
Investments in public companies	**$2,500**	$2,500
Financial Liabilities		
Other financial liabilities, measured at amortized cost		
Accounts payable and accrued liabilities	**$59,289**	$34,004

Fair Values of Financial Instruments

The fair values of cash and cash equivalents, receivables and accounts payable and accrued liabilities approximate their carrying values due to the short term to maturity of these financial instruments.

The fair value hierarchy of financial instruments measured at fair value on the statement of financial position is as follows:

As at	**March 31, 2016**	December 31, 2015
	Level 1	Level 1
Cash and cash equivalents	**$1,524,249**	$1,615,034

The Company does not have any financial instruments measured using Level 2 or 3 inputs. The Company does not offset financial assets with financial liabilities and there were no transfers between Level 1 and Level 2 input financial instruments.

10. SEGMENTED INFORMATION

The Company conducts its business as a single operating segment being the mining business in Canada. All resource properties and equipment are situated in Canada.