



**Northern Superior Resources Inc.  
Management's Discussion and Analysis  
For the nine months ended September 30, 2019**

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**Management's Discussion and Analysis**  
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**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 nine months ended September 30, 2019 (the "Period") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at November 15, 2019 (the "Report Date"). The Report should be read in conjunction with the Company's condensed interim financial statements for the nine months ended September 30, 2019 and the notes thereto, and the audited financial statements for the year ended December 31, 2018, which have been prepared using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and within which the Company's accounting policies are described in Note 3 (collectively, the "Financial Statements"). All dollar amounts in the Report are in Canadian dollars unless otherwise noted.

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

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

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

As at September 30, 2019, the Company has cash and cash equivalents of \$1,273,160 and working capital of \$760,686 (which amounts each include \$453,706 restricted to flow-through purposes). 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.

This MD&A contains forward-looking statements. Statements throughout this Report with respect to the cost or timeline of planned or expected exploration are all forward-looking statements. As well, statements about growth, financial position, capital adequacy and/or the need for future financing are also forward-

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looking statements. All forward-looking statements, including forward-looking statements not specifically identified in this paragraph, are made subject to the cautionary language at the end of this document, and readers are directed to refer to that cautionary language when reading any forward-looking statements. Please refer to the cautionary language at the end of this document.

### **STRATEGY**

Northern Superior continues to execute its two pronged exploration strategy as laid out in the 2019 Q1 Management Discussion and Analysis report.

**First**, the Company completed a thorough examination of the results generated from the successful 2019 TPK Q1/Q2 core drill program. Of the eight gold-bearing shear zones identified (see Northern Superior press releases, May 15 and July 9, 2019 - the Company was mandated to define one), two shear zones were determined as the best targets for future drill programs. Drill programs and associated budgets to test these two shear zones are now complete.

In addition, Northern Superior completed drill plans and budgeting for specific mineral targets within the Annex area of the property.

Near term execution of drill programs for either or both areas of the TPK property is dependent on continuation of Yamana Gold's earn-in on the property (see Northern Superior press release, November 26, 2018).

**Second**, Northern Superior completed integration and interpretation of data derived from its Q2 drone-supported aerial magnetic survey over its Lac Surprise property (see Northern Superior press release, July 16, 2019). Data collected from this exercise was integrated into the Lac Surprise geoscientific database. Subsequently, core drill targets were identified within the northeastern part of the property, and a 12 hole, 4,400m core drill program was completed, Q3/Q4 2019 (see Northern Superior press release October 23, 2019).

A key purpose of this program is to demonstrate the extension of the Renard Gold Zone, as defined on IAMGOLD/ Vanstar's Nelligan Gold property, onto the Lac Surprise property (see Northern Superior press release, October 23, 2019). The Company is encouraged by the recent announcement from IAMGOLD/ Vanstar of an initial 43-101 compliant mineral resource estimate of 3.2 million inferred ounces of gold located within their Nelligan Gold Property (see IAMGOLD press release, October 22, 2019).

Results from Northern Superior's Q3/Q4 drill program will determine the next phase of exploration programs on the northeastern part of the Lac Surprise property.

### **KEY EVENTS, Q3 2019**

#### **TPK**

- Completed integrating geoscientific data derived from the Q1/Q2 core drill program complete;
- Completed prioritization of the eight gold-bearing shear zones identified in the Big Dam area of the Property from the Q1/Q2 core program;
- Completed review of geoscientific data from the Annex area of the Property;
- Completed planning and budgeting for next phase exploration programs for both the Big Dam and Annex areas of the TPK property; and
- Initiated discussion regarding extension of the Early Economic Benefit Agreement (EEBA) with Neskantaga First Nation.

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**Lac Surprise**

- Completed integration and interpretation of data derived from the 2019 Q1/Q2 drone aerial magnetic survey;
- Completed core drill planning and budgeting for the northeastern part of the property (see Northern Superior press release, September 10, 2019); and
- Completed the core drill program for the northeastern part of the property (see Northern Superior press release, October 23, 2019).

**Geoscientific Data Base**

- Completed integration of data derived from the TPK 2019 core drill program into the property's data base;
- Completed integration of data derived from the Lac Surprise 2019 drone aerial magnetic survey into the property's data base: and
- Continued growth of the Company's geoscientific database from the acquisition of newly published, publicly available geoscientific data (database now almost a terabyte in size).

**OUTLOOK AND STRATEGY, Q3/Q4 2019**

**TPK**

Advancing the discoveries made from the Q1/Q2 core drill program within the Big Dam area of the property will depend on the intentions of the Company's Option Partner for the property, Yamana Gold.

Regardless, Northern Superior has developed exploration plans and budgets to advance discovery on the property within both the Big Dam and Annex areas of the property.

The Company and the First Nation Community of Neskantaga have initiated discussion to extend the current EEBA for another three years.

**Lac Surprise**

Results from the 2019 Q3/Q4 core drill program will dictate the next phase of core drilling within the northeastern part of the Lac Surprise property.

The focus of the core drill program within the northeast part of the property is based primarily on proving the extension of the Renard Gold Zone as defined by IAMGOLD and Vanstar, located on their Nelligan Gold Property. This property was staked onto the northeastern part of the Lac Surprise property. Projecting the magnetic signature associated with the Renard Gold Zone onto the Lac Surprise property, coupled with the presence of gold grain-in-till dispersal trains and gold showings within the northeast part of the Lac Surprise property, strongly suggests an extension of the Renard Gold Zone onto the Lac Surprise property.

Northern Superior is strongly encouraged by IAMGOLD and Vanstar's announcement of an initial 43-101 compliant mineral resource estimate of 3.2 million inferred ounces of gold for their Nelligan Gold Property.

**Other Properties**

Northern Superior has initiated the process of applying to the Ontario Ministry of Energy, Northern Development and Mines, for an extension of time regarding its mineral claims associated with its Thorne Lake, Rapson Bay and Meston Lake properties, northwestern Ontario. This process was initiated in response to a lack of engagement from Sachigo Lake First Nation with the Company, despite best efforts by the Company to engage Chief and Council and financially supporting local Community events.

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Otherwise, Northern Superior continues to seek out and engage strategic partners for its 100% owned properties in Ontario (Thorne Lake, Rapson Bay and Meston Lake) and Québec (Croteau Est and Wapistan).

**Geoscientific Data Base**

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

**RESULTS OF OPERATIONS**

*Exploration and evaluation property expenditures*

	Ti-pa-haa- kaa-ning (\$)	Croteau Est (\$)	Lac Surprise (\$)	Wapistan (\$)	Total (\$)
Acquisition, assessment and maintenance	83,309	1,800	1,302	1,413	<b>87,823</b>
Analytical	116,435	620	1,892	103	<b>119,051</b>
Geophysics	-	-	252,075	-	<b>252,075</b>
Geology	71,683	13,035	32,735	-	<b>117,453</b>
Drilling	1,621,613	(21,156)	263,158	-	<b>1,863,615</b>
Project administration	-	-	2,401	-	<b>2,401</b>
<b>Total expenditures</b>	<b>1,893,040</b>	<b>(5,701)</b>	<b>553,563</b>	<b>1,516</b>	<b>2,442,418</b>
Recoveries	(498)	-	-	-	<b>(498)</b>
Recovery from option agreement	(1,857,912)	-	-	204	<b>(1,857,708)</b>
<b>Net</b>	<b>34,629</b>	<b>(5,701)</b>	<b>553,563</b>	<b>1,720</b>	<b>584,211</b>

*General and administrative costs*

	Nine months ended September 30,				Three months ended June 30,			
	2019 (\$)	2018 (\$)	Increase (decrease) (\$) (%)		2019 (\$)	2018 (\$)	Increase (decrease) (\$) (%)	
<b>General operating expenditures</b>								
Consulting fees	64,955	67,900	(2,945)	(4)	21,489	21,000	489	2
Legal and accounting	45,778	34,886	10,892	31	5,420	8,149	(2,729)	(33)
Office expenses and salaries	404,350	455,002	(50,652)	(11)	129,822	147,761	(17,939)	(12)
Shareholder information	136,720	214,754	(78,034)	(36)	15,607	16,191	(584)	(4)
Foreign exchange	328	258	70	27	10	299	(289)	(97)
	657,830	781,758	(123,928)	(16)	173,010	194,297	(21,289)	(11)
<b>Other items</b>								
Interest (expense) income	(14,454)	384	(14,838)	(3,864)	(3,088)	(2,941)	(147)	5
Management fees	(90,366)	-	(90,366)		(1,250)	-	(1,250)	
Share-based payments	244,287	-	244,287		-	-	-	
Ontario litigation	-	(252,311)	252,311		-	-	-	
	139,466	(251,927)	391,393	(155)	(4,337)	(2,941)	(1,396)	47
<b>Loss for the period</b>	<b>797,297</b>	<b>529,831</b>	<b>267,466</b>	<b>50</b>	<b>168,672</b>	<b>191,356</b>	<b>(22,684)</b>	<b>(12)</b>

**For the nine months ended September 30, 2019 ("Period") as compared with the nine months ended September 30, 2018 ("2018 Period")**

The increase in loss for the Period results from the reduced costs amounts paid in 2018 Period to the Ontario Government in respect of the litigation in relation to the amounts accrued in prior periods and the share-based compensation on the granting of incentive stock options during the Period. Share-based compensation is a non-cash item resulting from the application of the Black-Scholes Option Pricing Model using assumptions in respect of expected dividend yield average risk-free interest rates, expected life of the options and expected volatility. Consulting fees and office expenses and salaries were generally in line

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for the Period as compared with 2018 Period, and shareholder information decreased on cessation of services provided by various consultants in the Period. During the Period, the Company earned management fees pursuant to the agreement with Yamana at the TPK project.

***For the three months ended September 30, 2019 ("Q3/19") as compared with the three months ended September 30, 2018 ("Q3/18")***

The loss for Q3/19 remained relatively similar to the loss for Q3/18. During Q3/19, the Company earned management fees pursuant to the agreement with Yamana at the TPK project.

**SUMMARY OF QUARTERLY RESULTS**

The following selected financial data are derived from the Company's quarterly financial statements and from the Financial Statements and should be read in conjunction with the Company's Financial Statements:

Quarter ended	2019			2018				2017
	Sept 30	June 30	March 31	Dec 31	Sept 30	June 30	March 31	Dec 31
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Interest (expense) income	3,088	4,637	6,731	6,640	2,941	2,161	(5,486)	(9,799)
Net (Loss)	(168,672)	(211,007)	(417,618)	(350,775)	(191,359)	(268,684)	(69,788)	(186,185)
Net (loss) per share (basic and diluted)	-	-	-	-	-	-	-	-
Total assets	9,097,441	9,129,565	9,550,762	9,485,488	8,789,551	8,995,787	9,322,982	10,011,917

**FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**

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

During 2018, the Company completed a financing for total flow-through gross proceeds of \$999,999. As at September 30, 2019, the Company had cash and cash equivalents of \$1,237,160 (December 31, 2018: \$2,265,08) to settle trade payables and accrued liabilities totaling \$626,434 (December 31, 2018: \$443,670). During the Period, the Company received total advances of \$2,000,000 for exploration expenditures at the Company's TPK property (as to \$1,000,000 each on January 15, 2019 and April 1, 2019). The Company will be the operator for the first 12 months of the agreement, at which time Yamana has the option to take over as operator for the remainder of the earn-in period. While acting as operator, the Company is entitled to a 5% management fee on all agreed to and related expenses.

The Company's cash position is highly dependent on the ability to raise cash through financings and the expenditures on its exploration programs. Management believes that the Company will need external financings in order to fund further exploration. As results of exploration programs are determined and other opportunities become available to the Company, management may complete an external financing as required.

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

**OUTSTANDING SHARE CAPITAL INFORMATION AT THE REPORT DATE**

Common shares - issued and outstanding 35,126,689

	Exercise price (\$)	Expiry Date	Shares issuable (#)	
<b>Warrants</b>	0.400	December 28, 2019	1,515,150	
	0.400	December 28, 2019	242,424	
				<b>1,757,574</b>
<b>Stock options</b>	0.500	November 5, 2020	95,000	
	1.000	August 1, 2021	50,000	
	0.500	November 21, 2021	105,000	
	0.650	April 23, 2022	810,000	
	0.500	November 30, 2022	355,000	
	0.220	March 29, 2024	1,130,000	
				<b>2,545,000</b>
				<b>39,429,263</b>

**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 fair value. Key management personnel consist of Thomas Morris (President and CEO, Jeannine Webb (CFO), Daniel Rothberg (Corporate Secretary), , François Perron (Chairman of the Board of Directors), Arthur Murdy, Andrew Farncomb, John Kiernan, David Bielhartz (independent, non-executive Directors of the Company), and Daniel Meldrum (V-P, Exploration until June 24, 2018).

During the nine months ended September 30, 2019 and 2018, the Company was charged for services, net of any share-based payments, by these parties as follows:

	September 30,	
	2019	2018
	(\$)	(\$)
CEO and President	168,750	112,500
Company controlled by CFO	36,000	21,000
Corporate Secretary	27,000	18,000
VP-Exploration	-	39,000
	<b>231,750</b>	<b>190,500</b>

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In addition, at September 30, 2019, \$3,888 was due to the above related parties (December 31, 2018: \$Nil) in respect of expenses incurred on behalf of the Company.

Directors' Compensation

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

	2019 (\$)	2018 (\$)
Directors' fees	82,500 <sup>(1)</sup>	90,412 <sup>(2)</sup>

(1) At September 30, 2019, a total of \$82,500 (December 31, 2018: \$41,250) was owed to Directors in respect of Directors' fees, as to \$13,750 (December 31, 2018: \$13,750) payable in cash, and \$68,750 (December 31, 2018: \$27,500) payable in common shares of the Company, subject to TSX-V approval.

(2) At September 30, 2018, a total of \$27,500 was owed to Directors in respect of Directors' fees, as to \$13,750 payable in cash, and \$13,750 payable in common shares of the Company, subject to TSX-V approval.

**ACCOUNTING STANDARDS**

Changes in accounting policies

The Company adopted the following new standard, along with any consequential amendments, prior to or effective January 1, 2019. These changes were made in accordance with the applicable transitional provisions and did not impact the Company's condensed interim financial statements.

- IFRS 16, "Leases": is effective for annual periods beginning on or after January 1, 2019.
- IFRIC 23, "Uncertainty over Income Tax Treatments": the effective for annual periods beginning on or after January 1, 2019.

Critical accounting estimates and judgments

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

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

*Judgments*

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

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

- (ii) The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and these assets have been accounted for under the

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assumption that the carrying value will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves.

Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets. Management reviewed exploration and evaluation assets for the years ended December 30, 2018 and 2017 and did not identify any impairment indicators.

*Estimates and assumptions*

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

**OFF-BALANCE SHEET ARRANGEMENTS**

Other than the operating lease commitments disclosed in the Financial Statements, the Company has not entered into any off-balance sheet financing arrangements.

**SUBSEQUENT EVENTS**

On November 10, 2019, incentive stock options allowing for the purchase of up to, in the aggregate, 130,000 shares in the capital of the Company at \$0.50 per share expired.

**RISKS AND UNCERTAINTIES**

*General*

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

*Limited Financial Resources and Going Concern*

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

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

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

*Title and Rights*

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

The Company's properties may also be subject to Aboriginal/First Nations or other historical rights that may be claimed on Crown properties or other types of tenure with respect to which mineral rights have been conferred. Except for the lawsuit relating to the Company's Meston Lake, Rapson Bay and Thorne Lake properties, as described in this Report, the Company is not aware of any Aboriginal land claims having been asserted or any legal actions relating to issues having been instituted with respect to any of the exploration & evaluation assets in which the Company has an interest. The Company is in ongoing communication with the Aboriginal/First Nations communities associated with its properties, and is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration activity, and is supportive of measures established to achieve such co-operation.

*Market*

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

*Metal and Commodities Prices*

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

*Exploration and Development*

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

*Exploration, Development and Operating*

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

*Political and Economic Instability*

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

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earnings, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety.

*Environmental*

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

*Competition in the Mineral Exploration Industry*

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

*Key Personnel*

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

*Uninsurable*

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

**FORWARD-LOOKING STATEMENTS**

Certain of the statements made herein may constitute "forward-looking statements" or contain "forward-looking information" within the meaning of applicable Canadian securities laws. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the potential for mineralization at the Company's properties, the timelines to complete the Company's exploration programs, timing for permit applications, timing for resource estimates, timing to complete technical reports, forecasts for exploration expenditures, estimates of future administrative costs and statements about the Company's future development of its properties.

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

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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 labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; the potential for unexpected costs and expenses and commodity price; uncertain political and economic environments; changes in laws or policies, delays or the inability to obtain necessary governmental permits; and other risks and uncertainties, including those described under Risk Factors.

Forward-looking information is in addition based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of commodities; that the Company can access financing, appropriate equipment and sufficient labour 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**

Dr. T.F. Morris (President and CEO) is the Company's Qualified Person ("QP") (as defined in National Instrument 43-101, "Standards of Disclosure for Mineral Projects") for all projects, except: 1) Mr. Donald Boucher and Mr. Jonathan O'Callaghan are the designated QP's for the Wapistan multi-commodity mineral property; and 2) Mr. Jonathan O'Callaghan is the designated QP for the Lac Surprise and Croteau Est gold properties and the TPK gold/silver/copper property. As the Company's QP, and in consultation with the other designated QP's, Dr. Morris has prepared or supervised the preparation of the scientific or technical information for the properties as referred to in this MD&A.

**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](http://www.nsuperior.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).