Northern Superior Resources Inc.
Management's Discussion and Analysis
For the year ended December 31, 2018

CONTENTS

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, 2018 (the "Year" or the "Period") has been prepared by management in accordance with the requirements under National Instrument 51-102 as at April 10, 2019 (the "Report Date"). The Report should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2018 and 2017 and the notes thereto, 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.

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 December 31, 2018, the Company has cash and cash equivalents of $2,268,508 and working capital of $1,917,708 (which amounts each include $999,999 restricted to flow-through purposes). In May 2016, the trial between Northern Superior and the Government of Ontario (the "Ontario litigation") was completed with the judge ruling against the Company ("the trial decision"), pursuant to which, on August 26, 2016, the Ontario Superior Court of Justice ordered Northern Superior to pay an aggregate of $440,570 in costs to the Province of Ontario. On March 1, 2018, the Company concluded its lawsuit with the Province of Ontario, avoiding any further court proceedings. The Company and the Province of Ontario settled on a reduced costs amount, which amount cannot be disclosed due to confidentiality restrictions as dictated in the final settlement.

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

PRESIDENT'S MESSAGE

The Company completed several important, corporate-related events at the end of 2018 and early 2019, most notably:

1) completion of an option/joint venture agreement with Yamana Gold Inc., on Northern Superior's 100% owned Ti-pa-haa-kaa-ning ("TPK") property (*see* press release, Northern Superior Resources, November 26, 2018); earn-in of $10 million in exploration expenses required over a 4 year period, committed to spending $2 million in year 1 of the agreement, by November 2019;
2) closing of a $1 million, non-brokered, flow-through private placement (*see* press release, Northern Superior Resources, December 31, 2018); and
3) completion of a 10:1 share consolidation (*see* press release, Northern Superior Resources, January 3, 2019).

With the completion of these events, Northern Superior is now positioned to launch into an exciting and important year.

The completion of the Yamana Gold Inc. option/joint venture agreement assures that the Company now has a well-funded and reputable partner to move its TPK project forward. The core drill core program initiated in February of 2019 is almost complete, and we look forward to reporting results as they become available.

The recently completed financing will allow us to further develop our Lac Surprise property and hopefully demonstrate the extension of the gold-bearing structures reported on the adjoining Nelligan property controlled by IAMGOLD Corporation ("IAMGOLD") and Vanstar Resources (*see* press release IAMGOLD, January 10, 2019).

In addition, our Croteau Est property has proved to be a very important asset to Northern Superior with:

1) a defined resource from a minimum number of core drill holes (64) and meterage completed (20,643m);
2) results from additional drilling (24 holes; 14,404m) provided a geologically constrained model for the deposit and defined how to expand the deposit both along strike (east and west) and depth; and
3) additional opportunities defined on the property (*see* press release, Northern Superior Resources, May 23, 2018).

To advance Croteau Est, a sustained drill program is required, and Northern Superior is actively pursuing a strategic partner to assist in advancing this property to its full potential.

Finally, the Company has a number of other mineral properties, and Northern Superior is actively exploring ways to advance these opportunities. One such property is the Wapistan mineral property, located within the James Bay Lowlands of Québec (*see* press release, Northern Superior Resources, May 16, 2017). Northern Superior reported on the results from a small, but important exploration program, completed on this property in the fall of 2018 (*see* press release, Northern Superior Resources, January 29, 2019).

With the Company's corporate structure re-organized, a healthy treasury, a strategic partner procured for TPK, financing completed to support exploration on the Lac Surprise property and management actively pursuing opportunities for its other 100% owned mineral properties, Northern Superior is set for what promises to be a very positive and productive year. We look forward to sharing our progress with shareholders and stakeholders alike as the year unfolds.

Thomas F. Morris PhD., FGAC, ICD.D, P.Geo.
President and CEO

KEY EVENTS, 2018
Corporate

- Completed successful discussions with the Ontario Government, regarding lifting of the exclusion of time order on the Rapson Bay, Thorne Lake and Meston Lake properties: this, while maintaining all claims in good standing;
- Completion of an option/joint venture agreement with Yamana Gold Inc., on Northern Superior's 100% owned TPK property (*see* press release, Northern Superior Resources, November 26, 2018);
- Completion of a C$1 million, non-brokered, flow-through private placement (*see* press release, Northern Superior Resources, December 31, 2018);
- Continued engagement with shareholders and stakeholders including key First Nation communities; and
- Completed the year 2018 with treasury (net of flow-through funds) of approximately $1.3 million.

Projects Generally
Note: All Northern Superior projects are 100% owned by the Company.

- Completed, or near completion, of technical reports for all of the Company's current exploration properties;
- Completed, or near completion, of exploration programs and budgets for all of the Company's current exploration properties;
- Completed, or near completion, analysis of assessment credit distribution and mid-to long term assessment needs, with a view of holding all Northern's exploration properties in good standing; and
- Review and identification of "next generation" prospective mineral properties from the Company's geoscientific data base.

TPK

- Completed drill targeting exercises, Big Dam and Annex areas of the property;
- Completed studies, updating the Company's understanding of the Property's bedrock geology;
- Developed gold emplacement models, Big Dam and Annex areas of the property;
- Undertook a thorough examination of all gold mineral targets, engaging external parties to challenge and provide further insight into mineral targeting;
- Completed the TPK exploration camp's spring and summer maintenance programs;

- Maintained engagement protocols as per the Early Exploration Benefits Agreement with Neskantaga First Nation, including Community meetings; and
- Successfully initiated a core drill program (*see* Northern Superior Resources press release, February 14, 2019).

Croteau Est

- Completed the bedrock geology model for a portion of the gold-mineralized Croteau- Bouchard Shear Zone (CBSZ). Key observations from the model and from the geology completed to date include:
  - ✓ Mineralization within the CBSZ along strike has now been extended from 450m (circa 2012) to a minimum of 1.2km;
  - ✓ Mineralized system is open along strike both east and west;
  - ✓ Mineralized system is open at depth down-plunge (>560m);
  - ✓ Gold mineralization is *primarily* associated with a series of shallow plunging quartz vein swarms (at least 59 such domains defined) that are spatially related to the presence of I2 and QFP dykes within an M8 (schistose basalt) unit;
  - ✓ Mineralization as defined by this geological model extends 1.2km along strike and occurs within a much more extensive regional-scale mineralized system. Mineralization as defined at the CBSZ may repeat along strike and/or along parallel shears elsewhere on the Croteau Est property;
    This geological model has established an elevated level of confidence in predicting the location of mineralization within this system. This was clearly demonstrated during the last phase of core drilling wherein a precursor of this model was applied to the targeting process. Therein, every corehole during this program intersected mineralized material where predicted (*see* Northern Superior Resources press release, February 20th, 2018).
  - ✓ Planned a comprehensive core drill program, based on the ability to intersect mineralized material as successfully predicted (proven from the 2017 Phase II and II core drill programs) from the CBSZ geological model: pursuing the extension of the high grade shoots east to source; and
  - ✓ Testing the presence of additional high grade material at depth.
- Initiated a review of all other mineral showings on the Croteau Est property.

Lac Surprise

- Completed a comprehensive review of all related geoscientific data for the property and neighboring region, culminating in a 43-101 style exploration report;
- Planned an Unmanned Aerial Vehicle-Mounted (UAV) Magnetic Geophysics Survey, covering an area of 119.8km^2 with 2,430.57 line kilometers of flight lines (*see* Northern Superior Resources press release, February 6, 2019);
- Initiated planning for a 20 hole, approximately 5,000m core drill program; and
- Raised $1 million to facilitate Lac Surprise 2019 exploration program; completion expected Fall 2019.

Wapistan

- Completed a reconnaissance exploration program, key findings include (*see* Northern Superior Resources press release, January 29, 2019):
  - ✓ Verification through prospecting of four key historic properties previously reported- Lac Atsynia, Know Bull, Threefold, Lac Kaychikuapichu-NW; and
  - ✓ Discovery of 4 new showings including the: i) PG-Zone west; ii) Lac Kaychikuapichu; iii) Nimaastaakuwit; and iv) Atikamakuch North.

Geoscientific Data Base

- Completed integration of all geoscientific data generated from the various 2017 and 2018 exploration programs into the Company's geoscientific data base;
- Continued to grow the database from the acquisition of newly published, publicly available geoscientific data (almost a terabyte in size); and
- Initiated studies of the database, the purpose of which to identify the next generation of exploration projects for the Company.

OUTLOOK AND STRATEGY, 2019

Supporting the Company financially through traditional retail marketing and broker-related financing has become far more difficult, and is unlikely to change any time soon. As such, the Company must become more creative with regard to identifying and acquiring capital to sustain the corporate and exploration activities of the Company. As such, there will be much time devoted to this effort by both management and the board in coming months.

As part of that strategy, and although the Company was successful in acquiring a strategic partner for TPK, further effort will be made to identify and acquire strategic partner(s) for its other 100% owned properties.

TPK

The procurement of a strategic partner in Yamana was critical in moving the TPK property forward. With the financial and human resources available through Yamana there is now a real opportunity to advance this project in a systematic and sustained manner. The planned 2019 Q1-Q2 core drill program is designed to identify favorable alteration zones, structures and mineralization defining wider areas of potentially economic mineralization within the Big Dam area of the property. A successful completion of this program will lead to a more focused core drill program in the Big Dam area, and future expansion of exploration through the New Growth and Annex areas of the property.

Croteau Est

The resource so far defined at the CBSZ requires a sustained drill program to expand it. The very successful drill programs completed on the CBSZ through 2017 clearly defines the opportunity to grow this resource: 1) along strike both to the east *and* west; and 2) at depth. In addition to the CBSZ, several showings on the property emphasize the probability of additional gold deposits across this large property. With year round access across this property, other infrastructure and community resources, advancing both the CBSZ and the several gold showings identified on this property can be done both in an expedient and cost- effective manner.

Lac Surprise

Northern Superior has long understood the potential of this property, having previously defined gold grain-in-till and gold geochemical-in-till dispersal trains coupled with two broad areas consisting of tills with anonymously high gold grain-in-till values. This understanding was exemplified with the discovery of several gold showings across the property.

Initiating an exploration program on this property now is both timely and prudent, as the area has become the focus of much exploration. As an example, structures and lithological units associated with the gold discoveries made by IAMGOLD on the adjoining Nelligan property extend across the northern part of the Lac Surprise property: where those very same gold grain-in-till, gold geochemical-in-till and two key gold showings occur.

Management is confident that the results from the geophysical drill program to be initiated over the Lac

Surprise property this spring, and results from the subsequent core drill program to be completed this summer, will affirm the gold potential associated with the Lac Surprise property. These results will also assist in directing future exploration required to further unlock the properties potential.

Wapistan

Wapistan is an important, early stage mineral exploration property within Northern Superior's exploration property portfolio. This property is strategically positioned within the James Bay Lowlands, an emerging and important exploration and mining camp in the James Bay Lowlands of Québec. The discovery of 4 additional showings during the relatively short (10 day) 2018 Q4 exploration program adds to what is already an impressive list of showings on the Property.

With the completion of the 2018 exploration program and submission of a geological report to the Québec Government, the Wapistan property has enough assessment credits to sustain the integrity of the property into the foreseeable future. As such, no further work is planned on this property for 2019. However, the Company will continue to seek a strategic partner to assist in advancing exploration and further discovery on this property.

Rapson Bay/ Thorne Lake/ Meston Lake

Having now been released from an exclusion of time, the Company has attempted to re-engage Sachigo Lake First Nation to gain access to these properties. This is a required step for both the Company and Community if Northern Superior is to pursue exploration on these properties. The Company will continue to reach out to the Community throughout 2019.

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	18,442	1,843	3,006	36,463	**59,754**
Analytical	183	24,176	-	8,655	**33,014**
Geophysics	5,100	11,090	-	-	**16,190**
Geology	104,816	206,815	31,756	53,660	**397,046**
Research	9,950	-	-	-	**9,950**
Project administration	9,945	28,997	-	-	**38,941**
Total expenditures	**148,436**	**272,920**	**34,762**	**98,778**	**554,895**
Refundable tax credits and adjustments	-	(2,426)	-	-	**(2,426)**
Recovery from option agreement	(149,502)	-	-	-	**(149,502)**
Net	**(1,065)**	**270,494**	**34,762**	**98,778**	**402,968**

General and administrative costs

	Years ended December 31, 2018	Years ended December 31, 2017	Increase (decrease)		Three months ended December 31, 2018	Three months ended December 31, 2017	Increase (decrease)	
	($)	($)	($)	(%)	($)	($)	($)	(%)
General operating expenditures								
Consulting fees	86,978	81,000	5,978	7	23,978	16,099	7,879	49
Legal and accounting	72,011	125,219	(53,208)	(42)	37,126	25,666	11,460	45
Office expenses and salaries	600,244	571,896	28,348	5	137,899	139,581	(1,682)	(1)
Shareholder information	355,105	415,235	(60,130)	(14)	140,350	127,254	13,096	10
Travel	7,837	20,825	(12,988)	(62)	6,221	6,745	(524)	(8)
Foreign exchange	208	563	(355)	(63)	(50)	(217)	167	(77)
	1,122,382	1,214,738	(92,355)	(8)	345,524	322,471	23,053	7
Other items								
Depreciation	-	4,172	(4,172)	(100)	-	-	-	-
Interest (expense) income	(6,256)	6,575	(12,831)	(195)	(6,639)	9,799	(16,438)	(168)
Share-based payments	16,790	820,775	(803,985)	(98)	11,890	253,916	(242,026)	(95)
Ontario litigation	(252,311)	-	(252,311)		-	-	-	-
Flow-through share premium recovery	-	(400,000)	400,000	(100)	-	(400,000)	400,000	(100)
	(241,776)	431,522	(673,298)	(156)	5,251	(136,286)	141,537	(104)
Loss for the period	**880,606**	**1,646,260**	**(765,654)**	**(47)**	**350,775**	**186,185**	**164,590**	**88**

For the year ended December 31, 2018 as compared with the year ended December 31, 2017 ("Year 2017")

The decrease in loss of approximately 47% for the Year in comparison with Year 2017 reflects the reduced costs amounts paid to the Ontario Government in respect of the litigation, curtailment of marketing efforts and attendant travel costs, and the share-based compensation on the vesting of incentive stock options. 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 for the Year as compared with Year 2017. In connection with a financing completed in 2016 and the funds being fully expended the Company recognized the extinguishment of a flow-through premium liability.

For the three months ended December 31, 2018 (the "Period") as compared with the three months ended December 31, 2017 ("Period 2017")

The increase of approximately 7% in general operating costs for the Period in comparison with Period 2017 reflects the increased legal expenditures incurred with the transaction with Yamana and the financing. Shareholder information expenditures increased attendant with activity, and share-based compensation decreased based on the timing of vesting of incentive stock options. Consulting fees increased on investigation of properties, and office expenses and salaries were generally in line for the Period as compared with Period 2017. In connection with a financing completed in 2016 and the funds being fully expended the Company recognized the extinguishment of a flow-through premium liability.

SUMARY 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:

	2018				2017			
Quarter ended	**Dec 31** ($)	**Sept 30** ($)	**June 30** ($)	**March 31** ($)	**Dec 31** ($)	**Sept 30** ($)	**June 30** ($)	**March 31** ($)
Interest (expense) income	6,640	2,941	2,161	(5,486)	(9,799)	189	2,259	776
Net (Loss)	(350,775)	(191,359)	(268,684)	(69,788)	(186,185)	(295,792)	(930,837)	(233,446)
Net (loss) per share (basic and diluted)	-	-	-	-	-	-	-	-
Total assets	9,485,488	8,789,551	8,995,787	9,322,982	10,011,917	10,214,398	10,424,407	10,946,079

The net losses for the quarters generally remain stable, with the exception of the loss for the quarter ended ended June 30, 2017, which reflects share-based compensation using the Black-Scholes Option Pricing Model of $561,960 on the immediate vesting of the grant of incentive stock options allowing for the purchase of up to, in the aggregate, 960,000 common shares of the Company at $0.65 per share until April 23, 2022, and the loss for the quarter ended March 31, 2018, which reflects the reduced amounts paid to the Ontario Government in respect of the litigation.

ANNUAL FINANCIAL INFORMATION

As at and for the years ended December 31,	**2018** ($)	**2017** ($)	**2016** ($)
Interest (expense) income	6,256	(6,575)	9,382
Net (Loss)	(880,606)	(1,646,260)	(1,470,424)
Net (loss) per share (basic and diluted)	(0.03)	(0.10)	(0.10)
Total assets	9,485,488	10,011,917	6,504,565

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 (2017: total gross proceeds of $4,500,000 of which $599,500 was restricted to flow-through and $3,900,500 unrestricted). As at December 31, 2018, the Company had unrestricted cash and cash equivalents of $915,709 (December 31, 2017: $3,083,897) to settle trade payables and accrued liabilities totaling $443,742 (December 31, 2017: $843,151). On January 15, 2019, the Company received, in respect of the Yamana Agreement, an advance of $1,000,000 for exploration expenditures at the Company's TPK property. The Company will be the operator for the first 12 months of the agreement, at which time Yamana will take over as operator for the remainder of the earn-in period. While acting as operator, the Company will be entitled to a 5% management fee on all agreed to and related expenses. In addition, once Yamana becomes operator it may request the Company to continue to staff the project, in which case, the Company would continue to be entitled to the 5% management fee.

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.

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 [(1)]

	Exercise price ($)	Expiry Date	Shares issuable (#)	
Common shares - issued and outstanding				**35,126,689**
Warrants	0.400	December 28, 2019	1,515,150	
	0.400	December 28, 2019	242,424	
				1,757,574
Stock options	0.500	November 10, 2019	130,000	
	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	
				1,545,000
				38,429,263

(1) After taking into effect the consolidation of the Company's common shares, as to one new share for every 10 old shares. The consolidation received regulatory approval on January 3, 2019, and effective January 7, 2019, the shares of the Company commenced trading on the TSX-V on a post-consolidated basis.

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), Daniel Meldrum (V-P, Exploration until June 24, 2018), François Perron (Chairman of the Board of Directors), and Arthur Murdy, Andrew Farncomb, John Kiernan, David Bielhartz and, until May 23, 2018, Sydney Himmel (independent, non-executive Directors of the Company).

During the years ended December 31, 2018 and 2017, the Company was charged for services, net of any share-based payments, by these parties as follows:

	December 31, 2018	December 31, 20187
	($)	($)
CEO and President	**225,000**	225,000
Company controlled by CFO	**48,000**	45,000
Corporate Secretary	**36,000**	36,000
VP-Exploration	**78,000**	61,200
	387,000	367,200

At December 31, 2018, $Nil was due to the above related parties (December 31, 2017: $88,229).

Directors' Compensation

In April 2017, the Company revised the way in which it compensates independent directors. Effective January 1, 2017, each director is paid a fee of $20,000 per annum. In addition, the Chairman of the Board and the Chairman of the Audit Committee each receive an additional sum of $5,000; all fees to be paid quarterly, in arrears. Subject to exchange approval (received on June 23, 2017), one-half of the independent directors' fees is to be paid in common shares of the Company, with the number of shares issuable to be determined based on the closing price of the Company's shares on the date such fees are payable, but in any event, no less than $0.50 per share.

	December 31, 2018	December 31, 20187
	($)	($)
Directors' fees	**117,912** (1)	124,066 (2)

(1) At December 31, 2018, a total of $41,250 was owed to Directors in respect of Directors' fees, as to $13,750 payable in cash, and $27,500 payable in common shares of the Company, with the number of shares issuable to be determined based on the closing price of the Company's shares on the date such shares are issuable, but in any event, not less than $0.50 per share.

(2) At December 31, 2017, a total of $48,750 was owed to Directors in respect of Directors' fees, as to $16,250 payable in cash, and $32,500 payable in common shares of the Company, with the number of shares issuable to be determined based on the closing price of the Company's shares on the date such shares are issuable, but in any event, not less than $0.50 per share.

ACCOUNTING STANDARDS

Changes in accounting policies

The Company has adopted the following new standard, along with any consequential amendments, prior to or effective January 1, 2018. These changes were made in accordance with the applicable transitional provisions and did not impact the Company's financial statements.

(i) IFRS 9, "Financial Instruments: Classification and Measurement" was effective for annual periods beginning on or after January 1, 2018. The Company adopted IFRS 9 retrospectively, without restatement of prior year financial statements. IFRS 9 replaces the provisions of IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") that relate to the recognition, classification, and measurements of financial assets and financial liabilities, derecognition of financial instruments and impairment of financial assets. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The approach in IFRS 9 is based on how the Company manages its financial instruments and the contractual cash flow characteristics of the financial asset. The Company has elected to classify its marketable securities as Fair Value Through Other Comprehensive Income ("FVTOCI") as they are not considered to be held for trading, and this presentation will prevent the statement of income (loss) from being impacted by value changes of these non-operating assets. The application of IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities, and there was also no impact to the carrying value of any of the Company's financial assets or liabilities on the date of transition.

Accounting Standards Issued but not yet in effect:

(i) IFRS 16, "Leases" is effective for annual periods beginning on or after January 1, 2019.

The Company has evaluated the impact of this new standard on its financial statements. The impact is not expected to have a material impact on the statements of financial position or results of operations. The Company's current operating lease commitments are disclosed in note 14 of the Financial Statements.

Critical accounting estimates and judgments

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

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

Judgments

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

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

(ii) The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and these assets have been accounted for under the assumption that the carrying value will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves.

Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets. Management reviewed exploration and evaluation assets for the 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

(i) On January 3, 2019, the Company received regulatory approval to consolidate its common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares. The shares of the Company commenced trading on the TSX-V 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.

(ii) On January 15, 2019, the Company received, in respect of the Yamana Agreement, an advance of $1,000,000 for exploration expenditures.

(i) Subsequent to December 31, 2018, warrants allowing for the acquisition of up to, in the aggregate, 7,801,000 shares at $0.75 per share expired, as to 5,820,000 shares on March 2, 2019 and 1,981,000 shares on March 6, 2019.

(ii) On March 29, 2019, the Company granted incentive stock options allowing for the acquisition of up to, in the aggregate, 1,130,000 shares at $0.22 per share until March 29, 2024.

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

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

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 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 the mining 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, 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 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) the Croteau Est gold project where Mr. Ron Avery and Mr. Jonathan O'Callaghan are the designated QPs; 2) Mr. Donald Boucher and Mr. Jonathan O'Callaghan are the designated QP's for the Wapistan multi-commodity mineral property; and 3) Mr. Jonathan O'Callaghan is the designated QP for the Lac Surprise gold property 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 or on SEDAR at www.sedar.com.