NORONT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED JULY 31, 2012

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The following is Management's Discussion and Analysis ("MD&A") of the consolidated financial condition and results of operations of Noront Resources Ltd. ("Noront" or the "Company") for the quarter ended July 31, 2012, which have been prepared in accordance with International Financial Reporting Standards. This discussion should be read in conjunction with the consolidated financial statements and the notes thereto for the same period as noted above (collectively, the "Financial Statements"). Additional Company information, including the Company's most recent Financial Statements can be accessed through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and the Company's website at www.norontresources.com. Information contained on the Company's website is not incorporated herein and does not form part of this MD&A.

All financial measures are expressed in Canadian dollars unless otherwise indicated.

Wesley C. Hanson, President and Chief Executive Officer of Noront and a Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), has reviewed and is responsible for the technical information contained in this MD&A. For further information on the McFaulds Lake Project, please refer to Noront's NI 43-101 compliant technical reports entitled "Pre-Feasibility Study, McFaulds Lake Property, Eagle's Nest Project, James Bay Lowlands, Ontario", dated October 6, 2011 (effective date of August 23, 2011) (the "McFaulds Pre-Feasibility Study"), the "Technical Report on the Mineral Resources Estimate for the Blackbird Chrome Deposit, James Bay Lowlands, Northern Ontario, Canada" dated January 22, 2010 (effective date of December 31, 2009) (the "Blackbird Technical Report") the "Technical Report on the Updated Mineral Resource Estimate for the Eagle's Nest Property, McFaulds Lake Project, James Bay Lowlands, Ontario, Canada" dated April 18, 2011 (effective date of March 4, 2011) (the "Eagle's Nest Update Technical Report") and the "Technical Report on the Updated Mineral Resource Estimate for the Blackbird Chrome Deposits, McFaulds Lake Project, James Bay Lowlands, Ontario, Canada" dated May 4, 2012 (effective date of December 31, 2011) (the "Blackbird Update Technical Report") available on SEDAR and the Company's website.

This information is current as of September 17, 2012.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes certain "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking information is provided as of the date of this MD&A or, in the case of documents incorporated by reference herein, as of the date of such documents.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Examples of such forward looking statements include statements regarding financial results and expectations for fiscal year 2013, such as, but not limited to, availability of financing, interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, metal prices, demand for metals, currency exchange rates, cash operating margins, expenditures on property, plant and equipment, increases and decreases in exploration activity, changes in project parameters, joint venture operations, resources and anticipated grades and recovery rates and are or may be based on assumptions and/or estimates related to future economic, market and other factors and conditions. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements.

Forward-looking information is based on reasonable assumptions that have been made by the Company as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: the impact of general business and economic conditions; risks related to government and environmental regulation, actual results of current exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined; problems inherent to the marketability of base and precious metals; industry conditions, including fluctuations in the price of base and precious metals, fluctuations in interest rates; government entities interpreting existing tax legislation or enacting new tax legislation in a way which adversely affects the Company; stock market volatility; competition; risk factors disclosed on pages 18-23 herein under the heading "Risk Factors"; risk factors disclosed under the heading "Risk Factors" in the Company's most recent Annual Information Form ("AIF") dated August 14, 2012 on pages 57-62, available electronically on SEDAR; and such other factors described or referred to elsewhere herein, including unanticipated and/or unusual events. Many of such factors are beyond Noront's ability to control or predict.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those reliant on forward-looking statements.

All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and readers of this MD&A are cautioned not to put undue reliance on forward-looking statements due to their inherent uncertainty. Noront disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by law. These forward looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this MD&A.

NOTE TO U.S. INVESTORS REGARDING RESOURCES ESTIMATES

All resource estimates contained in this MD&A have been prepared in accordance with National Instrument 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System in compliance with Canadian securities laws, which differ from the requirements of United States securities laws. Without limiting the foregoing, this report uses the terms "measured resources", "indicated resources" and "inferred resources". Any U.S. Investors are advised that, while such terms are recognized and required by Canadian securities laws, the U.S. Securities and Exchange Commission ("SEC") does not recognize them. Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Any U.S. investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher category. Any U.S. investors are cautioned not to assume that all or any part of the inferred resources exists, or that they can be mined legally or economically. Information concerning descriptions of mineralisation and resources contained in this report may not be comparable to information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

COMPANY OVERVIEW

Noront is engaged in the development, exploration and acquisition of properties prospective in base and precious metals, including: nickel, copper, platinum group elements ("PGE's"), chromite, iron, titanium, vanadium, gold and silver. The Company is currently focused on the development and exploration of its properties at McFaulds Lake (the "McFaulds Lake Project"), in the James Bay Lowlands, Ontario within a geological feature (intrusion) commonly referred to as the "Ring of Fire". The Company has recently released a positive feasibility study on its 100% owned development stage nickel-copper-platinum group elements project known as "Eagle's Nest". The Company also has a development stage chromite project known as "Blackbird"; two nickel-copper-platinum group metal discoveries known as "Eagle Two"; "AT-12"; an iron-vanadium-titanium discovery known as "Thunderbird"; and a zone of gold mineralization known as the "Triple J Gold Zone."

Noront controls and has 100% mineral rights ownership of 355 claims of approximately 80,416 hectares (198,712 acres) in the Ring of Fire area, making Noront the largest claim holder in the region.

CORPORATE AND OPERATIONS REVIEW

Corporate

During the first quarter of fiscal 2013, Resource Capital Funds V L.P. ("RCF") increased its position in Noront to 18.19% as a result of a non-brokered private placement with gross aggregate proceeds of $10 million. In a subsequent transaction during the quarter, Baosteel Resources International Co., Ltd. ("Baosteel") exercised its anti-dilution rights pursuant to its previous subscription agreement to maintain its 9.9% interest, with aggregate gross proceeds to the Company of approximately $1.3 million.

In conjunction with the closing of RCF's private placement, Mr. David Thomas, P.Geo, Managing Director of RCF Canada joined the Company's board of directors. Mr. Thomas is a professional geologist, a graduate with a B.Sc. Geology from the University of Waterloo and a M.Sc. Geology from Queens University. Mr. Thomas worked as an exploration geologist for eight years with Minnova Inc. and Metall Mining. Prior to joining RCF in 2010, Mr. Thomas spent fifteen years as a mining analyst and equity salesperson.

Eagle's Nest (nickel, copper, platinum, and palladium) project

Eagle's Nest Feasibility Study

The Company completed its National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") compliant Feasibility Study for a standalone nickel, copper, platinum group element (NI-Cu-PGE") mine and mill complex exploiting the Company's 100% owned Eagle's Nest deposit (the "Project"), McFaulds Lake, James Bay Lowlands, Ontario. The results of the independent study, completed by Independent Consultants[1] under the supervision of Micon International ("Micon"), confirm that Eagle's Nest offers robust economics. The results of the feasibility study were summarized in a Press Release on September 4th, 2012. The Feasibility Study will be filed on SEDAR within 45 days of this press release.

The discounted cash flow ("DCF") from the feasibility study based on the assumed metal prices[2] indicates:

- an after tax Net Present Value at an 8% discount rate ("$NPV_{(8\%)}$") of $543 million;
- an after tax Internal Rate of Return ("IRR") exceeding 28%;
- an estimated initial capital investment of $609 million;
- an estimated life of mine sustaining capital cost of $160 million;
- annual production of approximately 150,000 tonnes of high grade nickel-copper concentrate containing approximately 34 million pounds of nickel, 19 million pounds of copper, 23 thousand ounces of platinum and 89 thousand ounces of palladium with estimated operating costs (including road access fees) of $97 per tonne or $2.34 per pound of nickel equivalent or -$0.31 per pound of nickel net by-product credits;
- an estimated mine life of 11 years; and
- a capital payback period of under 3 years.

The feasibility study assumes the Company will use a North – South Access Road as its transportation corridor for the project. Government support for the access road was announced by the government of Ontario on May 9th, 2012.

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[1] The feasibility study was completed by Micon and included technical input from: Tetra Tech WEI, Cementation Canada Ltd., Knight Piesold Ltd., Penguin ASI, SGS Canada Inc., Outotec Oyj., Ausenco, Nuna Logistics, and Golder Associates.

[2] The feasibility study economic analysis is based on the following metal prices derived on a three year trailing average basis as of August 31, 2012:

Nickel	US$9.43 per pound
Copper	US$3.60 per pound
Platinum	US$1,600 per ounce
Palladium	US$ 599 per ounce
Gold	US$1,415 per ounce

In a letter dated August 10, 2012, Ontario's Ministry of Northern Development and Mines ("MNDM") advised Noront that the Province was in early stage discussions with Cliffs Natural Resources ("Cliffs") regarding a North – South all-season road that would connect the Ring of Fire to existing provincial infrastructure. The letter confirmed the Province's intent to contribute financially to develop the proposed all-season road subject to various environmental, regulatory and financial approvals.

MNDM advised Noront that "the current expectation is that the all-season road would be made available for use by industrial users other than Cliffs, with access fees generally based on proportional road usage, although specific terms are still to be determined."

Details on the estimated capital costs of the proposed north-south road have not been provided to Noront. However, Cliffs has publically stated that the cost of their proposed integrated transportation system is budgeted at $600 million. This cost is consistent with previous work completed by Noront on this alternative and was used as the basis to establish road usage costs in the feasibility study.

In developing the DCF model for the project, Noront has assumed that concentrate shipments from site and supply shipments to site would be subject to a toll charge. On a proportional usage basis, Noront estimates that concentrate shipments represent less than seven percent of the total ore haulage along the road corridor. The Feasibility Study has assumed a toll representing 12.5% of the total road cost which includes capital, interest and maintenance costs.

The project description is as follows:

- 1.0 million tonne per year throughput rate, producing approximately 150,000 tonnes of high grade nickel-copper concentrate per annum;
- A proven and probable mineral reserve of:

Classification	**Tonnes (x 1000)**	**Nickel (%)**	**Copper (%)**	**Platinum (g/tonne)**	**Palladium (g/tonne)**
Proven	5,264.0	2.02	1.04	1.01	3.45
Probable	5,867.0	1.38	0.72	0.78	2.76
Proven and Probable	11,131.0	1.68	0.87	0.89	3.09

- Metallurgical recoveries of:

Nickel	83.1%
Copper	89.7%
Platinum	74.0%
Palladium	82.3%
Gold	76.7%

- Underground mining will be conducted utilizing highly productive blast hole sub-level stoping;
- All major earthworks will utilize non-acid generating mine waste rock as aggregate;
- Surface disturbance will be limited to less than 50 hectares;
- Camp supported mining operation will be supported by a year round airstrip;

- All major mining facilities (including the mill) will be located underground;
- All tailings will be stored underground as paste fill;
- Concentrate will be trucked to a rail load-out facility near Nakina along a toll road following the north-south all-season road corridor supported by the Province of Ontario and Cliffs;
- Power will be generated on-site with the use of diesel generators, with recovered heat used to dry concentrate in a facility positioned on the surface area adjacent to the power plant;
- Initial mine production will be from an internal ramp; and
- Production ramps will be developed after year three to access the lower levels of the deposit.

The DCF model includes operating costs to operate the mine and process plant, selling of bulk concentrate, environmental monitoring, overall management of the proposed operation, closure costs and taxes.

Of the estimated operating cost of $97 per tonne, approximately 35% was attributed to underground mining, and approximately 34% was attributed to on-site processing (including power costs); 9% was attributed to road toll related costs, and 22% was attributed to general and administrative ("G&A") related costs.

Mine production was estimated based on a mining recovery rate of 95% of the measured and indicated resource defined in Micon's technical report titled "Technical Report on the Updated Mineral Resource Estimate, McFaulds Lake Project, James Bay Lowlands, Ontario, Canada" dated April 18, 2011 (effective date March 4. 2011). Mining dilution of 7% at zero grade was included in the estimation of proven and probable reserves.

Eagle's Nest Operations Update

The Company is planning on moving forward on pre-development work which would include starting detailed engineering and mobilizing equipment up a winter road to start construction of an exploration decline under an advanced exploration permit provided permitting and financing can be obtained.

The Company is currently completing a drill program at site. The objective of the current drilling is for geotechnical information as well as condemnation drilling in locations planned for major infrastructure.

The Company continues to host open houses with the local communities in northwestern Ontario potentially impacted by the mine development to present the Company's project development. Attendance has been robust and Noront's staff and consultants have actively engaged with the communities visited to date.

Blackbird

The Company is completing an internal evaluation of a northwest Ontario based mine, mill and smelter facility capable of producing between 200,000 and 250,000 tonnes of high quality ferrochrome annually. The Company is currently evaluating its options to potentially expedite the development of this project by bringing in a strategic partner.

Regional Exploration

In March 2012, the Company announced that it had completed its previously announced winter drill program which tested select ground based geophysical targets at AT-2 and AT-12 that were cross-validated by bore hole electro-magnetic surveys ("BHEM") and the Company's geological model. During the first quarter ended July 31, 2012, the results from this winter drill program were released.

Three holes at AT-2 tested buried targets which were identified 150 to 350 metres below surface and 150 to 200 metres east of the previously identified nickel sulphide mineralization at Eagle Two.

Three holes at AT-12 testing a buried target which was identified 100 to 200 metres below surface.

All six holes intersected low-grade nickel sulphide mineralization, suggesting that the ground based geophysical surveys are a valuable exploration tool going forward. This system has dramatically increased the Company's success rate in testing multiple targets within the Ring of Fire claims for nickel sulphide mineralization. The fact that all holes from the late winter program intersected nickel sulphide mineralization is a significant improvement from past drill programs.

Eagle Two Area (AT-2)

Holes NOT-12-1G001 and NOT-12-1G002A tested a geophysical response identified approximately 150 to 200 metres east of Eagle Two. Both holes intersected multiple lenses of low grade nickel sulphide mineralization.

Hole NOT-12-1G003 was drilled further to the northeast to intersect a second geophysical target with a coincident BHEM response. This hole intersected 8.0 metres of low-grade nickel sulphide mineralization and included an interval grading 1.2% Ni over 0.9 metres.

An updated plan map noting the location of the three drill holes is available on the Company's website.

The following table summarizes the results at Eagle Two (AT-2):

HOLE ID	FROM (metres)	TO (metres)	INTERVAL (metres)	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)
NOT-12-1G001	356.5	376	19.5	0.279	0.028	0.048	0.181
and	410	415.5	5.5	0.29	0.005	0.153	0.535
and	453	476.9	23.9	0.162	0.05	0.366	0.754
and	519	552	33	0.308	0.014	0.034	0.148
NOT-12-1G002A	390.5	407.4	16.9	0.227	0.055	0.062	0.274
and	469.6	471.77	2.17	0.552	0.059	0.052	0.145
and	553.2	557.5	4.3	0.239	0.006	0.044	0.134
and	615	618	3	0.273	0.007	0.025	0.1
and	839.5	844	4.5	0.218	0	0.21	0.426
NOT-12-1G003	522.5	527.8	5.3	0.213	0.018	0.073	0.214
and	541.68	549.5	7.82	0.339	0.021	0.085	0.429
including	544.45	545.35	0.9	1.2	0.108	0.301	2.47
and	628.47	663.5	35.03	0.209	0.032	0.174	0.458
including	650.75	666	15.25	0.258	0.032	0.183	0.574

The intervals above represent down-hole intervals, true widths are not known at this time.

AT-12 Area

Holes NOT-12-AT12-001, 002 and 003 all tested a geophysical target identified at AT12 with a coincident BHEM response. All three holes intersected low-grade nickel sulphide mineralization over intervals ranging from 10.0 to 60.0 metres down hole and averaging from 0.2% to 0.7% nickel content. Minor intervals, ranging from a few metres to less than a metre, returned higher grade mineralization, consistent with results elsewhere at AT12.

The results, summarized in Table 2, confirm that AT12 has potential as a large tonnage, low- grade source of additional mill feed to augment throughput from the Eagle's Nest deposit.

An updated plan map noting the location of the three drill holes is available on the Company's website.

HOLE ID	FROM (metres)	TO (metres)	INTERVAL (metres)	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)
NOT-12-AT12-001	253	311.46	58.46	0.228	0.044	0.099	0.327
and	392.7	438.5	45.8	0.435	0.181	0.149	0.584
including	419.8	420.64	0.84	1.03	1.59	0.305	1.82
NOT-12-AT12-002	326.69	344.5	17.81	0.721	0.17	0.243	1.12
including	326.69	337	10.31	1.019	0.225	0.306	1.47
including	326.69	332.5	5.81	1.365	0.263	0.324	1.601
and	628.5	633	4.5	0.231	0.092	0.057	0.343
NOT-12-AT12-003	318.78	367	48.22	0.445	0.135	0.215	0.931
including	318.78	331	12.22	0.889	0.343	0.385	2.043
including	337	367	30	0.315	0.074	0.174	0.607
including	343	358	15	0.408	0.099	0.24	0.842
and	410.33	418	7.67	0.45	0.168	0.216	0.389
including	410.33	410.86	0.53	2.87	1.51	1.57	2.05
and	561.3	617	55.7	0.328	0.104	0.134	0.43
and	648	686	38	0.269	0.046	0.103	0.306

The intervals above represent down-hole intervals, true widths are not known at this time.

The Company will be completing geotechnical, metallurgical and condemnation drill programs over the fall field season. No exploration drilling is planned at this time.

Joint Ventures

Windfall Lake

On July 20, 2009 the Company entered into a property option agreement (the "Agreement") with Eagle Hill Exploration ("Eagle Hill") pursuant to which Eagle Hill as of April 20, 2012 has earned a 75% interest in the Windfall Lake Property (the "Property").

The Company retains a 25% carried interest up until the earlier of completion of a bankable feasibility study (the "BFS") or Eagle Hill gives notice of its commitment to cause the commencement of commercial production from the Property with such notice specifying the tons of proven and probable reserves and the anticipated annual rate of production; after which the Company will have the option to convert all of its interest to a 2% net smelter royalty or retain its 25% interest in the property and be responsible for its working interest of development expenditures. At the Company's option, the Company may require Eagle Hill to fund its share of development expenditures with such advance to accrue interest at 10% per annum and be paid back through the assignment of its share of income from the property.

If Eagle Hill does not complete a BFS or commit to cause the commencement of commercial production, from one year from the date of earning its 75% interest being April 20, 2013, then the Company will have the option to purchase back Eagle Hill's interest in the Property, for the lesser of i) an amount equal to the expenses incurred by Eagle Hill and ii) $6 million.

On July 25, 2012, Eagle Hill released a National Instrument 43-101 Resource Estimate with indicated resources of 1.665 million tonnes at 10.05 g/t of gold (538,000 gold ounces) and inferred resources of 2.906 million tonnes at 8.76 g/t of gold (822,000 gold ounces). Since the release of the initial resource estimate, Eagle Hill has engaged in an active drill program to expand the size of the mineral resource estimate. On August 9, 2012 Eagle Hill released results from its ongoing drill program which identified a new gold zone that extends from 13 meters below surface to a depth of 350 meters and on August 16th, 2012 Eagle Hill released results from its drill program that confirmed the continuity of near surface thick gold zones.

The Company continues to evaluate Eagle Hill's drill program results and its options in respect of this property.

Golden Valley

Golden Valley is a joint venture located in the northern portion of the Ring of Fire and operated by White Pine Resources Ltd. ("White Pine"). The initial drill program to assess geophysical targets north of Oval Lake commenced during fiscal 2009. The large property surrounds a copper-zinc discovery by Metalex Ventures Ltd.; a total of fourteen holes were completed at the joint venture in fiscal 2009 and 12 holes were drilled in fiscal 2010 yielding copper-zinc-silver anomalies. As per the terms of an option agreement dated August 19, 2008, White Pine and the Company are earning a 35% interest each in the property from Golden Valley Minerals Ltd. No activity is planned for the current fiscal year.

Garden Island, Quebec

The Company has a 50% interest in the Garden Island property comprised of 568 mining claims totaling 23,763 hectares, most of which are in Pascalis, Manneville and Senneville townships, which lie along a northwest-southwest trending Abitibi volcanic greenstone belt. No activity is planned for the current fiscal year.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following financial data are derived from the Company's financial statements for the three months ended July 31, 2012 and 2011:

(expressed in $ thousands except per share amounts)

Three months ended July 31 (Unaudited)	2012	2011
Exploration expenditures and mining studies	2,340	5,779
Flow-through share premium	-	94
Accretion expense	21	2
Office and general	1,282	1,282
Amortization	165	102
Share-based compensation	379	607
Interest income	33	51
Gain on sale of marketable securities	1	-
Net loss	(4,153)	(7,627)
Net loss per share – basic and diluted (1)	(0.02)	(0.04)
Cash flow used in operations	(4,988)	(6,970)
Cash and cash equivalents	10,817	19,145
Working Capital	10,966	20,029

(1) Fully diluted weighted average common shares outstanding, used in the calculation of fully dilutive net loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the net loss per share calculation.

Three Months Ended July 31, 2012 Compared to Three Months Ended July 31, 2011

Exploration Expenditures and Mining Studies

(expressed in $ thousands)

Three months ended July 31 (Unaudited)	2012	2011
Eagles' Nest		
Technical Studies	$ 665	$ 729
Environmental Studies and Consultation	698	690
	1,363	1,419
Blackbird		
Drilling and Camp Costs	-	4,074
Regional		
Drilling and Camp Costs	921	247
Geophysics	56	3
	977	250
Other	-	36
Total	$ 2,340	$ 5,779

Technical studies consist of expenses related to the completion of the Company's feasibility study. In the current quarter, $0.7 million was spent compared to $0.7 million in the prior year comparable period.

Environmental studies and consultation also consist of certain expenses related to the feasibility study including requirements and community consultation for the Company's environmental assessment application. The current quarter's expenses are consistent with the prior year's comparable period.

During the three months ended July 31, 2012, $0.9 million was spent on maintenance of the exploration camp in the Ring of Fire, compared to $4.3 million spent on drilling 11,233 metres in the prior year comparable period.

Office and General

(expressed in $ thousands)

Three months ended July 31 (Unaudited)	2012	2011
Office and general	830	943
Professional fees	232	184
Communications and travel	220	155
	$ 1,282	$ 1,282

Office and general expenses decreased by $0.11 million due to management bonuses paid in the prior year comparable period. Professional fees increased by $0.05 million due to the engagement of project advisors related to the financing of the Eagle's Nest Mine and Mill complex. Communications and travel expenses increased by $0.06 million due to increase in attendance at conferences during the quarter compared to the prior year comparable period.

The Company had no write-downs of mineral properties or marketable securities during the period.

Income

Income is comprised of interest earned on deposits. The Company earned $0.03 million in interest income during the quarter compared to $0.05 million in interest income during the prior year comparable period.

SUMMARY OF CASH FLOWS

(expressed in $ thousands)

Three months ended July 31 (Unaudited)	2012	2011
Cash provided by (used in) operating activities	(4,988)	(6,970)
Cash provided by (used in) investing activities	(447)	(61)
Cash provided by (used in) financing activities	11,185	17,287
	5,750	10,256

Operating Activities

For the three months ended July 31, 2012, the Company had a cash outflow from operations of $5 million compared to a cash outflow of $7 million in the prior year comparable period. The decrease in cash outflow is a result of not having a summer exploration program during the quarter compared to the prior year comparable period.

Investing Activities

For the three months ended July 31, 2012, the Company had a cash outflow from investing activities of $0.5 million due to the purchase of certain assets relating to the camp operations at the McFaulds Lake Property compared to a cash outflow of $0.06 million in the prior year comparable period.

Financing Activities

For the three months ended July 31, 2012, cash provided from financing was $11.2 million compared to $17.3 million in prior year comparable period. The cash provided from financing is a result of raising net proceeds of $9.9 million in May 2012 from an investment by RCF and $1.3 million from Baosteel. In the prior year comparable period, the cash provided from financing was a result of raising net proceeds of $17.4 million in June 2011 as a result of an investment by Baosteel. The cash provided from these financings is net of the cost of issuance.

SUMMARY OF QUARTERLY RESULTS

The following information is derived from the Company's quarterly consolidated financial statements for the past eight quarters:

(expressed in thousands except per share amounts)	2013	2012	2012	2012	2012	2011	2011	2011
Unaudited	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Expenses	4,186	6,700	6,619	8,168	7,772	7,341	6,622	12,107
Interest Income	33	23	31	53	51	33	51	52
Gain/Loss on sale of marketable securities	1	13		-	-	-	-	-
Severence	-	-	7	-	-	59	-	75
Acquisition costs		-	-	8	-	-	-	-
Net loss	(4,153)	(6,502)	(6,508)	(8,115)	(7,627)	(8,254)	(6,155)	(13,042)
Net loss per share – basic and diluted (1)	(0.02)	(0.03)	(0.03)	(0.04)	(0.04)	(0.04)	(0.03)	(0.06)
Cash and cash equivalents	10,817	5,067	11,781	12,916	19,145	8,889	16,428	15,240
Working Capital	10,966	3,849	9,887	12,657	20,029	9,727	16,680	13,383
Assets	16,281	10,201	16,396	19,389	26,192	16,390	24,542	23,698
Long-term Liabilities	726	705	141	141	138	136	214	213

(1) Fully diluted weighted average common shares outstanding, used in the calculation of fully dilutive net loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the net loss per share calculation.

Interest income varies quarterly based on the average cash balance on hand over the quarter and the corresponding yield earned on the Company's deposits. The quarterly variation in expenses is mainly attributable to timing of exploration drill programs and mining studies and stock option expense which is recognized at the time of grant in accordance with the vesting.

Three Months Ended July 31, 2012 compared to Three Months Ended July 31, 2011

For the quarter ended July 31, 2012, the total expenses were $4.2 million compared to $7.8 million in the prior year comparable period. The decrease is due to the absence of a summer exploration program compared to a three month program in the prior year comparable period.

For the three months ended July 31, 2012, the Company earned $0.03 million in interest income from deposits compared to $0.05 million in interest income for the prior year comparable quarter. Interest income earned in the current and comparable quarter consists of interest earned on bank balances.

LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2012 the Company had working capital of $11 million and a cash position (cash and cash equivalents) of $10.8 million compared to $20 million and $19.1 million respectively as at July 31, 2011.

On May 10, 2012, the Company completed a private placement with Resource Capital Fund V L.P. ("RCF"), pursuant to which RCF subscribed for 19,230,769 common shares in the capital of the Company (the "Common Shares") at a purchase price of $0.52 per Common Share, representing gross proceeds to the Company of $10 million.

On May 25, 2012, the Company completed a private placement with Baosteel Resources International Co. Ltd. ("Baosteel"), pursuant to which Baosteel has exercised its right to maintain its 9.9% interest in the Company. Baosteel acquired an additional 2,566,151 Common Shares at a purchase price of $0.52, representing gross proceeds to the Company of approximately $1.33 million.

Funds raised were used for feasibility study work on the Company's Eagle's Nest deposit, and for general corporate purposes. Surplus funds are invested in a blend of high interest savings accounts in order to provide liquidity while minimizing risk.

Noront has no credit facilities with financial institutions, so its financial instruments consist of cash, marketable securities, duties and tax receivable and accounts payable and accrued liabilities. Unless otherwise noted, the Company does not expect to be exposed to significant interest, currency or credit risks arising from these financial instruments. Noront estimates that the fair value of cash and cash equivalents, duties and tax receivable, accounts payable and taxes payable approximate the carrying values.

The Company will need to raise sufficient capital to further explore and develop its properties and projects beyond fiscal 2013. The timing and ability to do so will depend on, among others, the status of the financial markets as well as the acceptance of investors to finance resource based junior companies, in addition to the results of the Company's exploration programs and development activities and the acquisition of additional projects. At this time, the Company will rely on its ability to obtain equity or debt financing for the foreseeable future.

CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The contractual obligations for the ensuing five-year period can be summarized as follows:

(expressed in $ thousands)

Contractual Obligations	Total	Less than 1 year	1 -3 years	4 - 5 years	After 5 years
Operating Leases	115	107	8	-	-
Other Long Term Obligations	1,242	516	42	28	656
Total Contractual Obligations	1,357	623	50	28	656

Operating lease obligations represent future minimum annual rentals under non-cancellable operating leases for Noront office space, vehicles and equipment.

Other Long Term Obligations represent commitments related to a demobilization plan re-assessed by management as at April 30, 2012 for the McFauld's Lake Project and a site remediation plan established in accordance with the requirements of the Quebec Ministry of Natural Resources for Windfall Lake.

In May 2012, the Company received a Notice of Assessment from the Government of Quebec relating to their audit of the Quebec income tax returns for the 2008 and 2009 fiscal year ends. Per the assessment, the Company is required to remit taxes totaling $895,748 relating to tax credits for exploration expenditures which were previously refunded by the Government of Quebec. The Company has reviewed the expenditures with its tax advisor and has included a provision of approximately $250,000 in the current financial statements which represents management's estimate of the obligation. The Company has filed a Notice of Objection related to the assessment and paid 50% of the taxes, as required. The net amount of the tax payment and provision is included in taxes and duties receivable.

RELATED PARTY AND OTHER TRANSACTIONS

During the three months ended July 31, 2012, the Company engaged Penguin Automated Systems ("Penguin") after completing an independent tendering process; under the direction of Micon International, lead consultant for certain technical studies. The Company's Chief Operating Officer has a 38.5% ownership interest in Penguin. Professional fees paid to Penguin for the three months ended July 31, 2012, were $55,553 (three months ended July 31, 2011 - $130,617) and the amount payable to Penguin as at July 31, 2012 is $20,000 (April 30, 2012 - $392,292).

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

DISCLOSURE CONTROLS AND PROCEDURES

Management has established processes, which are in place to provide them with sufficient knowledge to support management representations that they have exercised reasonable diligence that:

(i) the audited annual financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited annual financial statements; and

(ii) the audited annual financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the audited annual financial statements.

In contrast to the certificate required of non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer, such as the Company, to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CRITICAL ACCOUNTING ESTIMATES

The use of critical accounting estimates have been detailed in the Company’s MD&A for the year ended April 30, 2012. At September 17, 2012, the Company has not identified any material changes to the critical accounting estimates affecting the financial statements for the three month period ending July 31, 2012.

RISKS AND UNCERTAINTIES

Noront’s business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The risk factors have been detailed in the Company’s MD&A for the year ended April 30, 2012 and in the Company’s Annual Information Form dated August 14, 2012 for the year ended April 30, 2012. At September 17, 2012, the Company has not identified any material changes to the risk factors affecting our business and our approach to managing those risks.

The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and Noront common shares should be considered speculative.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is available in the Company's consolidated financials for the three months ended July 31, 2012.

OUTSTANDING SHARE INFORMATION

As at September 17, 2012

Authorized	Unlimited
Issued and outstanding shares	230,297,660
Options outstanding	14,035,000
Warrants outstanding	10,839,633
Fully diluted	255,172,293

ADDITIONAL INFORMATION

Additional information relating to Noront is available on the Internet at the SEDAR website www.sedar.com , and is available on the Company's website located at www.norontresources.com.