NORONT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED OCTOBER 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 October 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") 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") and the NI 43-101 technical report entitled "Feasibility Study, McFaulds Lake Property, Eagle's Nest Project, James Bay Lowlands, Ontario, Canada (effective date of September 4, 2012) available on SEDAR and the Company's website.

This information is current as of December 19, 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 under the heading "Risk Factors" in the Company's most recent Annual MD&A dated July 18, 2012; 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 of its 100% owned Eagle's Nest deposit, a high grade nickel, copper, platinum and palladium deposit located in the James Bay Lowlands of Ontario, within a geological feature (intrusion) commonly referred to as the "Ring of Fire". The Company has recently released a feasibility study on the project demonstrating positive economic returns on a manageable capital investment. The Company also has a development stage chromite project known as "Blackbird"; two nickel-copper-platinum group metal discoveries known as "Eagle Two" and "AT-12"; an iron-vanadium-titanium discovery known as "Thunderbird"; and a zone of gold mineralization known as the "Triple J Gold Zone", in the same Ring of Fire area.

Noront controls and has 100% mineral rights ownership of 343 claims of approximately 77,968 hectares (192,663 acres) in the Ring of Fire area.

CORPORATE AND OPERATIONS REVIEW

Corporate

The Company continues to evaluate financing options for development of the Eagle's Nest mine and mill complex in advance of a definitive agreement between industry and the government on infrastructure. Management is working with its financial advisor in advancing discussions with potential strategic partners, project finance banks and other potential sources of capital.

Noront is one of many industry participants seeking infrastructure development in the Ring of Fire region. There are multiple proponents supporting roads, line power development and even railroads. The Company continues to monitor all developments concerning regional infrastructure and has expressed an interest in participating in future discussions with government, First Nations and other industry partners in advancing infrastructure projects that would positively impact the proposed mining projects currently identified in the area.

During the quarter, Tom Anselmi was appointed to the Board of Directors. Mr. Anselmi is a professional engineer and is currently President and Chief Operating Officer of Maple Leaf Sports & Entertainment ("MLSE"). Mr. Anselmi graduated from Ryerson Polytechnic University prior to receiving a degree in civil engineering from the University of Saskatchewan in 1985. Mr. Anselmi joined MLSE in 1996 as Vice President and Project Director for the overall development of the Air Canada Centre.

Subsequent to the quarter end, the Company entered into a purchase and sale agreement (the "Agreement") with Maudore Minerals Ltd. ("Maudore"), pursuant to which Maudore has agreed to acquire Noront's 25% interest in the Windfall Lake Project. The Windfall Lake Project is a joint venture between Noront and Eagle Hill Exploration Corporation ("Eagle Hill"). Eagle Hill has earned a 75% interest in the project and is the operator.

Maudore has agreed to pay a sum of CAD$10.0 million in cash plus three million warrants (collectively the "Purchase Price"). Each warrant entitles Noront to purchase one common share of Maudore at a price of $2.20 per common share ("the Warrants") in exchange for Noront's current 25% interest in the Windfall Lake Project. Maudore will also be required to pay to Noront, subject to certain conditions, an additional amount in the event that Maudore acquires, directly or indirectly, Eagle Hill's 75% interest in the Windfall Lake Project equal to the difference (if any) between (i) one third of the purchase price paid by Maudore for the 75% interest and (ii) $CAD $10.0 million. The additional payment will be satisfied by the issuance of Maudore common shares.

Pursuant to the Agreement and subject to certain conditions, Maudore has the right to direct Noront to enforce its rights under the option agreement between Noront and Eagle Hill (the "Option Agreement") including its right to repurchase the 75% interest from Eagle Hill (the "Repurchase") and subsequently transfer the 75% interest to Maudore, provided that (i) Noront agrees that the Repurchase should be exercised; (ii) Maudore shall pay to Noront CAD$6,000,000 at the time of completion of the Repurchase, and (iii) no other consideration shall be paid by Maudore to Noront in connection with the Repurchase and the transfer of the 75% interest to Maudore.

The Agreement is subject to certain conditions. In particular, Maudore's obligation to purchase Noront's 25% interest in the Windfall Lake Project is subject to the acquisition of the 75% interest, or obtaining the consent of Eagle Hill under the Option Agreement.

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

Eagle's Nest Feasibility Study

During the quarter, the Company completed its National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") compliant feasibility study (the "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 economic returns. The results of the Feasibility Study were summarized in a Press Release issued September 4th, 2012. The Feasibility Study is available on SEDAR and the Company's website.

[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.

The discounted cash flow ("DCF") from the feasibility study based on the assumed metal prices[2] indicates that the Eagle's Nest Project generates the following:

- 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. On May 9th, 2012, the provincial government expressed support for a North-South road corridor as part of a greater announcement regarding the Cliffs ferrochrome smelting commitment which is to be developed in the city of Sudbury, Ontario.

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 estimated 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 Eagle's Nest Project, Noront has assumed that concentrate shipments from site and supply shipments to site would be subject to a toll charge. On a proportional

[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

usage basis, Noront estimates that concentrate shipments represent less than seven percent of the total ore haulage along the North-South road corridor. The Feasibility Study has assumed a toll representing 12.5% of the total road cost which includes capital, interest and maintenance costs.

Other assumptions included in the Feasibility Study include:

- a 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

- Overall 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 or cemented 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, McFauld's 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 has delayed mobilizing equipment to the site this winter which would have allowed the start of portal construction for the underground decline. As a result, the Company has delayed its planned production date. This delay is due to the lack of a definitive agreement on access infrastructure between government, First Nations and industry compounded by general market conditions impacting the financial sector through most of the past year. Management continues to work towards a resolution on infrastructure and is now planning on mobilizing equipment to begin project development in the winter of 2014.

During the quarter, the Company completed a site investigations drill program at Eagle's Nest. The objective of the drilling was to collect geotechnical information and to confirm that there is no mineralization of economic significance near the planned locations of critical site infrastructure. Rock samples were also collected for underground structural testing to confirm the geotechnical factors used in the mine design.

The Company has completed its environmental baseline studies and submitted the terms of reference for the Provincial Environmental Assessment to the Ministry of the Environment (MOE). The Company is continuing with their socioeconomic baseline studies with an expected completion date and joint Environmental Assessment / Environmental Impact Study submission date of June 2013.

The Company continues to present the Project Description by hosting open houses with local communities in northwestern Ontario that are potentially impacted by the proposed mine 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 ferrochrome furnace 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 attracting a strategic partner.

Regional Exploration

The Company has shifted its focus from exploration to the development of the Eagle's Nest Ni, Cu, Pt, Pd deposit in the McFauld's Lake area of Northern Ontario and as a result no significant near term exploration activity at site is planned in the current fiscal year. The Company, however, continues to carry out desktop work to further develop its geological model of the district which will further the Company's understanding of the Eagle's Nest deposit and may refine existing or identify new exploration targets.

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 the 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 repurchase 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 for the Property 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.

On September 27, 2012, Eagle Hill released drill results which expanded near surface gold mineralization and announced that they had intersected 10.59 g/t gold over 24.0 metres. On November 7th 2012, Eagle Hill announced they had identified a new gold zone extension at depth with 24.46 g/t gold over 7.4 metres and on November 15, 2012, Eagle Hill announced they had intersected 21.02 g/t gold over 4.8 meters.

On December 5, 2012, the Company announced that they entered into a purchase and sale agreement with Maudore Minerals Ltd. ("Maudore"), pursuant to which Maudore has agreed to acquire Noront's 25% interest in the Windfall Lake Project for $10.0 million. Further details of the terms and conditions are available on page 5 of this MD&A.

Golden Valley

Golden Valley was 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. A total of fourteen drill holes were completed at the joint venture in fiscal 2009 and 12 holes were drilled in fiscal 2010 yielding some copper-zinc-silver anomalies. As per the terms of an amended option agreement dated June 1, 2011 and subsequently revised under an option agreement dated April 11, 2012 White Pine and the Company were earning a 35% interest each in the property from Abitibi Royalties. Under the terms of the option agreement, in order to keep the option in good standing, the Company had certain expenditure commitments on the property which were required to be made by October 10, 2012. Given the results of past exploration work the Company decided not to participate in future exploration work on this property and as a result the option agreement was terminated. The Company does not retain any interest or rights in regards to this property and the capitalized acquisition costs were written off in the current quarter.

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 and six months ended October 31, 2012 and 2011:

(expressed in $ thousands except per share amounts)	Three months ended October 31,		Six months ended October 31,	
	2012	2011	2012	2011
Mining studies and exploration expenditures	5,164	6,337	7,503	12,116
Flow-through share premium	-	-	-	94
Accretion expense (recovery)	(6)	3	15	5
Office and general	1,353	1,148	2,635	2,430
Amortization	165	102	330	203
Share-based compensation	329	579	709	1,186
Write off of mineral property	175	-	175	-
Interest income	23	53	56	104
Gain on sale of marketable securities	-	-	1	-
Net loss	(7,157)	(8,115)	(11,310)	(15,742)
Net loss per share – basic and diluted (1)	(0.03)	(0.04)	(0.05)	(0.08)
Cash flow used in operations	(5,027)	(6,221)	(10,015)	(13,191)
Cash and cash equivalents	5,755	12,916	5,755	12,916
Working Capital	4,424	12,657	4,424	12,657

(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 and Six Months Ended October 31, 2012 Compared to Three and Six Months Ended October 31, 2011

Mining Studies and Exploration Expenditures

(expressed in $ thousands)	Three months ended October 31, 2012	Three months ended October 31, 2011	Six months ended October 31, 2012	Six months ended October 31, 2011
Eagles' Nest				
Technical Studies	$ 452	$ 261	$ 1,117	$ 989
Environmental Studies and Consultation	942	1,603	1,640	2,294
Drilling & Camp Costs	1,938	-	1,938	-
Other	479	-	479	-
	3,811	1,864	5,174	3,283
Blackbird				
Drilling and Camp Costs	-	3,823	-	7,897
Geophysics	-	30	-	30
	-	3,853	-	7,927
Regional				
Drilling and Camp Costs	670	287	1,609	535
Geophysics	2	184	16	187
	672	471	1,625	722
Other	681	149	704	184
Total	$ 5,164	$ 6,337	$ 7,503	$ 12,116

Eagle's Nest

Technical studies consist of expenses related to the completion of the Company's feasibility study, which was completed during the current quarter. During the three months ended October 31, 2012, $0.5 million was spent compared to $0.3 million in the prior year comparable period. During the six months ended October 31, 2012, $1.1 million was spent compared to the $1.0 million in the prior year comparable period.

Environmental studies and consultation expenses consist of certain costs related to the Feasibility Study, environmental baseline and assessment work and community consultation required for the Company's environmental assessment application. Environmental baseline studies were completed during the current quarter. During the three months ended October 31, 2012, $0.8 million was spent on environmental baseline and assessment work and $0.1 million was spent on community consultation compared to $1.5 million and $0.1 million respectively, in the prior year comparable period. During the six months ended October 31, 2012, $1.4 million was spent on baseline and assessment work and $0.2 million was spent on community consultation compared to $2.1 million and $0.2 million respectively, in the prior year comparable period.

Drilling and camp costs consist of geotechnical drilling necessary to determine whether there is mineralization within the areas planned for major infrastructure development and expenses related to the construction of a temporary trail to the proposed mine portal site. The drill program commenced during the current quarter. During the three and six months ended October 31, 2012 a total of $1.9 million was spent on drilling 4,387 metres. Included in other costs are expenses related to surveying the Eagle's Nest property to convert the claims to mining leases.

Blackbird

There was no activity on the Blackbird chromite deposits during the three and six months ended October 31, 2012. During the three and six months ended October 31, 2011, there was active exploration and resource definition drilling on Blackbird with $3.8 million and $7.9 million spent in the respective prior year periods.

Regional

The Company did not have any active exploration programs during the three and six months ended October 31, 2012. Regional exploration costs relate to the cost of maintaining the Company's camp in the Ring of Fire. For the three and six months ended October 31, 2011, the majority of the Company's camp costs were allocated to Blackbird due to the active exploration and resource drilling occurring on the Blackbird chromite deposits.

Other

Included in other costs is $0.7 million for exploration expenditures incurred in fiscal years 2008 and 2009 which were previously refunded by the Government of Quebec as tax credits. The Company received a notice of assessment disallowing the inclusion of the underlying expenditures in the refundable tax credit calculation. The Company filed a notice of objection in relation to these expenditures however; the Company received a notice from the government of Quebec dated December 3, 2012 which supported the previous notice of assessment. The Company has accrued the full potential liability of $895,748 as a result.

Office and General

(expressed in $ thousands)	Three months ended October 31,		Six months ended October 31,	
	2012	2011	2012	2011
Office and general	782	833	1,612	1,776
Professional fees	371	131	602	315
Communications and travel	200	184	421	339
	$ 1,353	$ 1,148	$ 2,635	$ 2,430

For the three and six months ended October 31, 2012 the office and general expenses increased from the prior year comparable periods primarily due to the engagement of project advisors related to the financing of the Eagle's Nest Mine and Mill complex which is included in professional fees.

The Company wrote off the acquisition costs of the Golden Valley project in the current quarter. The Company had no write-downs of marketable securities during the period.

Income

Income is comprised of interest earned on deposits. The Company earned $0.02 million in interest income during the quarter compared to $0.05 million in interest income during the prior year comparable period. The decrease is due to the change in cash balances held at October 31, 2012 compared to prior year.

SUMMARY OF CASH FLOWS

(expressed in $ thousands)	Six Months Ended October 31,	
(Unaudited)	2012	2011
Cash used in operating activities	(10,015)	(13,191)
Cash used in investing activities	(481)	(69)
Cash provided by financing activities	11,184	17,286
	688	4,026

Operating Activities

For the six months ended October 31, 2012, the Company had a cash outflow from operations of $10 million compared to a cash outflow of $13.2 million in the prior year comparable period. The development activity during the six months ended October 31, 2012 was the completion of the site investigations drill program at Eagle's Nest. In addition, 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 six months ended October 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 McFauld's Lake Property compared to a cash outflow of $0.07 million in the prior year comparable period.

Financing Activities

For the six months ended October 31, 2012, cash provided from financing was $11.2 million compared to $17.3 million in the 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 Resource Capital Funds ("RCF") and $1.3 million from Baosteel Resources Inc. ("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	2013	2012	2012	2012	2012	2011	2011
Unaudited	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Expenses	7,180	4,186	6,700	6,619	8,168	7,772	7,341	6,622
Interest Income	23	33	23	31	53	51	33	51
Gain/Loss on sale of marketable securities	-	1	13		-	-	-	-
Write off of mineral property	175	-	-	-	-	-	-	-
Severence	-	-	-	7	-	-	59	-
Acquisition costs			-	-	8	-	-	-
Net loss	(7,157)	(4,153)	(6,502)	(6,508)	(8,115)	(7,627)	(8,254)	(6,155)
Net loss per share – basic and diluted (1)	(0.03)	(0.02)	(0.03)	(0.03)	(0.04)	(0.04)	(0.04)	(0.03)
Cash and cash equivalents	5,755	10,817	5,067	11,781	12,916	19,145	8,889	16,428
Working Capital	4,424	10,966	3,849	9,887	12,657	20,029	9,727	16,680
Assets	10,523	16,281	10,201	16,396	19,389	26,192	16,390	24,542
Long-term Liabilities	720	726	705	141	141	138	136	214

(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 vesting provisions.

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

For the three months ended October 31, 2012, the total expenses were $7.2 million compared to $8.2 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 October 31, 2012, the Company earned $0.02 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 October 31, 2012 the Company had working capital of $4.4 million and a cash position (cash and cash equivalents) of $5.8 million compared to $12.7 million and $12.9 million respectively as at October 31, 2011.

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 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.

The Company has successfully raised financing to date to continue as a going concern, however, there can be no assurance that it will be able to do so in the foreseeable future. As a result, given these material uncertainties, there may be significant doubt regarding the going concern assumption and accordingly, the use ultimately of accounting principles applicable to a going concern.

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	1,883	166	1,099	618	-
Other Long Term Obligations	1,236	516	42	28	650
Total Contractual Obligations	3,119	681	1,141	646	650

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.

RELATED PARTY AND OTHER TRANSACTIONS

During the three and six months ended October 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 and six months ended October 31, 2012, were $82,705 and $138,258 (three and six months ended October 31, 2011 - $156,225 and $286,842) and the amount payable to Penguin as at October 31, 2012 is $Nil (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 December 19, 2012, the Company has not identified any material changes to the critical accounting estimates affecting the financial statements for the three month period ending October 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 December 19, 2012, the Company has identified the following additional risk factor:

Government Regulations

The Company's mineral exploration and planned development activities are subject to various federal and provincial government laws and regulations governing, among other things, acquisition of mining interests, maintenance of claims, tenure, expropriation, prospecting, development, mining, production, price controls, taxes, labour standards, occupational health, waste disposal, toxic substances, water use, land use, treatment of indigenous peoples, environmental protection and remediation, endangered and protected species, mine safety and other matters. Although the Company's exploration and planned development activities are currently believed by the Company to be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied or amended in a manner that could have a material adverse effect on the business, financial condition and results of operations of Noront, including changes to government mining laws and regulations or changes in taxation rates.

The costs and delays associated with obtaining and complying with necessary licences and permits as well as applicable laws and regulations could stop or materially delay or restrict Noront from proceeding with the development of an exploration project. Any failure to comply with applicable laws, regulations or licencing and permitting requirements, even if inadvertent, may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

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 and six months ended October 31, 2012.

OUTSTANDING SHARE INFORMATION

As at December 19, 2012

Authorized	Unlimited
Issued and outstanding shares	230,297,660
Options outstanding	13,135,000
Warrants outstanding	10,839,633
Fully diluted	254,272,293

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.