NORONT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED APRIL 30, 2013

Table of Contents

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 year ended April 30, 2013, 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.

Paul Semple, P. Eng., Chief Operating 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 "Feasibility Study, McFaulds Lake Property, Eagle's Nest Project, James Bay Lowlands, Ontario, Canada (effective date of September 4, 2012), 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"), the "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 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 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") available on SEDAR and the Company's website.

This information is current as of July 9, 2013.

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 20-26 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 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. 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 278 claims of approximately 76,224 hectares (188,354 acres) in the Ring of Fire area.

OBJECTIVES

The Company's primary objectives for fiscal 2014 are to:

- Further develop its flagship Eagle's Nest (nickel-copper-platinum-palladium) Project with the objective of establishing commercial production in and around 2017:
    - Submit the Environmental Assessment by the end of Calendar 2013 and secure required mining permits in Calendar 2014;
    - Secure support for access road infrastructure from the Provincial Government of Ontario and the Federal Government of Canada;
    - Evaluate and progress project financing options for project development.
- Evaluate the Company's other mineral deposits in the Ring of Fire region to maximize value.

STRATEGY

Eagle's Nest Project

The Company released the results of its feasibility study on September 5, 2012. The NI 43-101 compliant feasibility study (the "Feasibility Study") led by Micon International showed robust economics with an after tax Net Present Value at an 8% discount rate ("NPV 8%") of $543 million and an after tax

Internal Rate of Return ("IRR") exceeding 28%[1], based on metal prices derived on a three year trailing average basis as of August 31st, 2012.

Based on the positive economics of the Feasibility Study, the Company is completing all necessary pre-development work in order for it to meet its planned production date. The Company is currently completing its Environmental Assessment (the "EA") including consultation with affected local communities, in order to obtain all required permits for mine development and operations. The EA is due to be submitted in the fall of 2013 with the objective of having it approved by mid-calendar 2014.

Access infrastructure in and out of the Ring of Fire is required in order for the Eagles Nest Project to proceed. The infrastructure developed for the Ring of Fire will be shared between local communities, Noront and other industrial users. The Company has taken a collaborative approach to this critical shared infrastructure and has been working with all stakeholders to develop a plan which will be supported by the Provincial Government of Ontario, the Federal Government of Canada, local communities and other industrial users. In this respect the Company included a North-South Access road under it base case assumptions in its feasibility study. The North-South access road, as announced on May 9th, 2012 is supported by Cliffs Natural Resources (which is developing their Black Thor Chromite Project approximately 10 km from the Company's flagship Eagle's Nest Project) and the Provincial Government of Ontario.

The Company recognizes the announcement made by Cliffs on June 12, 2013 in which they announced a temporary suspension to their Environmental Assessment activities for their chromite project in the Ring of Fire and the Company recognizes that building the North-South access route, due to the capital cost of the project, is dependent on Cliff's proceeding with their chromite project. The Company's project plan as incorporated in the Company's EA, however, includes an alternative access route which the Company believes is viable based on providing access infrastructure to local communities and having Noront as the primary industrial user. The Company is working closely with the Provincial Government of Ontario, the Federal Government of Canada and local communities to advance the East-West access corridor to the Ring of Fire.

The Company is also evaluating several sources of financing to develop the Eagle's Nest Project and continues to work with its financial advisor to maximize value.

The Company's strategy in order to achieve its planned production date is to continue negotiations with stakeholders concerning the East-West access road to garner necessary financial and non-financial support; do all things necessary to submit the EA by the fall of 2013 and obtain all required mining permits; and enter into formal partnership agreements and financing arrangements in advance of infrastructure commitments from government in order to allow project development to proceed.

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[1] 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

Blackbird Chromite Project

The Company is focused on developing its most advanced project, the Eagle's Nest Mine. The Company's longer term plan has always been to start development and production from the Blackbird chromite deposits once production commences at Eagle's Nest. The Company continues to evaluate opportunities to accelerate the anticipated production date of the Blackbird Chromite Deposits.

CORPORATE AND OPERATIONS REVIEW

Corporate

On May 10, 2012, the Company completed a non-brokered private placement with gross aggregate proceeds of $10 million with Resource Capital Funds ("RCF") which increased their ownership position in Noront to 18.19%. In a subsequent transaction, Baosteel exercised its anti-dilution rights, on the same terms as the RCF May 10, 2012 private placement, pursuant to its previous subscription agreement dated June 2, 2011, to maintain its 9.9% interest, with aggregate gross proceeds to the Company of approximately $1.3 million. In conjunction with the closing of RCFs private placement, Mr. David Thomas, P.Geo, Managing Director of RCF Canada joined the Company's board of directors upon the resignation of Mr. Keith McKay.

On February 26, 2013, the Company entered into a loan facility with Resource Capital Fund V L.P. ("RCF") in the aggregate principal amount of US$15.0 million (the "Facility"). The Facility is a one year bridge loan (the" Bridge Loan") which matures on February 25th, 2014. If the Facility is not repaid prior to the Bridge Loan maturity date, it automatically rolls into a convertible loan ("the "Convertible Loan") with a maturity date of December 31, 2015. Due to RCF's existing equity ownership interest in Noront of approximately 18%, if the Bridge Loan rolls into the Convertible Loan then, on a partially diluted basis, RCF's equity ownership interest will exceed 20% of the total number of outstanding shares of the Company. Shareholder approval, which was required to grant the Conversion Rights and was a condition to entering into the Facility (which includes the Conversion Rights), was granted at a special meeting of shareholders held on April 30, 2013. The proceeds from the Facility will be used to further the development of the Company's advanced stage Eagle's Nest nickel, copper, platinum, palladium project; for working capital and for corporate requirements.

The Company announced on March 22, 2013 the appointment of Mr. Peter Mah and Mr. Yuanqing Xu to the board of directors of Noront (the "Board"). Mr. Joe Hamilton has resigned from the Board to allow Mr. Peter Mah to join the board. Mr. Hamilton served in several different capacities during his time on the Board from Interim Chief Executive Officer, Chairman of the Board and Chairman of the Corporate Governance and Compensation Committees. Mr. Hamilton played a significant role in shaping Noront's future and his contributions will be missed. Mr. Yuanqing Xu replaces Mr. Lin as Baosteel's representative on the Board. The Company appreciates Mr. Lin's contributions to the Board and looks forward to working with his replacement.

On April 19, 2013 the Company announced that an agreement (the "Amending Agreement") had been signed between the Company and Eagle Hill Exploration Corp. ("EAG") to amend certain provisions of the option agreement entered into between the parties on July 20, 2009 (the "Option Agreement") in regards to the Windfall Lake Property (the "Project").

Subsequent to the year ended April 30, 2013, the Company signed a binding letter agreement (the "Letter Agreement") to sell its remaining 25% interest, all royalty interests, and all other associated rights in the Windfall Lake Project to EAG (the "Project"). In Consideration for the sale of Noront's 25% interest in the project EAG will pay to Noront (i) an aggregate cash payment of $5 million, and (ii) 25 million freely tradeable (subject only to such hold periods required under applicable Canadian securities laws) common shares of EAG to be issued to Noront on closing of the transaction. In accordance with the binding agreement, EAG continues to be obligated to provide a financial guarantee to the Quebec government for the reclamation obligation on the Project and apply to transfer the reclamation obligation from the Company to EAG.

Eagle's Nest

The Company continues to work diligently to advance its Eagle's Nest Project, located in the James Bay Lowlands, to production. The priorities of the Company are to submit the Environmental Assessment / Environmental Impact Statement (the "EA") by December 2013 and to continue working with the Federal and Provincial governments, the affected First Nation communities and other industry participants to arrange for the development of the necessary infrastructure into the Ring of Fire.

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 Statement to be submitted to Federal and Provincial agencies by the end of calendar year 2013.

The Company is planning on moving forward on pre-development work which includes continuing with pre-development studies, due diligence with independent consultants in support of project financing.

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[2] 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 and are available on SEDAR.

The discounted cash flow ("DCF") from the feasibility study based on the assumed metal prices[3] indicates:

- an after tax Net Present Value at an 8% discount rate ("$NPV_{(8\%)}$") of $543 million;

[2] 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, Ausenco, Nuna Logistics, and Golder Associates.

[3] 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

- 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 base case for the feasibility study assumed the Company would 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.

The Company has maintained an East-West access road as its access alternative in its project plan in case the North-South Road does not proceed as planned. The East-West access road is included as part of the Company's Environmental Assessment. The Company believes the East-West access road is a viable alternative to the North-South Road and the Company continues to progress discussions with stakeholders in the region concerning infrastructure.

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	2.02	1.04	1.01	3.45
Probable	5,867	1.38	0.72	0.78	2.76
Proven and Probable	11,131	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.

Blackbird

The Company continues to evaluate a northwest Ontario based mine, mill and ferrochrome furnace facility capable of producing high quality ferrochrome. The Company is currently evaluating its options to potentially expedite the development of this project by attracting a strategic partner.

Highlights of the Blackbird chromite property include:

- Measured and indicated resource of 20.5 million tonnes sufficient for a 15 year project producing 600,000 tonnes of ferrochrome annually and a further inferred resource of 23.5 million tonnes with the potential to add an additional 10 years to the project. Mineralization remains open at depth;
- Canada's first independent NI-43-101 resource estimate for chromite;
- The resource is a classic stratiform deposit with original chromite layers broken up into segments 300 to 400 metres in length;
- The chromite layers are sub-vertical and extend from surface to beyond 300 metres;
- There are four massive segments, grading approximately 35% Cr_2O_3 and ranging from 7 to 18 metres in average true thickness;
- There are two intercalated lenses, grading approximately 25 to 28% Cr_2O_3 and ranging in thickness from 150 to 200 metres;
- All chromite layers are open at depth and additional gravity targets that have potential to expand the resource have not been drill tested to date; and
- Deposit geometry is very well suited for a low impact, underground mine with a limited environmental footprint.

Regional Exploration

The Company has shifted its focus from exploration to the development of the Eagle's Nest 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 upcoming fiscal year. The Company, however, continues 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").

On April 19, 2013 the Company announced that an agreement (the "Amending Agreement") had been signed between the Company and Eagle Hill Exploration Corp. ("EAG") to amend certain provisions of the option agreement entered into between the parties on July 20, 2009 (the "Option Agreement") in regards to the Windfall Lake Property (the "Project"). The Amending agreement gives Eagle Hill a three year extension to deliver on certain obligations required under the option agreement in consideration for EAG l i) providing a financial guarantee to the Quebec government for the reclamation obligation on the Project and apply to transfer the reclamation obligation from the Company to EAG, ii) paying cash consideration to the Company of $615,000 and iii) removing the provisions in the Option Agreement requiring the Company to obtain the prior consent of EAG for the transfer of the Company's interest in the Project.

In accordance with the Option Agreement, EAG earned a 75% interest in the Project and the Company retains a 25% interest subject to the provisions of the Option Agreement. Upon earning its 75% interest under the Option Agreement, EAG was required to deliver either a bankable feasibility study (providing for a minimum internal rate of return of 15%) or commit to cause the commencement of commercial production (the "Delivery Requirement") by April 20, 2013. If EAG does not complete a bankable feasibility study or take the project to production by April 20, 2013, then the Company has the option to purchase back the 75% of the Project from EAG for the lesser of (i) an amount equal to the expenses incurred by EAG and (ii) $6 million (the "Buy-Back Provisions").

Under the provisions of the Amending Agreement, the Company has agreed to extend the Delivery Requirement date to April 20, 2016. The Company retains its rights under the Buy-Back Provisions if the Delivery Requirements are not satisfied by April 20, 2016.

The Amending Agreement further provides that if the Company exercises its rights under the Buy-Back Provisions and then takes the Project into production, the Company will pay to EAG the amount EAG has spent during the period from April 20, 2013 to April 20, 2016 from the proceeds of production, in priority to all amounts otherwise payable except senior debt, interest on senior debt, operating costs and $11.9 million (the Company's previous exploration expenditures on the project).

The Company has also granted EAG a 90 day exclusivity period to negotiate the purchase of the Company's interest in the Project. The closing of the Amending Agreement is subject to EAG paying $615,000 in cash to the Company within 90 days from the date hereof. If EAG is unable to meet these conditions within 90 days, Noront retains its rights under the Buy-Back Provisions or if Noront does not elect to exercise the Buy-Back right, the Company's interest in the Project will automatically increase to 30%.

On June 28, 2013, the Company signed a binding letter agreement (the "Letter Agreement") to sell its remaining 25% interest, all royalty interests, and all other associated rights in the Windfall Lake Project to EAG (the "Project"). In Consideration for the sale of Noront's 25% interest in the project EAG will pay to Noront (i) an aggregate cash payment of $5 million, and (ii) 25 million freely tradeable (subject only to such hold periods required under applicable Canadian securities laws) common shares of EAG to be issued to Noront on closing of the transaction. In accordance with the binding agreement, EAG continues to be obligated to provide a financial guarantee to the Quebec government for the reclamation obligation on the Project and apply to transfer the reclamation obligation from the Company to EAG.

In conjunction with entering into the Letter Agreement, EAG entered into a binding financing agreement with its strategic partner Southern Arc pursuant to which Southern Arc Minerals Inc. has agreed, subject to terms therein, to invest, together with Dundee Corporation an aggregate of $12 million in Eagle Hill to complete the transaction with Noront and advance the Project.

The Letter Agreement is subject to standard closing conditions including obtaining shareholder approval of the transaction from the shareholders of EAG and Southern Arc. A non-refundable deposit of $615,000 was paid to Noront on entering into the Letter Agreement with the balance to be paid upon closing. If the Letter Agreement is terminated, in certain circumstances, Noront's undivided right, title and interest in and to the royalty option and the Property shall increase from 25% to 30% in lieu of a break fee.

Until closing of the transaction as contemplated above, Noront retains all rights and obligations under the July 20, 2009 option agreement as amended. Only upon closing will the Option Agreement be terminated.

Golden Valley

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 during the 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. During the year, the Company determined that further exploration is neither budgeted nor planned in the near future due to the Company's focus on the development of the McFauld's Lake Property. In addition, exploration for mineral resources has not led to the discovery of commercially viable quantities of mineral resources. Therefore, the Company has discontinued exploration activities permanently and has written off the acquisition cost of $250,000.

SELECTED ANNUAL FINANCIAL INFORMATION

The following financial data are derived from the Company's financial statements for the fiscal years ended April 30, 2013 and 2012:

(expressed in $ thousands except per share amounts)

For the year ended April 30	2013	2012
Development and exploration expenditures	10,822	21,852
Office and general	5,632	4,744
Amortization	625	408
Share-based compensation	1,005	2,257
Write off of mineral property	425	-
Interest income	75	158
Interest expense	266	
Gain on sale of marketable securities	1	13
Net loss	(18,786)	(28,752)
Net loss per share – basic and diluted (1)	(0.08)	(0.14)
Cash flow used in operations	(16,760)	(24,256)
Cash and cash equivalents	14,028	5,067
Working Capital	13,570	3,849

(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.

Year Ended April 30, 2013 Compared to the Year Ended April 30, 2012

Development and Exploration Expenditures

(expressed in $ thousands)

For the year ended April 30	2013	2012
Eagles' Nest		
Technical Studies	$ 1,332	$ 3,514
Permitting	2,116	3,475
Drilling & Camp Costs	3,995	-
Other	450	-
	7,893	6,989
Blackbird		
Drilling and Camp Costs	-	8,267
Geophysics	-	30
	-	8,297
Regional		
Drilling and Camp Costs	2,042	5,444
Geophysics and Other	22	832
	2,064	6,276
Other	865	290
Total	$ 10,822	$ 21,852

Eagle's Nest

Technical studies consist of expenses related to the completion of the Company's feasibility study which was released September 5th, 2012. During the fiscal year ended April 30, 2013, $1.3 million was spent compared to $3.5 million in the prior year.

Permitting 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. During the fiscal year ended April 30, 2013, $1.9 million was spent on environmental baseline and assessment work and $0.2 million was spent on community consultation compared to $2.9 million and $0.6 million respectively, in the prior year.

Drilling and camp costs consist of geotechnical drilling necessary to examine the rock characteristics within the areas planned for major infrastructure development and expenses related to the construction of a temporary trail to the proposed mine portal site. A total of $4.0 million was spent on drilling 4,416 metres. Included in other costs are expenses related to surveying the Eagle's Nest property to convert the claims to mining leases.

Blackbird

The Company did not have any active exploration or drilling programs on Blackbird during the year ended April 30, 2013. During the fiscal year ended April 30, 2012, there was active exploration and resource definition drilling on Blackbird with $8.3 million being spent during the year.

Regional

The Company did not have any active exploration programs during the year ended April 30, 2013. Regional exploration costs relate to the cost of maintaining the Company's camp in the Ring of Fire. For the fiscal year ended April 30, 2012, 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 the year ended April 30, 2013 are costs to verify the geological data of the area encompassing the Eagle's Nest and Blackbird deposits. Also included in other costs for the year ended April 30, 2013, are $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, paid 50% of the amount assessed as required, and continues to defend its position. The Company has accrued the full potential liability of $895,748.

Office and General

(expressed in $ thousands)

For the year ended April 30	2013	2012
General Administration	3,852	3,279
Professional fees	1,126	678
Communications and travel	654	787
	$ 5,632	$ 4,744

General administration costs for the year ended April 30, 2013 includes executive severance and consulting pay of $0.4 million. For the fiscal year ended April 30, 2013 the office and general expenses increased from the prior year primarily due to the engagement of project advisors related to the financing of the Eagle's Nest Project and an increase in legal fees which is included in professional fees. The Company wrote off two mineral properties during the year with a total acquisition cost of $0.4 million.

Income

Income is comprised of interest earned on deposits. The Company earned $0.08 million in interest income during the year compared to $0.2 million in interest income during the prior year. The decrease is due to lower average cash balances in the current year compared to the prior year.

SUMMARY OF CASH FLOWS

(expressed in $ thousands)

Year ended April 30	2013	2012
Cash used in operating activities	(16,760)	(24,256)
Cash used in investing activities	(618)	(84)
Cash provided by financing activities	26,339	20,518
	8,961	(3,822)

Operating Activities

For the year ended April 30, 2013, the Company had a cash outflow from operations of $16.8 million compared to a cash outflow of $24.3 million in the fiscal year 2012. The development activity during the year ended April 30, 2013 was the completion of the site investigations drill program at Eagle's Nest. The activity in the prior year included active surface drill testing at Blackbird as well as a geophysical survey program that included the area near Eagle's Nest.

Investing Activities

For the year ended April 30, 2013, the Company had a cash outflow from investing activities of $0.6 million compared to a cash outflow of $0.1 million in the prior year. The increase in cash outflow is due to the purchase of certain assets relating to the camp operations at the Eagle's Nest property and leasehold improvements relating to the relocation of the head office in Toronto in December 2012.

Financing Activities

For the year ended April 30, 2013, cash provided from financing was $26.3 million compared to $20.5 million in the prior fiscal year. The cash provided from financing is a result of raising net proceeds of $15.1 million in February 2013 through a loan facility by Resource Capital Funds ("RCF"), $9.9 million in May 2012 from an investment by RCF and $1.3 million from Baosteel Resources Inc. ("Baosteel"). In the prior year, the cash provided from financing was a result of raising net proceeds of $17.3 million in June 2011 as a result of an investment by Baosteel and net proceeds of $3.2 million from a flow-through share private placement. The cash provided from these financings is net of the cost of issuance.

SUMMARY OF QUARTERLY RESULTS AND FOURTH QUARTER REVIEW

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 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1
Expenses	3,439	3,873	7,180	4,186	6,700	6,619	8,168	7,772
Interest Income	6	13	23	33	23	31	53	51
Gain on sale of marketable securities	-	-	-	1	13		-	-
Write down of marketable securities	169							
Write off of mineral property	250	-	175	-	-	-	-	-
Severence		417	-	-	-	7	-	-
Acquisition costs	-	-	-		-	-	8	-
Net loss	(3,615)	(3,861)	(7,157)	(4,153)	(6,502)	(6,508)	(8,115)	(7,627)
Net loss per share – basic and diluted (1)	(0.01)	(0.02)	(0.03)	(0.02)	(0.03)	(0.03)	(0.04)	(0.04)
Cash and cash equivalents	14,028	2,025	5,755	10,817	5,067	11,781	12,916	19,145
Working Capital	13,570	750	4,424	10,966	3,849	9,887	12,657	20,029
Assets	18,632	6,592	10,523	16,281	10,201	16,396	19,389	26,192
Long-term Liabilities	16,289	708	720	726	705	141	141	138

(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 April 30, 2013 compared to Three Months Ended April 30, 2012

For the three months ended April 30, 2013, total expenses were $3.4 million compared to $6.7 million in the prior year comparable period. The decrease is due to less site work in the current period. During the prior year comparable period, the Company had an active drill program to complete resource definition drilling on the Blackbird chromite deposits and for exploration drilling on other regional targets.

For the three months ended April 30, 2013, the Company earned $0.01 million in interest income from deposits compared to $0.03 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 April 30, 2013 the Company had working capital of $13.6 million and a cash position (cash and cash equivalents) of $14.0 million compared to $3.8 million and $5.1 million respectively as at April 30, 2012.

On May 10, 2012 the Company completed a non-brokered private placement with gross aggregate proceeds of $10 million with Resource Capital Funds (RCF). In a subsequent transaction 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.

On February 26, 2013, the Company entered into a loan facility with RCF in the aggregate principal amount of US$15.0 million. The Facility will bear interest at 10% per annum during the Bridge Loan period and at 8% per annum during the Convertible Loan period. Interest will be paid quarterly, in arrears, in common shares of the Company based on the volume weighted average trading price of the Company's common shares during the 20 days prior to the date of each interest period determination, or at RCF's option, in cash. The Facility will be secured by a first ranking perfected lien over all assets associated with the Company's projects, initially excluding the Company's interest in the Windfall Lake gold project; all shares or equity interests in subsidiaries of the Company and all intercompany debt. An Establishment Fee of 2% of the principal amount of the Facility was paid to RCF in common shares of the Company. The shares were valued using the volume weighted average trading price for the twenty days prior to November 28th, 2012, resulting in the issuance of 977,954 common shares.

The Convertible Loan may be converted into common shares of the Company at the option of RCF at a price of $0.45 cents per share at any time subsequent to the Bridge Loan maturity date and prior to December 31, 2015 (the "Conversion Rights"). RCF has an existing equity ownership interest in Noront of approximately 18%. If the Bridge Loan rolls into the Convertible Loan then, on a partially diluted basis, RCF's equity ownership interest will exceed 20% of the total number of outstanding shares of the Company.

On April 24, 2013 the Company announced that pursuant to a loan agreement entered into between Noront and Resource Capital Funds V L.P. ("RCF") dated February 26, 2013 (the "Loan Agreement") that it has satisfied the payment of interest for the first quarter of calendar 2013 by delivery of 474,941 common shares of the Company (the "Interest Shares") at an effective price of $0.2942 per Interest Share to RCF. The Interest Shares are subject to a four month hold period, expiring on August 22, 2013. The calculation of the number of Interest Shares issued was based on the volume weighted average trading price of the common shares of the Company during the 20 trading days prior to March 28, 2013. After giving effect to the issuance of the Interest Shares, there will be 231,750,555 common shares of the Company issued and outstanding.

Noront's financial instruments consist of cash, marketable securities, duties and tax receivable and accounts payable, accrued liabilities and long term debt. 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 2014. 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	1,961	449	1,213	299	-
Other Long Term Obligations	1,256	-	541	28	687
Total Contractual Obligations	3,217	449	1,754	327	687

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 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 year ended April 30, 2013, 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 year ended April 30, 2013, were $202,925 (year ended April 30, 2012 - $1,098,239) and the amount payable to Penguin as at April 30, 2013 is $Nil (April 30, 2012 - $392,292).

Also during fiscal year 2013, the Company remunerated its Interim CEO through Coniston Investment Corp. ("Coniston"). The Company's Interim CEO has a 100% interest in Coniston. Amounts paid to Coniston for the year ended April 30, 2013 were $72,317 (year ended April 30, 2012 – $Nil) and the amount payable to Coniston as at April 30, 2013 is $27,000 (April 30, 2012 – $Nil).

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

Deferred Mining Property Acquisition

Noront capitalizes mining property acquisition costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. On an ongoing basis, the Company evaluates deferred expenditures relating to each property to assess whether there has been impairment in value. The Company recognizes write-downs for impairment where the carrying value of the mining property exceeds its estimated long term net recoverable value. Recoverable value is estimated based upon current exploration results and upon the Company's assessment of the future probability of positive cash flows from the property or from the sale of the property.

Future Site Restoration Costs

The Company has an obligation for future site restoration costs. The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The fair value of the liability is added to the carrying amount of the associated asset and this additional carrying amount is depreciated over the life of the asset. Subsequent to the initial measurement of the asset retirement of the asset retirement obligation, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. If the obligation is settled for other than the carrying amount of the liability, the Company will recognize a gain or loss on settlement.

Stock Options and Warrants

The Black-Scholes option valuation model used by the Company to determine fair values for stock-based compensation was developed for use in estimating the fair value of freely traded options. This model requires input of highly subjective assumptions including future stock volatility and expected time until exercise. Changes in the subjective input assumptions can materially affect the fair value estimate.

Repayment Options

The Company's convertible debt agreement contains embedded derivatives related to the Company's prepayment option and the Lender's convertible feature ("Repayment Options"). The fair value assigned to the Repayment Options uses level 2 assumptions with the main inputs to the valuation being credit spreads of the Company, historical prices of the underlying stock, USD discount curve and CAD/USD foreign exchange rates. The most significant assumption is the probability of the loan being repaid prior to reaching the conversion date, which was estimated by obtaining credit spreads for an index of comparable companies residing in the same industry.

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 risks factors include risks summarized below, risk factors referenced at page 2 herein, and risk factors disclosed under the heading "Risk Factors" in the Company's most recent AIF, available electronically on SEDAR. 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 an investment in Noront common shares should be considered speculative.

Mineral Exploration

The business of exploration for minerals and mining involves a high degree of risk. A relatively small proportion of properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on any of the mineral properties in which the Company holds interest or intends to acquire an interest and the proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company has limited experience in the development and operation of mines and has relied on and may continue to rely upon consultants and others for exploration and operating expertise. The economics of developing gold, base metal and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined, and fluctuations in the price of any minerals produced.

Additional Funding Requirements and Potential Dilution

Noront has no current or foreseeable prospect of generating significant revenues. Accordingly, the success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to explore and develop its properties. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

The Company will require new capital to continue to operate its business and to continue with exploration on its mineral properties, and there is no assurance that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

As of July 9, 2013 the Company had 231,750,555 shares outstanding, 12,336,666 stock options outstanding with a weighted average exercise price of $0.95 expiring between 2013 and 2017 and 722,150 warrants outstanding. The issuance of common shares of the Company upon the exercise of options and/or warrants will dilute the ownership of the Company's current shareholders. Noront may also issue additional securities convertible into common shares of Noront in the future, the conversion of which would result in further dilution to the shareholders of the Company.

Continuation of Operating Losses

The Company does not have a long historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. Further, the Company's properties are in the exploration stage and are not commercially viable at this time. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Title to Mineral Properties (Ownership Rights)

Although title to the properties has been reviewed by or on behalf of Noront, no assurances can be given that there are no title defects affecting the properties. Title insurance generally is not available for mining claims in Canada and Noront's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be limited. Noront has not conducted surveys of the claims in which it holds direct or indirect interests; therefore, the precise area and location of such claims may be in doubt. It is possible that the properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims and title may be affected by, among other things, undetected defects. In addition, Noront may be unable to operate the properties as permitted or to enforce its rights with respect to its properties.

Resource Estimates

The resources presented in this document are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the expected level of recovery will be realized. Such figures have been determined based upon assumed metal prices. Future production could differ dramatically from estimates due to mineralization or formations different from those predicted by drilling, sampling and similar examinations or declines in the market price of the metals may render the mining of some or all of the resources as uneconomic.

Economic

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any mineral products discovered. The prices of mineral products have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

Commodity Price Risk

The ability of the Company to develop its mining properties and the future profitability of the Company is directly related to the market price of gold and base minerals.

Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees, contractors and consultants.

Environmental

The Company's operations are subject to environmental regulations promulgated by local, provincial and federal government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards and enforcement, and fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Although variable, depending on location and the governing authority, land rehabilitation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimize long term effects of land disturbance. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Company in connection with its mineral exploration, the Company must allocate financial resources that might otherwise be spent on further exploration and/or development programs.

First Nations

Noront is committed to working in partnership with our local communities and First Nations in a manner which fosters active participation and mutual respect. Noront works towards minimizing negative project impacts, encouraging certain joint consultation processes, addressing certain decision making processes and towards maintaining meaningful ongoing dialogue not only for the Company but for all participants in the Ring of Fire region.

Many of Noront's contractors and suppliers live and work in the local communities. The Company regularly consults with communities proximal to the Company's exploration activities to advise them of plans and answer any questions they may have about current and future activities. The objective is to operate to the benefit of the shareholders and the local communities using the resources and the environment today without compromising the long-term capacity to support post exploration and ultimately post mining land uses.

First Nations in Ontario are increasingly making lands and rights claims in respect of existing and prospective resource projects on lands asserted to be First Nation traditional or treaty lands. Should a First Nation make such a claim in respect of the Properties and should such claim be resolved by government or the courts in favour of the First Nation, it could materially adversely affect the business of Noront.

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.

Joint Ventures and Option Agreements

Noront Resources enters into option agreements and joint ventures as a means of gaining property interests and raising funds. Any failure of any partner to meet its obligations to Noront or other third parties, or any disputes with respect to third parties' respective rights and obligations could have a material adverse effect on such agreements. In addition, Noront may be unable to exert direct influence over strategic decisions made in respect to properties that are subject to the terms of these agreements.

Litigation

The Company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's mining and project development operations.

Legal

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Noront Resources and cause increases in expenditures or exploration costs or reduction in levels of activities on our exploration projects, or require abandonment or delays in the development of new exploration properties.

Regulations and Permitting

The operations of the Company may require licenses and permits from various local, provincial and federal governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, or mining operations, at its projects.

Uninsurable Risks

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties, personal injury or death, environmental damage, delays in exploration, and monetary losses and possible legal liability. Where Noront considers it practical to do so, it maintains insurance in amounts believed to be reasonable, including coverage for directors' and officers' liability and fiduciary liability and others.

Such insurance, however, contains exclusions and limitations on coverage. Accordingly, Noront's insurance policies may not provide coverage for all losses related to Noront's activities (and specifically do not cover environmental liabilities and losses). The occurrence of losses, liabilities or damage not covered by such insurance policies could have a material and adverse effect on Noront's results of operations and financial condition. Noront cannot be certain that insurance will be available to the Company, or that appropriate insurance will be available on terms and conditions acceptable to the Company. In some cases, coverage is not available or considered too expensive relative to the perceived risk.

Dependence on Key Employees, Contractors and Management

Noront currently has a small executive management group, which is sufficient for the Company's present stage of activity. Given that our success to date has depended, and in the future will continue to depend, in large part on the efforts of the current executive management group, the loss of a significant number of the members of this group could have a material adverse effect on the Company, its business and its ability to develop its projects. Noront does not maintain key person life insurance. Accordingly, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Company.

The mining industry has been impacted by increased worldwide demand for critical resources including industry consultants, engineering firms and technical experts. These shortages have caused increased costs and delays in planned activities. Noront is also dependent upon a number of key personnel, including the services of certain key employees and contractors. Noront's ability to manage its activities, and hence its success, will depend in large part on the efforts of these individuals. Noront faces intense competition for qualified personnel, and there can be no assurance that Company will be able to attract and retain such personnel.

Labour and Employment

Relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in whose jurisdictions the Company carries on business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition. As the Company's business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations.

Conflict of Interest

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Share Price

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of the Company's securities.

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 year ended April 30, 2013.

OUTSTANDING SHARE INFORMATION

As at July 9, 2013	
Authorized	Unlimited
Issued and outstanding shares	231,750,555
Options outstanding	17,136,666
Warrants outstanding	722,150
Fully diluted	249,609,371

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.