



**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JULY 31, 2013 AND 2012
(EXPRESSED IN CANADIAN DOLLARS)**

Noront Resources Ltd.
Consolidated Interim Statement of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	Note	As at July 31, 2013	As at April 30, 2013
Assets			
Current Assets			
Cash and cash equivalents	4	\$ 12,706,438	\$ 14,027,965
Restricted cash		385,046	385,046
Marketable securities		19,527	30,769
Taxes and other receivables	5	183,406	266,361
Supplies inventory		125,758	174,113
Prepaid expenses		163,086	110,037
Total Current Assets		\$ 13,583,261	\$ 14,994,291
Non-Current Assets			
Equipment	6	2,023,603	2,136,182
Intangible assets		55,248	63,140
Mineral properties	7	1,438,104	1,438,104
Total Non-Current Assets		\$ 3,516,955	\$ 3,637,426
Total Assets		\$ 17,100,216	\$ 18,631,717
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 1,473,904	\$ 1,400,583
Finance lease obligation		23,387	23,224
Deferred income, net of transaction costs	15	609,305	-
Total Current Liabilities		2,106,596	1,423,807
Non-Current Liabilities			
Provision for environmental expenditure		1,452,421	1,511,290
Loan facility	8a	14,318,696	14,004,258
Repayment options	8b	804,000	731,000
Finance lease obligation		36,335	42,243
Total Non-Current Liabilities		\$ 16,611,452	\$ 16,288,791
Total Liabilities		\$ 18,718,048	\$ 17,712,598
Shareholders' Equity			
Capital stock	9b	\$ 168,723,782	\$ 168,297,819
Warrants	9d	1,416,211	2,575,675
Contributed surplus		30,912,357	29,760,116
Deficit		(202,670,182)	(199,714,491)
Accumulated other comprehensive loss		-	-
Total Shareholders' Equity		\$ (1,617,832)	\$ 919,119
Total Shareholders' Equity and Liabilities		\$ 17,100,216	\$ 18,631,717

Commitments and Contingencies (Note 12)



The accompanying notes are an integral part of these consolidated financial statements.

Noront Resources Ltd.
Consolidated Interim Statement of Loss
(Expressed in Canadian dollars)
(Unaudited)

For the three months ended July 31,	Note	2013	2012
Expenses			
Development and exploration expenditures	14a	\$ 1,304,172	\$ 2,339,541
Office and general	14b	1,131,921	1,279,073
Amortization		120,473	164,513
Share-based compensation	9c	146,406	379,234
Write down of marketable securities		4,934	-
Loss before finance items		\$ (2,707,906)	\$ (4,162,361)
Interest income		24,549	32,897
Interest expense		(394,463)	-
Gain (loss) on sale of marketable securities		(3,522)	823
Accretion recovery (expense)		18,491	(20,991)
Re-measurement of repayment options	8b	(73,000)	-
Foreign exchange gain (loss)		26,531	(3,103)
Recovery of deferred tax on expiry of warrants		153,629	-
Net loss		\$ (2,955,691)	\$ (4,152,735)
Loss per share - basic and fully diluted	11	\$ (0.01)	\$ (0.02)

Consolidated Interim Statement of Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

For the three months ended July 31,	2013	2012
Net loss	\$ (2,955,691)	\$ (4,152,735)
Other comprehensive loss		
Unrealized loss on marketable securities, net of taxes	-	(31,183)
Total comprehensive loss	\$ (2,955,691)	\$ (4,183,918)



The accompanying notes are an integral part of these consolidated financial statements.

Noront Resources Ltd.
Consolidated Interim Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars, unless otherwise indicated)
(Unaudited)

	Common Shares	Capital Stock	Warrants and Broker Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance, April 30, 2012	208,500,740	\$ 156,663,209	\$ 2,575,675	\$ 28,755,355	\$ (180,928,025)	\$ (139,013)	\$ 6,927,201
Issue of shares	21,796,920	11,334,399	-	-	-	-	11,334,399
Cost of issue - cash	-	(149,951)	-	-	-	-	(149,951)
Share-based compensation	-	-	-	379,234	-	-	379,234
Net loss for the period	-	-	-	-	(4,152,735)	-	(4,152,735)
Net change in unrealized losses on available-for-sale marketable securities, net of taxes	-	-	-	-	-	(31,183)	(31,183)
Balance, July 31, 2012	230,297,660	\$ 167,847,657	\$ 2,575,675	\$ 29,134,589	\$ (185,080,760)	\$ (170,196)	\$ 14,306,965
	Common Shares	Capital Stock	Warrants and Broker Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance, April 30, 2013	231,750,555	\$ 168,297,819	\$ 2,575,675	\$ 29,760,116	\$ (199,714,491)	\$ -	\$ 919,119
Issue of shares (Note 9b)	70,000	31,500	-	-	-	-	31,500
Expiry of warrants	-	-	(1,159,464)	1,005,835	-	-	(153,629)
Issuance of interest shares (Note 9b)	1,438,205	394,463	-	-	-	-	394,463
Share-based compensation	-	-	-	146,406	-	-	146,406
Net loss for the period	-	-	-	-	(2,955,691)	-	(2,955,691)
Balance, July 31, 2013	233,258,760	\$ 168,723,782	\$ 1,416,211	\$ 30,912,357	\$ (202,670,182)	\$ -	\$ (1,617,832)



The accompanying notes are an integral part of these consolidated financial statements.

Noront Resources Ltd.
Consolidated Interim Statement of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

For the three months ended July 31,	Note	2013	2012
Operating activities			
Net loss for the period		\$ (2,955,691)	\$ (4,152,735)
Amortization		120,473	164,513
Share-based compensation	9c	146,406	379,234
Accretion expense		(18,491)	20,991
Write down of marketable securities		4,934	-
Issuance of interest shares		394,463	-
Re-measurement of repayment options		73,000	-
Consulting fee paid in shares		31,500	-
Loss on sale of marketable securities		3,522	(823)
Foreign exchange loss on loan facility		274,060	-
Recovery of deferred tax on expiry of warrants		(153,629)	-
Net change in non-cash working capital:			
Taxes and duties receivable		82,955	(177,396)
Prepaid expenses		(53,049)	108,905
Accounts payable and accrued liabilities		73,321	(1,320,104)
Supplies inventory		48,355	(10,116)
Finance lease		(5,745)	-
Net cash used in operating activities		\$ (1,933,616)	\$ (4,987,531)
Investing activities			
Acquisition of equipment		-	(421,200)
Acquisition of intangible assets		-	(26,725)
Non-refundable deposit on mineral property, net of transaction costs		609,305	-
Proceeds on disposal of marketable securities		2,784	823
Net cash used in investing activities		\$ 612,089	\$ (447,102)
Financing activities			
Issue of common shares and units, net of share issue costs		-	11,184,448
Net cash provided by financing activities		\$ -	\$ 11,184,448
Change in cash and cash equivalents		\$ (1,321,527)	\$ 5,749,815
Cash and cash equivalents, beginning of period		14,027,965	5,066,944
Cash and cash equivalents, end of period		\$ 12,706,438	\$ 10,816,759



The accompanying notes are an integral part of these consolidated financial statements.

Noront Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars, unless otherwise noted)
For the three months ended July 31, 2013 and 2012
(Unaudited)

1. Nature of Business

Noront Resources Ltd. (the "Company" or "Noront") is a resource company listed on tier 1 of the TSX Venture Exchange ("TSX-V") involved in the exploration, development and acquisition of properties prospective in base and precious metals, including: nickel, copper, platinum group metals, chromite, precious metals and vanadium. The Company's flagship asset is the Eagle's Nest nickel, copper, platinum, palladium and gold deposit, part of the Company's McFauld's Lake Project, in the Ring of Fire area ("ROF") that is located in the James Bay Lowlands, Ontario. Eagle's Nest is the Company's most advanced mineral discovery in the ROF, the first of five mineral discoveries the Company has made since August 2007. The address of Noront's head office is 110 Yonge Street, Suite 400, Toronto, ON, Canada, M5C 1T4.

The Company is a development stage entity that does not generate operating revenues and has limited financial resources. The Company is subject to risks and challenges similar to companies in a comparable stage of development. These risks include the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry and global economic and commodity price volatility. The underlying value of the Company's mineral properties and the recoverability of the related capitalized costs are entirely dependent on the Company's ability to obtain the necessary permits to operate and secure the required financing to complete development of and establish future profitable production from its mineral assets, or the proceeds from the disposition of, its mineral properties.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes the Company will be able to continue to operate for the foreseeable future and contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. For the three months ended July 31, 2013, the Company recorded a net loss of \$3.0 million (July 31, 2012 – net loss of \$4.2 million) and reported an accumulated deficit of \$202.7 million (April 30, 2013 – \$199.7 million).

The Company is dependent on debt and issuance of equity securities for funding its development activities. The Company's cash balance at July 31, 2013 is \$12.7 million (April 30, 2013 – \$14.0 million) and working capital at July 31, 2013 is \$11.5 million (April 30, 2013 – \$13.6 million).

The Company's primary project is located in the James Bay Lowlands, a remote region of Northern Ontario. Over the next 12 months the Company plans to further the development of its Eagle's Nest project by incurring expenditures towards obtaining all required permits which includes completing the environmental assessment on the Eagle's Nest project, advancing infrastructure development and consulting with First Nation communities. The Company has raised sufficient resources to complete its plans for the ensuing year. On an ongoing basis, the Company examines various financing alternatives to address future funding requirements.

2. Basis of Preparation

These condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting. These interim financial statements should be read in conjunction with Noront's most recently issued annual financial statements for the year ended April 30, 2013, which includes information necessary or useful to understanding the Company's business and financial statement presentation.

These consolidated financial statements were approved by the Audit Committee on behalf of the Board of Directors on September 12, 2013.

3. Significant Accounting Policies

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied in the preparation of the Company's annual consolidated financial statements for the year ended April 30, 2013.

Noront Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars, unless otherwise noted)
For the three months ended July 31, 2013 and 2012
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4. **Cash and Cash Equivalents**

Cash and cash equivalents consist of:	July 31, 2013	April 30, 2013
Cash deposits	\$ 12,606,246	\$ 13,927,776
Guaranteed investment certificate	100,192	100,189
	\$ 12,706,438	\$ 14,027,965

5. **Taxes and Other Receivables**

Taxes and duties receivable consist of:	July 31, 2013	April 30, 2013
Recoverable Sales Taxes	\$ 136,597	\$ 76,884
Other receivables	46,809	189,477
	\$ 183,406	\$ 266,361

6. **Equipment**

July 31, 2013	Equipment	Furniture & Fixtures	Leasehold Improvements	Total
Cost	\$ 3,251,993	\$ 115,027	\$ 200,287	\$ 3,567,307
Accumulated Amortization	(1,300,276)	(79,726)	(163,702)	(1,543,704)
Closing Net Book Value	\$ 1,951,717	\$ 35,301	\$ 36,585	\$ 2,023,603
Opening Net Book Value - May 1, 2013	\$ 2,060,513	\$ 37,159	\$ 38,510	\$ 2,136,182
Additions*	-	-	-	-
Amortization	(108,796)	(1,858)	(1,925)	(112,579)
Closing Net Book Value	\$ 1,951,717	\$ 35,301	\$ 36,585	\$ 2,023,603
April 30, 2013	Equipment	Furniture & Fixtures	Leasehold Improvements	Total
Cost	\$ 3,251,993	\$ 115,027	\$ 200,287	\$ 3,567,307
Accumulated Amortization	(1,191,480)	(77,868)	(161,777)	(1,431,125)
Closing Net Book Value	\$ 2,060,513	\$ 37,159	\$ 38,510	\$ 2,136,182
Opening Net Book Value - May 1, 2012	\$ 1,715,964	\$ 32,461	\$ 103,859	\$ 1,852,284
Additions*	803,869	11,990	41,260	857,119
Amortization	(459,320)	(7,292)	(106,609)	(573,221)
Closing Net Book Value	\$ 2,060,513	\$ 37,159	\$ 38,510	\$ 2,136,182

*Included in additions for the three months ended July 31, 2013 is \$NIL relating to the asset retirement obligation of equipment located at the McFauld's Lake property (April 30, 2013 - \$284,966).

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Notes to Condensed Consolidated Interim Financial Statements
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For the three months ended July 31, 2013 and 2012
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7. **Mineral Properties**

The Company's projects consist of:

	July 31, 2013	April 30, 2013
(i) <u>McFauld's Lake Property - "Ring of Fire", James Bay Lowlands, Northeastern Ontario</u> 100% interest subject to net smelter return ("NSR") of 1%	\$ 1,438,104	\$ 1,438,104

Condor/Greenstone retains a 1% NSR which may be purchased by the Company at any time upon payment of the sum of \$500,000 and/or at the Company's option, issuance of an equivalent number of common shares of the Company.

8. **Convertible Debt Agreement**

On July 15, 2013, the Company satisfied the payment of interest of \$394,463 for the second quarter of 2013 by delivery of 1,438,205 common shares of the Company to RCF. The Interest Shares are subject to a four month hold period, expiring on November 18, 2013. The Company accrued interest in the amount of \$126,000 for July 2013.

a) **Loan Facility**

July 31, 2013

Balance, beginning of period	\$ 14,004,258
Foreign exchange loss/(gain)	274,060
Accretion of loan facility	40,378
Balance, end of period	\$ 14,318,696

b) **Repayment Options**

At inception, the fair value attributed to the Repayment Options was \$582,955. This was subsequently remeasured to \$804,000 at July 31, 2013 (April 30, 2013 - \$731,000) with the related loss of \$73,000 for the three months ended July 31, 2013 being recognised in the statement of loss (July 31, 2012 - \$NIL).

9. **Capital Stock**

(a) Authorized - Unlimited common shares without par value

(b) Issued

	Number of Shares	Value
Balance, April 30, 2013	231,750,555	\$ 168,297,819
Issue of shares (i)	70,000	31,500
Issue of interest shares (Note 8)	1,438,205	394,463
Balance, July 31, 2013	233,258,760	\$ 168,723,782

(i) On June 19, 2013, the Company entered into an agreement with Cliveden Trading AG and issued 70,000 common shares at a price of \$0.45 per share in consideration for consultancy services.

(c) Stock Options

Under the provisions of the Company's 2007 Incentive Stock Option Plan, an aggregate maximum of 10% of the issued and outstanding common shares may be issued for granting of options to directors, senior officers, full time employees of the Company, affiliates or subsidiaries, or any consultants to the Company. The terms of the awards under the Plan are determined by the Board of Directors.



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For the three months ended July 31, 2013 and 2012
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9. Capital Stock (Continued)

(c) Stock Options (Continued)

For the three months ended July 31, 2013, stock based compensation of \$146,406 (three months ended July 31, 2012 - \$379,234) was charged to net loss.

- (i) On July 9, 2013, the Company granted 4,850,000 incentive stock options to employees and directors of the Company at an exercise price of \$0.25. The share price on July 9, 2013 was \$0.25.

The fair value assigned was estimated using the following assumptions:

Dividend yield	0%
Expected volatility	64.36%
Risk free interest rate	1.17%
Expected life	5 years
Forfeiture rate	14%

The stock options were assigned a value of \$654,750.

The weighted-average remaining contractual life and weighted average exercise price of options outstanding and options exercisable as at July 31, 2013 are as follows:

Number of Stock Options Outstanding	Black-Scholes Value	Exercise Price	Remaining Contractual Life (Years)	Number of Stock Options Exercisable	Expiry Date
800,000	500,800	\$ 0.80	0.28	800,000	November 2013
2,450,000	1,315,650	\$ 0.62	0.92	2,450,000	June 2014
100,000	194,400	\$ 2.15	1.11	100,000	September 2014
700,000	1,151,500	\$ 1.84	1.21	700,000	October 2014
390,000	710,580	\$ 2.09	1.37	390,000	December 2014
250,000	251,000	\$ 1.36	1.84	250,000	June 2015
180,000	130,392	\$ 1.25	2.40	180,000	December 2015
2,383,333	1,621,620	\$ 0.88	2.77	1,855,555	May 2016
300,000	179,400	\$ 0.86	3.27	300,000	November 2016
200,000	108,800	\$ 0.86	3.36	200,000	December 2016
2,033,333	666,933	\$ 0.46	3.97	1,555,555	July 2017
300,000	70,200	\$ 0.35	4.70	300,000	October 2017
500,000	69,000	\$ 0.30	2.90	-	March 2016
300,000	51,900	\$ 0.30	4.90	300,000	March 2016
4,850,000	654,750	\$ 0.25	4.95	-	July 2018
15,736,666	\$ 7,676,925	\$ 0.64	3.12	9,381,110	

The assigned value of unvested options as at July 31, 2013 is \$1,239,561.

The following table summarizes the stock option transactions for the three months ended July 31, 2013.

	Number of Options	Weighted-Average Exercise Price
April 30, 2013	13,226,666	\$0.95
Granted	4,850,000	\$0.25
Exercised	-	\$-
Expired	(590,000)	\$(3.90)
Forfeited	(1,750,000)	\$(0.87)
Balance, July 31, 2013	15,736,666	\$0.64

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Notes to Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars, unless otherwise noted)
For the three months ended July 31, 2013 and 2012
(Unaudited)

9. Capital Stock (Continued)

(d) Warrants

The following table lists the Company's warrants as at July 31, 2013. During the three months ended July 31, 2013, 10,117,483 warrants expired.

	Number of Warrants	Weighted Average Exercise price	Fair Value	Expiry Date
Issued December 11, 2009	722,150	\$ 4.00	\$ 1,416,211	December 2014
Issued June 2, 2011	10,117,483	\$ 1.16	1,159,464	June 2013
At April 30, 2013	10,839,633	\$ 1.35	\$ 2,575,675	
Expired	(10,117,483)	1.16	(1,159,464)	
At July 31, 2013	722,150	\$ 4.00	\$ 1,416,211	

10. Related Party Transactions

The Company engaged Penguin Automated Systems ("Penguin") after completing an independent tendering process, under the direction of Micon International, Lead Consultant for certain technical studies. The Company's Chief Operating Officer has a 38.5% ownership interest in Penguin. Professional fees paid to Penguin for the three months ended July 31, 2013 were \$NIL (three months ended July 31, 2012 - \$55,553) and the amount payable to Penguin as at July 31, 2013 is \$NIL (April 30, 2013 - \$NIL).

The Company's interim CEO is remunerated through Coniston Investment Corp. (Coniston). The Company's interim CEO has a 100% ownership interest in Coniston. Amounts paid to Coniston for the three months ended July 31, 2013 were \$66,200 (three months ended July 31, 2012 - \$NIL) and the amount payable to Coniston as at July 31, 2013 is \$19,600 (April 30, 2013 - \$27,000).

The above noted transactions are in the normal course of business or normal commercial terms and conditions, as agreed by the parties.

11. Loss Per Share

For the three months ended July 31	2013	2012
Net loss attributable to common shareholders	\$ (2,955,691)	\$ (4,152,735)
Weighted average shares outstanding - basic and fully diluted	232,068,534	227,510,035
Loss per share - basic	\$ (0.01)	\$ (0.02)

As result of the net loss for the three months ended July 31, 2013 and 2012, the potential effect of the exercise of stock options and warrants was anti-dilutive. Thus, basic loss per share and diluted loss per share are equal for the years presented.

12. Commitments and Contingencies

- Under the terms of leases for office space, vehicles and equipment, the Company is obligated to minimum annual rent payments of \$336,494 in fiscal 2014, \$413,398 in fiscal 2015, \$398,655 in fiscal 2016, \$399,094 in fiscal 2017 and \$299,320 in fiscal 2018.
- The Company has secured a letter of credit in favour of the Quebec Government in the amount of \$385,046, to cover a portion of the estimated cost of work under a corresponding site remediation plan submitted thereto.



Noront Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars, unless otherwise noted)
For the three months ended July 31, 2013 and 2012
(Unaudited)

13. Compensation of Key Management

For the three months ended July 31	2013	2012
Salaries, benefits and directors' fees	\$ 374,891	\$ 341,029
Share-based compensation	135,041	325,120
	\$ 509,932	\$ 666,149

Key management includes the 7 directors and 6 members of the executive management team (three months ended July 31, 2012 - 7 directors and 5 members of the executive management team).

14. Supplementary Expense Information

For the three months ended July 31,	2013	2012
a) Development and Exploration Expenditures		
Camp operations	\$ 592,053	\$ 890,733
Drilling	-	29,673
Technical studies	-	664,776
Permitting	690,283	698,067
Other	21,836	56,292
	\$ 1,304,172	\$ 2,339,541

Included in development and exploration expenditures expenses is \$357,456 of salaries and benefits for the three months ended July 31, 2013 (three months ended July 31, 2012 - \$269,232), and \$41,445 of fuel (three months ended July 31, 2012 - \$161,783).

For the three months ended July 31,	2013	2012
b) Office and General:		
Salaries, benefits and directors' fees	\$ 398,719	\$ 555,060
Donations & sponsorships	6,976	63,271
Administrative and other expenses	165,469	208,908
Professional fees	435,353	231,673
Communications & travel	125,404	220,161
	\$ 1,131,921	\$ 1,279,073

15. Subsequent Event

On August 15, 2013, the Company's previously announced transaction to sell its remaining 25% interest, all royalty interests, and all other associated rights in the Windfall Lake Project (the "Project") closed on the terms and conditions contained in the binding letter agreement (the "Letter Agreement") between the Company, Eagle Hill Exploration Corp. ("Eagle Hill") and Southern Arc Minerals Inc., entered into on June 28, 2013.

On closing, and in accordance with the Letter Agreement, the Company received cash consideration of \$4,385,000 (\$5,000,000 less the \$615,000 non-refundable deposit previously received by the Company) and share consideration of 25 million freely tradeable (subject only to such hold periods as are required under applicable Canadian securities laws) common shares of Eagle Hill. The Company has paid 5% of the cash and share consideration to IBK Capital Inc. in accordance with their advisory mandate.

The original option agreement entered into between Eagle Hill and the Company on July 20, 2009 and as amended on April 19, 2013 has been terminated save and except for certain sections of the agreement which require Eagle Hill to take all necessary steps to effect the transfer of the reclamation liability on the Project from the Company to Eagle Hill and to indemnify the Company for any losses as a result of any Environmental Claims including any required site reclamation.

