



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND  
THREE MONTHS ENDED APRIL 30, 2013**

**(EXPRESSED IN CANADIAN DOLLARS)**

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

	Note	As at March 31, 2014	As at December 31, 2013
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	\$ 12,798,958	\$ 15,085,092
Restricted cash		385,046	385,046
Taxes and other receivables		102,403	207,198
Supplies inventory		222,759	107,460
Prepaid expenses		81,916	97,868
<b>Total Current Assets</b>		<b>\$ 13,591,082</b>	<b>\$ 15,882,664</b>
<b>Non-Current Assets</b>			
Equipment	5	1,816,267	1,773,976
Intangible assets		53,512	54,986
Mineral property	6	1,438,104	1,438,104
<b>Total Non-Current Assets</b>		<b>\$ 3,307,883</b>	<b>\$ 3,267,066</b>
<b>Total Assets</b>		<b>\$ 16,898,965</b>	<b>\$ 19,149,730</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		\$ 1,647,454	\$ 1,671,264
Finance lease obligation		23,829	23,662
<b>Total Current Liabilities</b>		<b>1,671,283</b>	<b>1,694,926</b>
<b>Non-Current Liabilities</b>			
Provision for environmental expenditure	7	821,072	809,705
Loan facility	8a	15,560,877	14,899,003
Repayment options	8b	3,996,970	914,584
Finance lease obligation		20,375	26,395
<b>Total Non-Current Liabilities</b>		<b>\$ 20,399,294</b>	<b>\$ 16,649,687</b>
<b>Total Liabilities</b>		<b>\$ 22,070,577</b>	<b>\$ 18,344,613</b>
<b>Shareholders' Equity</b>			
Capital stock	9b	\$ 169,609,232	\$ 169,210,869
Warrants	9d	1,416,211	1,416,211
Contributed surplus		31,961,819	31,636,857
Deficit		(208,158,874)	(201,458,820)
<b>Total Shareholders' Equity</b>		<b>\$ (5,171,612)</b>	<b>\$ 805,117</b>
<b>Total Shareholders' Equity and Liabilities</b>		<b>\$ 16,898,965</b>	<b>\$ 19,149,730</b>

**Commitments and Contingencies** (Note 11)



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)

	Note	Three Months Ended March 31, 2014	Three Months Ended April 30, 2013
<b>Expenses</b>			
Development and exploration expenditures	13a	\$ 1,242,037	\$ 1,497,951
Office and general	13b	1,062,901	959,028
Amortization		108,053	139,658
Share-based compensation	9c,e	324,962	179,804
Write down of marketable securities		-	169,231
Write off of mineral property		-	250,000
<hr/>			
Loss before finance items		\$ (2,737,953)	\$ (3,195,672)
Interest income		33,267	6,002
Interest expense		(398,363)	(265,727)
Accretion expense		(74,924)	(29,087)
Transaction costs		-	(22,615)
Re-measurement of repayment options	8b	(3,082,386)	(148,045)
Foreign exchange gain (loss)		(439,695)	39,169
<hr/>			
Loss before tax		\$ (6,700,054)	\$ (3,615,975)
<hr/>			
<b>Net loss</b>		<b>\$ (6,700,054)</b>	<b>\$ (3,615,975)</b>
<hr/>			
<b>Loss per share - basic and fully diluted</b>	<b>10</b>	<b>\$ (0.03)</b>	<b>\$ (0.02)</b>

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

	Three Months Ended March 31, 2014	Three Months Ended April 30, 2013
<b>Net loss</b>	<b>\$ (6,700,054)</b>	<b>\$ (3,615,975)</b>
<b>Other comprehensive loss</b>		
Unrealized gain on marketable securities, net of taxes	-	20,125
Reclassification of losses realized	-	169,231
<hr/>		
<b>Total comprehensive loss</b>	<b>\$ (6,700,054)</b>	<b>\$ (3,426,619)</b>



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 Loss	Total
<b>Balance, January 31, 2013</b>	<b>230,297,660</b>	<b>\$ 167,849,692</b>	<b>\$ 2,575,675</b>	<b>\$ 29,580,312</b>	<b>\$ (196,098,516)</b>	<b>\$ (189,356)</b>	<b>\$ 3,717,807</b>
Establishment fee on long term debt	977,954	308,400	-	-	-	-	308,400
Issuance of interest shares	474,941	139,727	-	-	-	-	139,727
Share-based compensation	-	-	-	179,804	-	-	179,804
Net loss for the period	-	-	-	-	(3,615,975)	-	(3,615,975)
Net change in unrealized losses on available-for-sale marketable securities, net of taxes	-	-	-	-	-	20,125	20,125
Reclassification of losses realized	-	-	-	-	-	169,231	169,231
<b>Balance, April 30, 2013</b>	<b>231,750,555</b>	<b>\$ 168,297,819</b>	<b>\$ 2,575,675</b>	<b>\$ 29,760,116</b>	<b>\$ (199,714,491)</b>	<b>\$ -</b>	<b>\$ 919,119</b>
	Common Shares	Capital Stock	Warrants and Broker Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
<b>Balance, December 31, 2013</b>	<b>234,759,233</b>	<b>\$ 169,210,869</b>	<b>\$ 1,416,211</b>	<b>\$ 31,636,857</b>	<b>\$ (201,458,820)</b>	<b>\$ -</b>	<b>\$ 805,117</b>
Issuance of interest shares (Note 8,9b)	2,104,398	398,363	-	-	-	-	398,363
Share-based compensation	-	-	-	324,962	-	-	324,962
Net loss for the period	-	-	-	-	(6,700,054)	-	(6,700,054)
<b>Balance, March 31, 2014</b>	<b>236,863,631</b>	<b>\$ 169,609,232</b>	<b>\$ 1,416,211</b>	<b>\$ 31,961,819</b>	<b>\$ (208,158,874)</b>	<b>\$ -</b>	<b>\$ (5,171,612)</b>



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

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

Note	Three Months Ended March 31, 2014	Three Months Ended April 30, 2013
<b>Operating activities</b>		
Net loss for the period	\$ (6,700,054)	\$ (3,615,975)
Amortization	108,053	139,658
Share-based compensation	324,962	179,804
Accretion expense	74,924	29,087
Write off of mineral property	-	250,000
Write down of marketable securities	-	169,231
Issuance of interest shares	398,363	139,727
Re-measurement of repayment options	3,082,386	148,045
Unrealized foreign exchange (gain) loss	440,013	(210,098)
Net change in non-cash working capital:		
Taxes and duties receivable	104,795	(70,366)
Prepaid expenses	15,952	14,830
Accounts payable and accrued liabilities	(23,810)	(248,481)
Supplies inventory	(115,299)	358
Net cash used in operating activities	\$ (2,289,715)	\$ (3,074,180)
<b>Investing activities</b>		
Acquisition of equipment	(137,302)	(66,173)
Acquisition of intangible assets	(5,890)	-
Net cash used in investing activities	\$ (143,192)	\$ (66,173)
<b>Financing activities</b>		
Finance lease	(5,853)	65,467
Proceeds from convertible loan, net of transaction costs	-	15,152,819
Net cash provided by (used in) financing activities	\$ (5,853)	\$ 15,218,286
<b>Change in cash and cash equivalents</b>	<b>\$ (2,438,760)</b>	<b>\$ 12,077,933</b>
Effect of foreign exchange rates on cash and cash equivalents	152,626	(74,674)
<b>Cash and cash equivalents, beginning of period</b>	<b>15,085,092</b>	<b>2,024,706</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 12,798,958</b>	<b>\$ 14,027,965</b>



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 March 31, 2014 and the three months ended April 30, 2013  
(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 and palladium 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 mining project in the ROF, the first of several mineral discoveries the Company has made since 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 development, exploration 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 condensed consolidated interim 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 March 31, 2014, the Company recorded a net loss of \$6.7 million (three months ended April 30, 2013 – net loss of \$3.6 million) and reported an accumulated deficit of \$208.2 million (December 31, 2013 – \$201.5 million).

The Company is dependent on debt and issuance of equity securities for funding its development activities. The Company's cash balance at March 31, 2014 is \$12.8 million (December 31, 2013 – \$15.1 million) and working capital at March 31, 2014 is \$11.9 million (December 31, 2013 – \$14.2 million).

The Company's primary project is located in the James Bay Lowlands, a remote region of Northern Ontario. Over the current year, 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 current 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 eight months ended December 31, 2013, which includes information necessary or useful to understanding the Company's business and financial statement presentation. These financial statements reflect the change in the Company's fiscal year end to December 31 from April 30. As a result, the comparative period for the interim financial statements is the three months ended April 30, 2013, representing the closest comparable period in the previous fiscal year.

These condensed consolidated interim financial statements were approved by the Audit Committee on behalf of the Board of Directors on May 26, 2014.

**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 eight months ended December 31, 2013.

Noront Resources Ltd.  
Notes to Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian dollars, unless otherwise noted)  
For the three months ended March 31, 2014 and the three months ended April 30, 2013  
(Unaudited)

4. **Cash and Cash Equivalents**

Cash and cash equivalents consist of:	March 31, 2014	December 31, 2013
Cash deposits	\$ 12,697,997	\$ 14,984,488
Guaranteed investment certificate	100,961	100,604
	<b>\$ 12,798,958</b>	<b>\$ 15,085,092</b>

5. **Equipment**

March 31, 2014	Equipment	Furniture & Fixtures	Leasehold Improvements	Total
Cost	\$ 3,330,093	\$ 115,027	\$ 200,287	\$ 3,645,407
Accumulated Amortization	(1,576,127)	(84,432)	(168,581)	(1,829,140)
Closing Net Book Value	\$ 1,753,966	\$ 30,595	\$ 31,706	\$ 1,816,267
Opening Net Book Value - Jan 1, 2014	\$ 1,708,396	\$ 32,205	\$ 33,375	\$ 1,773,976
Additions	137,302	-	-	137,302
Re-measurement of provision*	5,679	-	-	5,679
Amortization	(97,411)	(1,610)	(1,669)	(100,690)
Closing Net Book Value	\$ 1,753,966	\$ 30,595	\$ 31,706	\$ 1,816,267
December 31, 2013	Equipment	Furniture & Fixtures	Leasehold Improvements	Total
Cost	\$ 3,187,113	\$ 115,027	\$ 200,287	\$ 3,502,427
Accumulated Amortization	(1,478,717)	(82,822)	(166,912)	(1,728,451)
Closing Net Book Value	\$ 1,708,396	\$ 32,205	\$ 33,375	\$ 1,773,976
Opening Net Book Value - May 1, 2013	\$ 2,060,513	\$ 37,159	\$ 38,510	\$ 2,136,182
Additions	14,396	-	-	14,396
Remeasurement of provision*	(79,274)	-	-	(79,274)
Amortization	(287,239)	(4,954)	(5,135)	(297,328)
Closing Net Book Value	\$ 1,708,396	\$ 32,205	\$ 33,375	\$ 1,773,976

\*A re-measurement of the McFauld's Lake property asset retirement obligation was recognized due to a change in the discount rate used to calculate the obligation.

6. **Mineral Property**

	March 31, 2014	December 31, 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%	<b>\$ 1,438,104</b>	<b>\$ 1,438,104</b>

McFauld's Lake

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.



Noront Resources Ltd.  
Notes to Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian dollars, unless otherwise noted)  
For the three months ended March 31, 2014 and the three months ended April 30, 2013  
(Unaudited)

7. **Provision for Environmental Expenditure**

McFauld's Lake

The Company has established a provision of \$821,072 representing the estimated present value of its future asset retirement obligation. None of these costs are expected to be incurred within the next twelve months.

The site remediation provision liability is based upon the following estimates and assumptions:

- a) Total undiscounted future demobilization cost is \$1,076,818 (April 30, 2013 - \$1,078,936)
- b) Real risk-free pre-tax discount rate of 2.87% (April 30, 2013 - \$2.17%)
- c) Asset Retirement Obligation expected to be incurred in 10 years (April 30, 2013 - 10 years)

A summary of the changes in the site remediation provision is set out below:

	<b>March 31, 2014</b>	December 31, 2013
Balance, beginning of period	\$ 809,705	\$ 870,477
Accretion expense for the period	5,689	18,502
Re-measurement of provision	5,678	(79,274)
	<b>\$ 821,072</b>	<b>\$ 809,705</b>

8. **Convertible Debt Agreement**

On February 26, 2013, the Company entered into a loan facility with Resource Capital Fund V L.P. ("RCF" or "the Lender") in the aggregate principal amount of US\$15.0 million (the "Facility"). The Facility was a one year bridge loan (the "Bridge Loan") which matured on February 25, 2014. Since the Facility was not repaid prior to the Bridge Loan maturity date, it automatically rolled into a convertible loan ("the "Convertible Loan") with a maturity date of December 31, 2015. 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").

- (i) On January 13, 2014, the Company satisfied the payment of interest of \$398,363 for the November and December 2013 by delivery of 2,104,398 common shares of the Company. The Interest Shares were subject to a four month hold period, which will expire on May 13, 2014.
- (ii) As at March 31, 2014, the Company accrued interest in the amount of \$375,152 for the first quarter of 2014. On April 11, 2014, the Company satisfied the payment of interest of \$375,152 by delivery of 871,434 common shares of the Company. The Interest Shares are subject to a four month hold period, which expired on August 12, 2014.

a) Loan Facility	<b>March 31, 2014</b>	December 31, 2013
Balance, beginning of period	\$ 14,899,003	\$ 14,004,258
Foreign exchange loss	592,639	784,352
Accretion of loan facility	69,235	110,393
Balance, end of period	<b>\$ 15,560,877</b>	<b>\$ 14,899,003</b>

b) **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 prepayment option expired on February 25, 2014. The fair value assigned to the convertible feature is valued with the main inputs to the valuation being the USD discount curve, credit spread of the Company, historical prices of the Company's underlying stock in order to calculate the volatility, and forward CAD/USD foreign exchange rates.

At March 31, 2014, the fair value attributed to the embedded derivatives was \$3,996,970 (December 31, 2013 - \$914,584) with the related loss of \$3,082,386 for the three months ended March 31, 2014 being recognised in the statement of loss (three months April 30, 2013 - \$148,045).



Noront Resources Ltd.  
Notes to Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian dollars, unless otherwise noted)  
For the three months ended March 31, 2014 and the three months ended April 30, 2013  
(Unaudited)

**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	70,000	31,500
Issue of interest shares	2,603,678	781,050
Private Placement	335,000	100,500
Balance, December 31, 2013	234,759,233	\$ 169,210,869
Issue of interest shares (Note 8(i),(ii))	2,104,398	398,363
Balance, March 31, 2014	<b>236,863,631</b>	<b>\$ 169,609,232</b>

(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.

For the three months ended March 31, 2014, share-based compensation of \$285,607 was charged to net loss (three months ended April 30, 2013 - \$179,804).

The weighted-average remaining contractual life and weighted average exercise price of options outstanding and options exercisable as at March 31, 2014 are as follows:

Number of Stock Options Outstanding	Black-Scholes Value	Exercise Price	Remaining Contractual Life (Years)	Number of Stock Options Exercisable	Expiry Date
1,450,000	778,650	\$ 0.62	0.25	1,450,000	June 2014
100,000	194,400	\$ 2.15	0.44	100,000	September 2014
700,000	1,151,500	\$ 1.84	0.55	700,000	October 2014
290,000	528,380	\$ 2.09	0.70	290,000	December 2014
250,000	251,000	\$ 1.36	1.17	250,000	June 2015
180,000	130,392	\$ 1.25	1.73	180,000	December 2015
2,050,000	1,394,820	\$ 0.88	2.10	1,500,000	May 2016
300,000	179,400	\$ 0.86	2.60	300,000	November 2016
200,000	108,800	\$ 0.86	2.69	200,000	December 2016
1,700,000	557,600	\$ 0.46	3.30	1,633,333	July 2017
300,000	70,200	\$ 0.35	3.54	300,000	October 2017
500,000	69,000	\$ 0.30	1.98	166,667	March 2016
300,000	51,900	\$ 0.30	3.98	300,000	March 2016
4,850,000	654,750	\$ 0.25	4.28	358,333	July 2018
3,000,000	450,000	\$ 0.30	4.51	1,000,000	October 2018
3,620,000	307,700	\$ 0.17	4.70	2,000,000	December 2018
<b>19,790,000</b>	<b>\$ 6,878,492</b>	<b>\$ 0.49</b>	<b>3.41</b>	<b>10,728,333</b>	

Noront Resources Ltd.  
Notes to Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian dollars, unless otherwise noted)  
For the three months ended March 31, 2014 and the three months ended April 30, 2013  
(Unaudited)

9. Capital Stock (Continued)

(c) Stock Options (Continued)

The following table summarizes the stock option transactions for the three months ended March 31, 2014.

	Number of Options	Weighted-Average Exercise Price
April 30, 2013	<b>13,226,666</b>	\$0.95
Granted	<b>11,470,000</b>	\$0.24
Expired	<b>(3,140,000)</b>	\$(2.12)
December 31, 2013	<b>21,556,666</b>	\$0.51
Expired	<b>(1,766,666)</b>	\$(0.72)
Balance, March 31, 2014	<b>19,790,000</b>	\$0.49

There were no options exercised in the three months ended March 31, 2014 or the three months ended April 30, 2013.

(d) Warrants

The following table lists the Company's warrants as at March 31, 2014. During the three months ended March 31, 2014, no warrants expired.

	Number of Warrants	Weighted Avg. Exercise price	Fair Value	Expiry Date
Issued December 11, 2009	722,150	\$ 4.00	\$ 1,416,211	December 2014
At March 31, 2014 and December 31, 2013	<b>722,150</b>	<b>\$ 4.00</b>	<b>\$ 1,416,211</b>	

(e) Performance Share Units (PSUs) and Restricted Share Units (RSUs)

For the three months ended March 31, 2014, share-based compensation of \$39,355 was charged to net loss for PSUs and RSUs (three months ended April 30, 2013 - \$NIL).

The following tables list the Company's PSUs and RSUs as at March 31, 2014. During the three months ended March 31, 2014, no PSUs or RSUs expired.

<b>Performance Share Units</b>	Number of PSUs	Fair Value	Expected Life
Issued December 20, 2013	2,000,000	\$ 147,870	4 years
At March 31, 2014 and December 31, 2013	<b>2,000,000</b>	<b>\$ 147,870</b>	

<b>Restricted Share Units</b>	Number of PSUs	Fair Value	Expected Life
Issued December 20, 2013	335,000	\$ 77,050	2 years
At March 31, 2014 and December 31, 2013	<b>335,000</b>	<b>\$ 77,050</b>	

Noront Resources Ltd.  
Notes to Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian dollars, unless otherwise noted)  
For the three months ended March 31, 2014 and the three months ended April 30, 2013  
(Unaudited)

**10. Loss Per Share**

	<b>Three Months Ended March 31, 2014</b>	Three Months Ended April 30, 2013
Loss attributable to common shareholders	<b>\$ (6,700,054)</b>	\$ (3,615,975)
Weighted average shares outstanding - basic and fully diluted	<b>236,559,662</b>	231,096,648
Loss per share - basic	<b>\$ (0.03)</b>	\$ (0.02)

As a result of the net loss for the three months ended March 31, 2014 and for the three months ended April 30, 2013, 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 periods presented.

**11. Commitments and Contingencies**

- a) Under the terms of leases for office space, vehicles and equipment, the Company is obligated to minimum annual rent and lease payments of \$328,280 in 2014, \$416,130 in 2015, \$409,725 in 2016, \$411,395 in 2017 and \$45,559 in 2018. The Company is also committed to minimum payments under certain service agreements in 2014 of \$93,727.
- b) 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.

**12. Compensation of Key Management**

	<b>Three Months Ended March 31, 2014</b>	Three Months Ended April 30, 2013
Salaries, benefits and directors' fees	<b>\$ 390,007</b>	\$ 489,658
Share-based compensation	<b>246,771</b>	151,559
	<b>\$ 636,778</b>	\$ 641,217

Key management includes the 7 directors and 6 members of the executive management team (three months ended April 31, 2013 - 7 directors and 6 members of the executive management team). Two members of key management are allocated to Development and Exploration Expenditures under Owner's Costs and four members of key management and the directors are included in Office and General.

Noront Resources Ltd.  
Notes to Condensed Consolidated Interim Financial Statements  
(Expressed in Canadian dollars, unless otherwise noted)  
For the three months ended March 31, 2014 and the three months ended April 30, 2013  
(Unaudited)

13. **Supplementary Expense Information**

	<b>Three Months Ended March 31, 2014</b>	<b>Three Months Ended April 30, 2013</b>
<b>a) Development and Exploration Expenditures</b>		
Owner's Costs	\$ 279,051	\$ 335,148
Permitting	604,164	484,588
Camp Operations	358,822	678,215
	<b>\$ 1,242,037</b>	<b>\$ 1,497,951</b>

Included in development and exploration expenditures expenses for the three months ended March 31, 2014 is \$359,572 of salaries and benefits (three months ended April 30, 2013 - \$429,049), and \$79,935 of fuel (three months ended April 30, 2013 - \$120,128).

	<b>Three Months Ended March 31, 2014</b>	<b>Three Months Ended April 30, 2013</b>
<b>b) Office and General:</b>		
Salaries, benefits and directors' fees	\$ 424,348	\$ 452,270
Employee severance	-	10,000
Donations & sponsorships	31,834	19,951
Administrative and other expenses	209,112	220,515
Professional fees	222,051	188,430
Communications & travel	175,556	67,862
	<b>\$ 1,062,901</b>	<b>\$ 959,028</b>