



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014 AND
THREE AND SIX MONTHS ENDED JULY 31, 2013**

(EXPRESSED IN CANADIAN DOLLARS)

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

	Note	As at June 30, 2014	As at December 31, 2013
Assets			
Current Assets			
Cash and cash equivalents		\$ 9,921,164	\$ 15,085,092
Restricted cash		535,046	385,046
Taxes and other receivables		300,133	207,198
Supplies inventory		176,744	107,460
Prepaid expenses		104,064	97,868
Total Current Assets		\$ 11,037,151	\$ 15,882,664
Non-Current Assets			
Equipment	4	1,724,190	1,773,976
Intangible assets		45,902	54,986
Mineral property	5	1,438,104	1,438,104
Total Non-Current Assets		\$ 3,208,196	\$ 3,267,066
Total Assets		\$ 14,245,347	\$ 19,149,730
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 1,502,225	\$ 1,671,264
Finance lease obligation		23,997	23,662
Total Current Liabilities		1,526,222	1,694,926
Non-Current Liabilities			
Provision for environmental expenditure	6	837,573	809,705
Loan facility	7a	15,147,606	14,899,003
Repayment options	7b	5,509,777	914,584
Finance lease obligation		14,312	26,395
Total Non-Current Liabilities		\$ 21,509,268	\$ 16,649,687
Total Liabilities		\$ 23,035,490	\$ 18,344,613
Shareholders' Equity (Deficit)			
Capital stock	8b	\$ 170,052,631	\$ 169,210,869
Warrants	8d	1,416,211	1,416,211
Contributed surplus		32,237,000	31,636,857
Deficit		(212,495,985)	(201,458,820)
Total Shareholders' Equity (Deficit)		\$ (8,790,143)	\$ 805,117
Total Shareholders' Equity (Deficit) and Liabilities		\$ 14,245,347	\$ 19,149,730

Commitments and Contingencies (Note 10)



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		Six Months Ended	
		June 30, 2014	July 31, 2013	June 30, 2014	July 31, 2013
Expenses					
Development and exploration expenditures	12a	\$ 1,366,988	\$ 1,304,172	\$ 2,609,025	\$ 2,802,123
Office and general	12b	1,082,761	1,131,921	2,145,662	2,336,552
Amortization		110,667	120,473	218,720	260,131
Share-based compensation	8c,e	275,181	146,406	600,143	326,210
Write down of marketable securities		-	4,934	-	174,165
Write off of mineral property		-	-	-	250,000
Loss before finance items		\$ (2,835,597)	\$ (2,707,906)	\$ (5,573,550)	\$ (6,149,181)
Interest income		40,315	24,549	73,582	30,551
Interest expense		(296,769)	(394,463)	(695,132)	(660,190)
Loss on sale of marketable securities		-	(3,522)	-	(3,522)
Accretion expense		(128,671)	18,491	(203,595)	(10,596)
Transaction costs		-	-	-	(22,615)
Re-measurement of repayment options	7b	(1,512,807)	(73,000)	(4,595,193)	(221,045)
Foreign exchange gain (loss)		396,418	26,531	(43,277)	311,303
Loss before tax		\$ (4,337,111)	\$ (3,109,320)	\$ (11,037,165)	\$ (6,725,295)
Recovery of deferred tax on expiry of warrants		-	153,629	-	153,629
Net loss		\$ (4,337,111)	\$ (2,955,691)	\$ (11,037,165)	\$ (6,571,666)
Loss per share - basic and fully diluted	9	\$ (0.02)	\$ (0.01)	\$ (0.05)	\$ (0.03)

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

	Three Months Ended		Six Months Ended	
	June 30, 2014	July 31, 2013	June 30, 2014	July 31, 2013
Net loss	\$ (4,337,111)	\$ (2,955,691)	\$ (11,037,165)	\$ (6,571,666)
Other comprehensive loss				
Unrealized gain on marketable securities, net of taxes	-	-	-	20,125
Reclassification of losses realized	-	-	-	169,231
Total comprehensive loss	\$ (4,337,111)	\$ (2,955,691)	\$ (11,037,165)	\$ (6,382,310)



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
Balance, January 31, 2013	230,297,660	\$ 167,849,692	\$ 2,575,675	\$ 29,580,312	\$ (196,098,516)	(189,356)	\$ 3,717,807
Issue of shares	70,000	31,500	-	-	-	-	31,500
Establishment fee on long-term debt	977,954	308,400	-	-	-	-	308,400
Issuance of interest shares	1,913,146	534,190	-	-	-	-	534,190
Expiry of warrants	-	-	(1,159,464)	1,005,835	-	-	(153,629)
Share-based compensation	-	-	-	326,210	-	-	326,210
Net loss for the period	-	-	-	-	(6,571,666)	-	(6,571,666)
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
Balance, July 31, 2013	233,258,760	\$ 168,723,782	\$ 1,416,211	\$ 30,912,357	\$ (202,670,182)	-	\$ (1,617,832)
	Common Shares	Capital Stock	Warrants and Broker Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
Balance, December 31, 2013	234,759,233	\$ 169,210,869	\$ 1,416,211	\$ 31,636,857	\$ (201,458,820)	-	\$ 805,117
Exercise of options	138,166	68,247	-	-	-	-	68,247
Issuance of interest shares (Note 7,8b)	2,975,832	773,515	-	-	-	-	773,515
Share-based compensation (Note 8c,e)	-	-	-	600,143	-	-	600,143
Net loss for the period	-	-	-	-	(11,037,165)	-	(11,037,165)
Balance, June 30, 2014	237,873,231	\$ 170,052,631	\$ 1,416,211	\$ 32,237,000	\$ (212,495,985)	-	\$ (8,790,143)



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	Six Months Ended June 30, 2014	Six Months Ended July 31, 2013
Operating activities		
Net loss for the period	\$ (11,037,165)	\$ (6,571,666)
Amortization	218,720	260,131
Share-based compensation	8c,e 600,143	326,210
Accretion expense	203,595	10,596
Write off of mineral property	-	250,000
Write down of marketable securities	-	174,165
Issuance of interest shares	773,515	534,190
Re-measurement of repayment options	4,595,193	221,045
Consulting fee paid in shares	-	31,500
Loss on sale of marketable securities	-	3,522
Unrealized foreign exchange (gain) loss	43,880	(7,679)
Recovery of deferred tax on expiry of warrants	-	(153,629)
Net change in non-cash working capital:		
Taxes and duties receivable	(92,935)	12,589
Prepaid expenses	(6,196)	(38,219)
Accounts payable and accrued liabilities	(169,039)	(175,160)
Supplies inventory	(69,284)	48,712
Net cash used in operating activities	\$ (4,939,573)	\$ (5,073,693)
Investing activities		
Mineral properties	-	609,305
Acquisition of equipment	4 (137,301)	(66,173)
Acquisition of intangible assets	(5,890)	-
Deposit for acquisition of camp assets	(150,000)	-
Proceeds on disposal of marketable securities, net of transaction costs	-	2,784
Net cash provided by (used in) investing activities	\$ (293,191)	\$ 545,916
Financing activities		
Issuance of common shares	68,247	-
Finance lease	(11,748)	59,722
Proceeds from convertible loan, net of transaction costs	-	15,152,819
Net cash provided by financing activities	\$ 56,499	\$ 15,212,541
Change in cash and cash equivalents	\$ (5,176,265)	\$ 10,684,764
Effect of foreign exchange rates on cash and cash equivalents	12,337	(3,032)
Cash and cash equivalents, beginning of period	15,085,092	2,024,706
Cash and cash equivalents, end of period	\$ 9,921,164	\$ 12,706,438



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 and six months ended June 30, 2014 and the three and six months ended July 31, 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 six months ended June 30, 2014, the Company recorded a net loss of \$11.0 million (six months ended July 31, 2013 – net loss of \$6.6 million) and reported an accumulated deficit of \$212.5 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 June 30, 2014 is \$9.9 million (December 31, 2013 – \$15.1 million) and working capital at June 30, 2014 is \$9.5 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 six months ended July 31, 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 August 19, 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 and six months ended June 30, 2014 and the three and six months ended July 31, 2013
(Unaudited)

4. **Equipment**

June 30, 2014	Equipment	Furniture & Fixtures	Leasehold Improvements	Total
Cost	\$ 3,341,074	\$ 115,027	\$ 200,287	\$ 3,656,388
Accumulated Amortization	(1,675,906)	(86,043)	(170,249)	(1,932,198)
Closing Net Book Value	\$ 1,665,168	\$ 28,984	\$ 30,038	\$ 1,724,190
Opening Net Book Value - Jan 1, 2014	\$ 1,708,396	\$ 32,205	\$ 33,375	\$ 1,773,976
Additions	137,301	-	-	137,301
Re-measurement of provision*	16,659	-	-	16,659
Amortization	(197,188)	(3,221)	(3,337)	(203,746)
Closing Net Book Value	\$ 1,665,168	\$ 28,984	\$ 30,038	\$ 1,724,190
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.

5. **Mineral Property**

	June 30, 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%	\$ 1,438,104	\$ 1,438,104

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 and six months ended June 30, 2014 and the three and six months ended July 31, 2013
(Unaudited)

6. Provision for Environmental Expenditure

McFauld's Lake

The Company has established a provision of \$837,573 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 (December 31, 2013 - \$1,076,818)
- b) Real risk-free pre-tax discount rate of 2.68% (December 31, 2013 - 3.13%)
- c) Asset Retirement Obligation expected to be incurred in 10 years (December 31, 2013 - 10 years)

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

	June 30, 2014	December 31, 2013
Balance, beginning of period	\$ 809,705	\$ 870,477
Accretion expense for the period	11,209	18,502
Re-measurement of provision	16,659	(79,274)
	\$ 837,573	\$ 809,705

7. 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 expired on May 13, 2014.
- (ii) On April 11, 2014, the Company satisfied the payment of interest of \$375,152 for the first quarter of 2014 by delivery of 871,434 common shares of the Company. The Interest Shares were subject to a four month hold period, which will expire on August 12, 2014.
- (iii) As at June 30, 2014, the Company accrued interest in the amount of \$319,980 for the second quarter of 2014. On July 10, 2014, the Company satisfied the payment of interest of \$319,980 by delivery of 518,270 common shares of the Company. The Interest Shares are subject to a four month hold period, which will expire on November 11, 2014.

a)

<u>Loan Facility</u>	June 30, 2014	December 31, 2013
Balance, beginning of period	\$ 14,899,003	\$ 14,004,258
Foreign exchange loss	56,217	784,352
Accretion of loan facility	192,386	110,393
Balance, end of period	\$ 15,147,606	\$ 14,899,003



Noront Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars, unless otherwise noted)

For the three and six months ended June 30, 2014 and the three and six months ended July 31, 2013

(Unaudited)

7. Convertible Debt Agreement (Continued)

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 June 30, 2014, the fair value attributed to the embedded derivatives was \$5,509,777 (December 31, 2013 - \$914,584) with the related loss of \$1,512,807 and \$4,595,193 for the three and six months ended June 30, 2014 being recognised in the statement of loss (three and six months July 31, 2013 - \$73,000 and \$221,045).

8. 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 7(i),(ii))	2,975,832	773,515
Exercise of options	138,166	68,247
Balance, June 30, 2014	237,873,231	\$ 170,052,631

(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 and six months ended June 30, 2014, share-based compensation of \$240,221 and \$525,828 was charged to net loss (three and six months ended July 31, 2013 - \$146,406 and \$326,210).

Noront Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars, unless otherwise noted)

For the three and six months ended June 30, 2014 and the three and six months ended July 31, 2013

(Unaudited)

8. Capital Stock (Continued)

(c) Stock Options (Continued)

- (i) On May 5, 2014, the Company granted 250,000 incentive stock options to an employee of the Company at an exercise price of \$0.59. The share price on May 5, 2014 was \$0.59.

The fair value assigned was estimated using the following assumptions:

Dividend yield	0%
Expected volatility	63.77%
Risk free interest rate	1.05%
Expected life	5 years
Forfeiture rate	3%

The stock options were assigned a value of \$79,250.

The weighted-average remaining contractual life and weighted average exercise price of options outstanding and options exercisable as at June 30, 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
100,000	194,400	\$ 2.15	0.19	100,000	September 2014
700,000	1,151,500	\$ 1.84	0.30	700,000	October 2014
290,000	528,380	\$ 2.09	0.45	290,000	December 2014
250,000	251,000	\$ 1.36	0.92	250,000	June 2015
180,000	130,392	\$ 1.25	1.48	180,000	December 2015
2,050,000	1,394,820	\$ 0.88	1.85	2,050,000	May 2016
300,000	179,400	\$ 0.86	2.35	300,000	November 2016
200,000	108,800	\$ 0.86	2.44	200,000	December 2016
1,700,000	557,600	\$ 0.46	3.05	1,633,333	July 2017
300,000	70,200	\$ 0.35	3.29	300,000	October 2017
500,000	69,000	\$ 0.30	1.73	166,667	March 2016
300,000	51,900	\$ 0.30	3.73	300,000	March 2016
4,833,334	652,500	\$ 0.25	4.03	355,556	July 2018
3,000,000	450,000	\$ 0.30	4.26	1,000,000	October 2018
3,595,000	305,575	\$ 0.17	4.45	2,000,000	December 2018
250,000	79,250	\$ 0.59	4.85	-	May 2019
18,548,334	\$ 6,174,717	\$ 0.48	3.42	9,825,556	

Noront Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars, unless otherwise noted)

For the three and six months ended June 30, 2014 and the three and six months ended July 31, 2013
(Unaudited)

8. Capital Stock (Continued)

(c) Stock Options (Continued)

The following table summarizes the stock option transactions for the six months ended June 30, 2014.

	Number of Options	Weighted-Average Exercise Price
April 30, 2013	13,226,666	\$0.95
Granted	11,470,000	\$0.24
Expired	(3,140,000)	\$(2.12)
December 31, 2013	21,556,666	\$0.51
Granted	250,000	\$0.59
Exercised	(138,166)	\$0.24
Expired	(3,120,166)	\$0.68
Balance, June 30, 2014	18,548,334	\$0.48

There were 138,166 exercised in the six months ended June 30, 2014 (six months ended July 31, 2013 - NIL).

(d) Warrants

The following table lists the Company's warrants as at June 30, 2014. During the six months ended June 30, 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 June 30, 2014 and December 31, 2013	722,150	\$ 4.00	\$ 1,416,211	

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

For the three and six months ended June 30, 2014, share-based compensation of \$34,960 and \$74,315 was charged to net loss for PSUs and RSUs (three and six months ended July 31, 2013 - \$NIL and \$NIL).

The following tables list the Company's PSUs and RSUs as at June 30, 2014. During the three and six months ended June 30, 2014, no PSUs or RSUs expired.

Performance Share Units	Number of PSUs	Fair Value	Expected Life
Issued December 20, 2013	2,000,000	\$ 147,870	4 years
At June 30, 2014 and December 31, 2013	2,000,000	\$ 147,870	

Restricted Share Units	Number of PSUs	Fair Value	Expected Life
Issued December 20, 2013	335,000	\$ 77,050	2 years
At June 30, 2014 and December 31, 2013	335,000	\$ 77,050	

Noront Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars, unless otherwise noted)

For the three and six months ended June 30, 2014 and the three and six months ended July 31, 2013
(Unaudited)

9. Loss Per Share

	Three Months Ended		Six Months Ended	
	June 30 2014	July 31, 2013	June 30, 2014	July 31, 2013
Loss attributable to common shareholders	\$ (4,337,111)	\$ (2,955,691)	\$ (11,037,165)	\$ (6,571,666)
Weighted average shares outstanding - basic and fully diluted	237,666,712	232,068,534	237,116,246	230,297,660
Loss per share - basic	\$ (0.02)	\$ (0.01)	\$ (0.05)	\$ (0.03)

As a result of the net loss for the three and six months ended June 30, 2014 and for the three and six months ended July 31, 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.

10. Commitments and Contingencies

- Under the terms of leases for office space, vehicles and equipment, the Company is obligated to minimum annual rent and lease payments of \$305,421 in 2014, \$425,296 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.
- The Company has secured a letter of credit in favour of the Québec 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.

11. Compensation of Key Management

	Three Months Ended		Six Months Ended	
	June 30 2014	July 31, 2013	June 30, 2014	July 31, 2013
Salaries, benefits and directors' fees	\$ 420,465	\$ 374,891	\$ 810,472	\$ 864,549
Share-based compensation	233,892	135,041	480,663	286,600
	\$ 654,357	\$ 509,932	\$ 1,291,135	\$ 1,151,149

Key management includes the 7 directors and 7 members of the executive management team (six months ended July 31, 2013) - 7 directors and 6 members of the executive management team). Three 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 and six months ended June 30, 2014 and the three and six months ended July 31, 2013

(Unaudited)

12. Supplementary Expense Information

	Three Months Ended		Six Months Ended	
	June 30 2014	July 31, 2013	June 30, 2014	July 31, 2013
a) Development and Exploration Expenditures				
Owner's Costs	\$ 383,298	\$ 308,483	\$ 662,349	\$ 643,631
Permitting	924,755	690,313	1,528,919	1,174,870
Camp Operations	469,388	285,340	828,210	963,586
Engineering	157,019	20,036	157,019	20,036
Other	(567,472)	-	(567,472)	-
	\$ 1,366,988	\$ 1,304,172	\$ 2,609,025	\$ 2,802,123

Included in development and exploration expenditures expenses for the three and six months ended June 30, 2014 is \$359,572 and \$774,743 of salaries and benefits (three and six months ended July 31, 2013 - \$364,617 and \$793,667), and \$79,935 and \$163,999 of fuel (three and six months ended July 31, 2013 - \$44,586 and \$164,714).

Included in other costs for the three and six months ended June 30, 2014 is a recovery of \$568,282 related to tax credits for exploration expenditures, incurred in fiscal years 2008 and 2009, which were previously denied by the Government of Québec. Subsequent to quarter end, the Company received a final notice of assessment allowing the inclusion of a portion of the underlying expenditures resulting in a recovery of exploration expenditures.

	Three Months Ended		Six Months Ended	
	June 30 2014	July 31, 2013	June 30, 2014	July 31, 2013
b) Office and General:				
Salaries, benefits and directors' fees	\$ 418,847	\$ 398,719	\$ 843,195	\$ 850,989
Employee severance	-	-	-	10,000
Donations & sponsorships	19,987	6,976	51,821	26,927
Administrative and other expenses	262,386	165,469	471,498	631,587
Professional fees	296,566	435,353	518,617	623,783
Communications & travel	84,975	125,404	260,531	193,266
	\$ 1,082,761	\$ 1,131,921	\$ 2,145,662	\$ 2,336,552

13. Subsequent Event

Subsequent to the quarter end, the Company received a final notice of assessment from the Québec Government pertaining to the eligibility of certain exploration expenses incurred in fiscal years ending April 2008 and April 2009. The Company previously accrued the entire amount of tax credits on the disallowed expenditures of \$895,748. The final assessment has resulted in a cash refund of \$140,335 and overall recovery of \$568,282.

