



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2014 AND
THREE AND NINE MONTHS ENDED OCTOBER 31, 2013
(EXPRESSED IN CANADIAN DOLLARS)

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

	Note	As at September 30, 2014	As at December 31, 2013
Assets			
Current Assets			
Cash and cash equivalents		\$ 7,359,707	\$ 15,085,092
Restricted cash		150,000	385,046
Taxes and other receivables		112,783	207,198
Supplies inventory		148,353	107,460
Prepaid expenses		187,859	97,868
Total Current Assets		\$ 7,958,702	\$ 15,882,664
Non-Current Assets			
Equipment	4	1,630,197	1,773,976
Intangible assets		38,293	54,986
Mineral property	5	1,438,104	1,438,104
Total Non-Current Assets		\$ 3,106,594	\$ 3,267,066
Total Assets		\$ 11,065,296	\$ 19,149,730
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 1,472,774	\$ 1,671,264
Finance lease obligation		24,166	23,662
Total Current Liabilities		1,496,940	1,694,926
Non-Current Liabilities			
Provision for environmental expenditure	6	852,299	809,705
Loan facility	7a	16,039,120	14,899,003
Repayment options	7b	1,520,408	914,584
Finance lease obligation		8,207	26,395
Total Non-Current Liabilities		\$ 18,420,034	\$ 16,649,687
Total Liabilities		\$ 19,916,974	\$ 18,344,613
Shareholders' Equity (Deficit)			
Capital stock	8b	\$ 170,376,778	\$ 169,210,869
Warrants	8d	1,416,211	1,416,211
Contributed surplus		32,412,026	31,636,857
Deficit		(213,056,693)	(201,458,820)
Total Shareholders' Equity (Deficit)		\$ (8,851,678)	\$ 805,117
Total Shareholders' Equity (Deficit) and Liabilities		\$ 11,065,296	\$ 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 and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Note	Three Months Ended		Nine Months Ended	
		September 30, 2014	October 31, 2013	September 30, 2014	October 31, 2013
Expenses					
Development and exploration expenditures	12a	\$ 2,170,710	\$ 1,339,444	\$ 4,779,735	\$ 4,141,567
Office and general	12b	1,075,495	1,037,991	3,221,157	3,374,543
Amortization		110,959	121,213	329,679	381,344
Share-based compensation	8c,e	175,026	230,861	775,169	557,071
Write down of marketable securities		-	19,526	-	193,691
Write off of mineral property		-	-	-	250,000
Loss before finance items		\$ (3,532,190)	\$ (2,749,035)	\$ (9,105,740)	\$ (8,898,216)
Interest income		16,539	38,202	90,121	68,753
Interest expense		(334,920)	(386,587)	(1,030,052)	(1,046,777)
Gain on sale of marketable securities		-	1,039,531	-	1,036,009
Gain on sale of mineral property		-	7,144,153	-	7,144,153
Gain on disposal of fixed asset		5,683	-	5,683	-
Accretion expense		(132,227)	(105,634)	(335,822)	(116,230)
Transaction costs		-	-	-	(22,615)
Re-measurement of repayment options	7b	3,989,369	19,433	(605,824)	(201,612)
Foreign exchange gain (loss)		(572,962)	(158,462)	(616,239)	152,841
Loss before tax		\$ (560,708)	\$ 4,841,601	\$ (11,597,873)	\$ (1,883,694)
Recovery of deferred tax on expiry of warrants		-	-	-	153,629
Net income (loss)		\$ (560,708)	\$ 4,841,601	\$ (11,597,873)	\$ (1,730,065)
Other comprehensive loss		-	-	-	-
Total comprehensive income (loss)		\$ (560,708)	\$ 4,841,601	\$ (11,597,873)	\$ (1,730,065)
Income (loss) per share - basic and fully diluted	9	\$ -	\$ 0.02	\$ (0.05)	\$ (0.01)



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	405,000	132,000	-	-	-	-	132,000
Establishment fee on long-term debt	977,954	308,400	-	-	-	-	308,400
Issuance of interest shares	3,078,619	920,777	-	-	-	-	920,777
Expiry of warrants	-	-	(1,159,464)	1,005,835	-	-	(153,629)
Share-based compensation	-	-	-	557,071	-	-	557,071
Net loss for the period	-	-	-	-	(1,730,065)	-	(1,730,065)
Reclassification of losses realized	-	-	-	-	-	189,356	189,356
Balance, October 31, 2013	234,759,233	\$ 169,210,869	\$ 1,416,211	\$ 31,143,218	\$ (197,828,581)	-	\$ 3,941,717
	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	154,833	72,415	-	-	-	-	72,415
Issuance of interest shares (Note 7.8b)	3,494,102	1,093,494	-	-	-	-	1,093,494
Share-based compensation (Note 8c,e)	-	-	-	775,169	-	-	775,169
Net loss for the period	-	-	-	-	(11,597,873)	-	(11,597,873)
Balance, September 30, 2014	238,408,168	\$ 170,376,778	\$ 1,416,211	\$ 32,412,026	\$ (213,056,693)	-	\$ (8,851,678)



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	Nine Months Ended September 30, 2014	Nine Months Ended October 31, 2013
Operating activities			
Net loss for the period		\$ (11,597,873)	\$ (1,730,065)
Amortization		329,679	381,344
Share-based compensation	8c,e	775,169	557,071
Accretion expense		335,822	116,230
Write off of mineral property		-	250,000
Write down of marketable securities		-	193,691
Issuance of interest shares		1,093,494	920,777
Re-measurement of repayment options		605,824	201,612
Consulting fee paid in shares		-	31,500
Loss on sale of marketable securities		-	(1,036,009)
Gain on sale of mineral property		-	(7,144,153)
Gain on disposal of fixed asset		(5,683)	-
Unrealized foreign exchange (gain) loss		616,888	152,467
Recovery of deferred tax on expiry of warrants		-	(153,629)
Net change in non-cash working capital:			
Taxes and duties receivable		94,415	119,953
Prepaid expenses		(89,991)	9,346
Accounts payable and accrued liabilities		(198,490)	(383,157)
Supplies inventory		(40,893)	31,690
Net cash used in operating activities		\$ (8,081,639)	\$ (7,481,332)
Investing activities			
Proceeds on disposal of fixed asset		20,000	-
Proceeds on disposal of mineral property, net of transaction costs		-	4,728,502
Acquisition of equipment	4	(151,618)	(80,569)
Acquisition of intangible assets		(5,890)	(12,160)
Deposit for acquisition of camp assets		(150,000)	-
Proceeds on disposal of marketable securities, net of transaction costs		-	1,200,000
Net cash provided by (used in) investing activities		\$ (287,508)	\$ 5,835,773
Financing activities			
Issuance of common shares		72,415	100,500
Finance lease		(17,684)	53,937
Proceeds from convertible loan, net of transaction costs		-	15,152,819
Reclassification of restricted cash		385,046	-
Net cash provided by financing activities		\$ 439,777	\$ 15,307,256
Change in cash and cash equivalents		\$ (7,929,370)	\$ 13,661,697
Effect of foreign exchange rates on cash and cash equivalents		203,985	53,752
Cash and cash equivalents, beginning of period		15,085,092	2,024,706
Cash and cash equivalents, end of period		\$ 7,359,707	\$ 15,740,155



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 nine months ended September 30, 2014 and the three and nine months ended
October 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-palladium deposit, part of the Company's McFauld's Lake Project, located in the area known as the Ring of Fire ("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 availability of capital, risks inherent in the mining industry related to development, exploration and operations 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 nine months ended September 30, 2014, the Company recorded a net loss of \$11.6 million (nine months ended October 31, 2013 – net loss of \$1.7 million) and reported an accumulated deficit of \$213.1 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 September 30, 2014 is \$7.4 million (December 31, 2013 – \$15.1 million) and working capital at September 30, 2014 is \$6.5 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. 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 nine months ended October 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 November 17, 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 nine months ended September 30, 2014 and the three and nine months ended
October 31, 2013
(Unaudited)

4. **Equipment**

September 30, 2014	Equipment	Furniture & Fixtures	Leasehold Improvements	Total
Cost	\$ 3,350,431	\$ 115,027	\$ 200,287	\$ 3,665,745
Accumulated Amortization	(1,775,977)	(87,653)	(171,918)	(2,035,548)
Closing Net Book Value	\$ 1,574,454	\$ 27,374	\$ 28,369	\$ 1,630,197
Opening Net Book Value - Jan 1, 2014	\$ 1,708,396	\$ 32,205	\$ 33,375	\$ 1,773,976
Additions	151,618	-	-	151,618
Disposals	(14,317)	-	-	(14,317)
Re-measurement of provision* Amortization	26,015 (297,258)	- (4,831)	- (5,006)	26,015 (307,095)
Closing Net Book Value	\$ 1,574,454	\$ 27,374	\$ 28,369	\$ 1,630,197
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* Amortization	(79,274) (287,239)	- (4,954)	- (5,135)	(79,274) (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**

	September 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.

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(Unaudited)

6. Provision for Environmental Expenditure

McFauld's Lake

The Company has established a provision of \$852,299 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 2.56% (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:

	September 30, 2014	December 31, 2013
Balance, beginning of period	\$ 809,705	\$ 870,477
Accretion expense for the period	16,578	18,502
Re-measurement of provision	26,016	(79,274)
	\$ 852,299	\$ 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 expired on August 12, 2014.
- (iii) On July 10, 2014, the Company satisfied the payment of interest of \$319,980 for the second quarter of 2014 by delivery of 518,270 common shares of the Company. The Interest Shares were subject to a four month hold period, which expired on November 12, 2014.
- (iv) As at September 30, 2014, the Company accrued interest in the amount of \$334,920 for the third quarter of 2014. On October 10, 2014, the Company satisfied the payment of interest of \$334,920 by delivery of 863,641 common shares of the Company. The Interest Shares are subject to a four month hold period, which will expire on February 11, 2015.

a) Loan Facility

	September 30, 2014	December 31, 2013
Balance, beginning of period	\$ 14,899,003	\$ 14,004,258
Foreign exchange loss	820,874	784,352
Accretion of loan facility	319,243	110,393
Balance, end of period	\$ 16,039,120	\$ 14,899,003



Noront Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars, unless otherwise noted)

For the three and nine months ended September 30, 2014 and the three and nine months ended October 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 September 30, 2014, the fair value attributed to the embedded derivatives was \$1,520,408 (December 31, 2013 - \$914,584) with the related recovery of \$3,989,369 and loss of \$605,824, respectively, for the three and nine months ended September 30, 2014 being recognised in the statement of loss (three and nine months October 31, 2013 - recovery of \$19,433 and loss of \$201,612).

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), (iii))	3,494,102	1,093,494
Exercise of options	154,833	72,415
Balance, September 30, 2014	238,408,168	\$ 170,376,778

(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 nine months ended September 30, 2014, share-based compensation of \$139,876 and \$665,704 was charged to net loss (three and nine months ended October 31, 2013 - \$230,861 and \$557,071).

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October 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 September 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
700,000	1,151,500	\$ 1.84	0.04	700,000	October 2014
290,000	528,380	\$ 2.09	0.20	290,000	December 2014
150,000	108,660	\$ 1.25	1.23	150,000	December 2015
1,900,000	1,292,760	\$ 0.88	1.60	1,900,000	May 2016
300,000	179,400	\$ 0.86	2.10	300,000	November 2016
200,000	108,800	\$ 0.86	2.19	200,000	December 2016
1,700,000	557,600	\$ 0.46	2.80	1,700,000	July 2017
300,000	70,200	\$ 0.35	3.04	300,000	October 2017
500,000	69,000	\$ 0.30	1.48	166,667	March 2016
300,000	51,900	\$ 0.30	1.48	300,000	March 2016
4,750,000	641,250	\$ 0.25	3.78	3,411,111	July 2018
3,000,000	450,000	\$ 0.30	4.01	1,000,000	October 2018
3,545,000	301,325	\$ 0.17	4.20	2,000,000	December 2018
250,000	79,250	\$ 0.59	4.60	-	May 2019
17,885,000	\$ 5,590,025	\$ 0.46	3.20	12,417,778	

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(Unaudited)

8. Capital Stock (Continued)

(c) Stock Options (Continued)

The following table summarizes the stock option transactions for the nine months ended September 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	(154,833)	\$0.47
Expired	(3,650,166)	\$0.78
Forfeited	(116,667)	\$0.22
Balance, September 30, 2014	17,885,000	\$0.46

There were 154,833 exercised in the nine months ended September 30, 2014 (nine months ended October 31, 2013 - NIL).

(d) Warrants

The following table lists the Company's warrants as at September 30, 2014. During the nine months ended September 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 September 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 nine months ended September 30, 2014, share-based compensation of \$35,150 and \$109,465 was charged to net loss for PSUs and RSUs (three and nine months ended October 31, 2013 - \$NIL and \$NIL).

The following tables list the Company's PSUs and RSUs as at September 30, 2014. During the three and nine months ended September 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 September 30, 2014 and December 31, 2013	2,000,000	\$ 147,870	

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(Unaudited)

8. Capital Stock (Continued)

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

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

9. Loss Per Share

	Three Months Ended		Nine Months Ended	
	September 30 2014	October 31, 2013	September 30, 2014	October 31, 2013
Loss attributable to common shareholders	\$ (560,708)	\$ 4,841,601	\$ (11,597,873)	\$ (1,730,065)
Weighted average shares outstanding - basic and fully diluted	238,348,030	233,461,451	237,531,352	232,221,100
Loss per share - basic	\$ -	\$ 0.02	\$ (0.05)	\$ (0.01)

As a result of the net loss for the three and nine months ended September 30, 2014 and for the three and nine months ended October 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 including Noront's mining lease, office space, vehicles and equipment, the Company is obligated to minimum annual rent and lease payments of \$111,861 in 2014, \$430,401 in 2015, \$414,830 in 2016, \$414,797 in 2017 and \$45,559 in 2018. The Company is also committed to minimum payments under certain service agreements in 2014 of \$48,127.
- The Company currently has agreements with several constructors that include provisions where the constructors provide up-front time with the understanding that if the Eagle's Nest Project proceeds into the construction stage, they will be granted a contract for the agreed scope of services. In some cases, the constructor may be reimbursed for the time incurred, or an amount agreed up front, if the Project does not go ahead. As at September 30, 2014, the amount of this contingent liability is approximately \$250,000.

11. Compensation of Key Management

	Three Months Ended		Nine Months Ended	
	September 30 2014	October 31, 2013	September 30, 2014	October 31, 2013
Salaries, benefits and directors' fees	\$ 396,653	\$ 364,249	\$ 1,207,125	\$ 1,228,798
Share-based compensation	122,941	132,861	584,651	420,040
	\$ 519,594	\$ 497,110	\$ 1,791,776	\$ 1,648,838

Key management includes the 7 directors and 6 members of the executive management team (nine months ended October 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 nine months ended September 30, 2014 and the three and nine months ended October 31, 2013

(Unaudited)

12. Supplementary Expense Information

	Three Months Ended		Nine Months Ended	
	September 30, 2014	October 31, 2013	September 30, 2014	October 31, 2013
a) Development and Exploration Expenditures				
Owner's Costs	\$ 465,165	\$ 323,146	\$ 1,127,514	\$ 966,777
Permitting	644,345	737,059	2,173,263	1,911,930
Camp Operations	546,865	252,166	1,375,071	1,215,750
Engineering	514,335	27,073	671,353	47,110
Other	-	-	(567,466)	-
	\$ 2,170,710	\$ 1,339,444	\$ 4,779,735	\$ 4,141,567

Included in development and exploration expenditures expenses for the three and nine months ended September 30, 2014 is \$603,064 and \$1,377,807 of salaries and benefits (three and nine months ended October 31, 2013 - \$389,448 and \$1,183,115), and \$78,994 and \$242,993 of fuel (three and nine months ended October 31, 2013 - \$37,650 and \$202,364).

Included in other costs for the nine months ended September 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. During the quarter, 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		Nine Months Ended	
	September 30, 2014	October 31, 2013	September 30, 2014	October 31, 2013
b) Office and General:				
Salaries, benefits and directors' fees	\$ 369,803	\$ 362,865	\$ 1,212,998	\$ 1,213,854
Employee severance	80,000	-	80,000	10,000
Donations & sponsorships	40,277	35,745	92,098	62,672
Administrative and other expenses	168,233	247,503	639,731	879,089
Professional fees	334,242	292,676	852,859	916,460
Communications & travel	82,940	99,202	343,471	292,468
	\$ 1,075,495	\$ 1,037,991	\$ 3,221,157	\$ 3,374,543

13. Subsequent Event

Subsequent to the quarter end, the Company closed a previously announced transaction with Cliffs Chromite Ontario Inc. to acquire its exploration camp and associated equipment at McFaulds Lake. The Company intends to use the camp as its construction base for the development of its Eagle's Nest nickel-copper-platinum group metal project.

