NORONT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

(Expressed in Canadian Dollars)

The following is Management's Discussion and Analysis ("MD&A") of the consolidated financial condition and results of operations of Noront Resources Ltd. ("Noront" or the "Company") for the year ended December 31, 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This discussion should be read in conjunction with the consolidated financial statements and the notes thereto for the same period as noted above (collectively, the "Financial Statements"). Additional Company information, including the Company's most recent Financial Statements, can be accessed through the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and the Company's website at www.norontresources.com. Information contained on the Company's website is not incorporated herein and does not form part of this MD&A.

All financial measures are expressed in Canadian dollars unless otherwise indicated.

Mathew Downey, P.Geo., Senior Geologist of Noront and a Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), has reviewed and is responsible for the technical information contained in this MD&A. For further information on the McFaulds Lake Project, please refer to Noront's technical report titled "Feasibility Study, McFaulds Lake Property, Eagle's Nest Project, James Bay Lowlands, Ontario, Canada" dated October 19, 2012 (effective date September 4, 2012) (the "Feasibility Study"), prepared in accordance with the requirements of NI 43-101 and available on SEDAR and the Company's website. For further information on the Black Thor, Black Label and Big Daddy chromite deposits, please refer to Noront's technical report titled "National Instrument 43-101 Technical Report – Black Thor, Black Label and Big Daddy chromite deposits, McFaulds Lake Area, Ontario, Canada, Porcupine Mining Division, NTS 43D16 Mineral Resource Estimation (the "Acquired Properties Report"), prepared in accordance with the requirements for NI 43-101 and available on SEDAR and the Company's website.

This information is current as of March 30th, 2016.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes certain "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information is provided as of the information currency date referred to above or, in the case of documents incorporated by reference herein, as of the date of such documents.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Examples of such forward-looking information include information regarding financial results and expectations for fiscal year 2016, such as, but not limited to, availability of financing, interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations (including those contained in the Feasibility Study), metal prices, demand for metals, currency exchange rates, cash operating margins, expenditures on property, plant and equipment, increases and decreases in exploration activity, changes in project parameters, joint venture operations, mineral resources and anticipated grades and recovery rates, information regarding planned infrastructure for the Ring of Fire Region required for the development of the Eagle's Nest Project (as hereinafter defined) and information regarding government support for such plan, approval of the Company's EA and EIS (as hereinafter defined) application for the Eagle's Nest Project and are, or may be, based on assumptions and/or estimates related to future economic, market and other factors and conditions. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking information.

Forward-looking information is based on reasonable assumptions that have been made by the Company as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: the impact of general business and economic conditions; risks related to government and environmental regulation, actual results of current exploration activities, conclusions of economic evaluations (including those contained in the Feasibility Study) and changes in project parameters as plans continue to be refined; problems inherent to the marketability of base and precious metals; industry conditions, including fluctuations in the price of base and precious metals, fluctuations in interest rates; government entities interpreting existing tax legislation or enacting new tax legislation in a way which adversely affects the Company; stock market volatility; competition; risk factors disclosed under the heading “Risks and Uncertainties”; risk factors disclosed under the heading “Risk Factors” in the Company’s most recent Annual Information Form (“AIF”) dated April 2, 2015, available electronically on SEDAR; and such other factors described or referred to elsewhere herein, including unanticipated and/or unusual events. Many of such factors are beyond Noront’s ability to control or predict.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate as actual results and future events could differ materially from those reliant on forward-looking information.

All of the forward-looking information given in this MD&A are qualified by these cautionary statements and readers of this MD&A are cautioned not to put undue reliance on forward-looking information due to its inherent uncertainty. Noront disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law. This forward-looking information should not be relied upon as representing the Company’s views as of any date subsequent to the date of this MD&A.

NOTE TO U.S INVESTORS REGARDING MINERAL RESOURCE ESTIMATES

All mineral resource estimates contained in this MD&A have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System in compliance with Canadian securities laws, which differ from the requirements of United States securities laws. Without limiting the foregoing, this report uses the terms “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”. Any U.S. Investors are advised that, while such terms are recognized and required by Canadian securities laws, the U.S. Securities and Exchange Commission (“SEC”) does not recognize them. Under U.S. standards, mineralization may not be classified as a “mineral reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the mineral reserve determination is made. Any U.S. investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Further, inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred mineral resources will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of an economic analysis, except in rare cases. Any U.S. investors are cautioned not to assume that all or any part of the inferred mineral resources exists, or that they can be mined legally or economically. Information concerning descriptions of mineralization and mineral resources contained in this MD&A has been prepared in accordance with Canadian requirements and may not be comparable to information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

COMPANY OVERVIEW

Noront is engaged in the development, exploration and acquisition of properties prospective in base and precious metals, including: nickel, copper, zinc, platinum group elements ("PGE's"), chromite, iron, titanium, vanadium, gold and silver. The Company is currently focused on the development of its 100% owned Eagle's Nest deposit, a high grade nickel, copper, platinum and palladium deposit located in the James Bay Lowlands of Ontario (the "Eagle's Nest Project"), within a geological feature (intrusion) commonly referred to as the "Ring of Fire". On September 5th, 2012, the Company released the Feasibility Study on the Eagle's Nest project demonstrating positive economic returns.

The Company also has an advanced exploration stage chromite project known as "Blackbird"; two nickel-copper-platinum group metal discoveries known as "Eagle Two" and "Blue Jay"; an iron-vanadium-titanium discovery known as "Thunderbird"; and a shear-hosted gold occurrence called "Triple J".

As a result of the transaction with Cliffs Natural Resources Inc. which closed on April 28, 2015, the Company acquired approximately 103 claims in the Ring of Fire including a 100% interest in the Black Thor chromite deposit; a 100% interest in the Black Label chromite deposit, a 70% interest in the Big Daddy chromite deposit, 85% interest in the McFauld's Lake copper-zinc resource and other diamond exploration properties.

Noront now holds interest, mineral, and exploration rights to approximately 103,030 hectares of ground in Ontario, New Brunswick and Quebec.

In Ontario, Noront holds interest, mineral, and exploration rights to 396 claims and 1 mining lease, totaling approximately 89,796 hectares of ground. Of that, 357 claims and 1 mining lease, totaling approximately 84,116 hectares of ground, are located in the "Ring of Fire". Noront is the largest land holder in the Ring of Fire and has 100% mineral exploration rights to 273 claims of approximately 61,008 hectares, 85% mineral exploration rights to 71 claims of approximately 15,936 hectares, 70% mineral exploration rights to 5 claims of approximately 1,216 hectares, 50% mineral exploration rights to 7 claims of approximately 1,792 hectares, and 45% mineral exploration rights to 1 claim of approximately 64 hectares. Noront also holds 100% mining rights to one mining lease covering 4,100 hectares, and of that, Noront has surface rights to 3,510 hectares.

In addition to properties in the Ring of Fire, Noront holds a 30% interest in 6 claims of approximately 688 hectares on the MacFadyen property near the Victor Diamond Mine. Noront also holds 100% mineral rights to 3 claims of approximately 256 hectares in the Bull Lake area near Elliot Lake (west of Sudbury) and 30 claims of approximately 4,736 hectares on the Sungold property near Quetico Provincial Park.

In New Brunswick, Noront holds interest, mineral, and exploration rights to 594 claim units covering approximately 13,234 hectares. Of this total, Noront holds a 49% interest in the Burnt Hill tin-tungsten-molybdenum property (390 claim units totaling 8,653 hectares) located in the southern-central part of the province and a 40% interest in the Golden Ridge gold property (204 claim units totaling 4,581 hectares) located adjacent to the Maine, U.S.A. border in the south-western part of the province.

In Quebec, Noront holds 100% interest, mineral, and exploration rights to 2 claims covering approximately 112 hectares on the Dalhousie property, located near Matagami, Quebec.

OBJECTIVES

Management's goals for 2015 were to progress the Eagle's Nest Project by obtaining approval of the Environmental Impact Statement and Environmental Assessment ("EA"), updating the 2012 feasibility study on Eagle's Nest and garnering formal commitments on access infrastructure to the Ring of Fire from government. Progress on the EA and on infrastructure commitments is dependent on the progress of the provincial government and First Nation's negotiations on the Regional Framework Agreement. The scope of the Regional Framework includes negotiations on regional infrastructure and first nation's participation in the Environmental Assessment process for projects being developed on the traditional territories of the Matawa First Nations. As a result, the Company deferred work on updating its previously released feasibility study on Eagle's Nest instead focusing on progressing the permitting and infrastructure files and, opportunistically, consolidating the Ring of Fire.

During the year management was successful in consolidating the Ring of Fire through its acquisition of the Cliffs Chromite Deposits and associated land package. The Consolidation of the Ring of Fire was advantageous for the Company from a land perspective since the Company now controls all the major deposits discovered in the Ring of Fire to date and has additional highly prospective land in the region. The acquisition of the Cliffs assets also ensured that the Company is the primary industry stakeholder in the infrastructure discussions with government and First Nations.

The Company was also successful in progressing permitting on Eagle's Nest through the approval of the Company's Terms of Reference for the Eagle's Nest Environmental Assessment. Once the Company has stakeholder alignment on infrastructure and a specific commitment from the province to construct a shared transportation corridor, the Company plans to, subject to financing, complete the Environmental Assessment work including consultation requirements with local First Nations.

The next major development milestone for Eagle's Nest is a specific commitment from the Provincial Government of Ontario to construct a shared transportation corridor that would provide all season access to the remote communities in the Ring of Fire as well as provide industrial access to the region. The Company continues to work with the Provincial Government of Ontario to facilitate stakeholder alignment on the routing of the access corridor. The Ontario Government has funded a First Nations led study for communities that would be served by an East – West transportation corridor. This study is expected to be completed in the first half of 2016. The Company anticipates a specific funding allocation from the government's $1 billion dollar commitment for Ring of Fire Infrastructure once a holistic access plan is endorsed by regional stakeholders.

The Company plans, subject to financing, to update the Eagle's Nest Feasibility Study once access infrastructure is formally committed to the Ring of Fire. Management has identified certain opportunities to simplify aspects of the mine and mill project including putting the process plant on surface as opposed to underground and simplifications to the mine design.

The Company views the Ring of Fire as an emerging mining camp and expects the Eagle's Nest Project to be the first of several mines developed in the area. In order to achieve this vision, the Company is investing in exploration and has put together an exploration strategy and plan. The Company embarked on an exploration program during the year which consisted of geophysical surveys on high priority targets. The second phase of these surveys is currently being completed. The Company will be evaluating targets from the geophysical surveys for drill testing in 2016.

Management believes the large chromite deposits in the Ring of Fire represent a significant opportunity and the Company plans to further evaluate these projects with the objective of incorporating them into its development plans. The Company also acquired several properties outside the Ring of Fire as a result of the transaction in which the Company purchased the entities which held the Black Thor and Big Daddy Chromite deposits. The Company plans to review these holdings and to develop a strategy for them, subject to financing.

Management is of the view that it is advantageous to develop its properties, explore for new deposits and take advantage of acquisition opportunities in periods of low commodity prices. This will enable the Company to benefit from the advancement and growth of its property position once normalized commodity prices return.

The Company's primary objectives for fiscal 2016 are:

- obtain a specific commitment from the provincial / federal government on the Company's proposed East – West Access Road including a timeline for construction;
- fund an ongoing systematic exploration program in the Ring of Fire and make new discoveries focused initially on the nickel, copper and platinum group metal potential
- develop a strategy for the Company's chromite assets and incorporate it into its development pipeline;
- rationalize its property position outside of the Ring of Fire and develop a strategy for them;
- seek opportunities to add high quality exploration or development properties; and
- maintain a strong treasury position to support its near and long term needs.

STRATEGY

Eagle's Nest Regional Development

Access infrastructure to the Ring of Fire is required in order for any mine development to proceed. The infrastructure for the Ring of Fire will be shared between local communities, Noront and other industrial users. The Company included its preferred access route (the "East-West Route") in its EIS/EA to ensure the transportation corridor would be ready for construction when anticipated support is formally committed by the Provincial Government of Ontario (the "Provincial Government"), the Federal Government of Canada (the "Federal Government") and other key stakeholders.

The Company plans to continue to work closely with government to facilitate stakeholder alignment on the access road. The First Nations led study on the access road is slated to be complete in the first half of 2016.

Exploration

The Company has spent considerable time reviewing historical geophysical and geological data from previous surveys and drilling programs in the Ring of Fire. The Company has developed a targeting model for massive nickel sulphides which combined with new advanced geophysical surveys are being used to generate drill targets. The exploration plan has prioritized areas to first conduct gradient IP surveys which is used as a broad targeting tool, the best anomalies from these surveys are then selected for Transient Electro Magnetic (TEM) testing. The Company uses the Lamontagne Geophysics UTEM 5, TEM system for testing. The UTEM 5 survey refines targeting to highly conductive massive sulphide targets between surface and approximately 450 metres in depth. High quality UTEM 5 anomalies will be selected for drill testing.

Chromite Projects

The Company acquired significant chromite deposits in the Ring of Fire during the year including a 100% ownership of the Black Thor deposit, 70% ownership of the Big Daddy Deposit and 100% ownership of the Black Label Deposit. These acquired properties are in addition to the Company's Blackbird chromite deposit which combined represent potentially multi-generational mining projects.

The Company will be developing a strategy and business plan for its chromite deposits. In doing so, the Company will be able to leverage existing technical data, which was compiled by Cliffs the prior owner of the properties, in support of a previous feasibility study.

As part of the transaction in which the Company acquired the chromite properties, the Company acquired properties outside of the Ring of Fire. The Company plans to review these properties and develop a strategy around them.

Finance

The Company continues to be diligent and successful in preserving and raising funds despite the challenging financial market. The Company will continue to monetize non-core assets, and manage corporate overhead while continuing to advance its projects.

SIGNIFICANT EVENTS

On April 17, 2015, the Company was saddened to announce the passing of its Chief Operating Officer Paul Semple, a well-known and respected leader in the mining industry.

On April 28, 2015, the Company completed the Cliffs Transaction, as a result of which the Company acquired the shares of Cliffs Chromite Ontario Inc. ("CCOI") and Cliffs Chromite Far North Inc. ("CCFNI", together with CCOI, the "Acquired Companies"). The Acquired Companies were amalgamated through pre and post-closing reorganizations and now operate together as Noront Muketei Minerals Ltd. ("Noront Muketei"). Through the Cliffs Transaction, the Company indirectly acquired more than 100 claims in the Ring of Fire, including (i) a 100% interest in each of the Black Thor and Black Label chromite deposits, (ii) a 70% interest in the Big Daddy chromite deposit, and (iii) an 85% interest in the McFauld's Lake copper zinc deposit. Through such acquisition, the Company also indirectly acquired approximately 13.8% of the outstanding shares of KWG Resources Inc. and 3.3% of the outstanding shares of Debut Diamonds Inc.

The purchase price for the Cliffs Transaction of US$27.5 million was paid in cash at closing. Financing for the Cliffs Transaction, in the aggregate amount of US$28.5 million was obtained from Franco-Nevada Corporation ("Franco-Nevada"), of which US$25.0 million was provided as a loan (the "Acquisition Loan") and US$3.5 million was in part payment for the granting by the Company of royalties to Franco-Nevada.

The Acquisition Loan has a term of five years. Interest accrues at a rate of 7% per annum, with both principal and interest being payable only at maturity. The obligations of the Company in respect of the Acquisition Loan are secured by the assets of Noront Muketei.

The Company granted to Franco-Nevada a 3% royalty over the Black Thor deposit and a 2% royalty over each of the Company's other existing property interests in the Ring of Fire, other than to the Eagle's Nest project, the Big Daddy Chromite deposit and the McFauld's Lake copper, zinc VMS deposit (in respect of which no royalty was granted). Such royalties are gross smelter royalties in respect of chromite production and net smelter royalties in respect of any other production.

On June 19, 2015 Stephen Flewelling, P. Eng., joined Noront's executive team as Senior Vice President, Mining & Projects. Steve is a senior mining executive with more than 30 years of experience in exploration, feasibility planning, project development, construction and operations. He has worked domestically and abroad in a variety of roles and across multiple commodities. Most recently, Mr. Flewelling was Senior Vice-President of Projects and Exploration at Glencore / Xstrata Nickel.

On June 22, 2015, the Company received a Notice of Approval from the Ontario Ministry of Environment and Climate Change on the Terms of Reference for its Eagle's Nest nickel-copper-platinum-palladium project. The Terms of Reference allows the Company to move forward on the environmental assessment (EA) process for what is expected to be the first mine in the Ring of Fire.

On June 30, 2015, the Company entered into a definitive agreement with Resource Capital Fund V L.P. (RCF) for a US $2.0 million bridge loan facility (the "Facility"). The establishment fee of 2% of the principal amount of the Facility was paid to RCF by issuance of 101,852 Common Shares.

On August 21, 2015, the Company filed a NI 43-101 compliant technical report for its recently acquired Black Thor, Black Label and Big Daddy chromite deposits in the Ring of Fire which it acquired from Cliffs Natural Resources in April 2015. Black Thor and Black Label are 100% owned by Noront while Big Daddy is a joint venture between Noront (70%) and Canada Chrome mining Corporation (30%).

On August 31, 2015, the Company announced the addition of Sybil Veenman to Noront's Board of Directors. Ms. Veenman is a senior mining executive with over 20 years of experience having most recently served as Senior Vice-President and General Counsel at Barrick Gold Corporation.

On September 4, 2015, the Company completed a non-brokered private placement by issuing 1,535,000 flow-through common shares at a price of $0.38 cents per flow-through share, representing gross proceeds of $583,300 and the issuance of 2,907,575 units at a purchase price of $0.33 per unit representing gross proceeds to the Company of $959,500. Each unit consists of one common share and one half a common share purchase warrant, with each whole warrant entitling the holder to acquire one common share of Noront for a period of two years from the date of closing at a price of $0.47 per common share. The shares issued under the offering are subject to a hold period of four months plus one day, which will expire on January 5, 2016.

On November 24, 2015, the Company announced the closing of a private placement (the "offering") of 4,824,218 flow-through common shares at a price of $0.50 per flow-through common share for gross proceeds of $2,412,109. The common shares are subject to a four month plus one day hold period which expires on March 25, 2015. The gross proceeds from the offering are being used to continue exploration efforts in the Ring of Fire. The Company paid a cash finder's fee equal to 6% of the gross proceeds in connection with the offering. The company also issued 50,000 common shares at a price of $0.40 per common share in satisfaction of an advance royalty payment due on one of its properties outside of the Ring of Fire. The common shares are also subject to a four month plus one day hold which expires on March 26, 2015.

On December 31, 2015, the Company signed an agreement extending its US$15 million convertible debenture with Resource Capital Fund V (RCF) to June 30, 2016. The Company also agreed on terms of sale of a 1% net smelter return royalty (NSR) over the Eagle's Nest deposit to RCF for US$2.5 million of which 0.5% of the NSR can be bought back for US$3.125 million for a period from 30 months from closing. The royalty sale transaction closed subsequent to the year-end on January 14th, 2016; US$2.0 million of the proceeds were used to repay the RCF US$2.0 million bridge loan facility.

Pursuant to the loan agreement entered into between Noront and RCF (a major shareholder with a 21.19% ownership position in the Company), dated February 26, 2013 and a bridge loan agreement dated June 30, 2015, the Company has satisfied the payment of interest for each quarter of calendar 2015 by delivery of the following common shares of the Company (the "Interest Shares"):

a) 728,588 Interest Shares to RCF on April 10, 2015, at an effective price of $0.5219 per Interest Share.

b) 912,859 Interest Shares to RCF on July 10, 2015, at an effective price of $0.4588 per Interest Share.

c) 1,387,135 Interest Shares to RCF on October 13, 2015 at an effective price of $0.3435 per Interest Share.

d) 1,240,846 Interest Shares to RCF on January 12, 2015, at an effective price of $0.3971 per Interest Share. These Interest Shares are subject to a four month hold period which will expire on May 11, 2016

e) 29,391 Interest Shares to RCF on January 14, 2016, at an effective price of $0.3900 per Interest Share. These Interest Shares are subject to a four month hold period which will expire on May 21, 2016. This payment was made to satisfy interest due on the US$2.0 million RCF Bridge Loan Facility from the period January 1, 2016 to the date the facility was settled in full.

Subsequent to the year end, the Company closed a prospectus financing for gross proceeds of $6.33 million consisting of units with a price of $0.35 per unit and flow through units with a price of $0.45 per flow through unit. Each unit consisted of one common share and one warrant to purchase a common share at a price of $0.50 for a period of 36 months. Each flow through unit consisted of one flow through common share and one half of a warrant with each full warrant exercisable to purchase one common share at a price of $0.55 for a period of 36 months. The Company raised $6,332,772 through the issuance of 12,301,492 units for gross proceeds of $4,305,522 and 4,505,000 flow-through units for gross proceeds of $2,027,250. As a precondition to the prospectus financing, RCF provided the Company with an undertaking to extend its US$15 million convertible loan to March 17, 2017.

On March 30, 2016, the Company closed a private placement financing raising total gross proceeds of $1.14 million. The financing consisted of 1,500,000 units at a price of $0.35 per unit for gross proceeds of $525,000 with each unit comprised of one common share and one common share purchase warrant (each whole warrant entitling the holder to purchase one common share at a price of $0.50 per share for a period of 36 months from closing) and 1,366,666 flow-through units at a price of $0.45 per flow-through unit for gross proceeds of $615,000 with each flow-through unit comprised of one flow-through share and one-half of one common share purchase warrant (each whole warrant entitling the holder to purchase one common share at a price of $0.55 per share for a period of 36 months from closing).

EAGLE'S NEST

The Company completed a Feasibility Study in accordance with the requirements of NI 43-101, with an effective date of September 4, 2012, by Independent Consultants[1] under the supervision of Micon International. In accordance with NI 43-101 the Company classifies the Eagle's Nest Deposit as a reserve and resource. The feasibility study entitled "NI 43-101 Technical Report – Feasibility Study – McFaulds Lake Property, Eagle's Nest Project, James Bay Lowlands, Ontario, Canada" is available on www.sedar.com.

The Feasibility Study is based on annual production of approximately 150,000 tonnes of high grade nickel-copper concentrate containing approximately 34 million pounds (15 thousand tonnes) of nickel, 19 million pounds (8.5 thousand tonnes) of copper, 23 thousand ounces of platinum and 89 thousand ounces of palladium with estimated operating costs (including road access fees) of $97 per tonne. The mineral reserves support a mine life of 11 years mining one million tonnes of ore per annum. Given the high-grade nature of the Eagle's Nest deposit and significant by-products of copper, platinum and palladium, the Company anticipates that Eagle's Nest, once in production, will be one of the lowest cost nickel sulphide mines in the world.

The Company plans to update its Feasibility Study and complete project permitting once the shared transportation corridor to the Ring of Fire is formally committed to by the Provincial Government of Ontario and necessary financing is arranged. Management has identified certain opportunities related to the mine and mill project including putting the process plant on surface as opposed to underground and simplifications to the mine design.

[1] The feasibility study was completed by Micon International and included technical input from: Tetra Tech WEI, Cementation Canada Ltd., Knight Piesold Ltd., Penguin ASI, SGS Canada Inc., Outotec, Ausenco, Nuna Logistics, and Golder Associates.

Eagle's Nest has the following royalty obligations:

- a 1% Net Smelter Royalty (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 commons shares of the Company; and
- a 1% NSR half of which may be repurchased by the Company for US$3.125 million until June 14, 2018.

CHROMITE PROJECTS

The Company has the following chromite resources[2]:

Deposit	Classification	Tonnes (Millions)	Cr2O3 %
Blackbird	Measured Resources	9.30	37.44
	Indicated Resources	11.20	34.36
	Meas. + Ind. Resources	20.50	35.76
	Inferred Resources	23.50	33.14
Black Thor	Measured Resources	107.60	32.20
	Indicated Resources	30.20	28.90
	Meas. + Ind. Resources	137.70	31.50
	Inferred Resources	26.80	29.30
Black Label	Measured Resources	---	---
	Indicated Resources	5.40	25.30
	Meas. + Ind. Resources	5.40	25.30
	Inferred Resources	0.90	22.80
Big Daddy	Measured Resources	23.30	32.10
	Indicated Resources	5.80	30.10
	Meas. + Ind. Resources	29.10	31.70
	Inferred Resources	3.40	28.10

A cut-off grade of 20% Cr2O3 was used in the above tables except for the Blackbird Resource which was estimated using a 30% cut-off grade

The Company has a 70% interest in the Big Daddy Chromite deposit with the other 30% held by Canada Chrome Mining Corporation, a wholly owned subsidiary of KWG Resources Inc.

The Blackbird deposit is 2 km from the Company's Eagle's Nest project is conducive to bulk underground mining and can potentially share infrastructure with Eagle's Nest. The Blackbird Resource is a classic stratiform deposit with original chromite layers broken up into segments 300 to 400 metres in length. Chromite layers are sub-vertical and extend from surface to below 300 metres. There are four massive segments, grading approximately 35% Cr_2O_3 and ranging from 5 to 35 metres in average true thickness.

The Black Thor, Black Label and Big Daddy Chromite deposits are 5 to 8 km away from Eagle's Nest. These deposits come to surface and are conducive for bulk mining with chromite lenses averaging between 40 and 80 metres in true width (with maximum widths at Black Thor reaching up to 130 metres).

As a result of the transaction in which the Company purchased the Black Thor, Black Label and Big Daddy Chromite deposits, the Company acquired a significant amount of technical data which the Company will be reviewing in order to put together a plan to progress any potential chromite opportunity. The Company believes these resources are sufficient to support a mine plan in excess of 50 years.

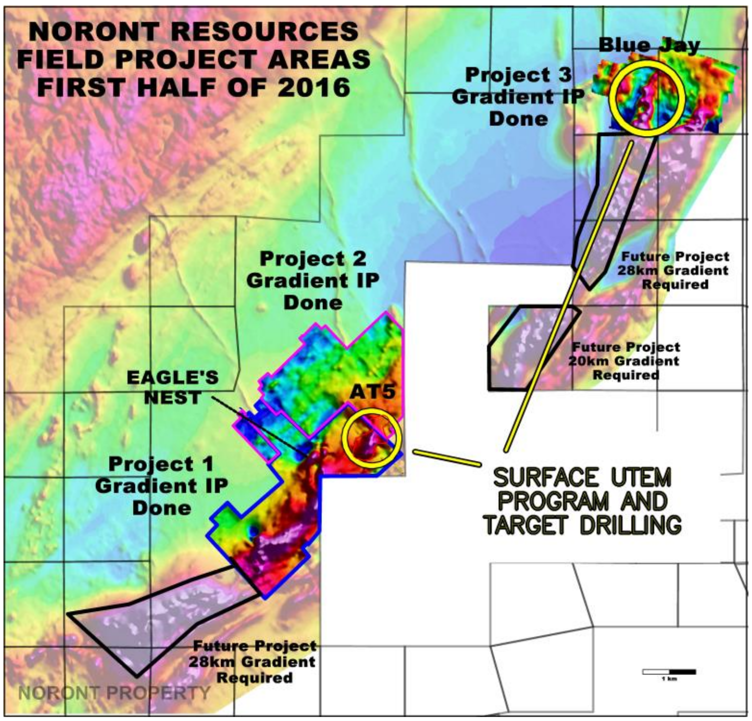
[2] Resource estimates for Blackbird from "National Instrument 43-101 Technical Report Feasibility Study McFaulds Lake Property, Eagle's Nest Project, James Bay Lowlands, Ontario, Canada" dated September 4, 2012, (page 96) completed by Micon International. Resource estimates for Black Thor, Black Label and Big Daddy from "National Instrument 43-101 Technical Report, Black Thor, Black Label and Big Daddy Chromite Deposits, McFaulds Lake Area, Ontario, Canada, Porcupine Mining Division, NTS 43D16, Mineral Resource Estimation Technical Report" dated July 27th, 2015, prepared by Alan Aubut, P.Geo., of the Sibley Basin Group.

The Black Thor Chromite deposit has a 3% Gross Smelter Royalty (GSR) and the Blackbird and Black Label Chromite deposits have a 2% GSR. There is no royalty on the Company's interest in the Big Daddy Chromite deposit.

RING OF FIRE REGIONAL EXPLORATION

The Company completed phase one of its nickel-copper-platinum exploration program at the end of November 2015. Subsequent to year-end, the Company completed a second round of regional ground-based Gradient Induced Polarization (IP) surveys covering a five square kilometre region. The Gradient IP surveys are used as a first pass screening tool to identify chargeable areas that can host significant large sulfide systems, which in conjunction with favorable geology will warrant further detailed follow up via electromagnetic surveying and drilling.

The surveys centered on the areas known as AT-5 and Blue Jay which are approximately 1km and 9km, respectively, from the Company's Eagle's Nest nickel-copper-platinum-palladium deposit. These targeted areas are situated along a favourable footwall contact and comprise part of the regional geological system hosting Eagle's Nest. The geophysical map below shows the areas of the recent IP surveys:



Following the successful Gradient IP surveys, Noront began executing low frequency UTEM 5 surveys over the AT-5 and Blue Jay target areas. This process refines targeting to highly conductive massive sulphide targets between surface and approximately 450 metres depth. It is the objective of Noront to follow-up on the UTEM 5 targets with drilling where the UTEM 5 target meets the Company's success criteria.

The Company is carrying out its nickel sulphide exploration program sequentially over the favourable 30km footwall ultramafic contact. It is Noront's intent through numerous phases of exploration to test the footwall contact for nickel-copper-platinum-palladium deposits as funding is made available to do so. The Company plans to generate additional targets as this footwall contact is explored.

There is a 3% GSR on any chromite production and a 2% NSR on all other mineral production from the Company's Ring of Fire Regional Exploration properties.

OTHER PROJECTS

McFauld's Lake VMS Deposits

The two McFauld's deposits are volcanic massive sulphide type occurrences and are the centerpiece of an 80 claim property held 85% by the Company and 15% held by KWG Resources. In August 2008, a NI-43-101 report was filed by Spider Resources Inc. and UC Resources Limited, former Joint Venture partners with KWG Resources Inc., with the following resources[3]:

Deposit	Classification	Tonnes	Grade (% Cu)	Grade (% Zn)
McFaulds 3	Indicated Resource	802,000	3.75	1.1
McFaulds 1	Inferred Resource	279,000	2.13	0.58

Mineral resources were estimated using a cut-off grade of 1.5% Cu

The Company believes there is significant opportunity for additional VMS mineralization along this favorable 10 km horizon.

Burnt Hill, New Brunswick

The Burnt Hill Tungsten properties straddle the Southwest Miramachi River some 70 km NW of Fredericton, New Brunswick. The properties contain tungsten, molybdenum and tin mineralization mainly in quartz veins that cut argillic sediments on the periphery of granitoid plutons. The Company has a 49% interest in the property with Cadillac Ventures Inc. The Company has no activity planned for these properties for the current fiscal year.

SELECTED ANNUAL FINANCIAL INFORMATION

The following financial data are derived from the Company's financial statements for the year ended December 31, 2015 and the years ended December 31, 2014 and have been prepared in accordance with IFRS:

(expressed in $ thousands except per share amounts)	Year ended December 31,	
	2015	**2014**
Development and exploration expenditures	5,014	6,308
Office and general	4,128	4,009
Amortization	486	479
Share-based compensation	920	905
Interest income	17	98
Interest expense	3,317	1,379
Gain on sale of marketable security	142	-
Gain on sale of royalty	4,149	-
Gain on disposal for fixed asset	-	6
Accretion expense	(2,352)	(472)
Net income (loss)	(19,431)	(14,294)
Net earning (loss) per share - basic and diluted (1)	(0.08)	(0.06)
Cash flow used in operations	(7,961)	(10,769)
Cash and cash equivalents	3,099	4,803
Working Capital (2)	(23,426)	(12,644)

(1) Fully diluted weighted average common shares outstanding, used in the calculation of fully dilutive net loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the net loss per share calculation.

(2) Working capital includes all current assets and current liabilities, excluding non-cash repayment options

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[3] Resource estimates from "Updated Technical Report on the McFaulds Lake Project, Porcupine Mining Division, James Bay Lowland, Ontario, Canada" dated August 30th, 2008, prepared by Deep Search Exploration Technologies Inc.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Development and Exploration Expenditures

(expressed in $ thousands)	Year ended December 31, 2015	Year ended December 31, 2014
Owner's Costs	$ 1,528	$ 1,520
Camp Operations/Exploration Expenditure	2,584	1,950
Permitting	500	2,362
Engineering/Site & Road Geotechnical	402	1,043
Other	-	(567)
Total	$ 5,014	$ 6,308

Owner's Costs

Owner's costs consist of the Company's project management personnel and direct consultants. On an annualized basis, the costs are consistent with the prior year ended December 31, 2014.

Camp Operations & Exploration Expenditure

During the year ended December 31, 2015, $1.7 million was spent on maintaining the Company's camp in the Ring of Fire, prior to the start of exploration activity, and $0.9 million was spent on exploration. This compared to $2.4 million spent in the prior year comparable period for maintenance of the Company's camp. The Company plans on, subject to financing, carrying out a systematic exploration program and as such the camp is considered to be a cost of exploration.

Permitting

Permitting expenses consist of costs related to field work and consultation for the Company's provincial environmental assessment and federal environmental impact statement (the "EA"). Permitting costs for the year ended December 31, 2015 were significantly lower than the comparable prior period as the Company deferred work on the EA until the construction timeline for the access road is agreed on by stakeholders. A large expenditure was also associated with obtaining the Terms of Reference on the EA in the prior year which was approved in June 2015.

Engineering

Engineering expenses primarily consist of costs related to technical work related to mine design alternatives and completion of the Heli-GT Magnetometer Gradient Survey to identify potential structural breaks which could impact the mine development. Site and Road Geotechnical expenses consist of costs related to the DC Resistivity Survey over the Eagle's Nest area for the purpose of detecting the thickness of overburden. This method provides high resolution imaging which will reduce the number of drill holes required to map the bedrock in areas where surface infrastructure will be located.

Engineering/Site and Road Geotechnical costs for the year ended December 31, 2015 were significantly lower than the comparable prior period due to a deferral of engineering work until the construction timeline of the access road is agreed on by stakeholders.

Other

Included in other costs for the prior year comparable period is a recovery of $0.6 million related to tax credits for exploration expenditure, incurred in fiscal years 2008 and 2009, which were previously denied by the Government of Quebec. In July 2014, 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.

Office and General

(expressed in $ thousands)	Year ended December 31, 2015	Year ended December 31, 2014
General Administration	$ 2,797	$ 2,569
Professional fees	1,048	1,042
Communications and travel	283	398
Total	$ 4,128	$ 4,009

General Administration

On an annualized basis, the general administration expenses were slightly higher than the comparable period. This is due to an increase in salaries which is a result of a bonus for executives that was accrued for in the second quarter and other staff bonuses paid during the year.

Professional fees

The annualized professional fees remained consistent with the prior year ended December 31, 2014. Professional fees include legal and audit costs related to compliance, government relations and communications consultants as well as other legal costs related to business development initiatives.

Professional fees related to the private placement were capitalized in the third and current quarter and professional fees related to the acquisition of the Cliffs Chromite assets were capitalized in the second quarter.

Communications and travel

For the year ended December 31, 2015, communications and travel costs were lower than prior year comparable period due to significantly less travel.

Interest Expense

Interest expense consists of quarterly interest payments on the long-term loan facilities for the RCF convertible loan, RCF bridge loan and the long term loan from Franco-Nevada.

During the year ended December 31, 2015, the Company satisfied the payment of interest of $1.6 million on the RCF convertible loan and the RCF bridge loan for the last quarter of 2014 and the first three quarters of 2015 by delivery of 4,282,470 common shares of the Company. The company accrued $0.5 million of interest expense for the quarter ended December 31, 2015. Subsequent to year end the company satisfied the payment of interest of $0.5 million by delivery of 1,240,846 common shares of the company. For the year ended December 31, 2014 the company satisfied the payment of interest of $1.4 million by delivery of 4,357,743 common shares of the company.

For the year ended December 31, 2015 the company accrued $1.6 million in interest for the Long Term Loan to Franco-Nevada.

SUMMARY OF CASH FLOWS

(expressed in $ thousands)	Year ended December 31, 2015	Year ended December 31, 2014
Cash (used) in operating activities	(7,961)	(10,769)
Cash (used) provided in investing activities	(19,805)	90
Cash provided by financing activities	26,044	49
	(1,722)	(10,630)

Operating Activities

For the year ended December 31, 2015, the Company had a cash outflow from operations of $8.0 million compared to a cash outflow of $10.8 million in the comparable period. This decrease in due to a general reduction in overhead and project related costs.

Investing Activities

For the year ended December 31, 2015, the Company had cash outflows of $33.7 million due to the acquisition of Cliffs chromite assets offset by the proceeds from the sale of royalties and the disposal of securities of $13.9 million. For the year ended December 31, 2014, the Company had a $0.3 million in cash outflows from the purchase of camp equipment and computer software offset by a reclassification of restricted cash in the amount of $0.4 million.

Financing Activities

For the year ended December 31, 2015, cash of $22.5 million was provided from the loan facilities with Franco-Nevada and bridge loan facility with RCF. In the second and third quarters cash of $3.5 million was provided by a way of a non-brokered private placements and exercise of stock options. For the year ended December 31, 2014, cash was provided in financing from the exercise of stock options in the amount of $0.07 million offset by payments to the company's finance lease of $0.02 million.

SUMMARY OF QUARTERLY RESULTS AND REVIEW OF THREE MONTHS ENDED DECEMBER 31, 2015

(expressed in $ thousands except per share amounts)	2015 Oct-Dec	2015 Jul-Sept	2015 Apr-Jun	2015 Jan-Mar	2014 Oct-Dec	2014 Jul-Sep	2014 Apr-Jun	2014 Jan-Mar	2013 Nov-Dec
Expenses	4,627	4,323	3,187	4,080	3,080	3,999	3,262	3,212	3,309
Gain on sale of marketable securities	-	-	142	-	-	-	-	-	-
Gain on sale of royalty	-	-	4,149	-	-	-	-	-	-
Remeasurement of repayment options	(1,692)	3,419	3,727	(6,732)	637	3,989	(1,513)	(3,082)	(130)
Foreign exchange loss	(1,572)	(2,475)	(909)	(1,373)	(447)	(573)	396	(440)	(216)
Net (income) loss	(7,797)	(3,376)	3,919	(12,177)	(2,696)	(561)	(4,337)	(6,700)	(3,630)
Net earnings (loss) per share – basic	(0.03)	(0.01)	0.02	(0.05)	(0.01)	-	(0.02)	(0.03)	(0.02)
Net earnings (loss) per share – diluted (1)	(0.03)	(0.01)	0.00	(0.05)	(0.01)	-	(0.02)	(0.03)	(0.02)
Cash and cash equivalents	3,099	2,727	4,029	2,648	4,803	7,360	9,921	12,799	15,085
Working Capital(2)	(23,426)	(22,633)	(20,113)	(17,368)	(12,644)	6,462	9,511	11,920	14,188
Assets	31,872	31,578	32,777	7,098	8,816	11,065	14,245	16,899	19,150
Long-term Liabilities	26,334	24,422	22,262	1,501	1,467	18,420	21,509	20,399	16,650

(1) Fully diluted weighted average common shares outstanding, used in the calculation of fully dilutive net loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the net loss per share calculation.

(2) Working capital includes all current assets and current liabilities, excluding non-cash repayment options

The quarterly variation in expenses is mainly attributable to timing of technical studies, exploration drill programs, and stock option expense which is recognized at the time of grant in accordance with vesting provisions. Since December 31, 2014 working capital has been negative due to the presentation of the convertible loan facility with RCF as a current liability.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2015, the Company had not yet achieved profitable operations, had an accumulated deficit of $235.2 million since inception (December 31, 2014 – $215.8 million), expects to incur further losses in the development of its business, and has a negative net working capital of $23.4 million (December 31 – $12.6 million) as a result of the classification of the RCF loan facilities of US$15 million to current liabilities. The loan facility is convertible into equity with a conversion price of $0.45 per share at the option of RCF any time prior to June 30, 2016. Net working capital includes all current assets and current liabilities, excluding non-cash repayment options of $2.2 million. (December 31, 2014 - $0.9 million). These material uncertainties cast significant doubt upon the company's ability to realize its assets and discharge its liabilities in the normal course of business and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its ongoing corporate overhead expenditures, discharge its liabilities as they come due and advance the development of its projects in the Ring of Fire.

To improve the Company's working capital position The Company paid advisory fees of $1.1 million in shares and negotiated the sale of a royalty to its major shareholder Resource Capital Fund V which closed subsequent to year end. Proceeds from the royalty sale were used to repay the US$2 million bridge loan and also provided US$500 thousand in working capital. Management continues to have ongoing discussions with its major shareholder and debt provider concerning extending the US$15 million convertible loan (the "Convertible Loan") which is currently due on June 30, 2016.

Management continues to pursue financing alternatives to fund the company's activities through the remainder of 2016 and beyond so it can continue as a going concern. Subsequent to the year-end the Company completed a prospectus offering for gross proceeds of $6.3 million and a private placement financing for gross proceeds of $1.1 million. Proceeds from the prospectus financing and private placement will be used to fund its exploration program and for working capital purposes. As a precondition to the prospectus financing, RCF provided the Company with an undertaking to extend the Convertible Loan to March 17, 2017.

The Company's cash position (cash and cash equivalents) at December 31, 2015 was $3.1 million compared to $4.8 million as at December 31, 2014.

Noront's financial instruments consist of cash, taxes and other receivables, marketable securities, accounts payable, accrued liabilities, repayment options and long-term debt. Noront estimates that the fair value of its' financial instruments (in the case of long term debt owed to Franco Nevada, excluding transaction costs) approximate the carrying values.

The Company will need to raise sufficient capital to further develop its properties and projects beyond fiscal 2016. The timing and ability to do so will depend on, among others, the status of the financial markets as well as the acceptance of investors to finance resource based junior companies, in addition to the results of the Company's exploration programs and development activities and the acquisition of additional projects. At this time, the Company will rely on its ability to obtain equity or debt financing for the foreseeable future. Although the company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. See also the discussion under the heading "Risks and Uncertainties" in this MD&A.

CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The contractual obligations for the ensuing five-year period can be summarized as follows:

Contractual Obligations

(expressed in $ thousands)

Contractual Obligations	**Total**	**Less than 1 year**	**1 -3 years**	**4 - 5 years**	**After 5 years**
Operating Leases	1,091	435	471	25	160
Provision for Environmental Expenditure	1,492	-	-	-	1,492
Other Commitments	25	25			
Total Contractual Obligations	2,608	460	471	25	1,652

Operating lease obligations represent future minimum annual rentals under non-cancellable operating leases for Noront's mining lease, office space, vehicles and equipment. Other Long-Term Obligations represents minimum payments under certain service agreements.

Contingencies

The Company currently has agreements with some contractors that include provisions where the contractors provide up-front work with the understanding that if the Eagles Nest Project proceeds into the construction stage, they will be granted a contract for the agreed scope of services. In some cases, the contractor may be reimbursed for the time incurred, or an amount agreed up front, if the Project does not go ahead. As at December 31, 2015, the amount of this contingent liability is approximately $250,000.

DISCLOSURE CONTROLS AND PROCEDURES

Management has established processes, which are in place to provide them with sufficient knowledge to support management representations that they have exercised reasonable diligence that:

(i) the audited annual financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the audited annual financial statements; and

(ii) the audited annual financial statements together with the other financial information included in the annual filings of the Company fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the audited annual financial statements.

In contrast to the certificate required of non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Company utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer, such as the Company, to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CRITICAL ACCOUNTING ESTIMATES

Deferred Mining Property Acquisition

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

Future Site Restoration Costs

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

Stock Options and Warrants

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

Repayment Options

The Company’s convertible debt agreement with RCF contains embedded derivatives related to the Company’s prepayment option (expired in February 2014) and the lender’s convertible feature (“Repayment Options”). The fair value assigned to the Repayment Options uses level 2 assumptions with the main inputs to the valuation being credit spreads of the Company, historical prices of the underlying stock, USD discount curve and CAD/USD foreign exchange rates. The most significant assumption is the probability of the loan being repaid prior to reaching the conversion date, which was estimated by obtaining credit spreads for an index of comparable companies residing in the same industry.

RISKS AND UNCERTAINTIES

Noront’s business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The risk factors include risks summarized below, risk factors referenced at page 1 herein, and risk factors disclosed under the heading “Risk Factors” in the Company’s most recent AIF, available electronically on SEDAR at www.sedar.com. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and an investment in Noront common shares should be considered speculative. The risks described herein, or in documents incorporated herein by reference, are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, may also materially and adversely affect its operating results, properties, business and condition (financial or otherwise).

Mineral Exploration

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

Additional Funding Requirements and Potential Dilution

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

The Company will require new capital to continue to operate its business and to continue with exploration on its mineral properties, and there is no assurance that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution, possibly substantial, to the Company’s present and prospective shareholders. The Company cannot predict the size of future issues of common shares or securities convertible into common shares.

As of March 30, 2016, the Company had 277,837,149 common shares outstanding, 18,230,001 stock options outstanding with a weighted average exercise price of $0.40 expiring between 2015 and 2019, 3,000,000 Performance Share Units with an expected life between 2 and5 years and 335,000 Restricted Share Units with an expected life of 2 years. In addition, RCF has certain conversion rights under the terms of the Convertible Loan. The issuance of common shares of the Company upon the exercise of options, Performance Share, Restricted Share Units or on conversion of the Convertible Loan will dilute the ownership of the Company’s current shareholders. Noront may also issue additional securities convertible into common shares of Noront in the future, the conversion of which would result in further dilution to the shareholders of the Company.

Debt and Liquidity

The Company's ability to make scheduled payments of the principal of, to pay interest on or to refinance its existing indebtedness (including without limitation the Facility) depends on the Company's future performance, which is subject to economic, financial, competitive and other factors many of which are not under the control of the Company. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due, including, among others, debt repayments, interest payments and contractual commitments.

The Company may not generate cash flow (if any) from operations in the future sufficient to service its existing or future debt and make necessary capital expenditures. If the Company is unable to generate such cash flow, it may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. The Company's ability to refinance its indebtedness will depend on the capital markets and its financial condition at such time. The Company may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on its debt obligations.

The terms of the Facility and the terms of the Loan Agreement require the Company to satisfy various affirmative and negative covenants. These covenants limit, among other things, the Company's ability to incur further indebtedness, create certain liens on assets or engage in certain types of transactions. There are no assurances that, in the future, the Company will not, as a result of these covenants, be limited in its ability to respond to changes in its business or competitive activities or be restricted in its ability to engage in mergers, acquisitions or dispositions of assets. Furthermore, a failure to comply with these covenants would result in an event of default that may allow a lender to accelerate the repayment obligations or enforce its security.

Continuation of Operating Losses

The Company does not have a long historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company’s management. Further, the Company’s properties are in the exploration stage and are not commercially viable at this time. The Company has not commenced commercial production on any of its mineral projects. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future. The Company expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of any of the Company’s mineral properties will require the commitment of substantial resources to conduct time-consuming development. There can be no assurance that the Company will generate any revenues or achieve profitability.

Title to Mineral Properties (Ownership Rights)

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

Mineral Resource and Mineral Reserve Estimates

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

The estimation of mineralization is a subjective process and the accuracy of estimates is a function of quantity and quality of available data, the accuracy of statistical computations, and the assumptions and judgments made in interpreting engineering and geological information. No assurance can be given that any particular level of recovery of gold or other minerals from resources will in fact be realized or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. In particular, the inferred mineral resources included in this AIF are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and, due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration.

Adequate Infrastructure

Mining, processing, development and exploration activities depend, to a substantial degree, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants affecting capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of the Company.

Economic

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any mineral products discovered. The prices of mineral products have historically fluctuated widely, are sometimes subject to rapid short-term changes and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted, but any one of, or any combination of, these factors may result in the Company not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of the Company may result.

Commodity Price Risk

The ability of the Company to develop its mining properties and the future profitability of the Company is directly related to the market price of gold and base minerals. Historically, gold prices have fluctuated widely and are affected by numerous external factors beyond the Company's control, including industrial and retail demand, central bank lending, sales and purchases of gold, forward sales of gold by producers and speculators, production and cost levels in major producing regions, short-term changes in supply and demand because of speculative hedging activities, confidence in the global monetary system, expectations of the future rate of inflation, the strength of the United States dollar (the currency in which the price of gold is generally quoted), interest rates, terrorism and war, and other global or regional political or economic events. Resource prices have fluctuated widely and are sometimes subject to rapid short-term changes because of speculative activities. The exact effect of these factors cannot be accurately predicted, but any one of, or any combination of, these factors may result in the Company not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of the Company may result.

Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees, contractors and consultants. The ability of the Company to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Company will be able to compete successfully with its competitors in acquiring such properties or prospects.

Environmental

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

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. In addition, environmental legislation is evolving in a manner requiring stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

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

First Nations

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

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

First Nations in Ontario are increasingly making lands and rights claims in respect of existing and prospective resource projects on lands asserted to be First Nation traditional or treaty lands. Should a First Nation make such a claim in respect of the Properties and should such claim be resolved by government or the courts in favour of the First Nation, it could materially adversely affect the business of Noront. . In addition, consultation issues relating to First Nation interests and rights may impact the Company's ability to pursue exploration, development and mining at its projects and could results in costs and delays or materially restrict Noront's activities.

Government Regulations

The Company's mineral exploration and planned development activities are subject to various federal, provincial and local government laws and regulations governing, among other things, acquisition of mining interests, maintenance of claims, tenure, expropriation, prospecting, development, mining, production, price controls, taxes, labour standards, occupational health, waste disposal, toxic substances, water use, land use, treatment of indigenous peoples, environmental protection and remediation, endangered and protected species, mine safety and other matters. Although the Company's exploration and planned development activities are currently believed by the Company to be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied or amended in a manner that could have a material adverse effect on the business, financial condition and results of operations of Noront, including changes to government mining laws and regulations or changes in taxation rates.

The operations of the Company may require licenses and permits from various local, provincial and federal governmental authorities. The costs and delays associated with obtaining and complying with necessary licences and permits as well as applicable laws and regulations could stop or materially delay or restrict Noront from proceeding with the development of an exploration project. In addition, such licenses and permits are subject to change in regulations and in various operating circumstances. Any failure to comply with applicable laws, regulations or licencing and permitting requirements, even if inadvertent, may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, or mining operations, at its projects and there is no assurance that the Company will be able to comply with any such necessary license and permit requirements in an economically viable manner.

The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and Noront common shares should be considered speculative.

Joint Ventures and Option Agreements

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

Litigation

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

Legal

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

Uninsurable Risks

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

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

Dependence on Key Employees, Contractors and Management

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

The mining industry has been impacted by increased worldwide demand for critical resources including industry consultants, engineering firms and technical experts. These shortages have caused increased costs and delays in planned activities. Noront is also dependent upon a number of key personnel, including the services of certain key employees and contractors. Noront's ability to manage its activities, and hence its success, will depend in large part on the efforts of these individuals. Noront faces intense competition for qualified personnel, and there can be no assurance that Company will be able to attract and retain such personnel. If the Company is unable to attract or retain qualified personnel as required, it may not be able to adequately manage and implement its business plan.

Labour and Employment

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

Conflict of Interest

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

Share Price

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

Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Current Global Financial Conditions

Current global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has been negatively impacted. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to the Company. If increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the value and price of the Company's securities could be adversely affected.

No Guarantee of Positive Return on Investment

There is no guarantee that an investment in the securities of Noront will earn any positive return in the short term or long term. The mineral exploration business is subject to numerous inherent risks and uncertainties, and any investment in the securities of Noront should be considered a speculative investment. Past successful performance provides no assurance of any future success. The purchase of securities of Noront involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. An investment in the securities of Noront is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

OUTSTANDING SHARE INFORMATION

As at March 30, 2016	
Authorized	Unlimited
Issued and outstanding shares	277,837,149
Options outstanding	18,230,001
Performance Share Units outstanding	3,000,000
Restricted Share Units outstanding	335,000
Convertible Debt	46,133,336
Fully diluted	345,535,486

ADDITIONAL INFORMATION

Additional information relating to Noront is available on the Internet at the SEDAR website www.sedar.com, and is available on the Company's website located at **www.norontresources.com**.