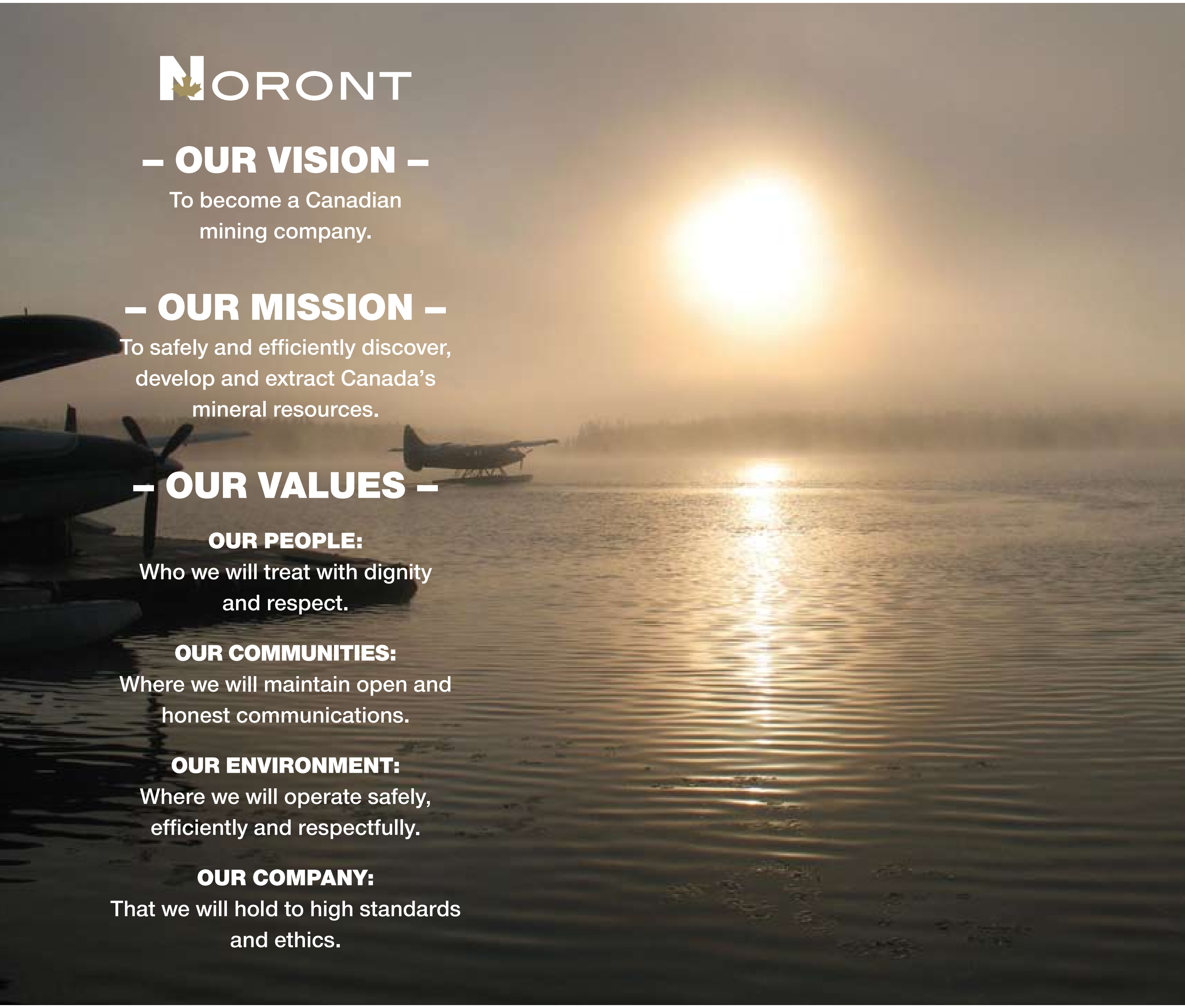
NORONT

2012 Annual Report

OPPORTUNITY

OPPORTUNITY



NORONT

– OUR VISION –

To become a Canadian mining company.

– OUR MISSION –

To safely and efficiently discover, develop and extract Canada's mineral resources.

– OUR VALUES –

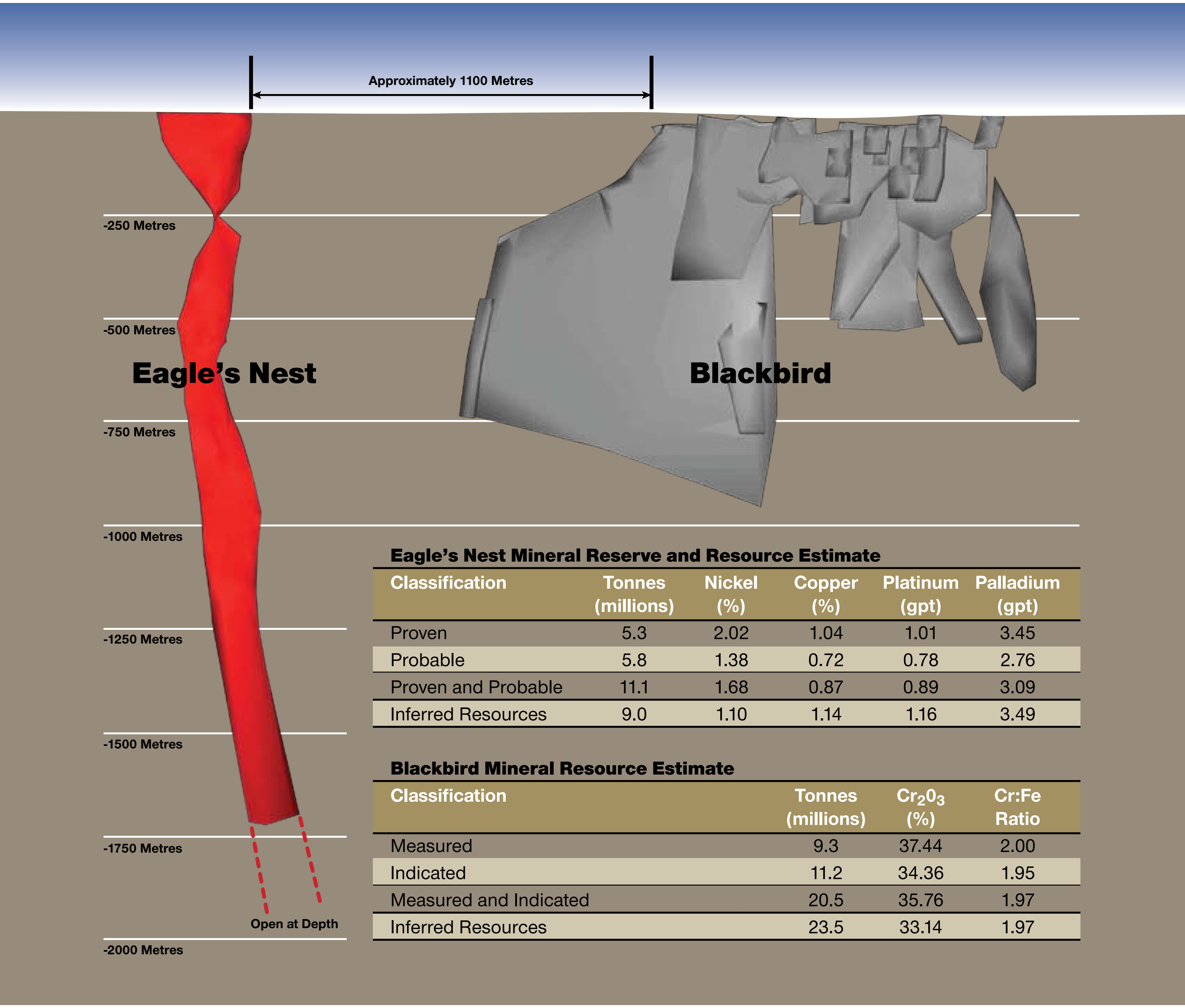
OUR PEOPLE:
Who we will treat with dignity and respect.

OUR COMMUNITIES:
Where we will maintain open and honest communications.

OUR ENVIRONMENT:
Where we will operate safely, efficiently and respectfully.

OUR COMPANY:
That we will hold to high standards and ethics.

"With two world-class mineral discoveries, an experienced management team, an environmentally and socially responsible development plan and a commitment to excellence, Noront defines opportunity."



Eagle's Nest Mineral Reserve and Resource Estimate

Classification	Tonnes (millions)	Nickel (%)	Copper (%)	Platinum (gpt)	Palladium (gpt)
Proven	5.3	2.02	1.04	1.01	3.45
Probable	5.8	1.38	0.72	0.78	2.76
Proven and Probable	11.1	1.68	0.87	0.89	3.09
Inferred Resources	9.0	1.10	1.14	1.16	3.49

Blackbird Mineral Resource Estimate

Classification	Tonnes (millions)	Cr_20_3 (%)	Cr:Fe Ratio
Measured	9.3	37.44	2.00
Indicated	11.2	34.36	1.95
Measured and Indicated	20.5	35.76	1.97
Inferred Resources	23.5	33.14	1.97

Report from the President and CEO

Wesley C. Hanson
President and CEO

Fellow Shareholders,

Opportunity!

With two world-class mineral discoveries, an experienced management team, an environmentally and socially responsible development plan and a commitment to excellence, Noront defines opportunity.

At our flagship Eagle's Nest deposit, we reported the first mineral reserve estimate in the Ring of Fire, a reserve fully supported by a pre-feasibility study prepared by independent experts from some of the world's most qualified mining suppliers. The study clearly demonstrates Eagle's Nest could be one of the lowest cost nickel producers in the world.

Less than two kilometres to the south of Eagle's Nest, drilling at Blackbird tripled the initial chromite resource estimate from 2009 but more importantly, it proved that the quality and potential size of the chromite resource at Blackbird is consistent with other chromite discoveries in the region.

"We are focused on building and operating a safe, environmentally and socially sustainable mine and mill complex that will establish new standards for the mining industry while returning significant value to our shareholders."

We submitted a comprehensive development plan for Eagle's Nest to the governments of Ontario and Canada, outlining a project with one of the smallest environmental footprints in the world. Our development plan features innovative, cost-effective engineering solutions to minimize our environmental impact. At the same time our plan offers considerable capital savings through innovative design ideas such as establishing the mill in underground chambers as opposed to costly surface construction.

We have sponsored multiple initiatives including Mining Matters camps, skills surveys, job fairs, student bursaries, school trips, radio programs and internet portal sites to inform local residents about our proposed development plans. We have provided Oji-Cree translations of key project facts, to ensure all community members can learn about our proposed development plans and the potential impacts on the environment.

We are focused on building and operating a safe, environmentally and socially sustainable mine and mill complex that will establish new standards for the mining industry while returning significant value to our shareholders. This includes working with our community partners to establish early training programs allowing community members to develop the necessary skills that will allow them the opportunity for future jobs and business prospects.

The quality of our assets, vast exploration potential and the capability of our management team led to large investments by Baosteel Resources, a division of Baosteel, one of China's largest steel and stainless steel manufacturers and Resource Capital Funds, a large US-based investment fund focused on resource companies.

Although, our share price lost 42% of its value during the fiscal year, fueled by a significant decline in the nickel price, which fell by 35% over the same period, other junior companies focused on developing new nickel assets in Canada and abroad saw their share prices decline by an average of 52% during the year.

In addition, global uncertainty had an overall negative impact on the capital markets, particularly the junior mining sector. The S&P/TSX Venture Index lost 38% over the fiscal year as shown in the chart to the right.

Despite the challenging market conditions this past year, the future fundamentals for both nickel and chromite remain very strong. Although analyst consensus is for continued downward pressure on both nickel and the junior mining sector as nickel supply exceeds nickel demand for the foreseeable future, most analysts agree that stainless steel production will continue to grow which will lead to increased demand for nickel and chromite.

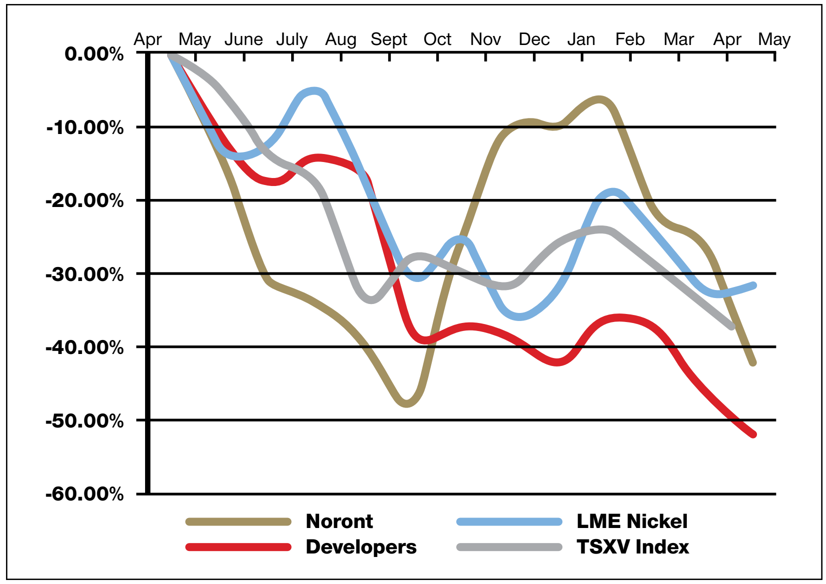
By 2015, many analysts predict demand will outstrip available supply, leading to increased nickel prices in 2015 and into 2016. Commercial production at Eagle's Nest, scheduled to commence in 2016 – 2017, would be ideally positioned to benefit from this period of improved metal prices.

With a strong balance sheet, outstanding assets in a politically stable country, a proven management team and a socially and environmentally responsible development plan, your Company represents an outstanding investment opportunity.

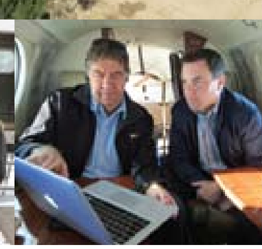
I would like to thank you all for your support and dedication this past year. On behalf of the Board and the Noront team I look forward to another successful year as we continue our efforts in 2013.

(signed)

Wesley C. Hanson



"With a strong balance sheet, outstanding assets in a politically stable country, a proven management team and a socially and environmentally responsible development plan, your Company represents an outstanding investment opportunity."



Paul Semple
Chief Operating Officer

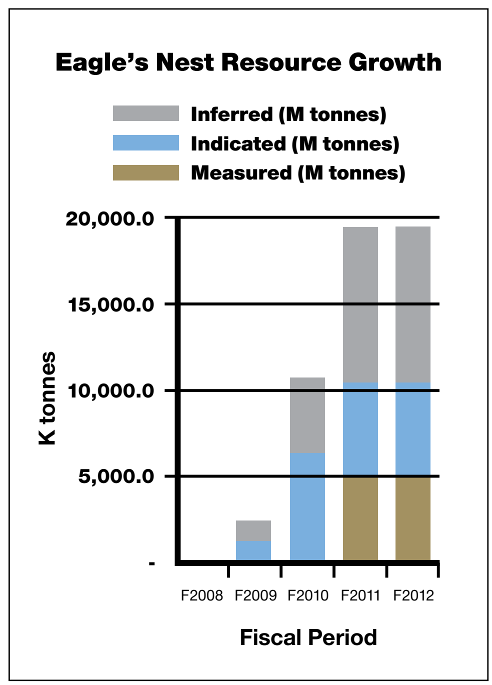
Operational Summary

Direct drilling costs totalled $13.7 million and a total of 29,251 metres were drilled for an average drilling cost of $469 per metre. The following table demonstrates a steady decrease in direct drilling costs over the past three fiscal years as management has focused on reducing inefficiencies.

Year	Expenditure	Metres	Cost/Metre
F2008	$ 13,372.000	16,207	$ 847
F2009	$ 23,565,000	40,915	$ 576
F2010	$ 22,967,000	41,540	$ 553
F2011	$ 22,222,000	41,209	$ 539
F2012	$ 13,711,000	29,251	$ 469

The Company has realized significant resource growth as a result of its investment in drilling both the Eagle's Nest and Blackbird deposits.

The following chart shows the resource growth at Eagle's Nest for the past five fiscal years.



The Eagle's Nest resource more than tripled from 2.8 M tonnes at the end of fiscal 2009 to 11.2 M tonnes in fiscal 2010. Drilling again doubled the resource in fiscal 2011 to 19.9 M tonnes and the deposit remains open at depth.

The Corporation's stated objectives for fiscal 2012 were:

Eagle's Nest

- Complete a pre-feasibility study on the Eagle's Nest deposit and target completion of a full feasibility study on the Eagle's Nest complex in the 2nd quarter of calendar 2012;
- Continue to engage stakeholders on options for infrastructure development and funding;
- Continue to engage First Nations communities and identify business and employment opportunities; and
- Advance the Eagle's Nest Project by initiating the permitting process.

Blackbird

- Complete exploration drilling on the Blackbird chromite deposits to increase the size and confidence of the resource.

Exploration

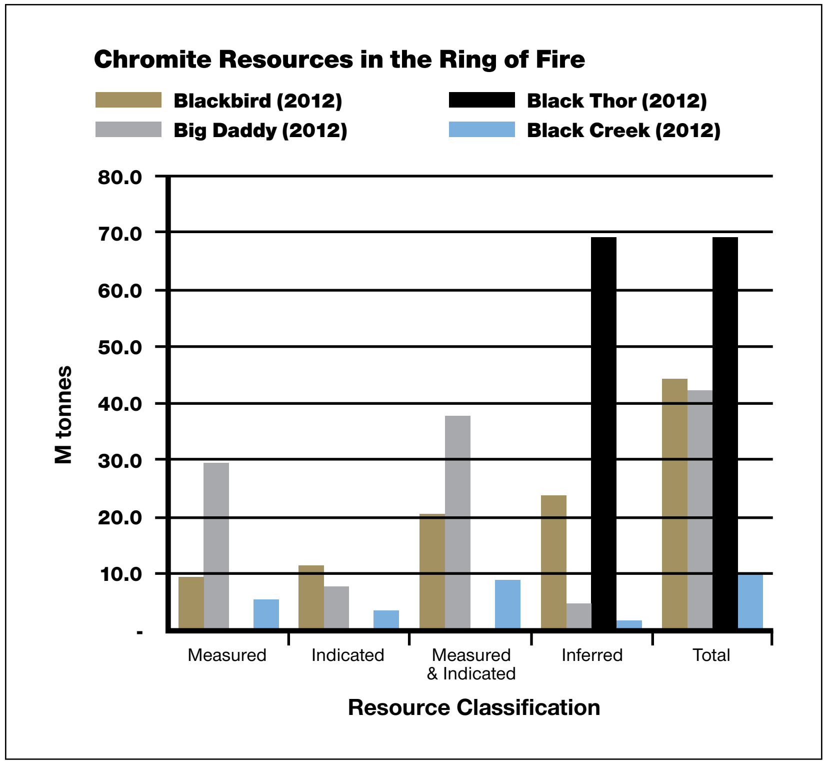
- Continue to evaluate and test the exploration potential to increase the nickel, copper, platinum and palladium resources around Eagle's Nest and regionally in the Ring of Fire.

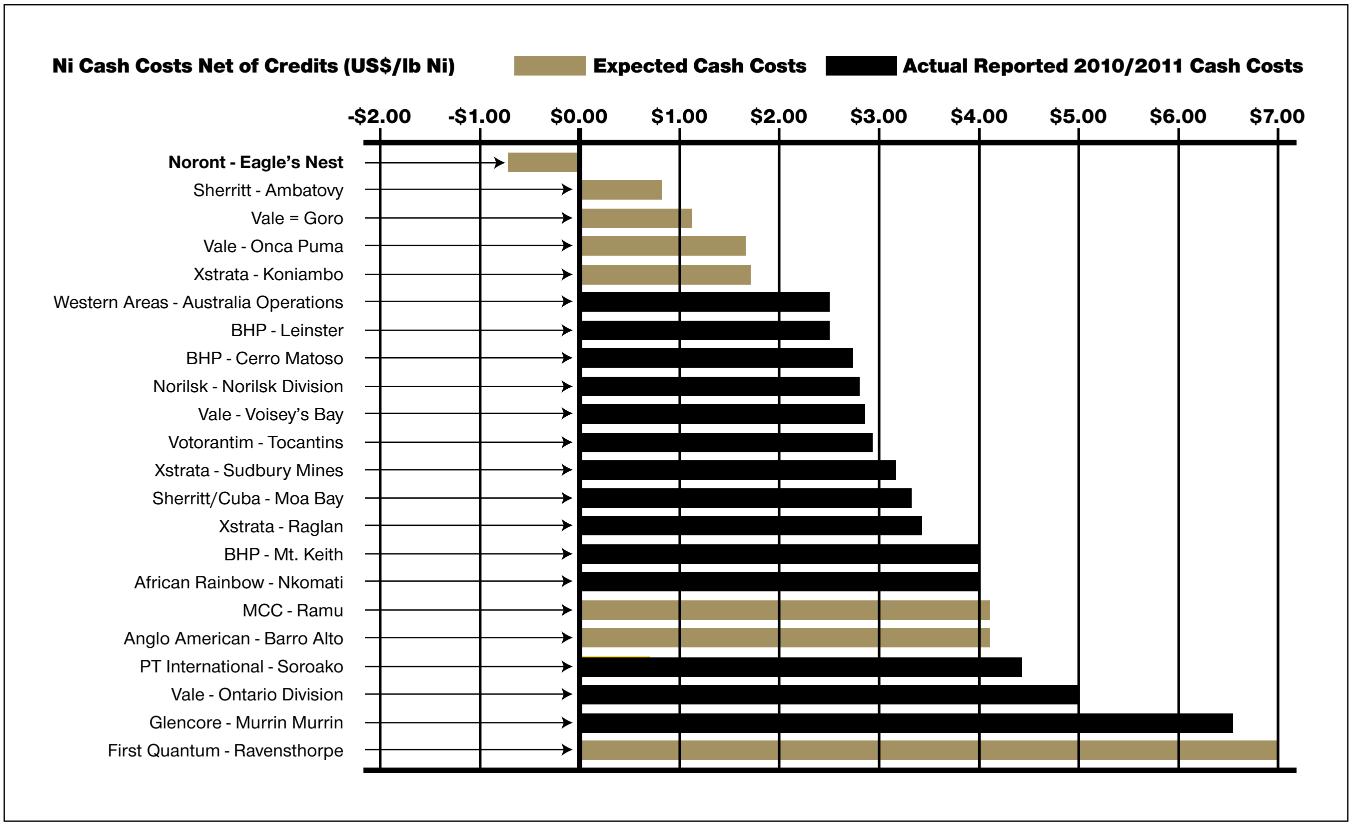
The Company successfully met all it's established objectives for fiscal 2012 (May 1, 2011 to April 30, 2012) realizing total expenditures of $21.8 million.

In August, 2011, the Company released the results of the Eagle's Nest Pre-feasibility Study, establishing the first mineral reserve in the Ring of Fire.

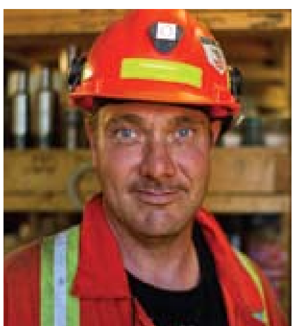
Simultaneously, the Blackbird chromite resource increased from 14.9 M tonnes in fiscal 2010 to 44.0 M tonnes in fiscal 2012. Our drilling during fiscal 2012 effectively demonstrates that Blackbird remains open at depth and offers similar grades, chrome to iron ratios and size potential as the other chromite discoveries in the Ring of Fire.

The chart on the right outlines the total chromite resources identified to date within the Ring of Fire that are supported by published technical reports.





Source: Raymond James Ltd. and Company Reports



The Pre-feasibility Study valued Eagle's Nest at between $400 to $600 million based on the Assumed Metal Prices[1] and various discount rates and suggest a return on investment in excess of 20% on an initial capital investment of $734 million. The pre-feasibility study indicated that Eagle's Nest would be one of the lowest cost nickel producers in the world with production costs of minus $0.70 per pound of nickel, a result of the valuable by-product metals included in the Eagle's Nest ore.

Based on these highly favourable results, the Company decided to initiate a full feasibility study for Eagle's Nest with a targeted completion date of May 2012.

The Feasibility Study was largely completed by May 2012 as planned, however release was delayed as a result of the May 9, 2012 announcement by the Ontario Government suggesting, for the first time, provincial support of potential infrastructure development to the Ring of Fire.

The government announcement focused on an access route and capital participation plan that was not available to Noront for inclusion into the Feasibility Study. As a result, the Company had no choice but to delay release of it's completed study until it could evaluate the impact of the government's proposal.

The Company is currently in discussions with the Government of Ontario having expressed an interest in participating with other industry partners in developing road access to the Ring of Fire.

Noront is committed to the safe and efficient discovery, development and extraction of mineral resources as outlined in the Company's Mission Statement and Values. We are committed to developing our assets in the Ring of Fire in an environmentally and socially responsible manner for the benefit of all Ontarians.

We are proud of our environmental stewardship to date and pleased to report that during fiscal 2012, the Company has operated in the Ring of Fire without any citations.

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[1] *Nickel: US$8.62 per pound, Copper: US$3.08 per pound, Platinum: US$446 per ounce, Gold: US$1,130 per ounce.*

Baseline environmental data collection has been ongoing since 2009. During the fiscal year, additional data was collected in support of the following:

- Meteorological Study
- Breeding Bird and Habitat Survey
- Migratory Bird Survey
- Vegetation Survey
- Surface Water Quality Study
- Baseline Hydrological Studies
- Fisheries Studies
- Hydrogeological Studies
- Aboriginal Traditional Knowledge Study
- Traditional Land Use Study
- Archaeological Study

The studies noted above were concentrated in the immediate vicinity of the planned Eagle's Nest underground mine and along the proposed access corridor as outlined in Noront's Project Description.

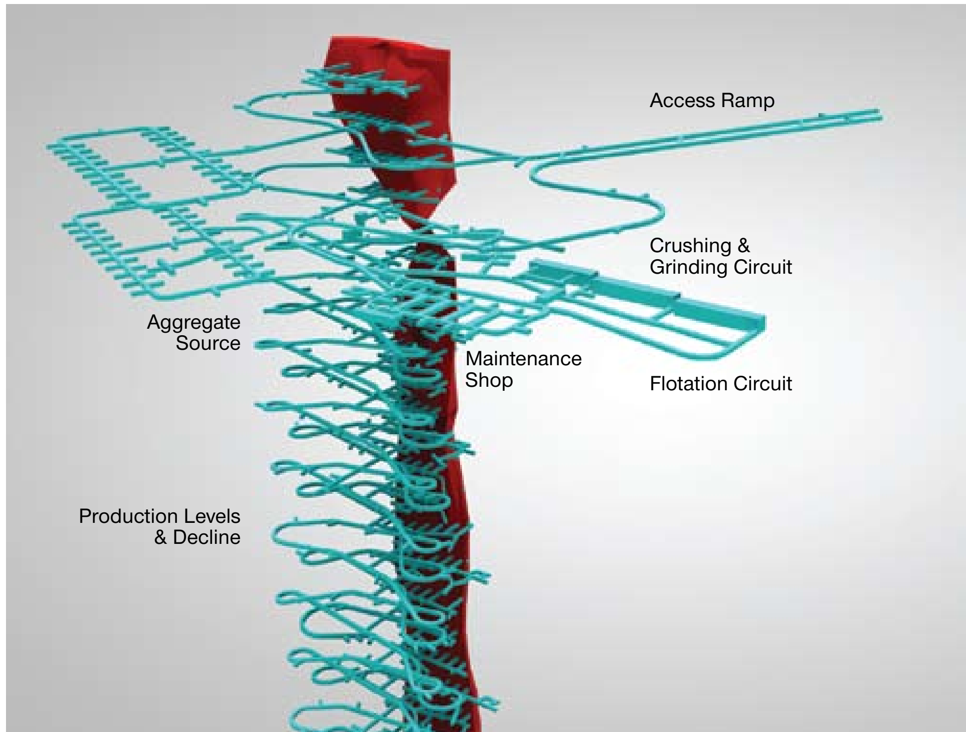
Project Description

On March 23, 2011, the Company filed its Project Description for the Eagle's Nest deposit with the Canadian Environmental Assessment Agency and the Province of Ontario's Ministry of Northern Development, Mines and Forestry.

On December 2, 2011, the Company announced that the draft Terms of Reference and the Draft Environmental Impact Statement Guidelines for the Eagle's Nest Mine were available for public comment. The Canadian Environmental Assessment Agency ("CEAA") recommended a Comprehensive Review Process for the Eagle's Nest Project. Draft Terms of Reference and a Draft Environmental Impact Statement Guidelines have been made available for public comment at www.ceaa.gc.ca.

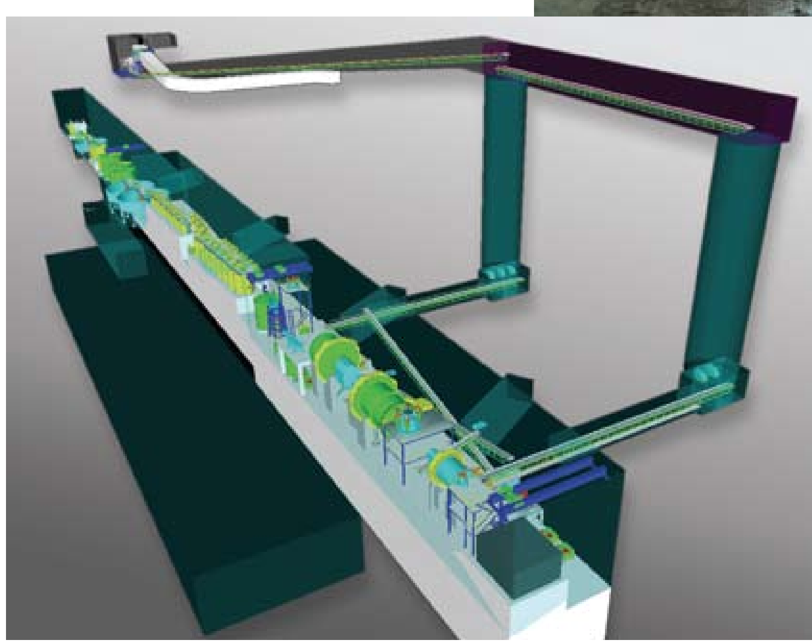
The Project Description outlines what the Company believes is an environmentally and socially responsible proposal for the construction and operation of a 1.0 million tonne per annum underground mining and milling complex.

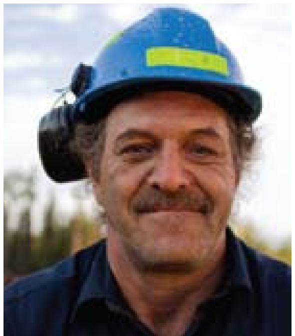
Underground mining will utilize electric, trackless load, haul dump ("LHD") equipment. The current plan considers highly productive sub-level blast-hole stoping of the Eagle's Nest deposit. Waste rock from the underground development will be re-cycled to provide construction aggregate for the limited surface facilities consisting of a camp, airstrip, office building and access roads.



The surrounding host rock at Eagle's Nest is very competent and capable of supporting large open spans. The Project Description proposes that the milling complex will be situated in underground excavations to take advantage of the rock strength, reduce costs and improve efficiencies.

Tailings will be stored underground as cemented paste backfill, eliminating the surface disturbance associated with a conventional tailing storage facility.





The Project Description assumed access to the site would be a combination of an all season road and winter road. The all season road route proposed follows the existing winter road corridor from Pickle Lake to Webequie. The proposed route for the all season road would establish permanent road access to five First Nations communities that are currently reliant on air transportation for access.

The Company believes that the Project Description presents a proposed mine development plan that recognizes the environmental sensitivity of the James Bay wetlands by minimizing surface disturbance, particularly within the wetland area.
The proposed development plan provides significant social benefits to a number of First Nations communities including road access, potential long-term business opportunities related to the operation of the diesel generating plant and direct employment resulting from the filtering and drying plant.

For greater detail, the reader can refer to the Project Description document available on the Company's website.

While the Company was focused on advancing the Eagle's Nest deposit towards commercial production, we also set a goal of increasing the total mineral resource at Blackbird during fiscal 2012. In December 2009, the Company announced a total resource of 15.0 million tonnes of chromite at Blackbird. This was the first mineral resource estimate for chromite in the Ring of Fire.

During the first half of fiscal 2012, drilling was focused on increasing the total resource and improving the geological confidence of the Blackbird chromite deposit, as per the Company's goals and objectives. This drill program resulted in close to a three fold resource increase as reported in December 2011 and summarized in the following table.

Blackbird Mineral Resource Estimate
December 31, 2011

Classification	Tonnes (millions)	Cr_2O_3 (%)	Cr:Fe Ratio
Measured	9.3	37.44	2.00
Indicated	11.2	34.36	1.95
Measured and Indicated	**20.5**	**35.76**	**1.97**
Inferred	23.5	33.14	1.97

The drilling also highlighted the potential for future resource growth but most importantly, the results demonstrate that Blackbird is equivalent to any other chromite discovery in the Ring of Fire with the added advantages that it is amenable to large scale underground mining methods which dramatically limit the environmental impact of chromite mining at site. The Company believes Blackbird represents an excellent opportunity to establish a chromite mine and ferrochrome processing facility in the future, once development of Eagle's Nest is completed.

The final objective for fiscal 2012 was the testing for additional sources of nickel sulphide mineralization through a carefully planned and managed surface drill program.

Towards that end, the Company used deep penetrating induced polarity surveys at Eagle's Nest to establish the geophysical signature of Eagle's Nest. Surface exploration grids at Eagle's Nest, Eagle Two and AT12 were cleared and extended and the ground-based induced polarity survey was extended to each area in sequence. Results were analyzed and Company geologists targeted what they interpreted to be buried nickel sulphide targets in all three areas.

Multiple targets were identified for drill testing based on the strength of the geophysical response and the fit of the target within the litho-structural model of the Eagle's Nest area. Drilling of these targets in November and December 2011 led to the discovery of two new zones of nickel sulphide mineralization, located within 500 metres of the Eagle's Nest deposit. This suggested that the new geophysical technique successfully identified previously unrecognized nickel sulphide mineralization.

In light of those results and of the successes of the Insight IP survey, management decided to expand the geophysical survey area to include the Eagle Two (in the AT2 area) and AT12 targets. Field work for the IP survey commenced in early December and continued until early January 2012, and from that, multiple targets at AT12 and close to Eagle's Nest (including the AT2/Eagle Two area) were identified, and of which, some were drill-tested in the third and fourth quarters of fiscal 2012.

Drill results at AT2/Eagle Two identified low-grade nickel sulphide mineralization, similar to the zones discovered near the Eagle's Nest deposit in November and December 2011. This provides further evidence that the ground-based geophysical surveys deployed by the Corporation have increased the ability to detect buried mineralization, that of which airborne geophysical surveys did not isolate. The drilling at AT12 continued to intersect long, down hole intervals averaging from 0.2% to 0.7% Ni throughout an ultramafic intrusive unit that measures approximately 200 metres in width and has been traced over a strike length of 1,200 metres to a depth of 600 metres. The ground-based geophysical surveys helped to pinpoint areas of higher mineralization within AT12. Potential synergies with the mill complex being considered to process the mineralization at Eagle's Nest may positively affect the ability to process the mineralization at AT12.

Environmental Timeline

The Company's objective is to have completed all necessary baseline studies by the middle of the 2012 calendar year. Completion of an Environmental Assessment Report for the project is targeted for the first half of fiscal 2012. The Company is currently completing Community Open Houses as part of the permitting process.

Community Engagement

Noront, as a company, recognizes the importance of working closely with the communities that will be impacted, or potentially impacted, by the development of the Eagle's Nest mine to create a lasting and meaningful relationship for the benefit of the Company and the communities.

Noront believes in the value of responsible planning and action to ensure the work we do will leave a minimal environmental and social impact to the land and to the region.

Noront understands the importance of creating a sustainable economy for the communities and the people who live there. Providing opportunities for training, jobs and business prospects promotes long-term sustainable growth and development.

Noront's success in engaging the community partners begins with listening to the community leaders and the members. Learning from the issues that are raised by the communities we respond to the comments in a meaningful and thoughtful manner. We use this feedback, address the concerns, building lasting and mutually beneficial relationships with the community partners.

Glenn Nolan
Vice President,
Aboriginal Affairs

The foundation of Noront's community engagement efforts can be summed up in the following manner: Respect; Relationship; Responsible; Sustainable.

Noront respects that communities have inherent Treaty and Aboriginal rights. These rights are entrenched in section 35 of the Canadian Constitution.

Activities:

- Signed new agreements with communities focused on working together in the development of the Eagle's Nest Project.
- Provided financial support for various community-based programs (health and wellness; youth; social programs; fundraising efforts; etc.).
- Conducted skills assessment with communities to identify community members interested in working with Noront.
- Support youth-based educational programs (DareArts; Mining Matters; Right to Play).
- Hosted eleven open house meetings in eleven communities (eight First Nation communities).
- Attended meetings with community leaders from local communities.
- Worked with four communities on all season road development concepts. Financially supporting all season road corridor study in partnership with communities.
- Work with federal and provincial governments on identifying training funds for skill development. Working with community partners in development of relevant training programs.
- Discussion with communities on business opportunities related to the Eagle's Nest mine.
- Continued development and maintenance of Mikawaa Community web portal.
- Hosting of Mikawaa Hour radio show.
- Sought comments on Terms of Reference for Environmental Assessment for the project.
- Advisory council with Aboriginal leaders in business, mining and cultural protection.

A priority over the next few months will be the work towards an Impact Benefit Agreements (IBA) with the affected communities. The IBA negotiations will set a clear plan for a working relationship with the communities for the life of the project.

Questions & Answers

1 Why is Noront Resources a good investment?

"We have world-class assets located in a politically stable country with established mining regulations. Our management team has vast experience in advancing projects from exploration through development and into production. We have attracted major investments from experienced resource investment funds and steel manufacturers with long-term investment windows. The fundamentals for both nickel and chromite remain strong as stainless steel production continues to increase. It's not so much a question of if but when and the when will be driven by the recovery in global financial markets."

2 How will the environment be affected by your project?

"We have always considered the environment in all our plans. Eagle's Nest will have the smallest environmental footprint of any remote underground mine in the world. By building the mill underground and utilizing paste backfill technology to eliminate the need for traditional surface tailings storage, we have radically reduced the environmental footprint of our mine and we will continue to identify other opportunities to reduce our environmental impact going forward."

3 How is your relationship with the First Nation Communities in the Ring of Fire area?

"We are working hard to establish a relationship of trust with the First Nation communities in the Ring of Fire area. Building relationships takes time and effort, by both parties. I believe we are slowly establishing a relationship of trust with the communities closest to the Ring of Fire and I look forward to expanding that relationship to other communities as we continue to advance our projects."

4 What are the risks involved with developing in the Ring of Fire?

"As with all mining projects there are multiple risks involved in developing any mining venture. There are technical risks, geo-political risks, social risks and financial risks.

All risks are mitigated through knowledge and experience, knowledge and experience our management and consultants have developed from long, successful careers in engineering, building and operating mines around the world. It is this knowledge and experience that allows a comprehensive development plan to be established, a plan that considers all eventualities.

Of course, there are always unforeseen events that cannot be predicted or which may be unique to every project. Again, the best means to limit the impact of such events is a knowledgeable management team with a common objective."

5 Noront seems to be focused on development. Is Noront no longer an exploration company?

"Noront is entirely focused on developing Eagle's Nest as it should be. While additional sources of nickel, chromite and other potential metals are undoubtedly present in the Ring of Fire, the key to realizing the true value of this unique mining camp is to establish commercial production from one mine and utilize profits from that mine to discover and develop other mines in the future.

Noront has invested close to $150 million to date in the Ring of Fire. That investment has identified two world-class deposits, Eagle's Nest and Blackbird. To fund these discoveries, the Company issued close to 100 million shares.

While the Company has been successful in reducing exploration costs from over $1,000 per metre in 2007 to roughly $500 per metre in the most recent drill campaigns, exploration costs are high due to lack of infrastructure.

Rather than continue to issue shares to engage in costly and risky exploration, management believes that long-term value is better served by issuing share capital to fund construction of a mine, establish commercial production and re-invest cash flow to explore elsewhere in the Ring of Fire from an established mining camp with sufficient infrastructure. This would result in further reduction to the cost of exploration that would result in increased efficiency."

6 How much focus are you going to dedicate to exploring further in the Ring of Fire?

"Our long-term goal is to establish commercial production at Eagle's Nest as quickly and efficiently as possible. As such, 100% of our focus and effort will be directed towards this goal."

7 What is Noront forecasting in the next three to five years in terms of investment return?

"The life cycle of mining projects is well understood. It is common that the share price realizes considerable appreciation shortly after a new mineral deposit is discovered. That share price performance continues to appreciate as new results confirming the size and quality of the discovery are reported. Eventually this leads to either a take over or a production decision. The former provides shareholders with immediate value appreciation. The latter often leads to a significant decline in value as the engineering work and studies necessary to build a mine are completed. These studies take time, consume capital and there is little excitement in the stock as the work proceeds.

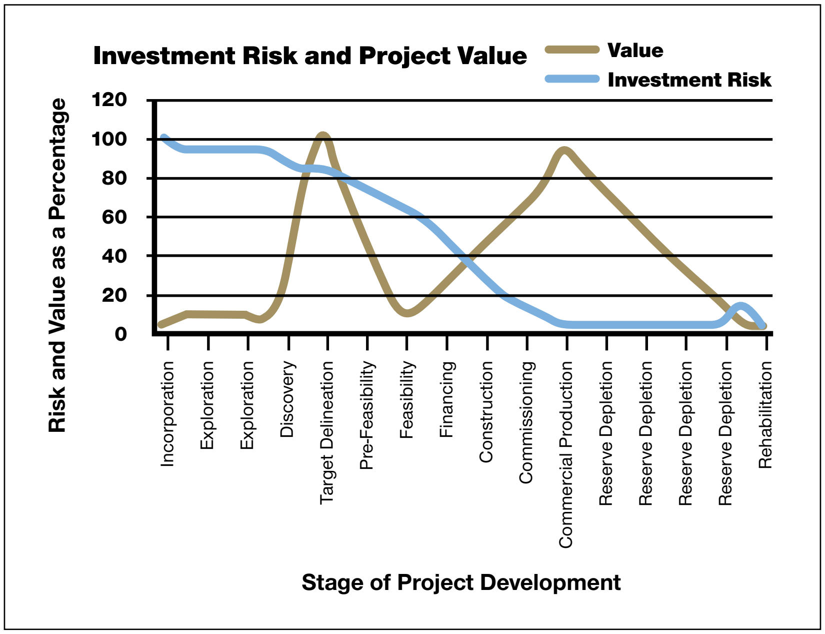
Eventually the engineering work is complete, an event typically marked by the release of a feasibility study. Typically, the feasibility study represents a turning point in the share price depreciation. The feasibility study is used as a means to assemble a financing package to build the mine. The announcement that the financing plan has been completed is another key milestone that adds value. Value for shareholders continues to increase as the mine is being constructed, eventually peaking once again when the mine is operating at a consistent level.

If the mine is located in an underexplored area with the potential to host additional discoveries, then the value potential is greatly enhanced as profit from the mine is re-invested into the area to discover additional mineral wealth that will lead to mine expansion and additional cashflow.

In the coming years, watch for a gradual increase in value. Our target is to begin production in 2016 to 2017. That is when our shareholders will realize the real value of our Eagle's Nest discovery."

8 What is management's confidence level in developing Eagle's Nest?

"Eagle's Nest is a world-class mineral deposit. Many professionals spend their entire lives hoping for an opportunity to design, build and operate a mine backstopped by a world-class mineral discovery. For some of us, this is likely the last opportunity we will have in our careers to work on a project with the potential to not just support a mine, but to support the development of an entire mining camp. It is a career opportunity and the fact that there is such little turnover in our senior management demonstrates that fact quite clearly.



Modified from B. Cook, 2011.

9 How are the Federal and Provincial Governments going to contribute to the development of the Ring of Fire?

"While we cannot speak to the plans of either the federal or provincial governments, we believe that it is likely that both levels of government will play an active role in seeing the potential of the Ring of Fire realized. This may take the form of direct investment in infrastructure, training or education. Government may choose to lead the engagement process with affected First Nations communities and the communities of northwestern Ontario.

There are multiple ways that both the federal and provincial governments can assist in realizing the economic benefits associated with the Ring of Fire. It is our hope that both the federal and provincial governments play an active role in the process, serving as leaders and pushing the agenda as opposed to sitting back and letting industry lead the development."

10 What is the main purpose of Nickel?

"Nickel is primarily consumed in the production of stainless steel and specialty alloys due to it's physical properties. Most of the world's jet engines require nickel and there is increasing demand originating from the re-chargeable battery market."

NORONT

For the year ended April 30, 2012

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MANAGEMENT'S DISCUSSION AND ANALYSIS

(Expressed in Canadian Dollars)

Years ended April 30, 2012 and 2011

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 April 30, 2012, which have been prepared in accordance with International Financial Reporting Standards. 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.

Wesley C. Hanson, President and Chief Executive Officer 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 NI 43-101 compliant technical reports entitled "Pre-Feasibility Study, McFaulds Lake Property, Eagle's Nest Project, James Bay Lowlands, Ontario", dated October 6, 2011 (effective date of August 23, 2011) (the "McFaulds Pre-Feasibility Study"), the "Technical Report on the Mineral Resources Estimate for the Blackbird Chrome Deposit, James Bay Lowlands, Northern Ontario, Canada" dated January 22, 2010 (effective date of December 31, 2009) (the "Blackbird Technical Report") the "Technical Report on the Updated Mineral Resource Estimate for the Eagle's Nest Property, McFaulds Lake Project, James Bay Lowlands, Ontario, Canada" dated April 18, 2011 (effective date of March 4, 2011) (the "Eagle's Nest Update Technical Report") and the "Technical Report on the Updated Mineral Resource Estimate for the Blackbird Chrome Deposits, McFaulds Lake Project, James Bay Lowlands, Ontario, Canada" dated May 4, 2012 (effective date of December 31, 2011) (the "Blackbird Update Technical Report") available on SEDAR and the Company's website.

This information is current as of July 18, 2012.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes certain "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking information is provided as of the date of this MD&A 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 statements include statements regarding financial results and expectations for fiscal year 2012, 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, 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, resources and anticipated grades and recovery rates 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 statements.

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 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 on pages 26-30 herein under the heading "Risk Factors"; risk factors disclosed under the heading "Risk Factors" in the Company's most recent Annual Information Form ("AIF") dated July 28, 2011 on pages 36-40, 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 such statements will prove to be accurate as actual results and future events could differ materially from those reliant on forward-looking statements.

All of the forward-looking statements made 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 statements due to their inherent uncertainty. Noront disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by law. These forward-looking statements 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 RESOURCE ESTIMATES

All resource estimates contained in this MD&A have been prepared in accordance with National Instrument 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 resources", "indicated resources" and "inferred 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 "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Any U.S. investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred 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 resources will ever be upgraded to a higher category. Any U.S. investors are cautioned not to assume that all or any part of the inferred resources exists, or that they can be mined legally or economically. Information concerning descriptions of mineralization and resources contained in this report 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, platinum group elements ("PGE's"), chromite, iron, titanium, vanadium, gold and silver. The Company is currently focused on the development and exploration of its properties at McFaulds Lake (the "McFaulds Lake Project"), in the James Bay Lowlands, Ontario within a geological feature (intrusion) commonly referred to as the "Ring of Fire". The Company owns a 100% interest in a development stage nickel-copper-platinum group elements project known as "Eagle's Nest", a development stage chromite project known as "Blackbird"; two nickel-copper-platinum group metal discoveries known as "Eagle Two"; "AT-12"; an iron-vanadium-titanium discovery known as "Thunderbird"; and a zone of gold mineralization known as the "Triple J Gold Zone".

Noront controls and has 100% mineral rights ownership of 427 claims of approximately 95,376 hectares (235,679 acres) in the Ring of Fire area, making Noront the largest claim holder in the region.

OBJECTIVES

The Company's objectives for fiscal 2013 include:

- the continued development of our flagship Eagle's Nest (nickel, copper, platinum, and palladium) Project with the objective of establishing commercial production in and around 2016; and
- the continued evaluation of the Blackbird chromite project to establish the economic value and a strategy for future development.

Eagle's Nest (nickel, copper, platinum, and palladium) Project

The Company released the results of its pre-feasibility study on August 23, 2011 and based on the positive results of this study, the Company initiated work on a full feasibility study. The feasibility study was planned for completion and release by the second quarter of calendar 2012. The geographic scope of the feasibility study was based on an area identified by an access route connecting highway 808 north of Pickle Lake, Ontario to a point just south of the First Nation Community of Webequie and then continued east to the Eagle's Nest mine site (the "East-West Route").

On May 9th, 2012 the Government of Ontario, through joint public statements with Cliffs Natural Resources indicated provincial support for a different access route to the Ring of Fire. The proposed route runs north to south from a point north of Nakina, Ontario directly to the "Ring of Fire" (the "North-South Route"). As a result of this announcement, the Company has delayed the release of its feasibility study until the Company has evaluated the impact of the North-South Route.

The Company continues to meet with the Government of Ontario regarding the North-South route. During the first half of fiscal 2013 ("H1 2013") the Company plans to work with the Government of Ontario, other industry partners, regional stakeholders, First Nations and the local communities of northwestern Ontario to reach agreement on stakeholder contributions and timelines for the financing and construction of the proposed North-South Route.

Aside from the above access route consideration, all the technical work on the feasibility study is complete and as such, the Company plans to commence the pre-development activity necessary to meet its planned production date in and around 2016, provided permitting and financing can be obtained. The Company is currently developing detailed capital expenditure plans, starting detailed project engineering, sourcing long lead equipment, preparing contracts for the underground and surface construction and preparing to mobilize equipment to the site utilizing an upgraded winter road along the East-West Route. The Company will be applying to the Government of Ontario for an advanced exploration permit to allow for the construction of a surface portal and an exploration decline that will be used to:

- collect a bulk sample for additional metallurgical testing;
- provide a platform for underground diamond drilling to increase the mineral reserves; and
- provide a source of aggregate material for surface site construction.

The Eagle's Nest environmental assessment is planned for completion in H1 2013. The Company continues to meet with local communities regarding the environmental assessment including the potential impact on traditional lands and practices. The environmental assessment will include socio-economic aspects of the Eagle's Nest Project and is intended to work towards negotiating impact benefit agreements with stakeholders.

The Company is also working with local communities to identify business and employment opportunities.

The Company has engaged a financial advisor to assist with evaluating financing options for the Eagle's Nest Project. All financing options are currently being evaluated including joint venture arrangements with strategic partners as well as financing the Eagle's Nest Project independently.

Blackbird Chromite Project

The Company is focused on developing its most advanced project, the Eagle's Nest Mine. The Company's longer term plan has always been to start development and production from the Blackbird chromite deposits once production commences at Eagle's Nest. However, the Company is currently evaluating the economics of the Blackbird Chromite Project based on the substantially larger resource estimate released during fiscal 2012 as a result of the positive drill program in the first half of the fiscal year, and actively seeking opportunities to bring forward its planned production date.

Exploration

Exploration drilling has been suspended for the summer as drilling efforts will be focused on the engineering necessary to evaluate areas for site construction. During H1 2013, drilling will be focused on collecting engineering data (rock mass characterization, hydrogeology, condemnation drilling) in areas where the surface and underground infrastructure are planned to be located.

The Company is updating its geological model based on previous geophysics and drilling data. Company geologists will identify areas for exploration drilling based on the updated model and the Company may initiate limited exploration in the second half of 2012 ("H2 2013") to test select targets identified as part of the modeling process.

Once the Eagle's Nest Mine and Mill complex is operational, the Company believes the mineralized zones proximal to Eagle's Nest and AT-12 have the potential to be economic and will supplement the mill feed increasing concentrate production.

CORPORATE AND OPERATIONS REVIEW

Corporate

During the first quarter of fiscal 2012, Baosteel Resources International Co., Ltd. ("Baosteel") acquired a 9.9% ownership interest in the Company through a private placement offering. In October 2011 the Company was pleased to announce that Mr. Lin Li, Vice President Finance with Baosteel was elected to the board of directors of Noront (the "Board of Directors"). Baosteel is a significant stainless steel producer in China, a natural customer for the Eagle's Nest mine production and the Baosteel Group is ranked 212 among the Fortune 500 Companies.

The Company was also pleased to announce, in October 2011, the election of Mr. Paul Parisotto as Chairman of the Board of Directors and Mr. Ted Bassett to the Board of Directors. Mr. Bassett is a Professional Engineer with over 40 years of experience in mine engineering and project management. Most recently, Mr. Bassett was the Project Director, Jansen Potash Project, BHP Billiton. Mr. Bassett has a successful track record in the supervision and construction of large capital projects including: The Olympic Dam Expansion Project, The Goro Nickel Project, the Voisey's Bay Nickel Project and the Diavik Diamond Mine.

On March 23, 2012, Resource Capital Fund V L.P. ("RCF"), declared that it had acquired a 10.11% interest in Noront through accumulation of Noront's free trading shares on the open market. At that time, RCF expressed an interest in increasing its interest in Noront through future private placements.

Subsequent to the fiscal year end, RCF increased its position in Noront to 18.19% as a result of a non-brokered private placement with gross aggregate proceeds of $10 million. In a subsequent transaction Baosteel exercised its anti-dilution rights pursuant to its previous subscription agreement to maintain its 9.9% interest, with aggregate gross proceeds to the Company of approximately $1.3 million.

In conjunction with the closing of RCFs private placement, Mr. David Thomas, P.Geo, Managing Director of RCF Canada joined the Company's board of directors. Mr. Thomas is a professional geologist, a graduate with a BSc Geology from the University of Waterloo and a MSc Geology from Queens University. Mr. Thomas worked as an exploration geologist for eight years with Minnova Inc. and Metall Mining. Prior to joining RCF in 2010, Mr. Thomas spent fifteen years as a mining analyst and equity salesperson.

Operations

McFaulds Lake Project

The Company established the following goals at the beginning of fiscal 2012:

Eagle's Nest

- complete a pre-feasibility study on the Eagle's Nest deposit and target completion of a full feasibility study on the Eagle's Nest complex in the 2nd quarter of calendar 2012;
- continue to engage stakeholders on options for infrastructure development and funding; and
- continue to engage First Nations communities and identify business and employment opportunities.

Blackbird

- complete exploration drilling on the Blackbird chromite deposits to increase the size and confidence of the resource.

Exploration

- continue to evaluate and test the exploration potential to increase the nickel, copper, platinum and palladium resources around Eagle's Nest and regionally in the Ring of Fire.

Eagle's Nest Project

During the second quarter of fiscal 2012, the Company released the results of a NI 43-101 compliant pre-feasibility study [1] ("PFS") for a stand-alone nickel, copper, platinum group element ("Ni-Cu-PGE") mine and mill complex exploiting the Company's 100% owned Eagle's Nest Project. The results of the independent study supervised by Micon International, concluded that the previously defined Eagle's Nest mineral resource is economic and can be classified as a Mineral Reserve. The reserves, as reported in the 43-101 compliant McFaulds Pre-Feasibility Study, are as follows:

	Ore tonnes (000's)	Ni %	Cu %	Pt g/t	Pd g/t	Au g/t
Reserves						
Proven	5,264	2.02	1.04	1.01	3.45	0.19
Probable	5,867	1.38	0.72	0.78	2.76	0.18
Total Reserves	11,131	1.68	0.87	0.89	3.09	0.18
Inferred Resources	8,966	1.10	1.14	1.16	3.49	0.30

At the time of the technical report August 23, 2011, Micon is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing or political issues which would adversely affect the mineral reserve estimated above. However, there is no assurance that Noront will be successful in obtaining any or all of the requisite consents, permits or approvals, regulatory or otherwise, for the project. As regards the reserve parameters, higher mining dilutions, poor metallurgical recoveries and low metal prices could individually and/or collectively impact negatively on the reserve estimates.

The quantity and grade of reported inferred resources in this estimation are conceptual in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

The PFS project economics released on August 23, 2011, based on the Assumed Metal Prices [2] are:

(Cdn)	
NPV at 6% Discount (after tax)	$560 million
IRR (after tax)	20%
Initial Capital	$734 million
LOM Sustaining Capital	$143 million
Operating Costs	$75 - $80 per tonne
Free Cash Flow (annual)	$175 million
Mine Life	11 years
Capital Payback	3 years

During the year, the Company announced that it released the Notice of Commencement of Terms of Reference for the Eagle's Nest Project. Draft Terms of Reference for the project have been prepared by the Company in compliance with Ontario Ministry of the Environment ("MOE") requirements. The Canadian Environmental Assessment Agency ("CEAA") recommended a Comprehensive Review Process for the Eagle's Nest Project. Draft Terms of Reference and a Draft Environmental Impact Statement Guidelines have been made available for public comment at www.ceaa.gc.ca.

The Company is currently evaluating the impact of a recent announcement by the Government of Ontario supporting infrastructure into the "Ring of Fire", specially the proposed North-South Route. As a result, the Company decided to delay the release of its Feasibility Study for its Eagle's Nest Project until the impact of the announcement can be assessed. The Company has held meetings with the Government of Ontario and the relevant provincial agencies since the province's announcement. Over the next few months, the Company will meet with the Government, mining companies, communities and other users to come to an agreement on relative contributions for shared access infrastructure.

[1] The PFS was completed by Micon and included technical input from SNC Lavalin, Cementation Ltd., Knight Piesold, Penguin ASI and Golder Associates. The PFS was based on the proposed mining and processing of the Eagle's Nest resource previously defined by Micon in the McFaulds Technical Report. For further information on Eagle's Nest, please refer to the McFaulds Technical Report which is available on the Company's website and SEDAR.

[2] Nickel US$8.62 per pound, Copper US$3.08 per pound, Platinum US$446 per ounce, Gold US$1,130 per ounce.

The Company continues to host open houses with the local communities in northwestern Ontario potentially impacted by the mine development to present the Company's project development. Attendance has been robust and Noront's staff and consultants have actively engaged with the communities visited to date.

Blackbird

The Company's objective at the high grade Blackbird chromite deposit was to double the resource defined in the Blackbird Technical Report through surface drill testing of the deposit along strike and at depth.

Drilling at Blackbird exceeded management's expectations, resulting in a tripling of the previous resource estimate at Blackbird. An updated, independent mineral resource estimate for the Blackbird deposit was completed by Micon International Ltd. ("Micon"), an independent consulting engineering company.

The 43-101 compliant mineral resource estimate from the Blackbird Update Technical Report is as below:

Resource Category	Tonnes (000's)	Avg. Cr_2O_3 %	Cr:Fe
Measured	9,300	37.44	2.00
Indicated	11,200	34.36	1.95
Total Measured and Indicated	20,500	35.76	1.97
Inferred	23,500	33.14	1.97

Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

The quantity and grade of reported inferred resources in this estimation are conceptual in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

The Company is completing an internal evaluation of a northwest Ontario based mine, mill and smelter facility capable of producing between 200,000 and 250,000 tonnes of high quality ferrochrome annually.

Regional Exploration

Proximal to Eagle's Nest Complex

The Company initiated ground-based geophysical surveys near the Eagle's Nest deposit in October 2011. The survey established the geophysical signature of the Eagle's Nest deposit, which was used to evaluate the area around the deposit for potential nickel sulphide targets. Multiple targets were identified. All of the targets identified were buried targets, within two to three hundred metres from surface. Three of the buried targets were selected for drill testing based on the strength of the geophysical response and the fit of the target within the litho-structural model of the Eagle's Nest area.

Drilling was completed in early December 2011 and visual observation of the core indicated that two of the three holes had intersected nickel sulphide mineralization, suggesting the new geophysics successfully identified previously unrecognized nickel sulphide mineralization. The Company's geologists and geophysical advisors believe the new geophysical survey accurately identifies buried nickel sulphide mineralization that airborne surveys of the camp could not detect.

In January 2012, analytical results from the three-hole drill program were received and their results confirmed the presence of nickel sulphide mineralization. Hole NOT-11-1G243 intersected over 37 metres of low-grade nickel sulphide mineralization, 250 metres south of the Eagle's Nest deposit, at a depth of approximately 250 metres from surface. Individual samples within this interval returned much higher nickel, platinum and palladium grades over smaller intervals. Hole NOT-11-1G244 intersected 1.0% nickel over an approximate 3.0 metre core interval on a separate zone 250 metres south of the mineralization intersected in Hole NOT-11-1G243.

Eagle Two (AT-2) and AT-12 area

Management expanded the geophysical survey from the region proximal to the Eagle's Nest Complex to include the Eagle Two and AT-12 targets. Field work commenced in early December 2011 and continued until early January 2012. Processing of the geophysical data identified multiple targets at AT-12 and additional targets close to Eagle Two. During the period from February to March 2012 several targets were drill tested and a total of 2,346 metres were drilled.

Three holes at AT-2 tested buried targets which were identified 150 to 350 metres below surface and 150 to 200 metres east of the previously identified nickel sulphide mineralization at Eagle Two. Three holes were also drilled at AT-12 testing a buried target which was identified 100 to 200 metres below surface.

All six holes intersected low-grade nickel sulphide mineralization, confirming that the ground based geophysical surveys may be a valuable tool in identifying additional sources of buried nickel sulphide mineralization elsewhere in the camp.

Joint Ventures

Golden Valley

Golden Valley is a joint venture located in the northern portion of the Ring of Fire and operated by White Pine Resources Ltd. ("White Pine"). The initial drill program to assess geophysical targets north of Oval Lake commenced during fiscal 2009. The large property surrounds a copper-zinc discovery by Metalex Ventures Ltd.; a total of fourteen holes were completed at the joint venture in fiscal 2009 and 12 holes were drilled in fiscal 2010 yielding copper-zinc-silver anomalies. As per the terms of an option agreement dated August 19, 2008, White Pine and the Company are earning a 35% interest each in the property from Golden Valley Minerals Ltd.

Garden Island, Quebec

The Company has a 50% interest in the Garden Island property comprised of 568 mining claims totaling 23,763 hectares, most of which are in Pascalis, Manneville and Senneville townships, which lie along a northwest-southwest trending Abitibi volcanic greenstone belt. The operator, TSR Resources is expected to submit a further exploration program in fiscal 2013.

Windfall Lake

On July 20, 2009, the Company, entered into a property option agreement (the "Agreement") with Eagle Hill Exploration ("Eagle Hill") pursuant to which Eagle Hill as of April 20, 2012 has earned a 75% interest in the Windfall Lake Property (the "Property").

The Company retains a 25% carried interest up until the earlier of completion of a bankable feasibility study (the "BFS") or Eagle Hill gives notice of its commitment to cause the commencement of commercial production from the Property with such notice specifying the tons of proven and probable reserves and the anticipated annual rate of production; after which the Company will have the option to convert all of its interest to a 2% net smelter royalty or retain its 25% interest in the property and be responsible for its working interest of development expenditures. At the Company's option, the Company may require Eagle Hill to fund its share of development expenditures with such advance to accrue interest at 10% per annum and be paid back through the assignment of its share of income from the Property.

If Eagle Hill does not complete a BFS or commit to cause the commencement of commercial production, from one year from the date of earning its 75% interest being April 20, 2013, then the Company will have the option to purchase back Eagle Hill's interest in the Property, for the lesser of i) an amount equal to the expenses incurred by Eagle Hill and ii) $6 million.

SELECTED ANNUAL FINANCIAL INFORMATION

The following financial data are derived from the Company's financial statements for the fiscal years ending April 30, 2012, 2011 and 2010:

(expressed in $ thousands except per share amounts)		Canadian GAAP	
	2012	2011	2010
Exploration expenditures and mining studies	**21,852**	31,133	9,815
Office and general	**4,744**	5,485	5,889
Amortization	**408**	415	163
Share-based compensation	**2,257**	2,031	3,764
Interest income	**158**	182	173
Gain (loss) on sale of marketable securities	**13**	255	418
Net loss	**(28,752)**	(35,869)	(10,351)
Net loss per share – basic and diluted (1)	**(0.14)**	(0.20)	(0.06)
Cash flow used in operations	**(24,256)**	(35,066)	(4,991)
Cash and cash equivalents	**5,067**	8,889	21,125
Working Capital	**3,849**	9,727	23,676

(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.

Year Ended April 30, 2012 Compared to Year Ended April 30, 2011

Exploration Expenditures and Mining Studies

(expressed in $ thousands)	**April 30 2012**	April 30 2011
Eagles' Nest		
Technical Studies	**$ 3,514**	$ 4,459
Environmental Studies and Consultation	**3,475**	1,711
Drilling and Camp Costs	**-**	9,629
Geophysics	**-**	56
	6,989	15,855
Blackbird		
Drilling and Camp Costs	**8,267**	78
Geophysics	**30**	-
	8,297	78
Regional		
Drilling and Camp Costs	**5,444**	13,289
Geophysics	**832**	944
	6,276	14,233
Other	**290**	967
Total	**$ 21,852**	$31,133

In the current fiscal year, technical studies consist of expenses related to the completion of the Company's feasibility study. The amount spent in the prior fiscal year for technical studies was in support of the Company's pre-feasibility study. In the current fiscal year, $3.5 million was spent compared to $4.5 million in the prior year.

Environmental studies and consultation also consist of certain expenses related to the feasibility and pre-feasibility studies. The increase from the prior year to $3.5 million from $1.7 million is due to the increase in environmental requirements and community consultation for the Company's environmental assessment application.

From May 1, 2011 to April 30, 2012, $13.7 million was spent on exploration and resource definition drilling in the Ring of Fire and a total of 29,251 metres were drilled, compared to $23.0 million spent on drilling 41,209 metres in the prior fiscal year. Drilling costs were reduced by approximately $90 per metre from the prior fiscal period as a result of drilling plans which reduced required helicopter time and increased drilling productivity.

From May 1, 2011 to April 30, 2012, $0.9 million was spent on a ground based geophysical survey which identified two new zones of nickel sulphide mineralization, within 500 metres of Eagle's Nest. Management decided to expand the survey area to include the Eagle Two and AT-12 areas and raised additional flow-through funds to drill test the resulting targets during the fourth quarter of fiscal 2012.

The current fiscal year drilling program at Blackbird was focused on increasing the size and confidence of the chromite deposit and the regional exploration drill program tested high priority geophysical targets proximal to Eagle's Nest, Eagle 2 and AT-12. The prior year drill program focused on increasing the resource confidence of the Eagle's Nest Deposit and on testing high priority exploration targets.

Office and General

(expressed in $ thousands)	Canadian GAAP	
	2012	2011
Office and general	**3,279**	3,413
Professional fees	**678**	785
Communications and travel	**787**	1,287
	$ 4,744	$ 5,485

Office and general expenses are consistent with prior year's expenses. Professional fees decreased by $0.1 million due to a lower number of consultants being engaged. Communications and travel expenses decreased by $0.5 million as a result of a decrease in attendance at conferences.

The Company had no write-downs of mineral properties or marketable securities during the year.

Income

Income is comprised of interest earned on deposits. The Company earned $0.2 million in interest income during the fiscal year compared to $0.2 million in interest income during the prior fiscal year.

SUMMARY OF CASH FLOWS

(expressed in $ thousands)	**2012**	2011
Cash provided by (used in) operating activities	**(24,256)**	(35,066)
Cash provided by (used in) investing activities	**(84)**	(53)
Cash provided by (used in) financing activities	**20,518**	22,883
	(3,822)	(12,236)

Operating Activities

For the year ended April 30, 2012, the Company had a cash outflow from operations of $24.3 million compared to a cash outflow of $35.1 million in the prior year. The majority of the decrease in cash outflow is a result of a lesser number of drills being on site compared to the prior fiscal year.

Investing Activities

For the year ended April 30, 2012, the Company had immaterial cash outflows from investing activities. In the current fiscal year there were land acquisition and equipment acquisitions totaling $0.08 million. In the prior fiscal year, the equipment purchases of $0.9 million were offset by the proceeds from disposal of securities of $0.9 million.

Financing Activities

For the year ended April 30, 2012, cash provided from financings was $20.5 million compared to $22.9 million in the prior year comparable period. The cash provided from financings is a result of raising net proceeds of $17.2 million in June 2011 as a result of an investment by Baosteel and net proceeds of $3.2 million as a result of the December 2011 brokered offering of 4,073,800 flow-through shares with aggregate gross proceeds of $3.5 million. The cash provided from financings is net of the cost of issuance. In the prior year, the cash provided from financing was a result of raising net proceeds of $9.5 million in a flow-through equity financing completed in November 2010 and net proceeds of $13.0 million from a flow-through equity financing completed in May 2010. The cash provided from these financings is net of the cost of issuance.

SUMMARY OF QUARTERLY RESULTS AND FOURTH QUARTER REVIEW

The following information is derived from the Company's quarterly consolidated financial statements for the past eight quarters:

(expressed in $ thousands except per share amounts)	**2012 Q4**	2012 Q3	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
Unaudited	**IFRS**	**IFRS**	**IFRS**	**IFRS**	**IFRS**	**IFRS**	**IFRS**	**IFRS**
Expenses	**6,700**	6,619	8,168	7,772	7,341	6,622	12,107	12,750
Interest Income	**23**	31	53	51	33	51	52	46
Gain on sale of marketable securities	**13**	-	-	-	-	-	-	-
Severence	**-**	7	-	-	59	-	75	31
Acquisition costs	**-**	-	8	-	-	-	-	-
Net loss	**(6,502)**	(6,508)	(8,115)	(7,627)	(8,254)	(6,155)	(13,042)	(11,656)
Net loss per share – basic and diluted [1]	**(0.03)**	(0.03)	(0.04)	(0.04)	(0.04)	(0.03)	(0.06)	(0.07)
Cash and cash equivalents	**5,067**	11,781	12,916	19,145	8,889	16,428	15,240	24,816
Working Capital	**3,849**	9,887	12,657	20,029	9,727	16,680	13,383	23,464
Assets	**10,201**	16,396	19,389	26,192	16,390	24,542	23,698	33,804
Long-term Liabilities	**705**	141	141	138	136	214	213	212

[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.*

Interest income varies quarterly based on the average cash balance on hand over the quarter and the corresponding yield earned on the Company's deposits. The quarterly variation in expenses is mainly attributable to timing of exploration drill programs and mining studies and stock option expense which is recognized at the time of grant in accordance with the vesting.

Three Months Ended April 30, 2012 compared to Three Months Ended April 30, 2011

For the quarter ended April 30, 2012, the total expenses were $6.7 million compared to $7.3 million in the prior year comparable period. The decrease is due to a two month winter exploration program compared to a three month program in the prior year comparable period, which was partially offset by an increase in expenditure on mining studies. Corporate costs were comparable to the prior year period.

For the three months ended April 30, 2012, the Company earned $0.02 million in interest income from deposits compared to $0.03 million in interest income for the prior year comparable quarter. Interest income earned in the current and comparable quarter consists of interest earned on bank balances.

LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2012, the Company had working capital of $3.8 million and a cash position (cash and cash equivalents) of $5.1 million compared to $9.7 million and $8.9 million respectively as at April 30, 2011.

On June 2, 2011, the Company completed a private placement with Baosteel for gross proceeds of $17.4 million. Baosteel acquired 20,234,967 units of Noront ("Units") at a price of $0.86 per Unit. Each Unit consisted of one common share and one half of one common share purchase warrant (each whole warrant a "Warrant"). Each Warrant entitles Baosteel to acquire one common share of Noront at an exercise price equal to $1.16 on or before June 2, 2013. Baosteel received the right to nominate one individual to the Noront Board of Directors, a right to increase its ownership in Noront to 19.9% such right existing for a one year period commencing on May 2, 2012 and a standstill provision which expires on May 2, 2013. Baosteel was also granted a 90-day exclusivity period to negotiate a direct property interest and/or off-take agreement with respect to any of Noront's properties with such exclusivity period to commence any time prior to production at the Company's discretion.

On December 20, 2011, the Company completed a private placement financing for gross proceeds of $3.5 million by issuing 4,073,800 flow-through common shares (the "Flow-Through Shares") at a price of $0.86 per Flow-Through Share. In connection with said offering, the agents received a cash commission equal to 5% of the gross proceeds raised under the offering.

Funds raised were used for exploration and resource definition drilling, for pre-feasibility and feasibility study work on the Company's Eagle's Nest deposit, and for general corporate purposes. Surplus funds are invested in a blend of high interest savings accounts in order to provide liquidity while minimizing risk.

On May 10, 2012, the Company completed a private placement with Resource Capital Fund V L.P. ("RCF"), pursuant to which RCF subscribed for 19,230,769 common shares in the capital of the Company (the "Common Shares") at a purchase price of $0.52 per Common Share, representing gross proceeds to the Company of approximately $10 million.

On May 25, 2012, the Company completed a private placement with Baosteel Resources International Co. Ltd. ("Baosteel"), pursuant to which Baosteel has exercised its right to maintain its 9.9% interest in the Company. Baosteel acquired an additional 2,566,151 Common Shares at a purchase price of $0.52, representing gross proceeds to the Company of approximately $1.33 million.

Noront has no credit facilities with financial institutions, so its financial instruments consist of cash, marketable securities, duties and tax receivable and accounts payable and accrued liabilities. Unless otherwise noted, the Company does not expect to be exposed to significant interest, currency or credit risks arising from these financial instruments. Noront estimates that the fair value of cash and cash equivalents, duties and tax receivable, accounts payable and taxes payable approximate the carrying values.

The Company will need to raise sufficient capital to further explore and develop its properties and projects beyond fiscal 2013. 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.

CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

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

(expressed in $ thousands) Contractual Obligations	Total	Less than 1 year	1 -3 years	4 - 5 years	After 5 years
Operating Leases	170	162	8	-	-
Other Long-Term Obligations	1,225	516	42	27	640
Total Contractual Obligations	1,395	678	50	27	640

Operating lease obligations represent future minimum annual rentals under non-cancellable operating leases for Noront office space, vehicles and equipment.

Other Long-Term Obligations represent commitments related to a demobilization plan re-assessed by management as at April 30, 2012 for the McFaulds Lake Project and a site remediation plan established in accordance with the requirements of the Quebec Ministry of Natural Resources for Windfall Lake.

Subsequent to the year end, the Company received a Notice of Assessment from the Government of Quebec relating to their audit of the Quebec income tax returns for the 2008 and 2009 fiscal year ends. Per the assessment, the Company is required to remit taxes totaling $895,748 relating to tax credits for exploration expenditures which were previously refunded by the Government of Quebec. The Company has filed a Notice of Objection related to the assessment. The Company has reviewed the expenditures with its tax advisor and has included a provision of approximately $250,000 in the current financial statements which represents management's estimate of the obligation.

RELATED PARTY AND OTHER TRANSACTIONS

During the year ended April 30, 2012, the Company engaged Penguin Automated Systems ("Penguin") after completing an independent tendering process; under the direction of Micon International, lead consultant for certain technical studies. The Company's Chief Operating Officer has a 38.5% ownership interest in Penguin. Professional fees paid to Penguin for the year ended April 30, 2012, were $1,098,239 (year ended April 30, 2011 - $783,965) and the amount payable to Penguin as at April 30, 2012 is $392,292 (April 30, 2011 - $157,917; May 1, 2010 - $NIL).

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

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 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.

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 disclosed at page 4 herein, and risk factors disclosed under the heading "Risk Factors" in the Company's most recent AIF, available electronically on SEDAR. 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.

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 to the Company's shareholders.

As of July 17, 2012, the Company had 230,297,660 shares outstanding, 11,451,668 stock options outstanding with a weighted average exercise price of $1.27 expiring between 2012 and 2016 and 10,839,633 warrants outstanding. The issuance of common shares of the Company upon the exercise of options and/or warrants 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.

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 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.

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.

Resource Estimates

The resources 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 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 resources as uneconomic.

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 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.

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.

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.

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.

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.

Joint Ventures and Option Agreements

Noront Resources 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 affect 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 Resources 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.

Regulations and Permitting

The operations of the Company may require licenses and permits from various local, provincial and federal governmental authorities. 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.

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 the Company will be able to attract and retain such personnel.

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 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.

Recently Issued Accounting Standards

International Financial Reporting Standards

The Company started reporting under IFRS for the year ended April 30, 2012; comparative numbers previously reported under Canadian GAAP are restated to comply with IFRS.

Transition to IFRS – Reconciliation of Consolidated Balance Sheets as reported under Canadian GAAP and IFRS

a) Reconciliation of Consolidated Balance Sheets as reported under Canadian GAAP and IFRS

		April 30, 2011 CGAAP	Effect of Transition	April 30, 2011 IFRS
Current Assets				
Cash & cash equivalents		8,888,928		8,888,928
Restricted cash		385,046		385,046
Marketable securities		30,503		30,503
Taxes & duties receivable		1,725,747		1,725,747
Supplies inventory	i		1,611,097	1,611,097
Prepaid expenses		222,063		222,063
Total Current Assets		11,252,287	1,611,097	12,863,384
Non-Current Assets				
Equipment	ii	386,610	1,163,064	1,549,674
Intangible assets	ii	-	123,852	123,852
Mineral properties	i	108,788,374	(106,934,975)	1,853,399
Total Non-Current Assets		109,174,984	(105,648,059)	3,526,925
Total Assets		120,427,271	(104,036,962)	16,390,309
Current Liabilities				
Accounts payable		2,525,206		2,525,206
Deferred flow-through share premium	iii	-	94,370	94,370
Provision for environmental expenditure	iv	564,372	(47,892)	516,480
Total Current Liabilities		3,089,578	46,478	3,136,056
Non-Current Liabilities				
Provision for environmental expenditure	iv	125,553	10,445	135,998
Deferred income tax	v	6,297,894	(6,297,894)	-
Total Non-Current Liabilities		6,423,447	(6,287,449)	135,998
Total Liabilities		9,513,025	(6,240,971)	3,272,054
Shareholders' Equity				
Capital Stock	vi	136,879,569	642,522	137,522,091
Warrants & broker warrants		1,570,455		1,570,455
Contributed surplus	vii	26,576,133	(205,183)	26,370,950
Deficit		(53,942,414)	(98,233,330)	(152,175,744)
Accumulated other comprehensive income	viii	(169,497)		(169,497)
Total Shareholders' Equity		110,914,246	(97,795,991)	13,118,255
Total Shareholders' Equity and Liabilities		120,427,271	(104,036,962)	16,390,309

b) Reconciliation of Consolidated Loss and Comprehensive Loss as reported under Canadian GAAP and IFRS

		Year ended April 30, 2011 CGAAP	Effect of Transition	Year ended April 30, 2011 IFRS
Expenses				
Exploration expenditures & technical studies	i	85,900	31,057,331	31,143,231
Office and general		3,413,320		3,413,320
Professional fees		785,052		785,052
Communications & travel		1,287,124		1,287,124
Amortization		224,869	190,624	415,493
Share-based compensation	vii	1,584,911	445,970	2,030,881
Realized loss on sale of marketable securities		2,452,370	(2,707,270)	(254,900)
Loss before finance items and tax		9,833,546	28,986,655	38,820,201
Interest income		(182,393)		(182,393)
Flow-through share premium	iii		(2,768,817)	(2,768,817)
Loss before tax		9,651,153	26,217,838	35,868,991
Recovery of deferred income tax	v	(1,589,955)	1,589,955	-
Net Loss		8,061,198	27,807,793	35,868,991
Unrealized loss on AFS Mark. Sec		33,025		33,025
Reclassification of losses realized		(2,707,211)	2,707,264	53
Total other comprehensive loss		5,387,012	30,515,057	35,902,069

c) Reconciliation of Consolidated Shareholders' Equity as reported under Canadian GAAP and IFRS

		April 30, 2011
Shareholders' Equity previously reported under Canadian GAAP		110,914,246
Adjustments upon adoption of IFRS:		
Change in capitalization policy - Mineral Properties	i	(105,323,878)
Change in capitalization policy - Equipment additions	ii	1,286,916
Change in flow-through shares premium liability	iii	(94,370)
Change in discount rate for provision of environmental expenditure	iv	37,447
Change in provision for deferred income tax	v	6,297,894
		13,118,255

i ***Mineral Properties, Supplies Inventory & Exploration Expenditures and Technical Studies***

Under the alternatives of IFRS 1 – First Time Adoption, the Company has selected the option to expense exploration expenditures until a triggering event has occurred to commence capitalization. As a result, supplies inventory consisting of fuel that is utilized in exploration activities will be separately disclosed as a current asset.

ii ***Equipment & Intangible Assets***

As a result of IFRS, capital assets that were previously capitalized as a part of mineral properties under the former capitalization policy are now included in equipment and computer software is reclassified as intangible assets.

iii ***Deferred Flow-Through Share Premium***

Under IFRS, the Company must recognize a liability for the premium on flow-through shares paid by investors. The liability recorded on transition to IFRS reduced the share capital previously recorded under Canadian GAAP. As flow-through expenses are incurred, the liability is reduced and recorded in the consolidated statement of loss.

iv ***Provision for Environmental Expenditure***

Prior to the application of IAS 37, the Company used a weighted average risk-adjusted discount rate of 8% and applied an inflation rate of 3%. IFRS requires using a risk-free pre-tax discount rate.

v ***Deferred Income Taxes***

The Company has selected the policy to expense exploration expenditures until management determines that future economic benefits will be generated and capitalization commences. As a result, the deferred income tax liability recognized as a result of the previous capitalization policy is no longer required on transition to IFRS.

vi ***Capital Stock***

Under IFRS, the Company must recognize a liability for the premium on flow-through shares paid by investors. The liability recorded on transition to IFRS reduced the share capital previously recorded under Canadian GAAP.

vii ***Share-Based Compensation & Contributed Surplus***

Options issued to officers, employees and directors are measured using the grant date fair value of the equity instrument as required by IFRS 2. Based on the Company's options history, the forfeiture rate is 5% and the Company expects that 95% of the options will vest.

viii ***Accumulated Other Comprehensive Loss & Write-Down of Securities***

The marketable securities written down in the twelve months ended April 30, 2011 had an impairment under Canadian GAAP that was significant and prolonged. Under IFRS, this impairment would require immediate write-down, therefore the impairment is recognized at the opening balance sheet date, May 1, 2010.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is available in the Company's consolidated financials for the year ended April 30, 2012.

OUTSTANDING SHARE INFORMATION

As at July 18, 2012

Authorized	Unlimited
Issued and outstanding shares	230,297,660
Options outstanding	14,035,000
Warrants outstanding	10,839,633
Fully diluted	255,172,293

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.

NORONT

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Noront Resources Ltd. (the "Company") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 3 to these consolidated financial statements.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated 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 years presented by the consolidated financial statements and (ii) the consolidated financial statements 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 years presented in the consolidated financial statements.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the consolidated financial statements together with other financial information. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)

Wesley Hanson, P. Geo
President and Chief Executive Officer

(signed)

Greg Rieveley, CA
Chief Financial Officer

Toronto, Ontario
July 17, 2012

NORONT

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Noront Resources Ltd.

We have audited the accompanying consolidated financial statements of Noront Resources Ltd. (the Company), which comprise the consolidated statements of financial position as at April 30, 2012, April 30, 2011 and May 1, 2010 and the consolidated statements of loss, comprehensive loss, changes in shareholders' equity, and cash flows for the years ended April 30, 2012 and April 30, 2011, and the related notes, which comprise a summary of significant accounting policies.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Noront Resources Ltd. as at April 30, 2012, April 30, 2011, and May 1, 2010 and its financial performance and its cash flows for the years ended April 30, 2012 and April 30, 2011 in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

(signed)

PricewaterhouseCoopers LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
July 18, 2012

NORONT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	Note	As at April 30, 2012	As at April 30, 2011	As at May 1, 2010
Assets				
Current Assets				
Cash and cash equivalents	6	**$ 5,066,944**	$ 8,888,928	$ 21,125,266
Restricted cash	11	**385,046**	385,046	385,046
Marketable securities		**60,987**	30,503	666,587
Taxes and duties receivable	7	**262,907**	1,725,747	1,334,698
Supplies inventory	18a	**305,422**	1,611,097	4,100,859
Prepaid expenses		**336,070**	222,063	334,266
Total Current Assets		**$ 6,417,376**	$ 12,863,384	$ 27,946,722
Non-Current Assets				
Equipment	8	**1,852,284**	1,549,674	1,007,064
Intangible Assets	9	**68,017**	123,852	170,540
Mineral properties	10	**1,863,104**	1,853,399	1,853,399
Total Non-Current Assets		**$ 3,783,405**	$ 3,526,925	$ 3,031,003
Total Assets		**$ 10,200,781**	$ 16,390,309	$ 30,977,725
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities	14	**$ 2,052,325**	$ 2,525,206	$ 3,264,260
Deferred flow-through share premium	12	**-**	94,370	474,369
Provision for environmental expenditure	11	**516,480**	516,480	532,423
Total Current Liabilities		**2,568,805**	3,136,056	4,271,052
Non-current Liability				
Provision for environmental expenditure	11	**704,775**	135,998	211,499
Total Liabilities		**$ 3,273,580**	$ 3,272,054	$ 4,482,551
Shareholders' Equity				
Capital stock	12b	**$ 156,663,209**	$ 137,522,091	$ 116,837,016
Warrants and broker warrants	12d	**2,575,675**	1,570,455	1,416,211
Contributed surplus		**28,755,355**	26,370,950	24,685,119
Deficit		**(180,928,025)**	(152,175,744)	(116,306,753)
Accumulated other comprehensive loss		**(139,013)**	(169,497)	(136,419)
Total Shareholders' Equity		**$ 6,927,201**	$ 13,118,255	$ 26,495,174
Total Shareholders' Equity and Liabilities		**$ 10,200,781**	$ 16,390,309	$ 30,977,725

Going Concern *(Note 1)*
Basis of Preparation and Adoption of IFRS *(Note 2)*
Commitments and Contingencies *(Note 16)*

Approved on behalf of the Board of Directors:

(signed) (signed)

Wes Hanson *Director*

Paul Parisotto *Director*

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

NORONT

CONSOLIDATED STATEMENTS OF LOSS

(Expressed in Canadian Dollars)

For the years ended April 30,	Note	2012	2011
Expenses			
Exploration expenditures and mining studies	18a	**$ 21,852,135**	$ 31,132,514
Office and general	18b	**4,743,730**	5,485,496
Amortization	8, 9	**407,555**	415,493
Share-based compensation	12c	**2,257,010**	2,030,881
Loss before finance items		**$ (29,260,430)**	$ (39,064,384)
Interest income		**158,454**	182,393
Gain on sale of marketable securities		**13,296**	254,900
Flow-through share premium	12	**338,798**	2,768,817
Accretion expense	11	**(2,399)**	(10,717)
Net loss		**$ (28,752,281)**	$ (35,868,991)
Loss per share - basic and fully diluted	15	**$ (0.14)**	$ (0.20)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

For the years ended April 30,	2012	2011
Net loss	**$ (28,752,281)**	$ (35,868,991)
Other comprehensive loss		
Unrealized gain (loss) on marketable securities, net of taxes	**30,484**	(33,078)
Total comprehensive loss	**$ (28,721,797)**	$ (35,902,069)

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars, unless otherwise indicated)

	Common Shares	Capital Stock	Warrants and Broker Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance, May 1, 2010	**167,885,442**	**$ 116,837,016**	**$ 1,416,211**	**$ 24,685,119**	**$ (116,306,753)**	**$ (136,419)**	**$ 26,495,174**
Flow-through private placement	15,673,200	23,998,456	-	-	-	-	23,998,456
Flow-through share premium	-	(2,388,818)	-	-	-	-	(2,388,818)
Cost of issue - cash	-	(1,516,035)	-	-	-	-	(1,516,035)
Cost of issue - broker warrants	-	(154,244)	154,244	-	-	-	-
Exercise of options	583,332	400,666	-	-	-	-	400,666
Fair value of options exercised	-	345,050	-	(345,050)	-	-	-
Share-based compensation	-	-	-	2,030,881	-	-	2,030,881
Net loss for the year	-	-	-	-	(35,868,991)	-	(35,868,991)
Net change in unrealized losses on available-for-sale marketable securities, net of taxes	-	-	-	-	-	(33,078)	(33,078)
Balance, April 30, 2011	**184,141,974**	**$ 137,522,091**	**$ 1,570,455**	**$ 26,370,950**	**$ (152,175,744)**	**$ (169,497)**	**$ 13,118,255**
Flow-through private placement *(Note 12b)*	4,073,800	3,503,468	-	-	-	-	3,503,468
Issue of shares *(Note 12b)*	20,234,967	17,402,072	-	-	-	-	17,402,072
Flow-through share premium	-	(244,428)	-	-	-	-	(244,428)
Cost of issue - cash	-	(418,380)	-	-	-	-	(418,380)
Exercise of options	49,999	31,001	-	-	-	-	31,001
Fair value of options exercised	-	26,849	-	(26,849)	-	-	-
Warrants allocation *(Note 12d)*	-	(1,159,464)	1,159,464	-	-	-	-
Fair value of warrants expired	-	-	(154,244)	154,244	-	-	-
Share-based compensation *(Note 12b)*	-	-	-	2,257,010	-	-	2,257,010
Net loss for the year	-	-	-	-	(28,752,281)	-	(28,752,281)
Net change in unrealized gains on available-for-sale marketable securities, net of taxes	-	-	-	-	-	30,484	30,484
Balance, April 30, 2012	**208,500,740**	**$ 156,663,209**	**$ 2,575,675**	**$ 28,755,355**	**$ (180,928,025)**	**$ (139,013)**	**$ 6,927,201**

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

NORONT

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

For the years ended April 30,	Note	2012	2011
Operating activities			
Net loss for the year		**$ (28,752,281)**	$ (35,868,991)
Amortization		**407,555**	415,493
Share-based compensation		**2,257,010**	2,030,881
Accretion of provision of environmental expenditure		**2,399**	10,717
Remeasurement of provision of environmental expenditure		**-**	(102,161)
Gain on sale of marketable securities		**(13,296)**	(254,900)
Flow-through share premium		**(338,798)**	(2,768,817)
Net change in non-cash working capital:			
Taxes and duties receivable		**1,462,840**	(391,049)
Prepaid expenses		**(114,007)**	112,203
Accounts payable and accrued liabilities		**(472,881)**	(739,054)
Supplies inventory		**1,305,675**	2,489,762
Net cash used in operating activities		**$ (24,255,784)**	$ (35,065,916)
Investing activities			
Mineral properties		**(9,705)**	-
Acquisition of equipment		**(80,991)**	(859,969)
Acquisition of intangible assets		**(6,961)**	(51,443)
Proceeds on disposal of marketable securities		**13,296**	857,900
Net cash used in investing activities		**$ (84,361)**	$ (53,512)
Financing activities			
Issue of common shares and units, net of share issue costs	12b	**20,518,161**	22,883,090
Net cash provided by financing activities		**$ 20,518,161**	$ 22,883,090
Change in cash and cash equivalents		**$ (3,821,984)**	$ (12,236,338)
Cash and cash equivalents, beginning of year		**8,888,928**	21,125,266
Cash and cash equivalents, end of year		**$ 5,066,944**	$ 8,888,928

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars, unless otherwise noted)

For the years ended April 30, 2012 and 2011

1. NATURE OF BUSINESS AND GOING CONCERN

Noront Resources Ltd. (the "Company" or "Noront") is a resource company listed on tier 1 of the TSX Venture Exchange ("TSX-V") involved in the exploration, development and acquisition of properties prospective in base and precious metals, including: nickel, copper, platinum group metals, chromite, precious metals and vanadium. The Company's flagship asset is the Eagle's Nest nickel, copper, platinum, palladium and gold deposit, part of the Company's McFaulds Lake Project, in the Ring of Fire area ("ROF") that is located in the James Bay Lowlands, Ontario. Eagle's Nest is the Company's most advanced mineral discovery in the ROF, the first of five mineral discoveries the Company has made since August 2007. The address of Noront's head office is 105 Adelaide Street West, Suite 1100, Toronto, Ontario, Canada, M5H 1P9.

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

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) 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 year ended April 30, 2012, the Company recorded a net loss of $28.8 million (2011 – net loss of $35.9 million) and reported an accumulated deficit of $180.9 million (2011 – $152.2 million).

The Company's sole source of funding has been the issuance of equity securities for cash. The Company's cash balance at April 30, 2012 is $5.1 million and subsequent to year end the Company raised an additional $11.2 million, net of cost of issuance, through the issuance of equity securities.

The majority of the Company's exploration and development efforts occur in the James Bay Lowlands, a remote region of Northern Ontario. Due to the lack of infrastructure in the area the Company relies on the winter season when the Company can take advantage of ice airstrips to cost effectively move bulk supplies into the project site. Depending on the planned program for the ensuing year and the level of supplies inventory at site, the Company's cash flow needs may be greater during this winter period. Over the next 12 months the Company plans to further the development of its Eagle's Nest project by 1) incurring expenditures towards obtaining all required permits; 2) drilling for condemnation and metallurgical sampling purposes; 3) purchasing long-lead equipment; 4) incurring other mine project costs including ongoing project design and engineering costs; 5) incurring general corporate and operating expenses. The Company's ability to complete its plans is dependent on its ability to source additional financing. On an ongoing basis, the Company examines various financing alternatives to address future funding requirements and its planned activities for the ensuing year to ensure its cash on hand is adequate to enable it to continue as a going concern.

The Company has successfully raised financing to date to continue as a going concern, however, there can be no assurance that it will be able to do so in the foreseeable future. As a result, given these material uncertainties, there may be significant doubt regarding the going concern assumption and accordingly, the use ultimately of accounting principles applicable to a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and balance sheet classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION AND ADOPTION OF IFRS

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as defined in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook").

In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and to require publicly accountable enterprises to apply these standards effective for years beginning on or after January 1, 2011. Accordingly, these are the Company's first annual consolidated financial statements prepared in accordance with IFRS as issued by the IASB. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

The consolidated financial statements have been prepared in compliance with IFRS. Subject to certain transition elections and exceptions disclosed in Note 20, the Company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at May 1, 2010 throughout all periods presented, as if these policies had always been in effect. Note 20 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended April 30, 2012 prepared under Canadian GAAP.

These consolidated financial statements were approved by the Board of Directors on July 17, 2012.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Principles of Consolidation

These consolidated financial statements include the accounts of Noront Resources Ltd. and its wholly-owned subsidiaries, Noront Resources 2008 Inc. and Noront Mexico S.A de C.V. All significant intercompany balances and transactions have been eliminated upon consolidation.

b) Functional and Presentation Currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency") which was determined to be Canadian dollars for all entities. The consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency.

c) Cash and Cash Equivalents

Cash and cash equivalents have original maturities of less than 90 days.

d) Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, restricted cash, marketable securities, accounts payable and accrued liabilities.

The Company has classified its cash and cash equivalents and restricted cash as loans and receivables which are measured at amortized cost. The carrying value of these instruments approximates their fair values due to their short-term nature. Accounts payable and accrued liabilities are classified as other financial liabilities which are measured at amortized cost.

Marketable securities in publicly traded companies, which trade in an active market, have been designated as available-for-sale and are recorded in the consolidated statements of financial position at fair value. Fair value is determined directly by reference to quoted market prices in active markets. Changes in fair value are recorded in other comprehensive income (loss) until the investment is sold or impaired at which time the amounts would be recorded in the consolidated statement of loss.

For investments classified as available-for-sale, a significant or prolonged decline in the fair value of the marketable security below its cost is evidence that the asset is impaired. If any such evidence exists for marketable securities, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss is removed from equity and recognized in the consolidated statement of loss.

The three levels of fair value hierarchy are:
Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
Level 3 - Inputs for assets or liabilities that are not based on observable market data.
Marketable securities are classified as Level 1 on the fair value hierarchy.

e) Duties and Taxes Receivable

Duties and tax receivable consists primarily of HST receivable from government authorities in Canada in respect of the Company's expenses.

f) Supplies Inventory

Supplies inventory is comprised of diesel fuel and jet fuel and is valued at the lower of cost and net realizable value. Cost includes the cost of fuel and transportation to ship the supplies inventory to the site and is determined using the first in, first out method. Net realizable value is the estimated selling price to a third party in the event the Company would need to dispose of the fuel.

g) Intangible Assets

Intangible assets are recorded at cost less accumulated amortization and accumulated impairment loss. Amortization is provided over the related assets' estimated useful life using the declining balance method of amortization at a rate of 50%.

h) Equipment

Equipment is recorded at cost less accumulated amortization and accumulated impairment loss. Amortization is provided over the related assets' estimated useful lives using the following methods and annual rates:

Equipment	20%-30%	declining balance
Furniture and fixtures	20%	declining balance
Leasehold improvements	20%	declining balance

i) Mineral Properties, Exploration Expenditures and Mining Studies

Mineral property acquisition costs are capitalized and the balance is written off should the property be disproven by exploration or abandoned. These assets are recorded at cost. The carrying value of these assets is dependent, among other things upon: the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of such properties. The assets are evaluated each quarter for indications of impairment.

Where the Company considers that there is an impairment indicator such as significant decrease in resource and reserve estimates, expiration or permanent cancellation of rights, impairment is assessed and if necessary, recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of fair value less cost to sell or value in use. An impairment loss is recognized whenever the carrying amount of these assets or its cash generating unit (which is the property) exceeds its recoverable amount. Impairment losses are recorded in the consolidated statement of net loss.

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Mining studies are the costs related to the technical, environmental, permitting and consultation in support of the Company's pre feasibility and feasibility studies.

All exploration expenditures and mining studies are expensed as incurred. Exploration expenditures and mining studies will be capitalized when management determines that future economic benefits will be generated as a result of the expenditures.

j) Provision for Environmental Expenditure

Both legal and constructive obligations associated with the retirement of long-lived assets are recorded as a provision for environmental expenditure when there is a probability of an outflow of resources embodying economic benefits to settle the obligation. The amount of the provision is measured at the best estimate of the expenditure needed to settle the present obligation. It is possible that the Company's estimates of its provision for environmental expenditure could change as a result of changes in regulations, the extent of environmental remediation required and the means of reclamation or costs estimates. Changes in estimates are accounted for prospectively from the period these estimates are revised.

Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements or, if more stringent, the Company's environmental policies which give rise to constructive obligations. The cash flows are discounted using the current real risk free pre tax discount rate.

k) Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control such that significant operating and financial decisions require the unanimous consent of the parties sharing control. The Company's joint ventures consist of jointly controlled assets ("JCAs"). The balances related to JCA's are not material.

A JCA is a joint venture in which the venturers have joint control and ownership over the assets contributed to or acquired for the purposes of the joint venture. JCAs do not involve the establishment of a corporation, partnership or other entity. The participants in a JCA derive benefit from the joint activity through a share of production and bears an agreed share of expenses incurred rather than by receiving a share of the net operating results. The Company's proportionate interest in the assets, liabilities, expenses, and cash flows of the JCAs are incorporated into the consolidated financial statements under the appropriate headings. Also see New Accounting Standards-IFRS 11 Joint Ventures in Note 3(q).

l) Loss per Common Share

The basic earnings (loss) per share is calculated based upon the weighted average number of common shares outstanding during the year. Stock options and warrants outstanding are not included in the computation of diluted earnings (loss) per share if their inclusion would be anti dilutive.

m) Share-based Compensation

The Company grants stock options to certain employees and non employees under the terms of the Company's Stock Option Plan ("the Plan"). Each tranche in an option award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires estimates for the expected life of options and stock price volatility which can materially affect the fair value estimate. Volatility and expected life of option is estimated based on an analysis of factors such as the Company's historical price trends, history of option holder activity, and peer and industry benchmarks for similar transactions.

Share-based compensation expense is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. This number is reviewed at least annually, with any change in estimate recognized immediately in share-based compensation expense with a corresponding adjustment to contributed surplus.

n) Income Taxes

Deferred tax assets and liabilities are determined based on the differences between the financial statement carrying values of assets and liabilities and their respective income tax bases (temporary differences), and losses carried forward.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realized or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax payable involves judgment and certain assumptions about the future performance of the Company. Assessment is required about whether it is "probable" that the Company will benefit from the prior losses and other deferred tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of the utilization of the losses.

o) Flow-through Shares

The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the flow-through common shares are offered. The allocation is made based on the difference ("premium") between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and is then derecognized in the period the eligible expenditures are incurred, which is recorded in the consolidated statement of loss.

p) Segment Disclosure

The Company's chief operating decision maker is responsible for allocating resources and assessing performance of the operations according to strategic decisions. The Company's operations comprise of a reporting segment engaged in the exploration of minerals in Canada.

q) Critical Accounting Estimates and Judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate, but are not limited to, the following:

Mineral Properties

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.

r) New accounting standards issued but not yet applied

IFRS 9 Financial Instruments

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. IFRS 9 must be applied starting January 1, 2015 with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 9 on the consolidated financial statements.

IFRS 10 Consolidated Financial Statements

In May 2011, the IASB issued IFRS 10 Consolidated Financial Statements to replace IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. The new consolidation standard changes the definition of control so that the same criteria apply to all entities, both operating and special purpose entities, to determine control. The revised definition focuses on the need to have both power and variable returns before control is present. IFRS 10 must be applied starting January 1, 2013 with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 10 on the consolidated financial statements.

IFRS 11 Joint Ventures

In May 2011, the IASB issued IFRS 11 Joint Arrangements to replace IAS 31, Interests in Joint Ventures. The new standard requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation, the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interest in joint ventures. IFRS 11 must be applied starting January 1, 2013 with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 11 on the consolidated financial statements.

IFRS 12 Disclosure of Interests in Other Entities

In May 2011, the IASB issued IFRS 12 Disclosure of Interests in Other Entities to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates including the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e. special purpose entities). IFRS 12 must be applied starting January 1, 2013 with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 12 on the consolidated financial statements.

IFRS 13 Fair Value Measurement

In May 2011, the IASB issued IFRS 13 Fair Value Measurement as a single source of guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. IFRS 13 must be applied starting January 1, 2013 with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 13 on the consolidated financial statements.

4. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its capital stock, warrant, and option components of its shareholders' equity.

The properties in which the Company currently has an interest are in the development and exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital within current economic conditions by:

i) minimizing discretionary disbursements;
ii) reducing or eliminating exploration expenditures which are of limited strategic value; and
iii) exploring alternate sources of liquidity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended April 30, 2012. The Company is not subject to externally imposed capital requirements.

5. PROPERTY AND FINANCIAL RISK FACTORS

a) Property Risk

The Company's major mineral property is the McFaulds Lake Property in the "Ring of Fire" (Note 10). Unless the Company acquires or develops additional material properties, the Company will be mainly dependent upon its existing property. If no additional major mineral properties are acquired by the Company, any adverse development affecting the Company's major mineral property would have a materially adverse effect on the Company's financial condition and results of operations.

b) Financial Risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and commodity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and restricted cash. Cash and cash equivalents and restricted cash, consist of cash on hand, term deposits and savings accounts with reputable financial institutions with strong credit ratings which are closely monitored by management.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2012, the Company had cash and cash equivalents, restricted cash and liquid marketable securities balances of $5,512,977 (April 30, 2011 $9,304,477) to settle current liabilities of $2,568,805 (April 30, 2011 $3,136,056). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company remains dependent upon financing from capital markets (see Note 1).

c) Market Risk

Market risk is the risk of loss that might arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i) Interest Rate Risk

The Company has cash balances and no interest bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates and deposit accounts managed by its banking institutions.
The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

ii) Foreign Currency Risk

The Company's functional currency and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As such, the Company's exposure to foreign currency risk is minimal at this time. The Company does not currently have any plans for exploration activities in foreign jurisdictions.

iii) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. The Company closely monitors commodity prices as it relates to the value and the future outlook of the Company's mineral properties and equity prices to determine the appropriate course of action to be taken for current and future projects.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period.

i) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

ii) Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability from mineral exploration depends upon the world market price of valuable minerals. Commodity prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of minerals may be produced in the future, a profitable market will exist for them. As of April 30, 2012, the Company is not a producer of valuable minerals. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:	**April 30, 2012**	April 30, 2011	May 1, 2010
Cash deposits	**$ 599,360**	$ 381,389	$ 815,913
Savings account and term deposits	**4,467,584**	8,507,539	20,309,353
	$ 5,066,944	$ 8,888,928	$ 21,125,266

7. TAXES AND DUTIES RECEIVABLE

Taxes and duties receivable consist of:	**April 30, 2012**	April 30, 2011	May 1, 2010
Quebec Mining Duties Refund	**$ -**	$ 691,710	$ 891,710
Recoverable Sales Taxes	**203,143**	750,332	442,988
Refundable Tax Credits	**-**	283,705	-
Other receivables	**59,764**	-	-
	$ 262,907	$ 1,725,747	$ 1,334,698

8. EQUIPMENT

April 30, 2012		Equipment		Furniture & Fixtures		Leasehold Improvements		Total
Cost	**$**	**2,448,124**	**$**	**103,037**	**$**	**159,026**	**$**	**2,710,187**
Accumulated Amortization		**732,160**		**70,576**		**55,167**		**857,903**
Closing Net Book Value	**$**	**1,715,964**	**$**	**32,461**	**$**	**103,859**	**$**	**1,852,284**
Opening Net Book Value	**$**	**1,379,274**	**$**	**40,576**	**$**	**129,824**	**$**	**1,549,674**
Additions		**647,369**		**-**		**-**		**647,369**
Amortization		**(310,679)**		**(8,115)**		**(25,965)**		**(344,759)**
Closing Net Book Value	**$**	**1,715,964**	**$**	**32,461**	**$**	**103,859**	**$**	**1,852,284**

April 30, 2011		Equipment		Furniture & Fixtures		Leasehold Improvements		Total
Cost	$	1,800,755	$	103,037	$	159,026	$	2,062,818
Accumulated Amortization		421,481		62,461		29,202		513,144
Closing Net Book Value	$	1,379,274	$	40,576	$	129,824	$	1,549,674
Opening Net Book Value	$	949,950	$	13,197	$	43,917	$	1,007,064
Additions		721,404		33,354		105,211		859,969
Amortization		(292,080)		(5,975)		(19,304)		(317,359)
Closing Net Book Value	$	1,379,274	$	40,576	$	129,824	$	1,549,674

May 1, 2010		Equipment		Furniture & Fixtures		Leasehold Improvements		Total
Cost	$	1,079,350	$	69,683	$	53,815	$	1,202,848
Accumulated Amortization		129,400		56,486		9,898		195,784
Closing Net Book Value	$	949,950	$	13,197	$	43,917	$	1,007,064

9. INTANGIBLE ASSETS

Computer software		**April 30, 2012**		April 30, 2011		May 1, 2010
Cost	**$**	**285,790**	$	278,829	$	227,386
Accumulated Amortization		**217,773**		154,977		56,846
Closing Net Book Value	**$**	**68,017**	$	123,852	$	170,540

Computer software		**April 30, 2012**		April 30, 2011
Opening Net Book Value	**$**	**123,852**	$	170,540
Additions		**6,961**		51,443
Amortization		**(62,796)**		(98,131)
Closing Net Book Value	**$**	**68,017**	$	123,852

10. MINERAL PROPERTIES

The Company's projects consist of:

		April 30, 2012	April 30, 2011	May 1, 2010
(i)	**McFaulds Lake Property "Ring of Fire", James Bay Lowlands, Northeastern Ontario** 100% interest subject to net smelter return ("NSR") of 1%	$ 1,438,104	$ 1,428,399	$ 1,428,399
(ii)	**Golden Valley Project, Ontario** Option to earn up to 35% interest in the property located in the James Bay Lowlands owned by Golden Valley Mines Ltd.	175,000	175,000	175,000
(iii)	**Garden Island, Quebec** 50% interest in the Garden Island gold base metal property located near Val d'Or, Quebec	250,000	250,000	250,000
		$ 1,863,104	$ 1,853,399	$ 1,853,399

11. PROVISION FOR ENVIRONMENTAL EXPENDITURE

McFaulds Lake

The Company's management has re-assessed the demobilization obligation relating to the McFaulds Lake Property as at April 30, 2012 and established a provision of $566,378 representing the estimated present value of its future 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 $725,730
b) Real risk-free pre-tax discount rate of 2.51%
c) Obligation expected to be realized in 10 years

Windfall Lake

In accordance with the requirements of the Quebec Ministry of Natural Resources, the Company has developed a site remediation and restoration plan for its Windfall Lake project operations. The Company has established a provision of $654,877, representing the estimated present value of its future obligation. Of this provision, $516,480 will be incurred within the next twelve months. A summary of the changes in the site remediation provision is set out below:

	April 30, 2012	April 30, 2011
Balance, beginning of year	$ 652,478	$ 743,922
Accretion expense for the year	2,399	10,717
Re-measurement of provision	-	(102,161)
	$ 654,877	$ 652,478

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

a) Total undiscounted future remediation costs is estimated to be $665,280. (2011 - $665,280; 2010 - $779,400)
b) Real risk-free pre-tax discount rate of 1.34% (April 30, 2011 - 1.67%, May 1, 2010 - 1.81%)

The Company secured a financial guarantee in favour with the Minister of Finance of Quebec on August 30, 2008 in the amount of $385,046, which was satisfied by means of a letter of credit. The letter of credit is secured by a guaranteed investment certificate which is included in restricted cash.

12. CAPITAL STOCK

(a) Authorized
Unlimited common shares without par value

(b) Issued

	Number of Shares	Value
Balance, May 1, 2010	167,885,442	$ 116,837,016
Flow-through private placement (i)	15,673,200	23,998,456
Flow-through share premium	-	(2,388,818)
Share issue costs	-	(1,516,035)
Broker warrants allocation	-	(154,244)
Exercise of options	583,332	400,666
Fair value of exercise of options	-	345,050
Balance, April 30, 2011	184,141,974	$ 137,522,091
Flow-through private placement (iii)	4,073,800	3,503,468
Flow-through share premium	-	(244,428)
Issue of shares (ii)	20,234,967	17,402,072
Share issue costs	-	(418,380)
Warrants allocation	-	(1,159,464)
Exercise of options	49,999	31,001
Fair value of exercise of options	-	26,849
Balance, April 30, 2012	**208,500,740**	**$ 156,663,209**

(i) On May 12, 2010, the Company closed a private placement financing, issuing 7,598,200 flow-through common shares ("Flow-Through Shares") at a price of $1.83 per Flow-Through Share to raise gross proceeds of $13,904,706 (the "Offering"). Costs of issue include a cash fee equal to 5% of the gross proceeds of the Offering, paid to the Agents and 379,910 Broker Warrants issued on May 12, 2010 with an exercise price of $1.83.

On November 26, 2010, the Company closed a private placement financing, issuing 8,075,000 flow-through common shares ("Flow-Through Shares") at a price of $1.25 per Flow-Through Share to raise gross proceeds of $10,093,750 (the "Offering"). Costs of issue include a cash fee equal to 5% of the gross proceeds of the Offering, paid to the Agents.

(ii) On June 2, 2011, the Company completed an investment by Baosteel Resources International Co., Ltd. ("Baosteel"). Baosteel has acquired 20,234,967 Units of Noront at a price of $0.86 per Unit. Each Unit consists of one common share and one half of one common share purchase warrant (each whole warrant a "Warrant"). Each Warrant shall be exercisable to acquire one common share of Noront at an exercise price equal to $1.16 for a period of 24 months following the closing date. Net proceeds of the common share portion are approximately $17.4 million.

(iii) On December 20, 2011, the Company closed a private placement financing, issuing 4,073,800 flow-through common shares (Flow-Through Shares") at a price of $0.86 per Flow-Through Share for gross proceeds of $3,503,468 (the "Offering"). Costs of the issue include 5% of the gross proceeds of the Offering, paid to the Agents.

(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 year ended April 30, 2012, stock-based compensation of $2,257,010 (2011 - $2,030,881) was charged to net loss.

(i) On May 5, 2011, the Company granted 3,350,000 incentive stock options to employees and directors of the Company at an exercise price of $0.88. The share price on May 5, 2011 was $0.84.

The fair value assigned was estimated using the following assumptions:

Dividend yield	0%
Expected volatility	115.63%
Risk-free interest rate	2.19%
Expected life	5 years
Forfeiture rate	7%

The stock options were assigned a value of $2,279,340.

(ii) On November 3, 2011, the Company granted 300,000 incentive stock options to a director of the Company at an exercise price of $0.86. The share price on November 3, 2011 was $0.82.

The fair value assigned was estimated using the following assumptions:

Dividend yield	0%
Expected volatility	97.94%
Risk-free interest rate	1.34%
Expected life	5 years
Forfeiture rate	9%

The stock options were assigned a value of $179,400.

(iii) On December 6, 2011, the Company granted 200,000 incentive stock options to contractors of the Company at an exercise price of $0.86. The share price on December 6, 2011 was $0.76.

The fair value assigned was estimated using the following assumptions:

Dividend yield	0%
Expected volatility	97.40%
Risk-free interest rate	1.26%
Expected life	5 years
Forfeiture rate	9%

The stock options were assigned a value of $108,800.

(iv) On March 14, 2012, the Company granted 100,000 incentive stock options to an employee of the Company at an exercise price of $0.86. The share price on March 14, 2012 was $0.62.

The fair value assigned was estimated using the following assumptions:

Dividend yield	0%
Expected volatility	95.21%
Risk-free interest rate	1.52%
Expected life	5 years
Forfeiture rate	9%

The stock options were assigned a value of $41,900.

The weighted average remaining contractual life and weighted average exercise price of options outstanding and options exercisable as at April 30, 2012 are as follows:

Number of Stock Options Outstanding	Black-Scholes Value	Exercise Price	Remaining Contractual Life (Years)	Number of Stock Options Exercisable	Expiry Date
225,000	776,250	$ 5.13	0.53	225,000	November 2012
50,000	153,500	$ 4.86	0.62	50,000	December 2012
590,000	1,952,900	$ 3.90	1.12	590,000	June 2013
1,900,000	1,189,400	$ 0.80	1.53	1,900,000	November 2013
2,516,668	1,351,451	$ 0.62	2.17	1,961,112	June 2014
300,000	733,200	$ 2.70	2.27	300,000	August 2014
100,000	194,400	$ 2.15	2.36	66,667	September 2014
1,100,000	1,809,500	$ 1.84	2.46	933,333	October 2014
390,000	710,580	$ 2.09	2.62	323,333	December 2014
250,000	251,000	$ 1.36	3.09	83,333	June 2015
180,000	130,392	$ 1.25	3.65	180,000	December 2015
3,350,000	2,279,340	$ 0.88	4.02	358,329	May 2016
300,000	179,400	$ 0.86	4.52	300,000	November 2016
200,000	108,800	$ 0.86	4.61	100,000	December 2016
100,000	41,900	$ 0.86	4.88	-	March 2017
11,551,668	**$ 11,862,013**	**$ 1.27**	**2.73**	**7,371,107**	

The fair value of unvested options as at April 30, 2012 is $3,016,033.

The following table summarizes the stock option transactions for the year ended April 30, 2012 and 2011:

	Number of Options	Weighted Average Exercise Price
May 1, 2010	**10,536,668**	$ 1.67
Granted	**785,000**	$ 1.26
Exercised	**(583,332)**	$ (0.69)
Forfeited	**(2,499,169)**	$ (2.40)
April 30, 2011	**8,239,167**	$ 1.48
Granted	**3,950,000**	$ 0.88
Exercised	**(49,999)**	$ (0.62)
Expired	**(75,000)**	$ (0.75)
Forfeited	**(512,500)**	$ (1.68)
Balance, April 30, 2012	**11,551,668**	**$ 1.27**

The weighted average share price at the date of exercise was $0.79 (2011 - $1.32)

(d) Warrants and Broker Warrants

(i) Warrants

A summary of the status of the Company's warrants as of April 30, 2012, and changes during the year are as follows:

	Number of Warrants	Weighted Average Exercise price	Fair Value
May 1, 2010	722,150	$ 4.00	$ 1,416,211
Issued	-	-	-
At April 30, 2011	722,150	$ 4.00	$ 1,416,211
Issued	10,117,483	1.16	1,159,464
At April 30, 2012	**10,839,633**	**$ 1.35**	**$ 2,575,675**

On December 11, 2009, the Company issued an aggregate of 722,150 warrants, exercisable at $4.00, in accordance with the terms of its offer to purchase all the common shares of Freewest. Each warrant entitles the holder to acquire one Noront common share. The warrants expire in December 2014. The fair value of the 722,150 warrants was calculated to be $1,416,211 using the Black-Scholes option pricing model utilizing the following assumptions: dividend yield of 0%; risk-free interest rate of 2.30%; expected life of five years and a volatility of 133.5%. The share price on December 11, 2009 was $2.09.

On June 2, 2011, the Company issued an aggregate of 10,117,483 warrants, exercisable at $1.16, in accordance with the terms of the investment by Baosteel. Each warrant entitles the holder to acquire one Noront common share for a period of 24 months. The warrants expire in June 2013. The fair value of the 10,117,483 warrants was calculated to be $1,159,464 using the Black-Scholes option pricing model utilizing the following assumptions: dividend yield of 0%; risk-free interest rate of 1.48%; expected life of two years and a volatility of 50%. The share price on June 2, 2011 was $0.76.

(ii) Broker warrants

A summary of the status of the Company's broker warrants as of April 30, 2012, and changes during the year are as follows:

	Number of Warrants	Weighted Average Exercise price	Fair Value
Balance, May 1, 2010	-	$ -	$ -
Issued	379,910	1.83	154,244
Balance, April 30, 2011	379,910	$ 1.83	$ 154,244
Expired	(379,910)	1.83	(154,244)
Balance, April 30, 2012	**-**	**$ -**	**$ -**

On May 12, 2010, the Company issued an aggregate of 379,910 warrants, exercisable at $1.83, as part of the cost of the private placement financing. Each warrant entitled the holder to acquire one Noront common share. The warrants expired in May 2011. The fair value of the 379,910 warrants was calculated to be $154,244 using the Black-Scholes option pricing model utilizing the following assumptions: dividend yield of 0%; risk-free interest rate of 2.69%; expected life of one year and a volatility of 95.83%. The share price on May 12, 2010 was $1.39.

13. INCOME TAXES

A reconciliation between the tax expense and the product of accounting loss multiplied by the Company's domestic tax rate is as follows:

	2012	2011
Statutory tax rate	**27.59%**	30.99%
Loss before recovery of income taxes	**$ (28,752,281)**	$ (35,868,991)
Expected income tax recovery	**(7,932,754)**	(11,115,800)
Permanent differences	**529,185**	208,130
Benefits of tax attributes not recognized	**7,403,569**	10,907,670
Total tax expense	**$ -**	$ -

The 2012 statutory tax rate of 27.59% differs from the 2011 statutory tax rate of 30.99% because of the reduction in both federal and Ontario substantively enacted tax rates.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off the current tax assets and current tax liabilities or deferred tax assets and liabilities and they relate to taxes levied by the same tax authority.

The tax benefit of the following unused tax losses and deductible temporary differences have not been recognized in the financial statements due to the unpredictability of future earnings.

	2012	2011
Deductible Temporary Differences		
Marketable securities	**$ 207,173**	$ 496,767
Mineral properties	**63,703,094**	54,964,075
Provision for environmental expenditure	**1,221,255**	652,478
Capital losses	**3,784,323**	3,784,323
Loss carryforwards	**36,592,330**	23,360,113
Share issue costs	**2,705,893**	3,666,849
	108,214,068	86,924,605

The Company's non capital income tax losses expire as follows:

2014	$ 63,219
2015	388,136
2027	499,732
2028	1,179,805
2029	6,895,022
2030	7,720,158
2031	6,614,041
2032	13,232,217
	$ 36,592,330

14. RELATED PARTY TRANSACTIONS

The Company engaged Penguin Automated Systems ("Penguin") after completing an independent tendering process; under the direction of Micon International, Lead Consultant for certain technical studies. The Company's Chief Operating Officer has a 38.5% ownership interest in Penguin. Professional fees paid to Penguin for the year ended April 30, 2012, were $1,098,239 (year ended April 30, 2011 - $783,965) and the amount payable to Penguin as at April 30, 2012 is $392,292 (April 30, 2011 - $157,917; May 1, 2010 - $NIL).

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

15. LOSS PER SHARE

For the year ended April 30,	2012	2011
Net loss attributable to common shareholders	**$ (28,752,281)**	$ (35,868,991)
Weighted average shares outstanding - basic and fully diluted	**204,051,816**	179,102,627
Loss per share - basic	**$ (0.14)**	$ (0.20)

As result of the net loss for the years ended ended April 30, 2012 and 2011, the potential effect of the exercise of stock options and warrants was anti dilutive. Thus, basic loss per share and diluted loss per share are equal for the years presented.

16. COMMITMENTS AND CONTINGENCIES

a) Under the terms of leases for office space, vehicles and equipment, the Company is obligated to minimum annual rent payments of $162,474 in fiscal 2013, $6,135 in fiscal 2014 and $2,045 in fiscal 2015.

b) The Company has secured a letter of credit in favour of the Quebec Government in the amount of $385,046, to cover a portion of the estimated cost of work under a corresponding site remediation plan submitted thereto.

c) Subsequent to the year end, the Company received a Notice of Assessment from the Government of Quebec relating to their audit of the Quebec income tax returns filed for the 2008 and 2009 fiscal year ends. Per the assessment, the Company is required to remit taxes totaling $895,748 relating to tax credits for exploration expenditures which were previously refunded by the Government of Quebec. The Company has filed a Notice of Objection related to the assessment. The Company has reviewed the expenditures with its tax advisor and has included a provision of approximately $250,000 in the current financial statements which represents management's estimate of the obligation.

17. COMPENSATION OF KEY MANAGEMENT

For the year ended April 30,	2012	2011
Salaries, employee benefits and directors' fees	**$ 1,777,162**	$ 1,369,468
Share-based compensation	**1,913,843**	1,280,500
	$ 3,691,005	$ 2,649,968

Key management includes the 7 directors and 5 members of the executive management team.

18. SUPPLEMENTARY EXPENSE INFORMATION

For the year ended April 30,	2012	2011
Exploration Expenditures and Mining Studies		
Camp operations	**$ 5,221,949**	$ 9,284,989
Drilling	**8,489,285**	13,710,827
Geophysics	**862,398**	999,486
Technical studies	**3,513,811**	4,459,393
Environmental studies and consultation	**3,474,801**	1,710,426
Other	**289,891**	967,393
	$ 21,852,135	$ 31,132,514

Included in exploration expenditures and mining studies is $1,445,472 of salaries and benefits (2011 - $1,396,926) and $1,948,886 of supplies inventory (2011 - $3,212,227) expensed during the year.

For the year ended April 30,	2012	2011
Office and General:		
Salaries, benefits and directors' fees	**$ 2,472,094**	$ 2,173,993
Administrative and other expenses	**806,924**	1,239,327
Professional fees	**678,147**	785,052
Communications & travel	**786,565**	1,287,124
	$ 4,743,730	$ 5,485,496

19. SUBSEQUENT EVENTS

(i) On May 10, 2012, the Company completed a private placement with Resource Capital Fund V L.P. ("RCF"), pursuant to which RCF subscribed for 19,230,769 common shares in the capital of the Company (the "Common Shares") at a purchase price of $0.52 per Common Share, representing gross proceeds to the Company of approximately $10 million.

(ii) On May 25, 2012, the Company completed a private placement with Baosteel Resources International Co. Ltd. ("Baosteel"), pursuant to which Baosteel has exercised its right to maintain its 9.9% interest in the Company. Baosteel acquired an additional 2,566,151 Common Shares at a purchase price of $0.52, representing gross proceeds to the Company of approximately $1.33 million.

The proceeds received by the Company from the completion of both transactions will be used to advance the development of the Company's McFaulds Lake Property.

(iii) On July 17, 2012, the Company granted 2,500,000 incentive stock options to employees and directors of the Company at an exercise price of $0.46 with an expiry date of 5 years subject to vesting provisions.

(iv) On May 1, 2012, the Company purchased certain assets relating to the camp operations at the McFaulds Lake Property for a total of $585,000. These assets were part of a lease agreement which ended on April 30, 2012. The amount to be capitalized is $421,200 with the balance of $163,800 to be charged to net loss.

20. RECONCILIATION FROM CANADIAN GAAP TO IFRS

The information included in this note is reconciled to the previously reported Canadian GAAP balance sheets as at May 1, 2010 and April 30, 2011 and the consolidated statement of operations for the year ended April 30, 2011.

a) Reconciliation of Consolidated Balance Sheets as reported under Canadian GAAP and IFRS:

		CGAAP April 30, 2011	Effect of Transition	IFRS April 30, 2011	CGAAP April 30, 2010	Effect of Transition	IFRS May 1, 2010
Assets							
Current assets							
Cash and cash equivalents		$ 8,888,928	$ -	$ 8,888,928	$ 21,125,266	$ -	$ 21,125,266
Restricted cash		385,046	-	385,046	385,046	-	385,046
Marketable securities		30,503	-	30,503	666,587	-	666,587
Taxes and duties receivable		1,725,747	-	1,725,747	1,334,698	-	1,334,698
Supplies inventory	i	-	1,611,097	1,611,097	-	4,100,859	4,100,859
Prepaid expenses		222,063	-	222,063	334,266	-	334,266
Total current assets		11,252,287	1,611,097	12,863,384	23,845,863	4,100,859	27,946,722
Non-current assets							
Equipment	ii	386,610	1,163,064	1,549,674	421,472	585,592	1,007,064
Intangible assets	ii	-	123,852	123,852	-	170,540	170,540
Mineral properties	i	108,788,374	(106,934,975)	1,853,399	78,944,105	(77,090,706)	1,853,399
Total non-current assets		$ 109,174,984	$ (105,648,059)	$ 3,526,925	$ 79,365,577	$ (76,334,574)	$ 3,031,003
Total Assets		$ 120,427,271	$ (104,036,962)	$ 16,390,309	$ 103,211,440	$ (72,233,715)	$ 30,977,725
Liabilities and Shareholders' Equity							
Current liabilities							
Accounts payable		$ 2,525,206	$ -	$ 2,525,206	$ 3,264,260	$ -	$ 3,264,260
Deferred flow-through share premium	iii	-	94,370	94,370	-	474,369	474,369
Provision for environmental expenditure	iv	564,372	(47,892)	516,480	575,071	(42,648)	532,423
Total current liabilities		3,089,578	46,478	3,136,056	3,839,331	431,721	4,271,052
Non-current liabilities							
Provision for environmental expenditure	iv	125,553	10,445	135,998	194,426	17,073	211,499
Deferred income taxes	v	6,297,894	(6,297,894)	-	2,267,243	(2,267,243)	-
Total non-current liabilities		$ 6,423,447	$ (6,287,449)	$ 135,998	$ 2,461,669	$ (2,250,170)	$ 211,499
Total Liabilities		$ 9,513,025	$ (6,240,971)	$ 3,272,054	$ 6,301,000	$ (1,818,449)	$ 4,482,551
Shareholders' Equity							
Capital Stock	vi	$ 136,879,569	$ 642,522	$ 137,522,091	$ 119,426,281	$ (2,589,265)	$ 116,837,016
Warrants		1,570,455	-	1,570,455	1,416,211	-	1,416,211
Contributed surplus	vii	26,576,133	(205,183)	26,370,950	24,792,847	(107,728)	24,685,119
Deficit		(53,942,414)	(98,233,330)	(152,175,744)	(45,881,216)	(70,425,537)	(116,306,753)
Accumulated other comprehensive loss	viii	(169,497)	-	(169,497)	(2,843,683)	2,707,264	(136,419)
Total shareholders' equity		$ 110,914,246	$ (97,795,991)	$ 13,118,255	$ 96,910,440	$ (70,415,266)	$ 26,495,174
Total Liabilities and Equity		$ 120,427,271	$ (104,036,962)	$ 16,390,309	$ 103,211,440	$ (72,233,715)	$ 30,977,725

b) **Reconciliation of Consolidated Loss and Comprehensive Loss as reported under Canadian GAAP and IFRS:**

		CGAAP April 30, 2011	Effect of Transition	IFRS April 30, 2011
Expenses				
Exploration expenditures	i	$ 85,900	$ 31,057,331	$ 31,143,231
Office & general		3,413,320	-	3,413,320
Professional fees		785,052	-	785,052
Communication & travel		1,287,124	-	1,287,124
Amortization	ii	224,869	190,624	415,493
Share-based compensation	vii	1,584,911	445,970	2,030,881
Write-down of securities	viii	2,452,370	(2,707,270)	(254,900)
Loss before finance items and income tax		9,833,546	28,986,655	38,820,201
Interest income		(182,393)	-	(182,393)
Flow-through share premium	iii	-	(2,768,817)	(2,768,817)
Loss before tax		9,651,153	26,217,838	35,868,991
Deferred income tax recovery	v	$ 1,589,955	$ (1,589,955)	$ -
Net loss		$ 8,061,198	$ 27,807,793	$ 35,868,991
Unrealized loss on available for sale marketable securities		33,025	-	33,025
Reclassification of losses realized	viii	(2,707,211)	2,707,264	53
Total comprehensive loss		$ 5,387,012	$ 30,515,057	$ 35,902,069

c) Reconciliation of Consolidated Shareholders' Equity and Deficit as reported under Canadian GAAP and IFRS:

		April 30, 2011	May 1, 2010
Shareholders' Equity previously reported under Canadian GAAP		$ 110,914,246	$ 96,910,440
Adjustments upon adoption of IFRS:			
Change in capitalization policy - Mineral properties	i	(105,323,878)	(72,989,847)
Change in capitalization policy - Equipment additions	ii	1,286,916	756,132
Change in flow-through shares premium liability	iii	(94,370)	(474,369)
Change in discount rate for provision of environmental expenditure	iv	37,447	25,575
Change in provision for deferred income tax	v	6,297,894	2,267,243
Shareholders' Equity reported under IFRS		$ 13,118,255	$ 26,495,174

		April 30, 2011	May 1, 2010
Deficit previously reported under Canadian GAAP		$ (53,942,414)	$ (45,881,216)
Adjustments upon adoption of IFRS:			
Change in capitalization policy - Mineral properties	i	(105,323,878)	(72,989,847)
Change in capitalization policy - Equipment additions	ii	1,286,916	756,132
Change in flow-through shares premium liability and related tax effect reversals		(736,892)	2,114,896
Change in discount rate for provision of environmental expenditure	iv	37,447	25,575
Change in provision for deferred income tax	v	6,297,894	2,267,243
Change in capitalization policy - Share-based compensation	vii	205,183	107,728
Change in impairment - Marketable securities	viii	-	(2,707,264)
Deficit reported under IFRS		$ (152,175,744)	$(116,306,753)

i) Mineral Properties, Supplies Inventory & Exploration Expenditures and Technical Studies

The Company has chosen the accounting policy to expense exploration expenditures. As a result, supplies inventory consisting of fuel that is utilized in exploration activities will be separately disclosed as a current asset. The impact is:

	April 30, 2011	May 1, 2010
Mineral properties - Canadian GAAP	$ 108,788,374	$ 78,944,105
Mineral properties - IFRS	1,853,399	1,853,399
Decrease in Mineral Properties	$ 106,934,975	$ 77,090,706
Increase in Supplies inventory	$ 1,611,097	$ 4,100,859
Net change due to Capitalization Policy	$ 105,323,878	$ 72,989,847

	April 30, 2011
Exploration expenditures and mining studies - Canadian GAAP	$ 85,900
Exploration expenditures and mining studies - IFRS	31,143,231
Increase in Exploration Expenditures and Mining Studies	$ 31,057,331

ii) Equipment & Intangible Assets

As a result of IFRS, capital assets that were previously capitalized as a part of mineral properties under Canadian GAAP are now included in equipment and computer software is reclassified as intangible assets. The impact is:

	April 30, 2011	May 1, 2010
Equipment - Canadian GAAP	$ 386,610	$ 421,472
Equipment - IFRS	1,549,674	1,007,064
Increase in Net Book Value of Equipment	$ 1,163,064	$ 585,592

	April 30, 2011	May 1, 2010
Intangible assets - Canadian GAAP	$ -	$ -
Intangible assets - IFRS	123,852	170,540
Increase in Net Book Value of Intangible Assets	$ 123,852	$ 170,540

	April 30, 2011
Amortization - Canadian GAAP	$ 224,869
Amortization - IFRS	415,493
Increase in Amortization	$ 190,624

iii) Deferred Flow-Through Share Premium

Under IFRS, the Company must recognize a liability for the premium on flow-through shares paid by investors. The liability recorded on transition to IFRS reduced the share capital previously recorded under Canadian GAAP. As flow-through expenses are incurred, the liability is reduced and recorded in the consolidated statement of loss.

	April 30, 2011		May 1, 2010	
Deferred Flow-Through Share Premium - Canadian GAAP		-		-
Deferred Flow-Through Share Premium - IFRS	$	94,370	$	474,369
Increase in Deferred Flow-Through Share Premium	$	94,370	$	474,369

	April 30, 2011	
Flow-Through Share Premium - Canadian GAAP	$	-
Flow-Through Share Premium - IFRS		2,768,817
Increase in Flow-Through Share Premium	$	2,768,817

iv) Provision for Environmental Expenditure

Under Canadian GAAP, the Company used a weighted average risk-adjusted discount rate of 8% and applied an inflation rate of 3%. Under IFRS, by applying the real risk-free pre-tax discount rate and excluding the effect of inflation as required by IAS 37, the site remediation provision changes as follows:

Current Portion	April 30, 2011		May 1, 2010	
Provision - Canadian GAAP	$	564,372	$	575,071
Provision - IFRS		516,480		532,423
Decrease in Current Portion of Provision for Environmental Expenditure	$	47,892	$	42,648
Non-Current Portion				
Provision - Canadian GAAP	$	125,553	$	194,426
Provision - IFRS		135,998		211,499
Increase in Non-Current Portion of Provision for Environmental Expenditure	$	10,445	$	17,073
Net Change in Provision for Environmental Expenditure	$	37,447	$	25,575

v) Deferred Income Taxes

The Company has selected the policy to expense exploration expenditures. As a result, the deferred income tax liability recognized is no longer required under IFRS.

	April 30, 2011	May 1, 2010
Deferred tax liability - Canadian GAAP	$ 6,297,894	$ 2,267,243
Deferred tax liability - IFRS	-	-
Decrease in Deferred Income Tax Liability	$ 6,297,894	$ 2,267,243

	April 30, 2011
Deferred income tax recovery - Canadian GAAP	$ 1,589,955
Deferred income tax recovery - IFRS	-
Decrease in Deferred Income Tax Recovery	$ 1,589,955

vi) Capital Stock

Under IFRS, the Company must recognize a liability for the premium on flow-through shares paid by investors. The liability recorded on transition to IFRS reduced the share capital previously recorded under Canadian GAAP.

	April 30, 2011	May 1, 2010
Capital Stock - Canadian GAAP	$ 136,879,569	$ 119,426,281
Capital Stock - IFRS	137,522,091	116,837,016
Decrease (Increase) in Capital Stock	$ (642,522)	$ 2,589,265

vii) Share-Based Compensation & Contributed Surplus

Options issued to officers, employees and directors are measured using the grant date fair value of the equity instrument as required by IFRS 2. Based on the Company's options history, the forfeiture rate is 5% and the Company expects that 95% of the options will vest. The impact of applying IFRS 2 is calculated as follows:

	April 30, 2011	May 1, 2010
Contributed Surplus - Canadian GAAP	$ 26,576,133	$ 24,792,847
Contributed Surplus - IFRS	26,370,950	24,685,119
Decrease in Contributed Surplus	$ 205,183	$ 107,728

	April 30, 2011
Share-Based Compensation Expense - Canadian GAAP	$ 1,584,911
Share-Based Compensation Expense - IFRS	2,030,881
Increase in Share-Based Compensation	$ 445,970

viii) Accumulated Other Comprehensive Loss & Write-Down of Securities

The marketable securities written down in the three months ended July 31, 2010 had an impairment under Canadian GAAP that was significant and prolonged. Under IFRS, this impairment would require write-down when there is either significant or prolonged decline in value, therefore the impairment is recognized at the opening balance sheet date, May 1, 2010.

	April 30, 2011	May 1, 2010
Accumulated Other Comprehensive Loss - Canadian GAAP	$ (169,497)	$ (2,843,683)
Accumulated Other Comprehensive Loss - IFRS	(169,497)	(136,419)
Increase in Accumulated Other Comprehensive Loss	$ -	$ (2,707,264)

d) Reconciliation of Consolidated Statements of Cash Flow as reported under Canadian GAAP and IFRS:

	CGAAP April 30, 2011	Effect of Transition	IFRS April 30, 2011
Net cash used in operating activities	$ (6,132,883)	$ (28,933,033)	$ (35,065,916)
Net cash used in investing activities	(28,986,545)	28,933,033	(53,512)
Net cash provided by financing activities	22,883,090	-	22,883,090
Change in cash and cash equivalents	$ (12,236,338)	$ -	$ (12,236,338)

Under the alternatives of IFRS 1 - First Time Adoption, the Company has selected the accounting policy to expense exploration expenditures. As a result, the cash used in investing activities has been reclassified to operating activities.

e) Exemptions from full retrospective applications:

A number of optional exemptions from full retrospective application are available to the Company upon adoption of IFRS. The impact of these optional exemptions on the Company is listed below. The Company has applied the following exemptions:

Exemption	Application of exemption
Designation of previously recognised financial instruments	The Company is electing for no change to the current policy, which is to classify marketable securities as Available-For-Sale investments and recording any changes in value to Other Comprehensive Income (Loss) until the disposition of such securities.
Share-based payment transaction	The Company has elected to apply the share-based payment exemption. It retroactively applied IFRS 2 to only those options that have not vested by May 1, 2010.

CORPORATE INFORMATION

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Shares Outstanding: 230,297,660
Shares Fully Diluted: 255,172,293
Toronto Venture Exchange: **TSX.V**
Symbol: **NOT**

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Chief Financial Officer

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Forward-Looking Statements

This release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation, including predictions, projections and forecasts. Forward-looking statements include, but are not limited to, statements 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, growth of the Company's businesses, operations, plans and with respect to exploration results, the timing and success of exploration activities generally, permitting time lines, government regulation of exploration and mining operations, environmental risks, title disputes or claims, limitations on insurance coverage, timing and possible outcome of any pending litigation and timing and results of future resource estimates or future economic studies.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "planning", "planned", "expects" or "looking forward", "does not expect", "continues", "scheduled", "estimates", "forecasts", "intends", "potential", "anticipates", "does not anticipate", or "belief", or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are based on a number of material factors and assumptions, including, the result of drilling and exploration activities, that contracted parties provide goods and/or services on the agreed timeframes, that equipment necessary for exploration is available as scheduled and does not incur unforeseen break downs, that no labour shortages or delays are incurred, that plant and equipment function as specified, that no unusual geological or technical problems occur, and that laboratory and other related services are available and perform as contracted. Forward-looking statements involve known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, forecast, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the interpretation and actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of gold; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration, as well as those factors disclosed in the Company's publicly filed documents. Although Noront has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Concept and Design: Kirkwood Communications • Project Management and Production: Walter J. Mishko & Co. Inc.

"Keeping our eye on your prize"

Wesley C. Hanson
President & CEO

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on chlorine-free paper containing post consumer
product and which is 100% recyclable.