

**NORONT RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FOR THE SECOND QUARTER ENDED OCTOBER 31, 2008

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This management's discussion and analysis ("MD&A") of the results of operations and financial condition of Noront Resources Ltd. ("Noront" or the "Company") describes the operating and financial results of the Company for the second quarter of fiscal year 2009, ended October 31, 2008. The MD&A supplements but does not form part of the financial statements of the Company and should be read in conjunction with Noront's audited consolidated financial statements and related notes for the fiscal year ended April 30, 2008. The Company prepares and files its consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles. This MD&A contains certain forward looking statements based on management's current expectations (please see "Cautionary Note Regarding Forward Looking Statements" below). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A was prepared on December 30, 2008. This MD&A includes certain "forward-looking statements" within the meaning of applicable Canadian securities legislation. 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.

When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Examples of such forward looking statements include statements regarding financial results and expectations for fiscal year 2009, 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.

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. Factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, the factors described or referred to elsewhere herein, and include unanticipated and/or unusual events. Many of such factors are beyond Noront's ability to control or predict.

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. These forward looking statements should not be relied upon as representing management's views as of any date subsequent to the date of this MD&A.

Additional information, including quarterly and annual consolidated financial statements, Management Information Circular and other disclosure documents, may also be examined and/or obtained through the Internet at the SEDAR website www.sedar.com at Company's website located at www.norontresources.com.

COMPANY OVERVIEW

Noront is an active resource exploration company listed on tier 2 of the TSX Venture Exchange ("TSX-V") involved in the acquisition, exploration and development of properties prospective in base metals, platinum group metals, gold and chromite. The primary focus of the Company is its McFaulds Lake Project at McFaulds Lake (the McFaulds Lake Project), in the Ring of Fire area ("ROF") that is located in the James Bay Lowlands, Ontario, where Noront has had five discoveries since August 2007. These are known as "Eagle One", "Eagle Two", "Blackbird One", "Blackbird Two" and "AT12". Noront also has other exploration projects and properties in Ontario, Quebec and New Brunswick within Canada, as well as in Mexico and China.

The Company is actively drilling and working to define and further delineate its nickel-copper-platinum group metal and chromite discoveries at the McFaulds Lake Project. The Company is planning to continue drilling at the site of its Eagle One nickel-copper-platinum group metals discovery for associated deposits along what management believes is a magmatic conduit that could host other similar sulphide bodies. Noront announced the filing of a NI 43-101 Technical Report and resource estimate on the Eagle One Deposit in August 2008. A preliminary economic assessment ("PEA") was announced on this deposit in October, 2008 and a corresponding NI 43-101 Technical Report was filed by Noront in December, 2008.

At Eagle Two, a second nickel-copper-platinum group metals discovery, the Company has drilled to a depth of approximately 450 metres and continues to encounter semi-massive to disseminated sulphide mineralization.

Noront is also actively drilling to define the dimensions of its two recent chromite discoveries at Blackbird One and Blackbird Two, and over time will move to other nearby geophysical anomalies to test for the presence of additional occurrences. Noront will also be drilling anomalies identified elsewhere on its claims in the Ring of Fire area in joint venture with its various partners. The Company's overall strategy is to concentrate its efforts primarily on defining the relative scale of its current discoveries and on its most promising geophysical targets.

The Company is fully engaged in exploring and developing the McFaulds Lake Project as well as the rest of the ROF and in continuing to add to its already extensive land position in the Ring of Fire area through option agreements and other arrangements. A review of the Company's policies concerning its option agreements in the ROF is underway.

Over the next year, management of Noront will continue to evaluate its assets that are outside the Ring of Fire area with a view to maximizing shareholder value.

In the second quarter, the Company also concentrated on completing phase 1 work at the Windfall Lake gold project in Quebec. The results of this work have been compiled and Windfall Lake has been put on care and maintenance with all work at the site halted for the winter. Results from the Phase 1 underground exploration program were inconclusive and given the liquidity preservation strategy of the Company at this time no further exploration is merited. The Company continues to examine alternatives at Windfall and how it can best benefit Noront.

OVERVIEW OF ACTIVITIES

The market reacted very positively to the Company's Eagle One nickel-copper-platinum group metals discovery in August 2007. In the first fiscal quarter of this year, a NI 43-101 Report was prepared by an independent third party on this project that included a resource estimate for the discovery, designated as Eagle One. This report was released and filed August 14, 2008 and entitled "Technical Report and Resource Estimate on the Eagle One Deposit, Double Eagle Property, McFaulds Lake Area, James Bay Lowlands, Ontario" prepared by P & E Mining Consultants Inc. for Noront. The Report identified that Eagle One contained:

Indicated	Tonnes	Ni	Cu	Au	Pt	Pd	Ag	Ni	Cu	Au	Pt	Pd	Ag
		%	%	g/t	g/t	g/t	g/t	million lb	million lb	oz	Oz	oz	oz
Massive	233,000	6.52	3.45	0.24	1.94	12.20	9.75	33.4	17.7	1,800	14,500	91,400	72,900
Disseminated	1,601,000	1.30	0.85	0.14	1.00	2.70	2.94	45.8	29.9	7,300	51,700	139,100	151,500
Total Indicated	1,834,000	1.96	1.18	0.15	1.12	3.91	3.81	79.2	47.6	9,100	66,200	230,500	224,400
Inferred		Ni	Cu	Au	Pt	Pd	Ag	Ni	Cu	Au	Pt	Pd	Ag
Massive	217,000	7.00	2.86	0.18	3.00	11.75	8.70	33.5	13.7	1,300	20,900	82,000	60,700
Disseminated	870,000	1.24	0.88	0.12	0.97	2.69	3.09	23.7	16.8	3,300	27,000	75,300	86,300
Total Inferred	1,087,000	2.39	1.27	0.13	1.37	4.50	4.21	57.2	30.5	4,600	47,900	157,300	147,000

Note: P&E Mining Consultants Inc., ("P&E") is an independent consulting firm commissioned by Noront Resources Ltd. The P&E estimate was prepared under the supervision of Mr. Eugene Puritch, P.Eng and Mr. Antoine Yassa, P.Geo. who are "Qualified Persons" for the purposes of NI43-101 in Canada. The estimate has been completed to NI43-101 definitions and standards and were calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005. The estimate capped high values for massive sulphides at : nickel no cap, copper no cap, platinum 12.5g/t, palladium 25.0 g/t, gold 1.0g/t, silver used no cap. The estimate capped high values for disseminated sulphides at: nickel 3.5%, copper 4.5%, platinum 6.5g/t, palladium 12.0 g/t, gold 1.5g/t, silver used no cap. The estimate was completed using a C\$115 per tonne milled as the minimum Net Smelter Return and this value formed the lower cut-off. Metal prices used in this determination of NSR value were : \$C/\$US \$0.90, nickel US\$12.00/lb, copper US \$3.00/lb, platinum US \$1,250/oz, palladium US \$325oz, gold US \$650/oz, silver US \$12.00/oz. Commodity price sensitivity analysis was not included in the report. All sample preparation and analyses were completed at either ALS Chemex Labs in Thunder Bay or at SGS Mineral Services in Toronto. Both laboratories are ISO 17025 accredited and independent of Noront Resources and P&E. At ALS Chemex Labs assays were completed using a standard preparation of crushing to 90% passing 2 mm followed by pulverizing to 85% passing 75 microns. Analysis was completed using a four-acid solution to digest the sample, followed by ICP-AES or ICP-AAS finish Silver was digested using aqua regia (3-acid) followed by AAS. The precious metals gold, platinum and palladium were determined using a thirty-gram fire assay followed by ICP-AES. At SGS Mineral Services samples were crushed to 90% passing 2 mm and pulverized to 85% passing 75 microns. Analysis at SGS were originally completed using a four-acid solution to digest the sample, followed by ICP-AES or ICP-AAS finish. The procedures were changed during the drilling program such that samples were analyzed for Ni and Cu using a sodium peroxide fusion decomposition and analyzed by ICP-OES. P&E have verified that little to no difference in values was observed between the 4-acid digestion and the sodium peroxide fusion methods. Silver was digested using aqua regia (3-acid) followed by AAS. The precious metals gold, platinum and palladium were determined using a thirty-gram fire assay followed by ICP-AES. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Estimated mining costs, metallurgical recoveries and project infrastructure costs may materially affect this resource estimate due to those components not being studied in sufficient detail to accurately predict their realized values. The estimate of mineral resources may also be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues. There is no guarantee that Noront will be successful in obtaining any or all of the requisite consents, permits or approvals, regulatory or otherwise for the project or that the project will be placed into production. For more information please refer to the report entitled "Technical Report and Resource Estimate on the Eagle One Deposit, Double Eagle Property, Mcfaulds Lake Area, James Bay Lowlands, Ontario" dated August 14, 2008 and available at www.sedar.com or on the Company's website at www.norontresources.com.

On October 21 2008 the Company released the results of the PEA utilizing this resource estimate. This report entitled "Technical Report and Preliminary Economic Assessment on the Eagle One Deposit, Double Eagle Property, McFaulds Lake Area, James Bay Lowlands, Ontario" was completed by P&E Mining Consultants effective October 20, 2008 and filed with regulatory authorities on December 4, 2008. The full text of this report is available at www.sedar.com or on the Company's website at www.norontresources.com.

The PEA of the Eagle One Deposit is based largely on assumptions and related factors. In this regard production schedules, metallurgical recoveries, geotechnical characteristics of host rocks, hydrogeological nature of the environment surrounding Eagle One and capital and operating cost estimates are based on limited or no actual test work and as a result rely more on experience and industry standards. Therefore the accuracy of this initial study is typically +/- 35 to 40%. Conceptual PEA studies typically identify technical issues that will require additional examination or test work. Generally, the end result of the study is a description of the general features and parameters of the project and an order of magnitude estimate of capital and operating costs. A study of this level is valid to determine whether a project is worth pursuing further, however, economic parameters were not studied in sufficient detail for reserve definition.

Under the development scenario proposed during the PEA study, the Eagle One deposit would be accessed by a proposed all weather road from the northern Ontario community of Nakina which would take approximately two years to complete. A gravel airstrip would be constructed in the first year to service the project construction phase and subsequently be utilized for production crew rotation. Underground mine production would commence after road completion with mining and direct shipping of massive sulphide mineralization to a Sudbury area mill/smelter complex at a rate of 1,000 tonnes per day. Upon exhausting the potentially mineable massive sulphide mineralization in approximately 1.2 years, the remaining potentially mineable disseminated sulphide mineralization would be mined and subsequently processed in an on-site mill at 1,500 tonnes per day over an additional five year period. For the purposes of this PEA, both indicated and inferred resources were included in the potentially mineable resource.

On an initial capital cost of \$173 million, assuming 100% financing of the project through equity the project has a pre-tax payback of 2.2 years and generates an undiscounted net pre-tax cash flow of \$720.1 million over an estimated mine life of 7 years. This results in a pre tax IRR of 160.3% and an NPV of \$465 million at a discount rate of 10%. The sensitivity of the 48 month metal price base case to changes in metal price assumptions is summarized in the table below:

		Metal Prices on Oct 17, 2008			
		Trailing Averages			Spot Prices
		36-month	48-month	60-month	
Ni	US\$/lb	\$12.50	\$11.00	\$10.00	\$4.68
Cu	US\$/lb	\$3.25	\$2.75	\$2.50	\$2.13
Au	US\$/oz	\$700	\$625	\$600	\$785
Pt	US\$/oz	\$1,350	\$1,225	\$1,150	\$856
Pd	US\$/oz	\$350	\$300	\$300	\$172
Ag	US\$/oz	\$13.00	\$11.50	\$10.50	\$9.56
CAD/USD		0.9	0.9	0.9	\$0.84
Pre Tax IRR	%	200%	160%	137%	7%
Pre Tax NPV @ 10%	C\$ million	\$606	\$464	\$381	(\$6)
Undiscounted	C\$ million	\$931	\$719	\$595	
Payback	(years)	2.2	2.2	2.3	

Note: P&E Mining Consultants Inc., (“P&E”) is an independent consulting firm commissioned by Noront Resources Ltd. The P&E Preliminary Economic Assessment was prepared using resources calculations that are contained in a report dated August 14, 2008 and entitled ““Technical Report and Resource Estimate on the Eagle One Deposit, Double Eagle Property, Mcfaulds Lake Area, James Bay Lowlands, Ontario” prepared by P & E Mining Consultants Inc. for Noront Resources. This Preliminary Economic Assessment (“PEA”) utilized the following assumptions: average estimated on-site operating costs for the project include mining \$69/tonne, processing \$37/tonne and G&A \$11/tonne for a total of \$117/tonne; mining dilution was estimated at 15% and mining recovery at 95%; the base case NSR calculation was derived from metal prices of US\$11.00/lb for Ni, US\$2.75/lb for Cu, US\$625/oz for Au, US\$1,225/oz for Pt, US\$300 for Pd and US\$11.50 for Ag at a \$C/\$US exchange rate of \$0.90; process recoveries to concentrate were estimated at an average of 85% for Ni, 97% for Cu, 65% for Au, Pt, Pd and Ag at average concentration ratios of 4:1 for Ni and 9:1 for Cu in massive sulphide and 16:1 for Ni and 45:1 for Cu in disseminated sulphide; concentrate shipping was estimated at C\$130/tonne and smelter treatment charges at US\$130/tonne for Ni and US\$150/tonne for Cu concentrates; smelter payables were 92% for Ni, 97% for Cu, 90% for Au, 65% for Pt, 70% for Pd and 90% for Ag. Refining charges were US\$0.50/lb for Ni, US\$0.10/lb for Cu and US\$15/oz for Au, Pt and Pd and US\$0.30/oz for Ag; the potentially mineable portion of the resource for Eagle One was estimated on the basis of approximate 48-month trailing average metal prices and the \$US exchange rate was \$0.90; an NSR cut-off of \$117/tonne for underground mining, milling and G&A was utilized to report the potentially mineable portion of the resource. A complete copy of this PEA may be downloaded at www.sedar.com or on the Company’s website at www.norontresources.com.

While the PEA demonstrated that the Eagle One deposit could become a stand-alone deposit at high metal prices, it also indicated that the project as conceptualized in the study was most sensitive to metal prices, metallurgical recovery and head grades. The Company is encouraged by these results and management believes that further exploration in the Ring-of-Fire may identify other mineralization that may serve to enhance the economics of developing the entire region.

In addition to the Eagle One and Eagle Two nickel-copper-platinum group metals discoveries, in May 2008 Noront announced that it had discovered massive chromite beds while drilling at Eagle Two. This first chromite discovery was designated as Blackbird One. In July 2008 a second chromite discovery was announced: Blackbird Two. Identified through gravity surveying and corresponding to a one kilometre long, high-gravity anomaly, the Blackbird Two deposit appears to have a larger surface expression than Blackbird One. Early drilling at this location has indicated massive chromite beds similar to those found at Blackbird One.

Early assay results from Blackbird One identified that there is relatively high grade of chromite (the ore mineral of Cr_2O_3) in this mineralized zone with core assays in the order of 40 percent chromite with a chromium to iron ratio in the order of 2:1. The chromium mineralization occurs as massive chromitite beds, with the mineral chromite set in a talc-carbonate host. This would suggest that the rock could possibly be classified as “hard lump” ore (if present in quantities of sufficient size and grade to warrant mining) which could potentially be directly shipped, if the mineralization in the rock is found to be consistent. Such a grade, quality and structure of chromite can usually be directly fed to smelters without further processing. The preliminary grades Noront is encountering are grades that are consistent with the richer deposits around the world, such as in Kazakhstan, Turkey and India, with higher grades than the chromite typically found in the world’s largest producer, South Africa.

Since September 1 2008, over 8566 metres of diamond drilling has been placed into the Blackbird One and Two areas. Analysis for chromite is best performed using Instrumental Neutron Activation Analysis (“INAA”) – a highly sensitive technique which involves irradiating samples in a research reactor. Due to the high number of samples that are being submitted for INAA analysis and the dependency on a research reactor located at MacMaster University in Hamilton Ontario, Canada, there is currently a large backlog of samples awaiting final analysis. Noront is working through the backlog as quickly as possible. From September 1, 2008 and to date 3600 samples have been submitted for INAA and the Company has received 2200 results. The Company will release results when all quality control data has been verified and assays have been compiled.

The Company continues to identify many additional near “drill ready” targets in the immediate area of McFaulds Lake and elsewhere throughout its parcel of claims directly held and optioned land claims covering approximately 300,000 acres in the ROF area. For the reporting period, the Company had four drills operating in the ROF area.

The Company intends to continue identifying and testing targets and delineating resources in addition to those identified to date at Double Eagle project. Noront is in the process of shifting from a diverse exploration company to one that is focused on identifying additional nickel-copper-platinum group metals and/or chrome resources at McFaulds Lake and elsewhere in the Ring of Fire. It is anticipated that Noront will continue to experience a relatively high rate of expenditure in the foreseeable future.

In early October, the Company announced that Rosseau Asset Management Ltd. (“Rosseau”) filed a dissident’s proxy circular in which it proposed a second slate for election to the Board of Directors at the Annual and Special Meeting of Noront shareholders scheduled to be held on October 28, 2008. Rosseau, together with its officers and employees, owned or exercised control and direction over approximately 9.2% of Noront’s common shares at that time. In late October, the Company’s existing Board of Directors and Rosseau agreed to a jointly determined single slate of directors for election. The new Board was elected and assumed its duties immediately following the Annual and Special Meeting.

In order to achieve this compromise and to facilitate a resolution that is in the best interests of all Noront’s shareholders, Noront’s then current President and Chief Executive Officer,

Richard Nemis, resigned as President, CEO and director on October 28, 2008. In recognition of his outstanding and pivotal contribution to the success of the Company, Mr. Nemis was named Chairman Emeritus of Noront for life and will serve as a special advisor to the new Board. The office of President and CEO is being occupied on an interim basis by Joseph Hamilton and Paul Parisotto serving as co-CEOs. The new Board has commenced a search for a permanent CEO. It is anticipated that the new CEO when selected will be appointed to fill the seventh seat on the Board, which is currently vacant.

Subsequent to the quarter end, in December, 2008, Noront raised gross proceeds of \$18,870,000 through the issuance on a non-brokered basis, of 23,587,500 flow-through common shares. The proceeds of this offering will be used for further work on Noront's McFaulds Lake Project.

SUMMARY OF FINANCIAL RESULTS

Noront's net loss for the period was (\$3,742,181) or (\$0.03) per share. This operating loss was net of \$224,011 in interest income earned. Approximately \$1,908,608 of this loss was directly associated with Consulting, Professional fees and head office overhead in the quarter. In addition, \$896,762 expensed in the quarter was related to the Company's Annual General Meeting and Dissident Proxy mailings and associated legal and professional fees.

A total of \$19,390,622 was spent in the quarter on Mining Properties and deferred exploration expenditures. Continued drilling and exploration both at the McFaulds Lake Project and in the Ring of Fire area increased the Company's use of cash over the previous quarter. A total of \$13,664,809 was spent on the McFaulds Lake Project in the quarter. This spending trend is expected to stabilize, as the rate of expenditure decreases with a more focused approach to exploration of known targets.

The Company has completed Phase 1 of the underground exploration program at Windfall Lake. This project has been placed on care and maintenance with all work at the site halted for the winter. Results from the Phase 1 underground exploration program were inconclusive and given the liquidity preservation strategy of the Company at this time no further exploration is merited. The Company continues to examine alternatives at Windfall and how it can best benefit Noront. A total of \$5,141,467 was spent at Windfall Lake in the quarter. At the end of October 2008, the Windfall Lake carrying value reflected \$16,964,317 in capitalized expenditures.

In order to accelerate exploration of Noront's large land holdings in the Ring of Fire area the company has optioned some of its claims to third parties. All of these transactions are at arm's length. Noront remains the operator of these projects and will, even upon successful earn-in by these third parties, hold at least a 50% interest.

At the end of the quarter the Company had a cash position (cash, equivalents and restricted cash) of approximately \$24.6 million, down from approximately \$44 million at the end of July 2008. As a result of a \$19 million flow-through financing completed in early December 2008,

the Company continues to have a strong cash position but Noront is dependent on future financing alternatives to fund a high level of exploration activity.

Working capital at the end of the quarter was approximately \$20.3 million, down from about \$44.6 million at the end of July 2008. This drawdown of working capital in the 3-month period is related to capitalized project expenditures (about -\$19.4 million), general corporate expenses as recorded on the income statement (about -\$4.0 million), a change in the marked-to-market value of marketable securities (about -\$2.4 million), an increase in pre-paid expenses related to fuel purchases and drilling advances (about -\$3.1 million) and movements in payables and receivables (about \$5.9 million).

OVERVIEW OF PROPERTIES AND PROJECTS

McFAULDS LAKE PROJECT (RING OF FIRE AREA - McFAULDS LAKE, JAMES BAY LOWLANDS, ONTARIO)

Noront controls land claims, held directly or indirectly, through joint ventures, optioned claims and earn-in programs consisting of 178 claims for a total of approximately 41,700 hectares in the Double Eagle Property. This includes 100% interest in two claims consisting of 8 units adjoining the Company's Double Eagle project that were earned from Condor Diamond Corp. ("Condor") and Greenstone Exploration Company Ltd ("Greenstone") during the year. These two claims are subject to 1% net smelter royalty ("NSR"), payable to Condor and Greenstone, which may be purchased by the Company at any time upon payment of \$500,000 and/or at the Company's option, issuance of an equivalent value in number of common shares of the Company.

In total Noront controls land claims, held directly or indirectly an area of approximately 120,000 hectares (300,000 acres) in the Ring of Fire area located in the James Bay Lowlands in Northeastern Ontario.

Eagle One Deposit (Nickel-Copper-PGM discovery)

Noront announced the filing of a Technical Report and resource estimate on the Eagle One Deposit, Double Eagle Property, McFaulds Lake Area, James Bay Lowlands Ontario in August of 2007. The Technical Report was prepared by P&E Mining Consultants Inc., who are independent "qualified persons" within the meaning of NI 43-101. The Technical Report outlines a resource as discussed above in the overview of Activities.

The Technical Report identifies that the Eagle One Deposit remains open along strike and down dip for further expansion. These potential extensions will be the subject of further exploration.

The Eagle One Deposit resource model contained in the Technical Report was derived from delineation drilling conducted during 2007/2008 that outlined a mantle derived, ultramafic intrusion (the "Ring of Fire Intrusion") hosting an elongated, steeply dipping lens of

dominantly disseminated sulphides which encapsulate a smaller lens of high grade massive sulphides.

Within the report, it is explained that significant sulphide mineralization was outlined on nominal 50-metre spaced sections over dip lengths of up to 225 metres that can be projected to 200 metres of strike length. Twenty-three (23) drill holes that intersected mineralization on these five sections form the basis of the resource estimate while an additional six (6) holes were incorporated to build the total geological model. Inverse distance squared grade interpolation was utilized to determine block model grades.

The identification of significant high grade massive and disseminated sulphide resources at the Eagle One Deposit indicates that the systematic exploration of the many other targets in the Ring of Fire area will be the most significant creator of value for Noront.

The discovery of the Eagle One Deposit, just seven metres below the surface along with the high grade of the massive sulphides, averaging over 6% Ni, 3% Cu, 2 g/t Pt, 12 g/t Pd and 9 g/t Ag, provides Noront the opportunity to ship the massive sulphides directly to a mill/smelter complex without further processing.

With these new mineral resources identified at Eagle One in the McFaulds Lake area, Noront now has achieved the first milestone in the potential development of this discovery. Noront is entering the pre-production phase for this occurrence and plans having completed a scoping study to assess the economic viability of developing the Eagle One Deposit that may lead to a feasibility study.

The Eagle One Deposit was Noront's first discovery at McFaulds Lake. Subsequent discoveries at Eagle Two (Nickel-Copper) occurrence, the adjacent large chromite deposit, Blackbird One, and a second chromite occurrence, Blackbird Two, discussed in detail below, have led to the formulation of a geological model indicating that the Ring of Fire area is a very rich mineralized zone with a number of concentrated deposits and targets existing in close proximity to each other that may be part of a large system of deposits extending along the structural horizon that has been designated as the Ring of Fire. As a result, this mineralized area will continue to be the centre of a highly focused exploration program by Noront.

Preliminary Economic Assessment ("PEA") of Eagle One

The Company commissioned and released the results of the PEA as discussed above in the Overview of Activities. The PEA of the Eagle One Deposit is based largely on assumptions and related factors. Under the development scenario proposed during the PEA study, the Eagle One deposit would be accessed by a proposed all weather road from the northern Ontario community of Nakina which would take approximately 21 months to complete and cost an estimated \$62.3 million. This cost is 50% of the full estimate for the road construction with the Ontario Government assumed to share the infrastructure costs. Major river crossings at the Albany and Attawapiskat were assumed to be accomplished with barge/ferries rather than bridges. A gravel airstrip would be constructed in the first year to service the project construction phase and subsequently be utilized for production crew rotation. Underground

mine production would commence after road completion with mining and direct shipping of massive sulphide mineralization to a Sudbury area mill/smelter complex at a rate of 1,000 tonnes per day. Upon exhausting the potentially mineable massive sulphide mineralization in approximately 1.2 years, the remaining potentially mineable disseminated sulphide mineralization would be mined and subsequently processed in an on-site mill at 1,500 tonnes per day over an additional five year period. For the purposes of this PEA, both indicated and inferred resources were included in the potentially mineable resource.

The conceptual mine design is based on accessing the deposit on the footwall side (the east side of the northeast striking deposit) through a decline. Sublevels could be developed in 25 m vertical intervals with main haulage drifts parallel to the strike in the footwall. The decline, the main haulage drifts and the mineralized body may be connected with access cross-cuts driven on 15 m centers.

The stope orientation in the conceptual plan differs between the massive sulphide and the disseminated sulphide zones. The massive sulphide zone could be mined as longitudinal blasthole stopes. The main disseminated sulphide zone could be mined as transverse blasthole stopes. Sill pillars may be required in the extraction of the massive sulphide zone stopes, however, they will likely be extracted with the disseminated resources.

The pre-production period is assumed to last 21 months. Massive resource sustaining development will last for approximately 7 months from the time the access road is completed to the end of month 28. Disseminated resource sustaining development will last for approximately 45 months, from the start of month 36 to the end of month 80.

Mine production is divided in two phases. Phase I involves the extraction of high grade massive sulphide resources from longitudinal stopes. Phase II involves the mining of the disseminated sulphide resource in transversal stopes. The massive sulphide resources will likely be mined from the top down and the excavated stopes will be backfilled with cemented rock fill (CRF) once all the massive resources have been extracted at the end of Phase I. Access to the longitudinal blasthole stopes could be via crosscuts driven from the haulage drifts through the disseminated resource halo to the massive resources on all development levels.

Drill / blast / extraction drifts could be driven within the massive resource zone to the northern and southern extent of the massive resource zone, on each level. The mining operation is assumed to be based on utilizing 64 mm diameter ITH drilled down holes. Slot raises will likely be driven between levels and the longitudinal blasthole stopes would then be drilled off and blasted from above and mucked from below. Remotely operated 6 yd scooptrams are thought to be used for final massive resource mucking at the bottom of each stope before CRF backfilling at the end of Phase I. The longitudinal blasthole stopes are designed to be 25 m high and average 5.6 m in thickness. Massive development resources could be mined during month 17. This development would then last for approximately 11 months until the end of month 28. A total of 53,800 tonnes of massive development resources, grading 5.8% Ni and 3.0% Cu could be extracted during that period.

Massive sulphide stope mining is assumed to start at the end of month 21 at a production rate of 1,000 tpd and last for approximately 15 months until the end of month 36. A total of 429,400 tonnes of massive stoping resources grading 6.1% Ni and 2.8% Cu could be extracted from these development headings. The disseminated sulphide stope resources are designed to be mined from the bottom up. Excavated stopes could be backfilled with classified mill tailings and 3% cement (cemented hydraulic backfill (CHBF)) once stope mining has been completed in each primary or secondary stope.

Access to the transverse blasthole stopes will be via crosscuts driven from the haulage drifts. Blasthole ring drilling and blasting will be completed from the upper stope crosscuts, on a retreat basis. Blasted mineral resources will be mucked using remotely operated 6 yd³ scooptrams from below. Slot raises will be driven at the massive resource / CRF backfill contact, between levels. The transverse blasthole stopes will be 25 m high, 15 m wide and average 25.8 m long.

Disseminated development resources would be mined during month 17. This development could then continue for approximately 64 months until month 81. A total of 109,300 tonnes of disseminated development resources grading 1.1% Ni and 0.7% Cu could possibly be extracted during that period. Disseminated stope mining may start at the beginning of month 37 at a production rate of 750 tpd. Production is designed to increase to 1,500 tpd during the 39th month and continue for approximately 52 months until the end of month 91. A total of 2,379,100 tonnes of disseminated stoping resources grading 1.1% Ni and 0.7% Cu could be extracted by stoping during this time period.

On site processing of the massive sulphide resource may not significantly increase the economic benefit to the project. Therefore, it is assumed that these massive resources will be direct shipped to a toll-milling facility. P&E assumes that a Sudbury area mill/smelter facility will be able to process 1,000 tpd of massive resources on a toll basis.

The disseminated sulphide resources however may require on-site processing starting at a rate of 750 tpd for the first 2.5 months then at a rate of 1,500 tpd thereafter. No metallurgical testwork has been conducted for this deposit and assumptions for metal recoveries in the PEA are provisional and solely based on industry typical recoveries for other Canadian and international nickel, copper, platinum, palladium, gold (PGE) and silver mineralization.

The assumed flowsheet for this study includes primary crushing via a jaw crusher which will be suitable for crushing both direct shipping resources and disseminated resources for site concentration, grinding, two stages of rougher flotation to produce separate copper and copper-nickel rougher concentrates followed by regrinding and cleaning of both to produce saleable concentrate grades. Final concentrates will need to be filtered to an approximate 8% moisture content for shipping..

A conventional tailings pond will be necessary to receive unthickened tailings for disposal. The supernatant water will likely be reclaimed by means of barge mounted pumps or other means to provide most of the water requirements for the mill. The tailings management facility (TMF) is assumed to accommodate an estimated 817,600 tonnes of hydraulic tailings. It is anticipated that the majority of the mill tailings (estimated 1.5 M tonnes) would likely be placed

underground as cemented hydraulic backfill in the mined out disseminated sulphide resource stopes.

The envisaged project encompasses the construction, operation and closure of an underground mine and related infrastructure and facilities. The proposed project will be subject to harmonized Canadian federal environmental assessment requirements which require, without being limited to, the development of an environmental baseline database; the assessment of proposed project, controls and potential environmental and social impacts.

The timeline for the permitting of the project has yet to be established. However, given the scope, size and nature of the proposed project, it is estimated that environmental studies, impact assessment and permitting could be conducted in 3-5 years after a project "Go" decision. As part of this process, information will need to be collected regarding the acid drainage potential of waste rock and tailings, the state of and impact to ethnic communities, fisheries, terrestrial life; river and site access and closure through studies and consultation with regulators and interested peoples.

Mine operating costs were estimated by P&E based on the industry accepted cost estimation software, adjusted to 3rd quarter 2008 Canadian Dollars. In addition cost estimates for mine air heating and cemented backfill were included in the estimate.

The direct ship massive sulphide resource processing cost estimate includes the cost of custom toll milling at a Sudbury area mill, and onsite primary crushing and resource handling. The onsite disseminated sulphide resource processing cost estimate is based on a similar size and types of processing facilities..

The G&A operating cost estimate includes the cost of mine, mill and project administration, and annual road maintenance and ferry service. The average operating cost for the direct shipping massive sulfide resource was estimated by P&E to be \$116.07 per tonne and for the disseminated sulphide resource was \$118.00 per tonne. The average life-of-mine operating cost for the project is estimated to be \$117.69 per tonne.

Capital cost estimates are based on general budget pricing from suppliers, consultants, contractors and other Canadian projects. Capital expenditure estimates have been prepared to an accuracy of $\pm 35\%$. The pre-production period is estimated to last for 21 months, starting with the construction of road access. During this period the total project pre-production capital expenditures are estimated to be \$173.4 million. Sustaining capital expenditures include all life-of-mine capital expenditures beyond the pre-production period. Sustaining capital expenditures total \$113.0 million including recuperated credit value for salvage of plant and equipment.

The base case for the project assumed 100% financing of the project through equity and utilized 48-month average commodity prices as of the close of markets on October 17, 2008. ON This basis, and using the proposed designs discussed above the project has a pre-tax payback of 2.2 years and generates an undiscounted net pre-tax cash flow of C\$720.1 million over an estimated mine life of 7 years. This results in a pre tax IRR of 160.3% and an NPV of C\$465 million at a discount rate of 10%. At spot metal prices prevailing at the close of

markets on October 17, 2008, the project has a pre tax IRR of 7.0% and an NPV of C\$(6.0) million at a discount rate of 10%. The resultant mine life is not specified by P&E.

While the PEA demonstrated that the Eagle One deposit could become a stand-alone deposit at one to four year trailing average metal prices, it also indicated that the project as conceptualized in the study was most sensitive to metal prices, metallurgical recovery and head grades. The Company is encouraged by these results and management believes that further exploration in the Ring-of-Fire may identify other mineralization that may serve to enhance the economics of developing the entire region.

Eagle Two (Nickel-Copper) Occurrence (located at AT2)

The target AT2 anomaly is a coincident magnetic and conductive feature that was recognized as paired linear AeroTEM conductors striking parallel to the margins of a highly magnetic body several kilometres long. The magnetic body is connected directly to the Eagle One magmatic massive sulfide deposit and as such was considered a prime target for further discoveries of peridotite-hosted magmatic sulfide mineralization.

In February 2008, the Company announced that drill holes had encountered extensive Ni-rich sulphide mineralization hosted by shear zones parallel to the contact between the ultramafic rocks and their felsic plutonic (granodiorite, sensu lato) host rocks. The sulphide deposit at the AT2 anomaly area was named the Eagle Two deposit. The Eagle Two deposit is located two kilometres south-west of Eagle One. Later, while continuing to drill at the Eagle Two site during the winter of 2008, Noront encountered massive chromite mineralization in boreholes drilled to further test the airborne (VTEM) anomaly at AT2 on the Double Eagle Property.

Blackbird One (Chromite) Occurrence (located at AT2)

The Company announced the occurrence of massive chromite with its first assay of drill hole NOT-08-1G17 with an apparent width of 49.4 metres averaging 39.1% Cr₂O₃ and a chromium to iron ratio of 2.34. This chromite mineralization zone has been named the Blackbird One Deposit. The Blackbird One mineralization consists of massive chromite layers interbedded with chromite-rich metadunite, now entirely replaced by talc carbonate minerals, chromite, and minor ferritchromite overgrowths. Continued drilling has intersected massive chromite mineralization to depth.

Some of the massive layers of chromite reach apparent thicknesses exceeding 70 metres, with true thicknesses exceeding 30 metres. Within the massive layers, there are occasional xenoliths and thin beds of talc after olivine. The chemical composition of the chromite mineralization has been assessed by three methods: whole-rock assay by instrumental neutron activation analysis (INAA), electron microprobe analysis of individual chromite grains (EMP), and hand-held semi-quantitative X-ray fluorescence spectrometry (HXRF).

Available assay results through the chromite zone are shown below. The main mineralized zone remains consistent around 40% Cr₂O₃ for more than 30 metres drill intercepts, and includes richer zones greater than 5 metres wide that average well above 45% Cr₂O₃. Similar visual results have been reported in deeper holes, and further assay results are pending. The

Cr/Fe elemental weight percent ratio in the chromite zone is consistently around 2.0 and on occasion up to 2.6 over the richer chromite intervals.

Blackbird One: Chromite (Cr₂O₃) Highlights

- According to Noront’s NI 43-101 report, Blackbird One has high grades of Cr₂O₃ with a favorable chrome/iron ratio and a desirable “hard, lumpy” consistency (large crystals) that allows for direct feed to smelters.

SELECTED ASSAY RESULTS FROM BLACKBIRD ONE

Hole ID	from (m)	to (m)	length (m)	CR ₂ O ₃ (%)	Cr/Fe ratio
NOT-08-2G17	192.1	241.5	49.4	39.1	2.34
NOT-08-1G20	246.4	285.7	39.3	31.6	1.35
NOT-08-1G20 (incl)	264.0	285.7	21.7	34.4	1.47
NOT-08-1G24	310.7	368.2	57.5	40.4	1.74
NOT-08-1G24 (incl)	324.0	364.5	40.5	42.3	1.83
NOT-08-1G28	355.5	425.1	69.6	39.6	1.82
NOT-08-1G28 (incl)	365.2	413.0	47.8	51.1	2.04
NOT-08-1G31	337.5	412.5	75.0	38.2	1.72
NOT-08-1G31 (incl)	373.5	385.5	12.0	58.4	2.57

Blackbird Two (Chromite) Occurrence

The demonstration of a detectable gravitational response to the massive chromite at the Blackbird One Deposit has been used to infer the presence of another body of chromite some 900 metres long striking 060° (azimuth) away from the AT2 area. Several diamond drill holes spaced 100 metres apart have cut through three layers of massive chromite, each with apparent thicknesses of 10-20 metres with a combined thickness of approximately 50 metres. Blackbird Two lies between the Eagle One and Eagle Two discoveries.

SIGNIFICANCE OF NORONT’S CHROMITE DISCOVERIES

Chromite is used to produce ferrochrome which is an essential ingredient in the production of stainless and alloy steel. Ferrochrome is what makes stainless steel, stainless. It is extremely corrosion resistant and is sought after for high-end tools and equipment. There are no economic substitutes for ferrochrome in the production of stainless steel. Recently the USA and Chinese governments have added this industrial metal to their respective strategic reserve lists. Ferrochrome content increases as steel production moves from austenitic to ferritic grades. Austenitic or the 300 series stainless steel contains a higher proportion of nickel and is generally the dominant steel type in North America and Europe. Austenitic stainless steel contains between 11-17% ferrochrome. Ferritic stainless steel, also known as the 400 series is the emerging steel type in the “BRIC” countries (Brazil, Russia, India and China) that are driving steel production growth. Ferritic stainless steel contains a higher proportion of ferrochrome generally between 17-27%.

The smelting process adds considerable value to chromite ores if a deposit is large enough to justify the capital cost of a smelter. Ferrochrome prices have rapidly increased in recent years due to escalating costs, interruptions and shortages in the electricity supply for the large global producers in South Africa and due to the escalating demand for stainless steel production, especially from China. Prices for ferrochrome are extremely dependant on the global demand for stainless steel and have decreased in recent months with a downturn in perceived global economic activity.

The closest geological analogs to the Blackbird One Deposit are the Kemi Mine in Finland, the Ipueira-Medrados Deposit in Brazil, and the Sukinda Valley Deposit in India. All consist of massive chromite bodies up to several tens of metres thick and hundreds of metres long, hosted by ultramafic rocks predominantly consisting of dunite and harzburgite. These three producing mines, on three continents, collectively account for approximately one third of global chromite production. Grades reported from diamond drilling at Noront's Blackbird One compare favorably with those of the world's most important global chromite producers. Blackbird One combined with the geophysical anomaly known as Blackbird Two indicate that the presence of massive chromite persists in the area and along with additional high gravity targets indicate that the potential exists for a large resource that may be comparable in size to the Kemi, Sukinda Valley, or Ipueira-Medrados Deposits.

DOUBLE EAGLE GEOLOGICAL AND MINERALIZATION PROGRAM

On-going exploration work on the Double Eagle Property is partly predicated upon a conceptual model of the mineralizing mafic and ultramafic magmatic systems associated with the Ring of Fire. This model has been formulated by incorporating recent drill data along with geophysical, geological and other technical survey results.

The Ring of Fire model features a mantle-derived strongly magnetic ultramafic intrusion (the "Ring of Fire Intrusion" or "RFI"). The magmatic intrusion lies between a granodiorite pluton and the surrounding Sachigo greenstone belt rocks. The RFI is magnetically distinct allowing it to be traced more or less uninterrupted, for tens of kilometres along the granodiorite margin. It appears that a series of conduits cutting across the granodiorite have acted as feeders to the main RFI. On a world-wide basis ultramafic intrusions, such as the RFI, are known to host several types of deposits:

- Layered chromite deposits
- Nickel-Copper deposits and
- Platinum Group Metals (PGM) deposits.

Recent drilling within the Ring of Fire area confirms that both PGM-rich Ni-Cu deposits (Eagle One and Two) and now chromite deposits, (Blackbird One and Two) are associated with the RFI and its related conduit feeder systems.

Several other anomalies have been identified within the company's extensive land holdings related to the RFI. These are all high priority targets and plans are being made for drill testing in the next few quarters. The Company's claims cover numerous coincident airborne magnetic and conductive anomalies related to the RFI. Ground follow-up programs of line

cutting and magnetometer and horizontal loop electromagnetic surveys were initiated covering some of the nearby (to Eagle One) airborne anomalies and are designed to prioritize the anomalies for immediate diamond drilling during 2008 and 2009.

The Company has announced that it intends to increase its land position, where appropriate, and staking continues around the “Ring of Fire”. Noront has completed extensive airborne surveys which was followed up by an ongoing, very intense ground geophysical program to identify diamond drill targets. Noront’s exploration staff will continue its systematic exploration program on its very large land position around the potentially prolific Ring of Fire area.

WINDFALL LAKE PROJECT, URBAN TOWNSHIP, QUEBEC

The property is situated in Urban Township, approximately 100 km due east of Lebel-sur-Quevillon and 200 km northeast of Val d’Or in Quebec’s Abitibi region. It is accessible from Lebel-sur-Quevillon over 112 km of gravel roads that are maintained in part by the Company. Resources Metanor Inc. has recently brought their Barry gold mine, situated 8 km SW of Windfall, to full production and trucks the ore approximately 130 km northwards to their Bachelor Lake mill.

The Windfall project comprises four, contiguous, staked claim blocks as follows:

Block	Claims	Area (ha)	Area (acres)
Windfall Lake	33	528	1,320
Alcane	57	912	2,280
South	38	608	1,520
Murgor-Freewest Option	<u>29</u>	<u>464</u>	<u>1,160</u>
Total	<u>157</u>	<u>2,512</u>	<u>6,280</u>

Claims in the Windfall Lake and Alcane blocks are subject to small Net Smelter Return (“NSR”) royalties. The South block was acquired by staking in late 2007 and is not subject to any royalty obligations.

The Company gained the option (as of 31 January 2007) to earn a 50% interest in 29 claims owned jointly by Murgor Resources Inc. (“Murgor”) and Freewest Resources Canada Inc. (“Freewest”) in return for 750,000 shares of Noront (then valued at \$607,500) and a commitment to match, within four years, the cumulative expenditures of Murgor and Freewest, deemed to be \$4 million. Upon reaching the deemed expenditure, Noront may earn a further 10% interest by funding a positive feasibility study. As operator, Noront may also propose additional exploration and development programs in which the Freewest-Murgor joint venture may participate *pro rata* or be diluted according to a predetermined dilution of interests formula.

Approximately 70,750 metres of drilling in 338 holes of all types are recorded on the combined properties since the early 1990’s following the discovery of visible gold in surface showings by Alto Minerals Inc. The drilling has focused on an 800 metre square area and has yielded many high grade gold intersections culminating in a section reporting 1,307 g/t Au over 4.8 metres or 38.1 troy ounces per tonne gold over 15.7 feet core length in hole

NOT-06-100 in late 2006. Are these numbers correct? Reviews of cumulative diamond drill data by the Company's independent geological consultants in early 2006 and again in 2007 confirm that gold mineralization occurs in parallel zones that trend 240° and are vertical or steeply dipping to the north.

In early 2007, Noront elected to carry out an underground exploration program to investigate this extensively mineralized zone, including the area immediately surrounding the NOT-06-100 diamond drill intersection by way of a ramp. *Genivar Société en Commandite* ("Genivar") of Val d'Or, QC was retained to successively prepare options for a ramp (15 degree decline), complete detailed engineering studies, support permitting, complete geotechnical and hydro geological studies tender, and provide engineering and supervisory support to the project.

Noront elected to complete the underground exploration program in two phases; the first entering the F-11, F-17 and W-3 (including the NOT-06-100 area) zones and the second several other zones lying to the west. The first phase has cost between \$15 and \$18 million and was completed in the current fiscal quarter.

The project operates subject to permits, certificates of approvals and regulations including the following. The permit to take a 25,000 tonne bulk sample was granted by Ministère des Ressources naturelles et de la Faune ("MRNF") of Quebec for a one year term starting 1 September 2007 and is renewable upon application. The discharge of effluent is subject to standards set in Loi 19 (enforced by Ministère du Développement durable, de l'Environnement et des Parcs ("MDDEP") and by mining effluent regulations under the Canada Fisheries Act (enforced by Environment Canada). The Company is required to sample the effluent discharge at prescribed intervals, complete specific analyses and to submit reports to MDDEP. Workplace safety is monitored by the Commission de la santé et de la sécurité du travail ("CSST"). The regional CSST inspector has inspected the site on two occasions.

Mining regulations require on-going monitoring of effluents and restoration of the site upon completion of work. The Company has submitted a restoration plan and posted a Letter of credit in the amount of \$385,046 representing approximately 80% of the estimated cost of the work.

The project area also falls within the traditional territory of the Waswanipi Cree First Nation, includes parts of two traplines and lies on Category III lands, established under the James Bay and Northern Quebec Agreement (JBNQA) of 1975. Noront has signed a memorandum of understanding under which the Company agrees to compensate the Cree for disturbance to the traplines, to make available business and employment opportunities and to enter into an Impact Benefits Agreement (IBA) prior to commencing production.

In the second quarter, the Company completed phase 1 work at the Windfall Lake. The results of this work have been compiled and Windfall Lake has been put on care and maintenance with all work at the site halted for the winter. Results from the Phase 1 underground exploration program were inconclusive and given the liquidity preservation

strategy of the Company at this time no further exploration is merited. The Company continues to examine alternatives at Windfall and how it can best benefit Noront.

BURNT HILL TUNGSTEN PROPERTIES, STANLEY PARISH, YORK COUNTY, NEW BRUNSWICK

The properties straddle the Southwest Miramachi River some 70 km NNW of Fredricton. The properties contain tungsten, molybdenum and tin mineralization mainly in quartz veins that cut argillic sediments on the periphery of granitoid plutons. There has been minor historic production from the Burnt Hill area during the First and Second World Wars.

The Company optioned the core property of 53 claims in four separate blocks to Cadillac Ventures Inc. (Cadillac) in 2007. Cadillac has earned a 51% interest in exchange for 2,300,000 shares, a \$150,000 payment to the Company and completion of a \$1.5 million work commitment on the property. Cadillac has the right to gain a further 14% interest by making an additional payment of \$500,000 or the equivalent amount in Cadillac shares. During June 2007 the Company gained a further 1,500,000 shares in Cadillac by funding a \$1.5 million exploration program.

The property now comprises 652 contiguous staked claims (10,432 ha or 26,080 acres) including the original 53 claims which were optioned from the Company. The four blocks, Burnt Hill (26 claims), McLean Brook (9), Tin Hill (9) and Todd Mountain (9) contain 848 ha (2,120 acres). Cadillac and the Company are negotiating the inclusion of the 599 additional claims in the option agreement.

In early 2008 Cadillac released a technical report, that describes the property and reports that the Burnt Hill area contains four quartz-tungsten-molybdenum vein zones that underlie a 335 metre by 152 metre area and that have been traced for 285 metres below surface. As this project is currently under option, it is not considered a priority for management focus or allocating funds at this time.

OTHER PROPERTIES

Garden Island, Quebec

In July 2007, the Company entered into an agreement with a private Quebec company, TSR Resources Inc. (TSR) to acquire an interest in TSR's Garden Island gold, base-metal property.

The Garden Island property is located approximately 15 km northeast of Val d'Or, Quebec and is comprised of 296 mining claims, most of which are in Pascalis and Senneville Townships, which lie along a northwest-southeast trending Abitibi volcanic greenstone belt.

Under the terms of the amended (July 10, 2008) option agreement with TSR, Noront may earn up to a 50% interest in the Garden Island property. Noront, by incurring \$500,000 of exploration work by December 31, 2007 has earned an undivided 25% interest in the project. Noront has earned an additional 8 1/3% interest by spending a further \$250,000 on

exploration work in the first quarter. Noront, per the amended agreement, now has the option to earn a further 16 2/3% interest in these claims by completing \$250,000 of additional exploration work before July 10, 2009.

During 2007, an initial airborne geophysical survey, ground geophysics, trenching and diamond drilling indicated the property hosts favourable volcanic rocks with the potential for VMS type base metal mineralization. During 2008 additional linecutting, trenching, geological mapping soil sampling and deep penetrating ground geophysical surveys have been carried out and several targets with outcroppings of encouraging base metal mineralization have been outlined for diamond drill testing in 2009.

The original claim group has been extended to include new claims along strike to the northwest where government reports and maps indicate similar favourable geology and untested geophysical anomalies. Noront acquired a 50.00% interest in these new claims by paying for the staking costs which are now part of the Garden Island Joint Venture. The new claims have been flown with a deep penetrating airborne VTEM survey and the resulting targets will be followed up in 2009.

Iron Lake Project, Ontario

In July 2007, the Company entered into a letter of intent covering the optioning of a 97 leased claim grid units in Kating & Killins Township, located within the District of Algoma, northern Ontario.

The agreement calls for payment of \$5,000 to the optionors and expenditures including all lease payments of \$50,000 during the first year of the agreement, which will earn the Company an 80% interest in the claim group. An optional second payment of a further \$10,000 to the optionors during the second year of the agreement will earn the Company the balance (100%) of the projects. The Company has made the initial \$5,000 payment and spent a further \$12,693 on the project.

Escondida Project, Mexico

The Escondida project agreement called for a series of cash and stock payments totalling \$175,000 US and 300,000 shares for a 100% interest in the mineral claims subject to a NSR equal to 2%. The NSR may be purchased outright at a cost of \$500,000 US for each 0.5% or \$2,000,000 US for the 2% NSR. Noront has the right of first refusal on any offer for the NSR by a third party.

The Company has entered into an amending agreement which provides for a one time payment of 40,000 shares to acquire a 100% in the property. The terms of the net smelter royalty remain unchanged. The vendor will retain a 2% NSR that may be purchased for \$2,000,000 US or \$500,000 for each one half per cent. Noront has a right of first refusal on any third party offers for the NSR.

The Company had agreed (subject to all regulatory approvals) to pay a finder's fee of 18,115 common shares of the Company to Exploration Canada de Oro SA de CU, a Mexican

exploration company for the introduction to the property and subsequent option agreement. The shares, payable pursuant to the Amending agreement, are currently held In Trust with the Company's lawyers pending the transfer of the claim group to the Company's wholly owned Mexican subsidiary.

Noront is not planning for any additional work on this project at this time

Volcan 1 Property, Baja, Mexico

The original agreement called for a series of payments totalling \$70,000 US in cash, 350,000 shares and a work commitment of \$15,000 US on or before December 15, 2007. The Optionor would retain a 2% net smelter royalty (NSR). Half of that NSR or 1% may be purchased by Noront at any time for \$1 million US. The Company has entered into an Amending Agreement with the Vendor. The Amendment Agreement calls for a one time stock payment of 40,000 shares in exchange for a 100% interest in the project subject to a 2% NSR. Half of the NSR or 1% may be purchased at any time for \$1 million US.

This is an early stage exploration property. A detailed ground magnetometer survey has been completed, yielding several anomalies located along a north-south trend where previous trenching in 1968 discovered significant copper-nickel sulphide mineralization across widths up to 16 metres in a series of trenches along a 400 metre strike length. No diamond drilling, to Noront's knowledge, has ever been completed on the project. Before drill testing of the magnetic anomalies is considered, further trenching is required, which is dependent on obtaining additional surface rights.

Noront is not planning for any additional work on this project at this time.

El Verde Project, Mexico

The El Verde property agreement called for payments totalling \$745,000 US, 650,000 shares and work costs of at least \$600,000 on or before November 10, 2010. By executing these payments and performing the required work programs, Noront would earn a 100% interest in the claims subject to a 1.5% NSR. Noront would have the right to purchase 2/3 of the NSR or 1% at any time by paying \$1.5 million US.

The Company has entered into an amending agreement which calls for a one time payment of 60,000 shares in exchange for a 100% interest in the claims subject to a 1.5% NSR. Two thirds of the NSR or 1% may be purchased at any time by Noront for \$1.5 million US.

Noront is not planning for any additional work on this project at this time.

Tie Jiang Ying Zi Property, Inner Mongolia, China

Noront owns a 100% interest in this property, which consists of a mineral rights permit comprising 5.16 square kilometres. The Company formed a foreign investment company in

Inner Mongolia to carry out mineral exploration and development. BaoTou Noront Mineral Development Co. Ltd. ("BaoTou").

In February 2006, Noront announced that it's wholly owned China subsidiary BaoTou received an exploration permit covering its China One Copper/Gold project. Noront also agreed in principle with private individuals ("China Group") to grant them the option to earn a 50% interest in the project.

On November 21, 2006 Noront announced that it had been advised that its Option Agreement with the "China Group" had been transferred to Newport Gold Inc. ("Newport")(OTCBB: NWPG). Newport agreed to assume all of the obligations contained in Noront's agreement with the China Group. Newport has an option to earn a 50% interest in this property by spending \$750,000 over 3 years and delivering 800,000 shares to Noront. The initial 300,000 shares were delivered to Noront. Newport was unable complete the planned diamond drill program in 2007 and negotiated an extension with Company. Subsequent to the year end, additional land claims were secured for a further \$20,000, half of these funds came from each partner.

OPTION AGREEMENTS AND JOINT VENTURES

The following option agreements are on claims that are part of the Ring of Fire area located in the James Bay Lowlands, which include the site of the McFaulds Lake Project at McFaulds Lake. In the case of sold options, Noront is the Optionor and will be in receipt of money and shares as the counterparty to the agreement earns into the claims.

SUMMARY OF JOINT VENTURE OPTION AGREEMENT TERMS

SOLD OPTIONS	Anniversary Dates	Expenditure Commitment	Description of Area
WSR GOLD INC.	October 30/08	\$1,500,000	50% interest in: 15 Claim Blocks 240 units in the McFaulds Lake area along the "Ring of Fire" in the James Bay Lowlands
	October 30/09	\$1,500,000	
	October 30/10	\$2,000,000 2nd and 3rd year payments are optional.	
HAWK URANIUM INC.	November 19/08	\$1,000,000	50% interest in: 10 Claims covering 160 units in the McFaulds Lake area along the "Ring of Fire" in the James Bay Lowlands
	November 19/09	\$1,000,000	
	November 19/10	\$1,500,000 2nd and 3rd year payments are optional.	

SUMMARY OF JOINT VENTURE OPTION AGREEMENT TERMS

SOLD OPTIONS	Anniversary Dates	Expenditure Commitment	Description of Area
SOUTHAMPTON VENTURES INC.	January 1/09	\$1,000,000	50% interest in: 12 Claims covering 168 units in the McFaulds Lake area along the "Ring of Fire" in the James Bay Lowlands
	January 1/10	\$1,000,000	
	January 1/11	\$1,500,000 2nd and 3rd year payments are optional.	
SEAFIELD RESOURCED LTD.	January 15/09	\$600,000	50% interest in: 6 Claims covering 96 units in the McFaulds Lake area along the "Ring of Fire" in the James Bay Lowlands
	January 15/10	\$600,000	
	January 15/11	\$900,000 2nd and 3rd year payments are optional.	
LUND GOLD	February 1/09	\$1,000,000	50% interest in: 13 Claims covering 169 units in the McFaulds Lake area along the "Ring of Fire" in the James Bay Lowlands
	February 1/10	\$1,000,000	
	February 1/11	\$1,500,000 2nd and 3rd year payments are optional.	
INTRINSIC MINERALS LTD. - 1ST OPTION	May 13/09	\$1,225,000	50% interest in: 16 Claims covering 247 units along the "Ring of Fire" in the James Bay Lowlands
	May 13/10	\$900,000	
	May 13/11	\$1,350,000 2nd and 3rd year payments are optional.	
INTRINSIC MINERALS LTD. - 2ND OPTION	May 13/09	\$1,300,000	50% interest in: 21 Claims covering 3278 hectares along the "Ring of Fire" in the James Bay Lowlands
	May 13/10	\$1,300,000	
	May 13/11	\$1,950,000 2nd and 3rd year payments are optional.	
Private Company (6897631 Cda Inc.)	March 27/09	\$650,000	50% interest in: 10 Claims covering 160 units in the McFaulds Lake area along the "Ring of Fire" in the James Bay Lowlands
	March 27/10	\$650,000	
	March 27/11	\$975,000	
BOLD VENTURES INC.	January 1/09	\$600,000	50% interest in: 6 Claims covering 96 units along the "Ring of Fire" in the James Bay Lowlands
	January 1/10	\$600,000	
	January 1/11	\$900,000 2nd and 3rd year payments are optional	
PASSPORT METALS INC.	June 10/09	\$450,000	50% interest in: 4.5 Claims covering 16 units in the McFaulds Lake area along the "Ring of Fire" in the James Bay Lowlands
	June 10/10	\$450,000	
	June 10/11	\$675,000 2nd and 3rd year payments are optional.	
SURESHOT MINERALS INC.	July 15/09	\$1,400,000	50% interest in: 14 Claims covering 224 units
	July 15/10	\$1,400,000	
	July 15/11	\$2,100,000	

SUMMARY OF JOINT VENTURE OPTION AGREEMENT TERMS

SOLD OPTIONS	Anniversary Dates	Expenditure Commitment	Description of Area
		2nd and 3rd year payments are optional.	in the McFaulds Lake area along the "Ring of Fire" in the James Bay Lowlands

NOTE: In addition to the expenditure commitments indicated above, each optionee must make an annual payment to Noront in cash or shares, in order to continue with the option. In the first year, the optionee typically chooses whether to make the payment by way of shares or cash. In subsequent years, if the optionee elects to continue with the option, Noront chooses whether the payment to it is made in cash or shares.

OTHER AGREEMENTS

In addition, Noront is a party to certain other option agreements with arm's-length third parties, including with WSR Gold Inc. and Golden Valley Mines Ltd. in respect of the Golden Valley Property and with East West Resource Corporation and Temex Resources Corp. in respect of the Fishhook Property.

TEMEX RESOURCES CORP, NORONT RESOURCES LTD. AND BALTIC RESOURCES INC. ACQUISITION

On December 11, 2007, Noront, Baltic Resources Inc. ("Baltic") and Temex Resources Corp. ("Temex") announced that they had completed a significant land acquisition campaign in the McFaulds Lake area in the James Bay Lowlands region of northeastern, Ontario. The new properties, located in the general area of Noront's Double Eagle Ni-Cu-PGE discovery, were acquired by Temex on behalf of Temex, Noront and Baltic collectively the Staking Syndicate (the "Staking Syndicate"). A total of 120 mining claims comprising 1900 claim units totaling 76,000 acres (the "Claims") were acquired on behalf of the Staking Syndicate.

Subsequent to the staking campaign, Temex, Noront and Baltic have entered into a binding Letter of Agreement whereby each party has agreed to grant the other two parties a 100% interest in one third of the total claims staked, with each of the parties retaining a 1% NSR royalty in the claims granted to the other parties. Therefore each party has a 100% interest in one third of the claim units and a 1% NSR royalty in two thirds of the claim units. Temex acted as operator of the Staking Syndicate.

NORONT RESOURCES LTD. AND FREEWEST RESOURCES CANADA INC., JOINT EXPLORATION AGREEMENT

On May 14, 2008 the two companies announced a joint exploration agreement to explore a key airborne geophysical anomaly, situated on the boundary of their adjacent properties approximately 8 km northeast of the Eagle One deposit in the McFaulds Lake area. The McFaulds Lake area exploration play is situated in the Sachigo greenstone belt, 300 kilometres north of Nakina in the James Bay Lowlands of northern Ontario.

Under the terms of the agreement Freewest will contribute 68 acres (27.5 hectares) comprising a small portion of their 100%-owned property. Noront in turn, will contribute 70 acres (28.3 hectares) of their adjoining land to collectively form the joint-venture property.

Freewest and Noront shall share exploration costs on a 50%-50% basis and will share any mineralization found on the Property on a similar basis. Freewest will act as the operator of the initial exploration program which is to be agreed upon by both parties.

ENVIRONMENTAL, HEALTH AND SAFETY

Noront recognizes that operating its business under health, safety and environmental best practices benefits the employees and the communities in which Noront operates and is essential to the success and continued development of the Company. This principle is an integral part of the operating philosophy in conducting the Company's business of mineral exploration. The health and safety of the employees, contractors and visitors is important to the Company. A major focus is placed on the development and implementation of strategies and standards at the exploration camps designed to minimize occupational health and safety risks, environmental impacts and to continually improve performance. The Company uses independent health, safety and environmental consultants to review the Company's practices in these areas and any recommendations are reviewed and implemented by management in due course from time to time.

SELECTED FINANCIAL INFORMATION

SUMMARY OF QUARTERLY RESULTS

QUARTER ENDED OCTOBER 31, 2008 VERSUS PERIOD ENDING OCTOBER 31, 2007 AND 2006.

	Second Quarter Oct. 31, 2008 \$	Second Quarter Oct. 31, 2007 \$	Second Quarter Oct. 31, 2006 \$
Income	224,011	166,761	12,163
Expenses	3,966,192	629,194	89,803
Write-off of mining properties and deferred exploration expenditures	(95,209)	(182,560)	0
Future income (tax) recovery	0	0	0
Net income/(loss)	(3,742,181)	(462,433)	(77,640)
Net income(loss) per share – basic and diluted	(0.03)	0.00	0.00
Cash flow from/(used in) operations	(1,254,787)	(138,329)	85,869
Cash, cash equivalents and restricted cash	24,631,840	26,009,077	853,496
Working Capital	20,326,699	29,061,466	1,670,949
Assets	91,046,907	39,045,633	5,466,569
Long-term Liabilities	504,516	0	0
Cash dividends declared	0	0	0

When contrasted against the periods ended October 31, 2007 and 2006 the Company reported significantly higher expenses. Noront's net loss for the period was (\$3,742,181) or (\$0.03) per share. This operating loss was net of \$224,011 in interest income earned. Approximately \$1,908,608 of this loss was directly associated with Consulting, Professional fees and head office overhead in the quarter. Expenses were driven by higher head office

salaries and payments to consultants and employees as a result of employment contracts negotiated in June 2008. In late October the CEO of the company resigned and was entitled to a one-time severance payment equivalent to two-years salary. A further \$896,762 expensed in the quarter was related to the Company's Annual General Meeting and Dissident Proxy mailings and associated legal fees.

SUMMARY OF TREND IN QUARTERLY RESULTS

The following tables set out financial performance highlights for the last eight quarters.

	Second		Fourth	
	Quarter Oct. 31, 2008 \$	First Quarter July 31, 2008 \$	Quarter April 30, 2008 \$	Third Quarter Jan. 31, 2008 \$
Income	224,011	367,416	392,439	300,479
Expenses	3,966,192	7,353,958	1,704,615	2,395,031
Write-off of mining properties and deferred exploration expenditures	(95,209)	0	(597,916)	0
Future income (tax) recovery	0	0	0	0
Net income/(loss)	(3,742,181)	(6,986,542)	264,317	(2,094,552)
Net income(loss) per share – basic and diluted	(0.03)	(0.05)	0.00	(0.02)
Cash flow from/(used in) operations	(1,254,787)	(2,628,750)	(658,380)	(1,043,008)
Cash, cash equivalents and restricted cash	24,631,840	43,956,638	55,830,632	19,768,256
Working Capital	20,326,699	44,584,458	54,781,479	21,410,769
Assets	91,046,907	88,530,953	91,123,922	44,143,256
Long-term Liabilities	504,516	494,781	485,046	0
Cash dividends declared	0	0	0	0

	Quarter Oct.	First Quarter	Quarter April	Third Quarter
	31, 2007 \$	July 31, 2007 \$	30, 2007 \$	Jan. 31, 2007 \$
Income	166,761	159,309	179,269	62,606
Expenses	629,194	165,104	107,438	900,804
Write-off of mining properties and deferred exploration expenditures	(182,560)	0	(4,587)	0
Future income (tax) recovery	0	0	1,844,829	0
Net income/(loss)	(462,433)	(5,795)	1,916,660	(838,198)
Net income(loss) per share – basic and diluted	0.00	0.00	0.01	0.00
Cash flow from/(used in) operations	(138,329)	254,844	192,683	362,987
Cash, cash equivalents and restricted cash	26,009,077	14,038,332	15,323,039	15,557,034
Working Capital	29,061,466	14,871,807	16,043,182	16,082,517
Assets	39,045,633	21,588,766	20,698,941	20,199,447
Long-term Liabilities	0	0	0	0
Cash dividends declared	0	0	0	0

SECOND QUARTER FISCAL 2009 RESULTS

In the three months ended October 31, 2008, the Company's only source of income came from interest earned on cash balances, primarily as a result of an inflow of proceeds from the \$26,000,000 private placement in February 2008, as well as the associated exercise of warrants associated with this private placement in April 2008. The surplus funds are invested in a blend of high interest savings accounts and a guaranteed investment certificate in order to provide liquidity while minimizing risk.

The Company does not hold investments with exposure to the sub-prime lending market, asset backed commercial paper, nor any derivative thereof.

A total of \$19,390,622 was spent in the quarter on Mining Properties and deferred exploration expenditures. Continued drilling and exploration both at the McFaulds Lake Project and in the Ring of Fire area increased the Company's use of cash over the previous quarter. A total of \$13,664,809 was spent on the McFaulds Lake Project in the quarter. This spending trend is expected to stabilize, as the rate of expenditure decreases with a more focused approach to exploration of known targets.

The Company has completed Phase 1 of the underground exploration program at Windfall Lake. This project has been placed on care and maintenance with all work at the site halted for the winter. Results from the Phase 1 underground exploration program were inadequate for Windfall to merit further exploration at this time. The Company continues to examine alternatives at Windfall and how it can best benefit Noront. A total of \$5,141,467 was spent at Windfall Lake in the quarter. At the end of October 2008, the Windfall Lake carrying value reflected \$16,964,317 in capitalized expenditures.

In order to accelerate exploration of Noront's large land holdings in the Ring of Fire area the company has optioned some of its claims to third parties. Noront management believes that due to the sheer size of its land holdings it would be unable to commit resources to all areas on a priority basis. All of these transactions are at arm's length. Noront remains the operator of these projects and will, even upon successful earn-in by these third parties, hold at least a 50% interest.

Moderate increases in regulatory and filing fees have also occurred as these costs are activity and market capitalization based. The Company has also seen an increase in shareholder information costs, which include costs associated with mailings, press releases and sundry shareholder communication. Understandably, the increase in the number of issued and outstanding shares associated with the private placements, coupled with the significant increase in exploration activity, have meant the Company has had to communicate with more shareholders on a more frequent basis.

Management and consulting fees have also increased as the Company adds to its management team and consultants in the field to accommodate the rise in activity in its core exploration programs and overall corporate growth.

Professional fees have significantly increased over prior years as the size and complexity of the Company and its operations have grown substantially over the prior year, resulting in a greater need for legal, accounting and financial services.

In order to administer, fund and support the level of activity required for the current large exploration programs has required a significant investment in management, infrastructure and general operations. As such, expense categories in all areas have increased over comparative quarters. Furthermore, as the Company's undertook to secure additional operational funding for the projects by means of private placement, it also saw the benefit from a greater yield from its increased investment asset base.

LIQUIDITY AND CAPITAL RESOURCES

At the end of the quarter the Company had a cash position (cash, equivalents and restricted cash) of \$24,631,840, down from approximately \$44,584,458 at the end of July 2008. As a result of a \$19 million flow-through financing completed in early December 2008, the Company continues to have a strong cash position but Noront is dependent on future financing alternatives to fund a high level of exploration activity.

Working capital at the end of the quarter was approximately \$20.3 million, down from about \$44.6 million at the end of July 2008. This drawdown of working capital in the 3-month period is related to capitalized project expenditures (about -\$19.4 million), general corporate expenses as recorded on the income statement (about -\$4.0 million), a change in the marked-to-market value of marketable securities (about -\$2.4 million), an increase in pre-paid expenses related to fuel purchases and drilling advances (about -\$3.1 million) and movements in payables and receivables (about \$5.9 million).

In addition to the equity financing of its operations during fiscal 2008, the Company has also chosen to enter into a number of joint venture agreements in relation to its properties. These option agreements provide additional financial resources and provide the benefit of adding the resources of other entities to the overall exploration effort.

The Company has financed a portion of its exploration activities through the issue of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investor. Proceeds received from the issue of such shares have been credited to capital stock and the related exploration costs have been charged to mining and resource properties. Proceeds raised are being used for continued exploration of Noront's properties. Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. When these expenditures are made, temporary taxable differences created by the renunciation will reduce share capital.

Noront has no credit facilities with financial institutions, so its financial instruments consist of cash, marketable securities, accounts 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, accounts receivable, accounts payable and taxes payable approximate the carrying values.

Although the Company has sufficient capital resources to meet its current obligations, the Company will need to raise additional funding to finance future exploration programs. The timing and ability to do so will depend on the liquidity 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 the acquisition of additional projects. At this time, the Company is not anticipating an ongoing profit from operations, therefore it will rely on its ability to obtain equity or debt financing for growth.

The Company has received the Technical Report, which has identified a resource estimate for the Eagle One discovery of 1,834,000 tonnes of indicated resources and 1,087,000 tonnes of inferred resources of high grade nickel, copper and platinum group metals. The recoverability of the carrying values of exploration properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production there from or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values.

Management is confident that it will be able to raise sufficient capital to further explore and develop its properties and projects in the coming year. The ability of the Company to develop its existing assets into commercial and profitable operations, however, will require participation by outside parties for capital or will require additional financing from other outside sources. There can be no guarantee that the Company will be able to secure any required financing.

CONTRACTUAL OBLIGATIONS

SITE REMEDIATION PROVISION

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 \$504,516, representing the estimated present value of its future obligations in respect of this project.

MANAGEMENT CONTRACTS

Noront has entered into employment agreements with various management personnel in the ordinary course of its business. These contracts provide for severance periods in various circumstances that range from 6 to 24 months.

RELATED PARTY AND OTHER TRANSACTIONS

During three and six months ended October 31, 2008, \$50,001 and \$96,334 respectively (three and six months ended October 31, 2007 - \$13,232 and \$34,571) was paid to a company controlled by an officer and former Director of the Company for consulting services. The officer and former Director was also reimbursed for out of pocket expenses which were incurred in the normal course of operations.

During three and six months ended October 31, 2008, \$386,353 and \$386,353 respectively (three and six months ended October 31, 2007 - \$14,773 and \$14,773) was paid to a law firm with which a senior officer of the Company is also a partner. Included in prepaid expenses is \$340,730 (April 30, 2008 - \$Nil) and accounts payable is \$Nil (April 30, 2008 - \$250,000) pertaining to advances made to this firm.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties.

OFF-BALANCE SHEET ARRANGEMENTS

Other than the Property Option Arrangements referred to elsewhere in this document Noront does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

PROPOSED TRANSACTIONS

There is no imminent decision by the Board of Directors of the Company with respect to any significant transactions.

CRITICAL ACCOUNTING ESTIMATES

On an annual basis, the Company reviews the carrying value of deferred mining property acquisition and exploration expenditures 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 management's assessment of the future probability of positive cash flows from the property or from the sale of the property.

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, and therefore the existing model does not necessarily provide a reliable single measure of the fair value of the Company's stock options granted during the year.

ADOPTION OF NEW ACCOUNTING STANDARDS

Fiscal 2008

The first quarter of the fiscal year 2008 saw the adoption of a number of new accounting standards, the most significant being those related to financial instruments, and the recognition in the statements of a new category of income referred to as comprehensive income. These new standards effectively require the Company to calculate the market value of its marketable securities and record the theoretical gain or loss should those marketable securities have been sold on the financial statement date. The resulting theoretical gain or loss is presented on a separate statement of comprehensive income (loss) whereby the

change in the market value of these investments for the period is shown, along with its impact on the normal net income (loss) of the Company. On the balance sheet, there is now a line item called "accumulated other comprehensive income" which effectively represents the difference from original cost of the Company's marketable securities since adoption of the new standard, and the market value of these investments at the financial statement reporting date. In conjunction with the adoption of these new accounting standards, marketable securities have been recorded at their market value on the financial statements

Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1506, "Accounting Changes" prescribes the criteria for changing accounting policies, changes in accounting estimates and the correction of errors. The Company has adopted these new standards effective May 1, 2007.

FINANCIAL INSTRUMENTS - RECOGNITION AND MEASUREMENT

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

All financial assets are measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;

All financial liabilities are measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method; and all derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

COMPREHENSIVE INCOME

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

HEDGES

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 "Hedging Relationships", and the hedging guidance in Section 1650 "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

IMPACT UPON ADOPTION OF SECTIONS 1530, 3855 AND 3865

The primary impact on the financial statements resulting from the adoption of sections 1530 and 3855 is as follows:

- (1) The Company's marketable securities are classified as "available-for-sale" and are measured at fair value. Changes in fair value are recognized in other comprehensive income until their disposition, at which time they are transferred to net income. Investments in securities having quoted market values and which are publicly traded on a recognized securities exchange and for which no sales restrictions apply are recorded at values based on the current bid prices.
The Company's investments in equity securities that do not have a quoted market price in an active market are measured at cost.
- (2) The Company has recorded the following transition adjustments in its financial statements as at May 1, 2007 resulting from the adoption of sections 1530 and 3855:
 - (i) an increase of \$629,000 representing a fair value adjustment to the value of marketable securities;
 - (ii) an increase in accumulated other comprehensive income of \$629,000, representing the fair value adjustment to the value of marketable securities, net of taxes of \$113,597 and a recovery of non-capital loss carry forwards amounting to \$113,597.
- (3) The Company has evaluated the impact of section 3865 on its financial statements and determined that no adjustments are currently required.

Fiscal 2009

During the first quarter of the fiscal year 2009 a number of new accounting standards were adopted. On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, and Financial Instruments – Disclosures, and Handbook Section 3863, Financial Instruments – Presentation. These new standards are effective for interim and annual financial statements for the Company's reporting period beginning on May 1, 2008

CAPITAL DISCLOSURES

Handbook section 1535, Capital Disclosures specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included the disclosures recommended by the Handbook in its unaudited interim financial statements.

FINANCIAL INSTRUMENTS

Handbook sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments — Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial

instruments and how the entity manages those risks. The Company has included the disclosures recommended by the Handbook in its unaudited interim financial statements.

FUTURE ACCOUNTING CHANGES

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian generally accepted accounting principles with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008, the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of IFRS on its consolidated financial statements.

GOODWILL AND INTANGIBLE ASSETS

In October 2007, the CICA issued Handbook Section 3064, Goodwill and Intangible Assets which replaces the existing Handbook Sections 3062, Goodwill and Other Intangible Assets and 3450 Research and Development Costs. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008, with earlier application encouraged. The standard provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets. The Company is currently assessing the impact of this new accounting standard on its consolidated financial statements.

FINANCIAL AND OTHER INSTRUMENTS

The Company is not involved in any hedging program, nor is it a party to any financial instruments that may have an impact on its financial position.

	Oct 31 2008	April 30 2008
Capital stock	\$78,205,491	\$76,782,702
Warrants (see Note 1)	8,604,851	9,479,298
Contributed surplus	11,368,355	4,462,028
Deficit	(21,278,899)	(10,550,176)
Accumulated other comprehensive loss	(2,804,618)	(263,481)
	74,095,180	79,910,371

SHAREHOLDERS' EQUITY

NOTE 1: All of these warrants have expired subsequent to the end of the second quarter.

OUTSTANDING SHARE DATA

Noront shares trade on Tier 2 of the TSX-V under the symbol "NOT". The Company is authorized to issue an unlimited number of common shares without par value. On October 31, 2008, there were 130,134,783 common shares issued and outstanding, 4.53 million stock options outstanding with a weighted average exercise price of \$2.69 expiring between 2008 and 2013, and 4.3386 million warrants outstanding with a weighted average exercise price of \$0.75 expiring in December 2008. As of the date of this MD&A, all of these warrants have expired unexercised.

As of December 29, 2008, the company had 153,722,283 shares outstanding, 6.93 million stock options outstanding with a weighted average exercise price of \$2.04 expiring between 2008 and 2013 and no warrants outstanding.

SHAREHOLDER RIGHTS PLAN

On June 19, 2007, the shareholders of the Company voted to approve the adoption of a shareholder rights plan (the "Rights Plan"). The Rights Plan was adopted in order to reflect developments in Canada with respect to shareholder rights plans and is designed to encourage the fair treatment of shareholders in connection with any take-over bid for the Company. The plan provides the Board and shareholders with more time to fully assess any unsolicited take-over bid without undue pressure, and to pursue, if appropriate, other alternatives to maximize shareholder value and allow additional time for competing bids to emerge. The plan was not proposed in response to any acquisition or take-over offer and is not intended to prevent one. The rights become exercisable only when a person or party acquires or announces an intention to acquire 20% or more of the outstanding shares of the Company without complying with the "Permitted Bid" provisions of the plan. The Plan is subject to reconfirmation every third annual meeting of shareholders until the plan expires in 2016.

STOCK BASED COMPENSATION

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.

As at October 31, 2008, there were 4,530,000 options outstanding (4,705,000 at July 31, 2008) with an average exercise price of \$2.69 (\$2.55 at July 31, 2008) with a Black-Scholes value of \$9.8 million (\$9.6 million at July 31, 2008).

On August 1, 2008, the Company issued an aggregate of 125,000 stock options to employees and a consultants with an exercise price of \$3.30, expiring in five years from the date of issue. A fair value of \$362,500 was estimated using the Black-Scholes option pricing model.

On November 11, 2008, the Company granted an aggregate of 1,800,000 stock options to six directors of the Company and 600,000 stock options to the interim Co-CEOs of the Company with an exercise price per share of \$0.80, expiring on November 10, 2013.

The 1,800,000 options granted to directors are exercisable, upon vesting, until November 10, 2013 and vest upon the later to occur of the following: (i) the weighted average trading price of Noront's common shares for ten consecutive trading days must exceed 120% of the increase in the S&P/TSX Venture Composite Index from the date of grant, and (ii) the weighted average closing price of Noront's common shares for ten consecutive trading days must exceed the exercise price of the options by 125%.

The 600,000 options granted to the interim co-CEOs vest at a rate of 50,000 options in aggregate each month, for twelve months for so long as the optionee occupies the office of interim co-CEO and are exercisable, to the extent vested, until November 10, 2013.

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 under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 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 MI 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 Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this

certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 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. In particular, during the second quarter ended October 31, 2008, the former CEO of Noront, Richard Nemis, resigned as disclosed above; in addition, subsequent to quarter end, Kevin Feeney, left the Company, having been its CFO. Messrs. Parisotto and Hamilton are the certifying officers for this period, however, they did not become officers of Noront until October 28, 2008.

Noront has historically outsourced the preparation of its accounts to an outside service provider that has significant experience and expertise in working with junior exploration companies and their contractors over the validation and management of expenses. Regular reconciliations of cash flows and the vetting of supporting documentation for payments is an integral part of these services. These processes, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

RISK FACTORS

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 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 December 29, 2008, the company had 153,722,283 shares outstanding, 6.93 million stock options outstanding with a weighted average exercise price of \$2.04 expiring between 2008 and 2013 and no 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.

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 enters into option agreements and joint ventures as a means of gaining property interests are 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.

LEGAL

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

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 on the Company.

The mining industry has been impacted by increased worldwide demand for critical resources including industry consultants, engineering firms and technical experts. These shortages have caused increased costs and delays in planned activities. Noront is also dependent upon a number of key personnel, including the services of certain key employees and contractors. Noront's ability to manage its activities, and hence its success, will depend in large part on the efforts of these individuals. Noront faces intense competition for qualified personnel, and there can be no assurance that Company will be able to attract and retain such personnel.

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.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The balance of Mining Properties and Deferred Exploration Expenditures increased to \$54,104,618 on October 31, 2008 (October 31, 2007 - \$6,211,331), details of which are provided in the consolidated financial statements in tables titled "INTERIM CONSOLIDATED STATEMENTS OF MINING PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES".

ADDITIONAL INFORMATION

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