



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE SECOND QUARTER ENDED OCTOBER 31, 2009**

# Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENT .....	2
COMPANY OVERVIEW .....	3
STRATEGY .....	3
CAPABILITY TO DELIVER RESULTS .....	5
QUARTERLY FINANCIAL INFORMATION .....	5
Summary of Cash Flows .....	7
Summary of Quarterly Results .....	8
OVERVIEW OF ACTIVITY .....	9
McFaulds Lake Project .....	9
Eagle’s Nest Deposit.....	11
AT12 .....	12
Blackbird Chromite Discovery .....	13
OPTION AGREEMENTS AND JOINT VENTURES .....	14
LIQUIDITY AND CAPITAL RESOURCES.....	15
CONTRACTUAL OBLIGATIONS.....	16
RELATED PARTY AND OTHER TRANSACTIONS.....	17
FUTURE ACCOUNTING CHANGES.....	17
ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE.....	19
OUTSTANDING SHARE INFORMATION.....	19
ADDITIONAL INFORMATION.....	19

The following is Management's Discussion and Analysis ("MD&A") of the consolidated financial condition and results of operations of Noront Resources Ltd. ("Noront" or the "Company") for the quarter ended October 31, 2009, which have been prepared in accordance with Canadian Generally Accepted Accounting Principles. This discussion should be read in conjunction with the consolidated financial statements and the notes thereto. Additional Company information including the most recent Financial Statements can be accessed through the System for Electronic Document Analysis and Retrieval ("Sedar") website at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.norontresources.com](http://www.norontresources.com). Information contained on the Company's website is not incorporated herein and does not form part of this MD&A.

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

Unless otherwise indicated, a Qualified Person as defined by National Instrument 43-101, has reviewed and is responsible for the technical information contained in this MD&A.

This information is provided as at December 16, 2009.

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENT**

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 2010 and beyond, 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.

The risk factors which may impact the Company, its business, affairs and prospects are described in greater detail in the Company's most recent Annual Information Form filed with Canadian securities regulators and available via SEDAR.

## **COMPANY OVERVIEW**

Noront is engaged in the acquisition, exploration and development of properties prospective in base and precious metals, including: copper, nickel, platinum group metals, vanadium, chromite and gold. The Company's focus is in the exploration and development of the properties at McFaulds Lake (the "McFaulds Lake Project"), in the James Bay Lowlands, Ontario within a geological feature (intrusion) referred to as the Ring of Fire ("ROF"). The Company owns a 100% interest in three nickel-copper-platinum group metal discoveries known as "Eagle's Nest", "Eagle Two" and "AT-12", a chromite discovery known as "the Blackbird deposits", a vanadium discovery known as "Thunderbird", and a gold zone known as the "Triple J zone".

Noront controls land claims, held directly or indirectly, through joint ventures, optioned claims and earn-in programs of approximately 120,000 hectares (300,000 acres) in the Ring of Fire area making Noront the largest claim holder in the region.

## **STRATEGY**

The Company's objective is to become a base metals producer through the development of its nickel-copper-platinum group metals ("Eagle's Nest") and its chromite ("Blackbird") discoveries. The Company's strategy has been; to define its most significant discoveries being Eagle's Nest and Blackbird by completing a NI 43-101 compliant reports; to look for opportunities to consolidate the more significant discoveries in the region in order to gain from infrastructure synergies; to continue drilling at the site of Eagle's Nest for associated deposits along what management believes is a magmatic conduit that could host other similarly important, potentially economic sulphide bodies; to continue an active regional exploration program in the McFaulds Lake area; and to develop a plan for infrastructure and mine development.

Significant events for the three months ended October 31, 2009 and through the date of this report are:

- The Company initiated a formal bid for Freewest Resources Canada Inc. The transaction, if it closes, will allow all shareholders to benefit from consolidation of the Company's high-grade nickel, copper, PGM Eagle's Nest discovery with the chromite discoveries made by both companies. Consolidation will maximize value for all shareholders by allowing for the efficient building of infrastructure as both projects are brought into development;
- The Company created a historic First Nations Advisory Board to guide the Company in establishing a Best Practices approach with the local First Nations Communities. The advisory council is made up of leading authorities on Aboriginal Affairs in Canada;
- Drilling on the Eagle's Nest deposit has confirmed the continuity of the previously reported mineralization encountered below Eagle's Nest. The results confirm that Eagle's Nest is one structure and has continuous mineralization to a depth exceeding 1,000 metres. The deposit is open at depth and the Company is planning on drilling below 1,000 metres during the fourth quarter of fiscal 2010;
- The Company completed its NI43-101 compliant technical report on its Blackbird Chromite deposits which is to be released in early January 2010;
- A distinct gold zone at McFaulds Lake ("Triple J" zone) was identified adjacent to the Blackbird and Eagle Two deposits; and
- SNC-Lavalin was engaged to complete an infrastructure and transportation study to evaluate and recommend a preferred route and method of all season access into the site.

#### The Freewest Transaction:

On October 13, 2009, the Company formally commenced its bid to acquire all of the outstanding common shares of Freewest Resources Canada Inc. ("Freewest"). Under the offer, Freewest common shareholders would be entitled to receive 0.25 of a Company common share and \$0.0001 in cash for each Common Share tendered under the offer.

On November 30, 2009, the Company increased its offer to acquire all of the outstanding common shares of Freewest. Under the revised offer, Freewest common shareholders were entitled to receive 0.2857 of a Company common share and 0.1429 of a five year Company common share purchase warrant with a strike price of \$4.00.

On December 11, 2009 the Company's offer to acquire all the common shares of Freewest Resources Canada Inc. expired as of 11:59 p.m. (Toronto time) and was not extended. The Company, in accordance with the terms of its offer took up and paid for 11,755,018 Freewest shares that were tendered and deposited representing approximately 4.5% of Freewest. The Company will issue an aggregate of approximately 3,358,576 Noront common shares and 1,679,288 Noront common share purchase warrants to Freewest shareholders who tendered to the offer.

Costs related to the acquisition of the Freewest transaction up to October 31, 2009 have been expensed.

## CAPABILITY TO DELIVER RESULTS

The Company has sufficient financial resources to complete its planned exploration program and development activities for the remainder of calendar 2009 and 2010. The Company raised an additional \$25.0 million of flow through funds on August 26, 2009. At October 31, 2009, the Company had cash and cash equivalents of \$26.1 million and working capital of \$30.6 million, including \$6.5 million related to Quebec exploration tax credits and GST; subsequent to the quarter end, \$4.5 million of this amount was received. This compares to cash and cash equivalents of \$19.7 million and working capital of \$24.8 million at April 30, 2009.

The Company has completed upgrading its management information and geological data management systems which have improved the data integrity and reporting capabilities to better support the company's expanded exploration and development activities.

## QUARTERLY FINANCIAL INFORMATION

The following financial data are derived from the Company's financial statements for the three and six months ended October 31, 2009 and 2008:

	Three Months Ended		Six Months Ended October 31,	
	2009	2008	2009	2008
Income	93	224	144	591
Expenses	2,626	3,019	3,815	10,373
Severance	-	851	1,496	851
Net income/(loss)	(2,533)	(3,742)	(5,167)	(10,729)
Net income(loss) per share before extraordinary items – basic and diluted	(0.02)	(0.02)	(0.02)	(0.08)
Net income(loss) per share – basic and diluted	(0.02)	(0.03)	(0.03)	(0.08)
Cash, cash equivalents and restricted cash	26,061	24,632	26,061	24,632
Working Capital	30,600	20,327	30,600	20,327
Assets	100,506	91,047	100,506	91,047
Long-term Liabilities	153	505	153	505

### *Three Months Ended October 31, 2009 Compared to Three Months Ended October 31, 2008*

Income is comprised of interest earned on deposits and management fees. For the three months ended October 31, 2009, the Company earned \$92.8 thousand in interest income for the quarter compared to \$224.0 thousand in interest income for the prior year comparable period. Interest income in the current quarter was made up of interest received on prior period goods and services tax refunds of \$67 thousand and \$25 thousand related to interest earned on bank balances.

For the three months ended October 31, 2009, expenses excluding stock based compensation decreased by \$1.3 million compared to the prior year comparable period. The net decrease in expenses from the prior year comparable period is primarily related to:

- A decrease in office and general expenses of \$296 thousand which was comprised of a decrease in salaries and directors fees of \$278 thousand, a decrease in general office and travel related expenses of \$77 thousand, a decrease of \$100 thousand in capital tax offset by increases in donations and information technology of \$62 thousand and \$79 thousand respectively;
- A decrease in shareholder information costs of \$800 thousand; the majority of the shareholder information costs in the prior year comparable period were related to the October 2008 dissident shareholder action; and
- A recovery of general exploration costs of \$262 thousand due to Eagle Hill Exploration paying the first property payment of \$400 thousand on the Windfall Lake property pursuant to an option agreement with the Company.

Stock based compensation for the three months ended October 31, 2009 was \$1.3 million compared to \$0.4 million in the prior year comparable period. The majority of stock option expense in the current period related to options granted as a result of new management hires and an addition to the board of directors.

In the prior year comparable period, the Company also paid severance of \$851 thousand to certain members of management pursuant to their employment contracts.

*Six Months Ended October 31, 2009 Compared to Six Months Ended October 31, 2008*

For the six months ended October 31, 2009, the Company earned \$112.8 thousand in interest income and \$30.7 thousand in management fees compared to \$591.4 thousand in interest income and \$nil in management fees for the prior year comparable period. The decrease in interest income is due to lower average cash balances and lower yields earned on deposits.

For the six months ended October 31, 2009 expenses excluding stock based compensation decreased by \$1.0 million compared to the prior year comparable period. The net decrease in expenses from the prior year comparable period is primarily related to:

- A decrease in office and general expenses of \$118 thousand which was comprised of a decrease in salaries and directors fees of \$220 thousand, an increase in general office and travel related expenses of \$26 thousand, a decrease of \$103 thousand in capital tax offset by increases in donations and information technology of \$58 thousand and \$104 thousand respectively;
- An increase in professional fees of \$69 thousand due to an increase in compliance related costs;
- A decrease in shareholder information costs of \$785 thousand; the majority of the shareholder information costs in the prior year comparable period were related to the October 2008 dissident shareholder action; and

- A recovery of general exploration costs of \$172 thousand due to Eagle Hill Exploration paying the first property payment of \$400 thousand on the Windfall Lake property pursuant to an option agreement with the Company.

In the prior year comparable period, the Company also paid severance of \$851 thousand to certain members of management pursuant to their employment contracts.

Stock based compensation for the six months ended October 31, 2009 was \$1.5 million compared to \$7.0 million in the prior year comparable period. The majority of stock option expense in the current period related to options granted as a result of new management hires.

### **SUMMARY OF CASH FLOWS**

	Three Months Ended		Six Months Ended October 31,	
	2009	2008	2009	2008
Cash provided by (used in) operating activities	1,074	(1,255)	(1,289)	(3,884)
Cash provided by (used in) investing activities	(8,023)	(19,202)	(15,937)	(29,156)
Cash provided by (used in) financing activities	23,712	1,132	23,613	1,841
	16,763	(19,325)	6,387	(31,199)

For the three and six months ended October 31, 2009, the Company had positive \$1.1 million and negative \$1.3 million in cash flow from (used in) operations respectively compared to cash flow used in operations in the three and six months ended October 31, 2008 of \$1.3 million and \$3.9 million respectively. The positive cash flow from operations in the current year quarter was due to receiving \$3.3 million in GST and QST refunds. Subsequent to the current quarter end the Company received an additional \$4.5 million related to Quebec refundable exploration tax credits.

For the three and six months ended October 31, 2009, cash used for investing activities was \$8.0 million and \$15.9 million respectively compared to \$19.2 million and \$29.2 million respectively in the prior year comparable period. Investing activities substantially represents the Company's spend on its exploration properties; in the prior year comparable periods the Company had two main exploration projects being its McFaulds Lake and Windfall Lake Projects. The Company has optioned its interest in the Windfall Lake project and is currently focused solely on the McFaulds Lake region in the James Bay Lowlands of Northern Ontario which has reduced the overall exploration spend.

The Company had cash flow from financing activities of \$23.7 million in the current quarter (\$23.6 million in the six months ended October 31, 2009) compared to \$1.1 million in the comparable prior year period (\$1.8 million for the six months ended October 31, 2008). The cash from financing activities in the current quarter is a result of raising \$25 million in a flow through equity issuance.

## SUMMARY OF QUARTERLY RESULTS

(expressed in thousands except per share amounts)  
(quarterly results are unaudited)

	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2008 Q4	2008 Q3
Income	93	51	59	326	224	367	392	300
Expenses	2,626	1,190	1,064	2,031	3,020	7,354	1,107	2,395
Write-down of mining properties and deferred exploration	-	-	15,803	-	95	-	598	-
Write-down of marketable securities	-	-	350	-	-	-	-	-
Severence	-	1,496	-	860	851	-	-	-
Future income (tax) recovery	-	-	5,472	-	-	-	-	-
Net income/(loss)	(2,533)	(2,635)	(11,874)	(2,565)	(3,742)	(6,987)	264	(2,095)
Net income(loss) per share – basic and diluted	(0.02)	(0.02)	(0.08)	(0.02)	(0.03)	(0.05)	0.00	(0.02)
Cash flow from/(used in) operations	1,075	(2,363)	1,712	(5,982)	(1,255)	(2,629)	(658)	(1,043)
Cash, cash equivalents and restricted cash	26,061	9,299	19,674	30,488	24,632	43,957	55,831	19,768
Working Capital	30,600	15,434	24,798	33,549	20,327	44,584	54,781	21,411
Assets	100,506	77,269	79,867	98,002	91,047	88,531	91,124	44,143
Long-term Liabilities	153	150	147	514	505	495	485	-

Interest income varies quarterly based on the average cash balance on hand over the quarter and the corresponding yield earned on the Company's deposits. The quarterly variation in expenses is mainly attributable to non-cash stock option expense which is recognized at the time of grant in accordance with the vesting provisions. Expenses have also varied over the year due to increases in corporate activity.

## OVERVIEW OF ACTIVITY

The following financial data are for the three and six months ended October 31, 2009 and 2008:

(expressed in \$ thousands)

Capitalized Exploration Expenditure	Three Months Ended October 31,		Six Months Ended October 31,	
	2009	2008	2009	2008
<b>Exploration Projects</b>				
McFaulds Lake Project - "Ring of Fire", James Bay Lowlands, Northeastern Ontario				
Acquisition costs	-	307	-	677
Drilling and camp costs	6,776	11,360	13,823	14,588
Other exploration costs	559	1,960	1,097	3,741
Environmental and resource studies	183	18	187	18
Health and safety	44	-	56	-
Community relations	95	-	96	-
	7,657	13,645	15,260	19,024
Windfall Lake, Urban Township				
Acquisition costs	-	5	-	9
Drilling, sub-surface work and camp costs	-	4,447	-	8,063
Other exploration costs	-	435	-	599
Environmental and resource studies	-	241	-	395
Community relations	-	4	-	106
Other (non-cash)	-	10	-	19
	-	5,141	-	9,192
Other exploration projects	-	46	-	70
Sub-total of Exploration Projects	7,657	18,832	15,260	28,285
<b>Joint Venture Projects</b>				
Golden Valley Project, Ontario				
Drilling	55	-	55	-
Garden Island Project, Quebec				
Acquisition Costs	-	-	-	18
Drilling and camp costs	-	65	-	122
Other exploration costs	52	272	95	532
Environmental and resource studies	-	6	-	23
	52	343	95	695
Other joint venture's (non-cash)	(8)	-	(8)	-
Sub-total of Joint Venture Projects	99	343	142	695
<b>Total</b>	<b>\$ 7,756</b>	<b>\$ 19,175</b>	<b>\$ 15,402</b>	<b>\$ 28,980</b>

### *Overview of the McFaulds Lake Project (Ring of Fire, James Bay Lowlands, Ontario)*

For the three and six months ended October 31, 2009, \$7.3 million and \$15.4 million was spent on exploration work, respectively. Drilling for the three months ended October 31, 2009 focused exclusively on further exploration drilling beneath Eagle's Nest. During the three and six months ended October 31, 2009, 16,085 and 33,257 metres were drilled which compared to planned drilling of 13,750 and 29,750 metres, respectively.

Project activity during the quarter included:

- Drilling on the Eagle's nest deposit has confirmed the continuity of the previously reported mineralization encountered below Eagle's Nest (formerly referred to as Eagle One B and C). The results confirm that Eagle's Nest is one structure and has continuous mineralization to a depth of 1,100 metres;
- The Company completed its NI 43-101 Technical Report and resource estimate on the Blackbird (chromite) deposits;
- Two sections of the planned airborne gradient magnetometer survey over all of the Company's properties was completed, while the remaining two sections are planned to be completed within the first three months of calendar 2010;
- The geological study to determine the age of the host rock in the Ring of Fire was completed during the quarter with the results currently being interpreted; and
- Newly obtained assay results and detailed modeling at the Blackbird deposits indicated a new, distinct gold zone which has been drill traced over a 1.0 kilometre strike length.

Planned exploration work on the Company's claims in the McFaulds Lake area over the third and fourth quarters will include:

- Infill drilling on the Eagle's Nest deposit to a depth of 1,200 metres in order to provide sufficient data to complete an updated NI 43-101 technical report;
- Drilling down to a depth of 2,500 metres on the Eagle's Nest deposit to confirm the continuity of the deposit at depth;
- Completing the remaining two sections of the airborne gradient magnetometer survey over all of the Company's properties which will provide enhanced drill targeting capabilities;
- The Company plans to re-sample core of all drill holes that went through the Triple J gold zone, while drilling the Blackbird deposits and conduct additional test drilling, if justified;
- Reviewing all existing geophysical data over the Ring of Fire area in order to identify additional areas of interest and prioritize future drill targets; and
- Conducting further drilling on the AT-12 anomaly as a result of refining the geological interpretation of the anomaly.

#### *McFauld's Lake project development milestones*

The Company plans to complete the feasibility studies on the Eagle's Nest (nickel, copper, PGE's) and the Blackbird (chromite) deposits in 2011. The following project development milestones have been identified to bring the projects into production:

- Establish feasibility schedules for various project components
- Initiate socio-economic studies

- Complete environmental baseline and environmental studies
- Initiate project consultations with First Nations communities
- Environmental review and permitting
- Complete marketing and sales studies
- Define project execution plans including Private Public partnerships for infrastructure development

During the quarter the Company initiated the feasibility study process by engaging SNC-Lavalin to conduct an infrastructure study on access into the McFauld's Lake area. The study is intended to review all potential transportation alternatives and routes from site to existing permanent infrastructure such as road and rail lines in Northern Ontario. The study is intended to be in two phases with the first phase to be completed in the first quarter of calendar 2011.

#### *Eagle's Nest Deposit*

Drilling on the Eagle's Nest deposit during the quarter continued to expand the size of the deposit and confirm its continuity to a depth of 1,000 meters.

The following table summarizes the drill results which suggest the previously reported distinct mineralized zones (Eagle 1B and 1C) are a single unit:

HOLE ID	FROM (m)	TO (m)	INT. (m)	MINERALIZATION TYPE	Ni %	Cu %	Pt g/t	Pd g/t
<b>Eagle 1B</b>								
NOT-09-59	507.3	514.1	6.8	Massive	6.51	5.51	2.44	11.84
NOT-09-60/61	Holes stopped due to excessive deviation at collar							
NOT-09-62	No Significant Mineralization							
NOT-09-63	517.6	531.6	14.0	Net-Textured, Massive	2.92	1.14	1.05	5.21
<i>Including</i>	525.9	530.4	3.4	Massive	7.28	1.71	0.06	6.43
NOT-09-65	504.7	541.7	37.0	Net-Textured	1.23	0.39	0.68	1.8
NOT-09-66	584.0	633.4	49.4	Net-Textured	2.03	1.50	0.76	2.99
NOT-09-67	530.7	631.7	101.0	Net-Textured	1.75	1.07	0.86	2.71
NOT-09-68	672.4	721.9	49.5	Net-textured, Massive	2.22	0.74	1.26	3.68
<i>Including</i>	716.4	721.9	5.5	Massive	7.49	0.95	0.23	10.28
<b>Eagle 1C</b>								
NOT-09-53-W2	Drill rods stuck in hole prior to entering target area							
NOT-09-53-W3	841	856.4	15.4	Net-Textured	1.03	0.24	0.52	2.95
NOT-09-53-W4	783	842	59	Net-Textured	1.73	0.81	1.08	4.08

Subsequent to the quarter end, the company released additional results from drilling on the Eagle's Nest deposit which confirm the deposit's continuity and which also encountered high platinum grades within the massive sulphide mineralization. Hole NOT-09-068-W1 was targeted to completely fill in the gap between what were formerly known as the B and C lenses at Eagle's Nest. In addition, hole-09-070-W1 intersected significant massive mineralization including the highest platinum grades encountered to date at Eagle's Nest. The massive sulphide zone is close to being defined along the down-dip length of the deposit.

HOLE ID	FROM (m)	TO (m)	INT. (m)	MINERALIZATION TYPE	NI %	CU %	Pt g/t	Pd g/t
NOT-09-053-W5	933.0	1020.6	87.6	Net Textured/Massive	1.83	1.84	1.44	4.2
Note NOT-09-053-W5 ended in mineralization, reached drill depth capacity								
NOT-09-053-W6	727.9	785.0	57.1	Net Textured/Massive	1.89	0.85	1.06	4.54
NOT-09-064	1079.3	1132.5	53.1	Net Textured/Massive	1.94	0.95	0.60	3.85
Including	1104.5	1117.7	13.2	Massive	4.98	1.92	0.07	6.71
NOT-09-068-W1	683.0	818.2	135.2	Net Textured	1.65	0.80	1.03	3.24
NOT-09-070-W1	607.6	630.4	22.8	Massive	4.41	2.38	28.07	7.95
Including	607.6	613.3	5.7	Massive	5.78	4.42	37.87	8.26
Also including	612.8	621.2	8.4	Massive	1.19	1.46	68.78	7.55
Also including	622.4	630.4	8.0	Massive	7.41	2.19	0.18	9.33

Additional assay's released subsequent to the quarter end, confirmed continuation of the Eagle's Nest deposit for another 100 metres to 1,100 metres. Four holes intersecting the Eagle's Nest mineralization were reported as follows:

HOLE ID	FROM (m)	TO (m)	INT. (m)	MINERALIZATION TYPE	Ni %	Cu %	Pt g/t	Pd g/t
<b>Eagle's Nest</b>								
NOT-09-69A	1,094.1	1,154.0	59.9	Net Textured	1.40	0.84	Results Pending	
NOT-09-070-W2	510.9	515.8	4.9	Net Textured	1.23	0.30	0.35	1.60
NOT-09-071	720.9	851.2	130.3	Net Textured/Massive	1.55	0.83	Results Pending	
Including	727.5	728.8	1.3	Massive	3.55	1.63	25.44	13.58
NOT-09-072	666.0	678.8	12.8	Disseminated	0.41	0.14	Results Pending	

Drilling for the remainder of fiscal 2010 will include infill drilling to a depth of 1,200 metres in order to provide sufficient data to complete an updated NI 43-101 technical report and resource estimate on the deposit as well as drilling to a depth of 2,500 meters to test the continuity of the deposit.

#### *AT12 Nickel, Copper, PGE Discovery*

The AT12 deposit is located approximately eight kilometers northeast of the Eagle's Nest-Blackbird complex and within two kilometers of the Company's Thunderbird vanadium deposit. The AT12 property has a similar geophysical signature as the Eagle's Nest, which triggered the initial drilling.

Subsequent to the quarter end, the company released assays from six holes; three of the six holes contain encouraging nickel-copper-platinum group element mineralization as follows:

HOLE ID	FROM (m)	TO (m)	INT. (m)	MINERALIZATION TYPE	Ni %	Cu %	Pt g/t	Pd g/t
<b>AT12</b>								
NOT-09-2G26	No significant mineralization							
NOT-09-2G27	No significant mineralization							
NOT-09-2G28	720.8	735.5	14.7	Net Textured/Massive	1.02	0.5	0.43	1.07
Including	730.7	732.3	1.6	Massive	4.16	1.72	1.51	0.7
NOT-09-2G29	No significant mineralization							
NOT-09-2G30	143.2	153.7	10.5	Net Textured/Disseminated	1.08	0.56	Results Pending	
NOT-09-2G31	228.1	237	8.9	Net Textured/Disseminated	0.58	0.42	Results Pending	

As part of the comprehensive data review conducted in the fall of 2009, the drilling and borehole geophysics were reviewed and all significant holes were re-surveyed and re-logged. This has led to a new

interpretation of the emplacement and potential orientation of the mineralization. An expanded exploration program for 2010 will test the new interpretation through ground geophysics and continued drilling.

### *Blackbird Chromite Discovery*

Two zones of massive-disseminated chromium (Cr<sub>2</sub>O<sub>3</sub>) mineralization were identified approximately 2 kilometres southeast of Eagle’s Nest within the main ultramafic sill defining the Ring of Fire. These zones, known as Blackbird One and Blackbird Two, have been drill traced from surface on roughly 50 metre centers. The deposits remain open at depth. In certain zones, the grade of the mineralization is in excess of 40% Cr<sub>2</sub>O<sub>3</sub> with Chromium to Iron (“Cr:Fe”) ratios as high as 2.2 enabling it to process into high grade ferrochrome at a lower cost relative to industry standards. The NI 43-101 estimate of chromium tonnage and grades is as follows:

<b>BLACKBIRD MINERAL RESOURCE SUMMARY REPORT BY CATEGORY</b>					
<b>MASSIVE CHROMITE RESOURCES</b>					
	<b>DEPOSIT</b>	<b>ZONE</b>	<b>TONNES</b>	<b>AVG Cr<sub>2</sub>O<sub>3</sub>%</b>	<b>Cr:Fe Ratio</b>
<b>Measured</b>	BLACKBIRD 2	BB 2-1	1,635,000	38.42	1.97
		BB 2-2	881,000	35.35	1.95
		BB 2-4	1,675,000	35.36	1.9
<b>Indicated</b>	BLACKBIRD 1	BB 1	1,895,000	36.56	1.97
	BLACKBIRD 2	BB 2-1	816,000	36.75	1.94
		BB 2-2	438,000	32.91	1.88
		BB 2-4	223,000	35.76	1.85
<b>Total Measured and Indicated</b>			<b>7,562,000</b>	<b>36.34</b>	<b>1.94</b>
<b>Inferred</b>	BLACKBIRD 2	BB 2-1	2,142,000	36.07	1.95
		BB 2-2	624,000	24.83	1.65
		BB 2-4	772,000	40.26	2.19
<b>Total Inferred</b>			<b>3,488,000</b>	<b>34.93</b>	<b>1.95</b>
<b>INTERCALATED CHROMITE RESOURCES (FRAGMENTED ZONES)</b>					
	<b>DEPOSIT</b>	<b>ZONE</b>	<b>TONNES</b>	<b>AVG Cr<sub>2</sub>O<sub>3</sub>%</b>	<b>Cr:Fe Ratio</b>
<b>Measured</b>	BLACKBIRD 2	BB 2-3a(301)	450,000	20.35	1.39
		BB 2-3b (302)	537,000	29.63	1.79
<b>Indicated</b>	BLACKBIRD 2	BB 2-3a (301)	245,000	25.42	1.55
		BB 2-3b (302)	61,000	28.31	1.67
<b>Total Measured and Indicated</b>			<b>1,293,000</b>	<b>25.54</b>	<b>1.6</b>
<b>Inferred</b>	BLACKBIRD 2	BB 2-3a (301)	121,000	22.38	1.37
		BB 2-3b (302)	185,000	30.51	1.84
		BB 2-Lenses (50)	2,280,000	31.94	1.78
<b>Total Inferred</b>			<b>2,586,000</b>	<b>31.39</b>	<b>1.77</b>

- (1) The “Technical Report on the Blackbird Chromite Discovery” was prepared by MICON International Limited (“Micon”), an independent consulting firm, in accordance with NI 43-101 requirements.
- (2) The above estimate capped high values for chromite at 43%. The estimate was completed using a cutoff of 30% Cr<sub>2</sub>O<sub>3</sub> for the massive chromite and 0% Cr<sub>2</sub>O<sub>3</sub> for the intercalated chromite. All sample preparation and analyses were completed at Activation Laboratory, ISO 17025 accredited and independent of the Company and Micon.
- (3) The information in the above table has been prepared under the supervision of Mr. Richard Gowans, P.Eng and Mr. Charley Murahwi , M. Sc., P. Geo, MAusIMM who are “Qualified Persons” for the purposes of NI 43-101 in Canada.

The resource is a classic stratiform deposit with original chromite layers broken up into segments 300 to 400 metres in length. The chromite layers are sub-vertical and extend from surface to beyond 300 metres and are open at depth. The deposit geometry is very well suited for a low impact, underground mine.

## **OPTION AGREEMENTS AND JOINT VENTURES**

### *Company Operated Joint Ventures*

The Company is the operator of an exploration program on a property located 20 kilometers northeast of the Eagle One deposit subject to an option agreement with an arm's length private company. The private company has the right to earn a 50% interest in the property consisting of 10 claims, by spending a total of \$2.3 million over a three year period from March 27, 2008 to March 27, 2011.

The initial proposed budget was completed; the Company has reviewed the results of the program and has concluded that no further work is warranted on the property.

### *Non-Company Operated Joint Ventures*

#### **PROBE JOINT VENTURE AGREEMENT**

On May 19, 2009, the Company entered into a Joint Venture Agreement with Probe Mines Limited ("Probe") covering 87 claims ("Black Creek") approximately 8 kilometres northeast of the Eagle One Deposit. Under the terms of the joint venture the Company has been granted a 50% interest in the property and is responsible for its proportionate share of expenditures. Probe is the operator and the exploration program and budget are required to be approved by the Company.

The operator has completed phase two drilling on the Black Creek Chromite occurrence. A total of 1,706 metres in 11 holes was completed. Assays have returned chromite mineralization which has now been intersected over a distance of 225 m to a depth of 150 m to 175 m. The operator will be submitting a plan to complete an NI 43-101 resource estimate on the mineralization in the fourth quarter of fiscal 2010.

#### **FREEWEST JOINT EXPLORATION AGREEMENT**

On May 14, 2008, the Company entered into a joint exploration agreement with Freewest Resources Canada Inc ("Freewest") to explore an airborne geophysical anomaly, situated at the boundary of claims owned by the two companies approximately 8 kilometres northeast of the Eagle One deposit in the McFaulds Lake area.

Freewest is the operator of the initial exploration program. During the current quarter exploration drilling commenced on the anomaly within the joint venture properties. Results obtained indicate that the anomaly was the result of barren iron formation and as such the joint venture partners discontinued any further work.

## GOLDEN VALLEY

Golden Valley is a joint venture located in the northern portion of the Ring of Fire and operated by White Pine Resources Ltd. ("White Pine"). The initial drill program to assess geophysical targets north of Oval Lake commenced during fiscal 2009. The large property surrounds a copper-zinc discovery by Metalex Ventures Ltd.; a total of fourteen holes were completed at the joint venture in the fiscal 2009 year yielding two copper-zinc anomalies. As per the terms of the option agreement, White Pine Resources and Noront are earning a 33.3% interest each in the property from Golden Valley Minerals Ltd.

The operator has completed an Airborne EM survey (ZTEM) to detect deeper anomalies around the known mineralization. They plan to complete 1,600 metres of drilling in December 2009 in order to test two of these anomalies and trace the known mineralization to depth.

## GARDEN ISLAND, QUEBEC

The Garden Island property is comprised of 568 mining claims totaling 23,763 hectares, most of which are in Pascalis, Manneville and Senneville townships, which lie along a northwest-southwest trending Abitibi volcanic greenstone belt.

The Company has earned a 50% interest in the Garden Island gold, base-metal property as a result of an amended option agreement (July 10, 2008) entered into with a private arms length Quebec company, TSR Resources Inc. ("TSR").

The operator TSR has recommended a small work program for the remainder of 2009, that includes some trenching along the favourable felsic volcanic horizons and additional ground geophysical surveys to follow up on areas untested by airborne geophysics.

## WINDFALL LAKE PROJECT, URBAN TOWNSHIP, QUEBEC

Per the press release dated July 21, 2009, the Company has entered into a property option agreement with Eagle Hill Exploration Corporation pursuant to which Eagle Hill may earn up to a 100% interest subject to a 2% net smelter royalty in the Company's 100% owned Windfall Lake Property, located in Quebec, Canada. Eagle Hill satisfied the financing condition during the current quarter and as such made the first property of payment of \$400 thousand towards earning a 10% interest in the property.

## LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2009, the Company had working capital of \$30.6 million and a cash position (cash, equivalents and restricted cash) of \$26.1 million compared to \$24.8 million and \$19.7 million respectively as at April 30, 2009.

As a result of a \$25.0 million flow-through financing completed in August of 2009, the Company continues to have a strong cash and working capital position. The Company has sufficient working capital to fund the anticipated exploration program and corporate activities for the remainder of 2009 and throughout

2010. Surplus funds are invested in a blend of high interest savings accounts in order to provide liquidity while minimizing risk.

The Company has financed a significant 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 renounced, temporary taxable differences created by the renunciation will reduce share capital.

Noront has no credit facilities with financial institutions. The Company's 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. The Company estimates that the fair value of cash and cash equivalents, accounts receivable, accounts payable and taxes payable approximate the carrying values.

The Company has raised sufficient capital to further explore and develop its properties and projects in the coming year. Management anticipates raising additional equity financing to fund exploration and development activities in calendar 2010. However, 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.

## **CONTRACTUAL OBLIGATIONS**

At July 31, 2009, the Company has fulfilled its spending commitment on Canadian exploration activity related to the \$18.9 million flow-through share financing, which occurred on December 4, 2008.

On August 26, 2009, the company raised an additional \$25 million of flow-through funds which the Company has a commitment to spend on eligible Canadian exploration activity by December 31, 2010. As at October 31, 2009, the Company has approximately \$17.8 million of this spending commitment remaining.

Under the terms of occupancy leases for office space and equipment, the Company is obligated to minimum annual rent payments of \$177,590, \$342,694, \$205,348 and 154,011 for fiscal years 2010, 2011, 2012 and 2013 respectively.

The Company is also committed to minimum annual payments for the rental of exploration facilities and services in fiscal 2010 of \$216,000.

## **RELATED PARTY AND OTHER TRANSACTIONS**

During the three and six months ended October 31, 2009, \$55,432 and \$311,866 respectively (three and six months ended October 31, 2008 - \$50,001 and \$96,334) was paid or payable for management services to a company controlled by an officer and former director of the Company. Included in accounts payable as at October 31, 2009 is \$NIL (April 30, 2009 - \$19,662) owed with respect to these services and ancillary expense reimbursements.

During the three and six months ended October 31, 2009, \$NIL and \$44,000 respectively (three and six months ended October 31, 2008 - \$NIL and \$NIL) was paid or payable for management services to a company controlled by a director and former senior officer of the Company. Included in accounts payable as at October 31, 2009 is \$NIL (April 30, 2009 - \$NIL) owed with respect to these services and ancillary expense reimbursements.

During the three and six months ended October 31, 2009, \$NIL and \$14,000 respectively (three and six months ended October 31, 2008 - \$NIL and \$NIL) was paid or payable for management services to a company controlled by a director and former officer of the Company. Included in accounts payable as at October 31, 2009 is \$NIL (April 30, 2009 - \$33,191) owed with respect to these services and ancillary expense reimbursements.

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

## **Future Accounting Changes**

### *Business Combinations, Consolidated Financial Statements and Non-Controlling Interests*

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Sections 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards IFRS 3 – Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a combination. It is equivalent to the corresponding provisions of International Financial Reporting Standards IAS 27 – Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

*International Financial Reporting Standards (“IFRS”)*

The Canadian Accounting Standards Board (AcSB) has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, including Noront, effective for fiscal years beginning on or after January 1, 2011. Accordingly, the Company will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended July 31, 2011.

The Company is in the process of developing its IFRS implementation plan to prepare for this transition. To date, the Company has completed the initial assessment of the key areas where changes to current accounting policies may be required. During fiscal 2010, the Company will be performing detailed analysis to further assess the areas that will require a change to accounting policies, and those which have accounting policy alternatives available under IFRS.

Analysis will be required for all current accounting policies, however the initial key areas for detailed analysis include:

- Deferred exploration expenditures,
- Property, plant and equipment,
- Impairment of assets,
- Provisions, including remediation provisions,
- Stock options (share-based payments), and
- First-time adoption of International Financial Reporting Standards (IFRS 1)

As the detailed analyses of the each of the key areas progresses, other elements of the Company’s IFRS implementation plan will be addressed including the implication of changes to accounting policies, processes or financial statement note disclosures on information technology, internal controls, contractual arrangements and employee training.

The table below summarizes the expected timing of activities related to the Company’s transition to IFRS.

Initial analysis of key areas for which changes to accounting policies may be required.	Complete
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives.	Throughout fiscal 2010
Assessment of first-time adoption (IFRS 1) requirements and alternatives.	Throughout fiscal 2010
Final determination of changes to accounting policies and choices to be	Q4 fiscal 2010 – Q2 fiscal 2011

made with respect to first-time adoption alternatives.	
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements.	Q4 fiscal 2010 – Q2 fiscal 2011
Management and employee education and training.	Throughout the transition process
Quantification of the Financial Statement impact of changes in accounting policies.	Throughout fiscal 2011

#### **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Additional disclosure concerning the Company's general and administrative expenses and resource property costs has been provided in the analysis of the Quarterly Financial Information and the Overview of Activity above.

#### **OUTSTANDING SHARE INFORMATION**

*As at October 31, 2009*

Authorized	Unlimited
Issued and outstanding shares	163,781,957
Options outstanding	10,280,000
Fully diluted	174,061,957

#### **ADDITIONAL INFORMATION**

Additional information including the Company's Annual information Form is available on the Internet on the SEDAR website [www.sedar.com](http://www.sedar.com), and is available on the Company's website located at [www.norontresources.com](http://www.norontresources.com).