

This document is important and requires your immediate attention. If you are in doubt about how to respond to the offer, you should consult with your investment dealer, stockbroker, lawyer or other professional advisor. Enquiries concerning the information in this document should be directed to Freewest Resources Canada Inc. at the e-mail address or toll-free number listed on the last page of this Directors' Circular.

FREEWEST RESOURCES CANADA INC.

DIRECTORS' CIRCULAR

RECOMMENDING

REJECTION

OF THE UNSOLICITED OFFER BY

NORONT RESOURCES LTD.

TO PURCHASE ALL OF THE OUTSTANDING COMMON SHARES OF

FREEWEST RESOURCES CANADA INC.

The Board of Directors of Freewest Resources Canada Inc. has unanimously concluded that the consideration provided by the unsolicited Noront Offer is inadequate, from a financial point of view, to Freewest Shareholders.

The Board of Directors unanimously recommends that Freewest Shareholders REJECT the unsolicited Noront Offer and NOT TENDER their common shares to the Noront Offer.

NOTICE TO NON-CANADIAN RESIDENTS

The Noront Offer is in respect of the securities of a Canadian issuer. While the issuer is subject to Canadian continuous disclosure requirements, shareholders should be aware that Canadian requirements are different from those of the United States and other non-Canadian jurisdictions.

The enforcement by non-Canadian shareholders of civil liabilities under the securities laws of the United States or other non-Canadian jurisdictions may be adversely affected by the fact that Freewest Resources Canada Inc. is incorporated in Canada, its officers and directors are residents of Canada, and its assets are located in Canada.

OCTOBER 27, 2009

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FORWARD-LOOKING STATEMENTS

This Directors' Circular (the "**Directors' Circular**") contains forward-looking statements that are based on expectations and estimates. Forward-looking statements may be identified by the use of forward-looking terminology such as "believe", "intend", "may", "will", "expect", "estimate", "anticipate", "continue" or similar terms, variations of those terms or the negative of those terms. Statements that are not historical facts, including statements about Freewest's beliefs and expectations, are forward-looking statements. These statements contain potential risks and uncertainties, and actual results may therefore differ materially. Except for ongoing obligations to disclose material information under applicable securities laws, Freewest undertakes no obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise.

Important factors that may affect these expectations include, but are not limited to: the risks associated with mining exploration; changes in the Canadian economy; changes in competition in Freewest's markets; availability of future financing; and other factors discussed herein and those detailed from time to time in Freewest's filings with the securities regulatory authorities in Canada. Freewest shareholders should evaluate any forward-looking statements in light of these important factors.

FREEWEST RESOURCES CANADA INC.

October 27, 2009

Dear Shareholder:

RE: Unsolicited Take-Over Bid by Noront Resources Ltd.

On October 5, 2009, Noront Resources Ltd. (“**Noront**”) announced that it intended to make an unsolicited all-share offer for all of the outstanding shares of Freewest Resources Canada Inc. (“**Freewest**”). On October 13, 2009, Noront filed documents with the Canadian securities commissions relating to its unsolicited take-over bid to purchase all of the outstanding common shares of Freewest (the “**Freewest Shares**”) for Noront common shares (the “**Noront Shares**”), on the basis of one Noront Share for every four Freewest Shares and \$0.0001 in cash for each Freewest Share (the “**Noront Offer**”), representing an implied price of \$0.3975 per Freewest Share. This take-over bid was not solicited or negotiated by Freewest.

The Board of Directors of Freewest has unanimously concluded that the unsolicited Noront Offer is not in your best interests. **The Board of Directors unanimously recommends that you REJECT the Noront Offer and that you NOT TENDER your Freewest Shares under the Noront Offer. The Board of Directors believes that the Noront Offer fails to provide full value for Freewest and is an attempt by Noront to acquire Freewest without offering adequate consideration to Freewest Shareholders.**

In reaching its conclusion, the Board of Directors relied upon, among other things, the recommendation of a Special Committee comprised of Freewest’s independent directors. The Board of Directors and Special Committee also relied upon an opinion of CIBC World Markets Inc. (“**CIBC**”) that states, subject to the assumptions, limitations and qualifications set out therein, that the consideration offered by Noront under the Noront Offer is inadequate, from a financial point of view, to Freewest Shareholders.

As set out in the accompanying Directors’ Circular, the Board of Directors considered the following reasons for the recommendation that you **REJECT** the Noront Offer:

- The Board of Directors believes that the Noront Offer fails to adequately compensate Freewest Shareholders for the strategic value of Freewest’s assets.
- The Board of Directors believes that the timing of the Noront Offer is opportunistic and disadvantageous to Freewest Shareholders.
- Noront does not have a strategy focused on chromite.
- The Board of Directors believes that the Noront Offer does not reflect an adequate premium for control of Freewest.
- The consideration offered under the Noront Offer represents a discount to the current trading price of Freewest Shares.
- The value of the consideration offered under the Noront Offer is uncertain and entirely dependent on the value of Noront Shares, which are subject to significant fluctuations.
- It may be difficult for Freewest shareholders to dispose of Noront Shares.
- Superior proposals or other alternatives may emerge.
- Freewest’s financial advisor has provided a written opinion that, as of the date of such opinion, the consideration offered under the Noront Offer is inadequate, from a financial point of view, to Freewest Shareholders.
- The Noront Offer is highly conditional.

- The Noront Offer is not a Permitted Bid under Freewest's Shareholder Rights Plan.
- Freewest has a track record of creating value for Freewest shareholders.

In summary, the Board of Directors strongly and unanimously believes that the Noront Offer is financially inadequate, opportunistic and fails to provide adequate compensation to Freewest Shareholders for the value of Freewest's assets and its future value-creation potential.

The Board of Directors and Special Committee, together with Freewest's management and financial and legal advisors, are actively working to evaluate a range of strategic alternatives to enhance value for Freewest Shareholders. Discussions are underway with third parties with a view to exploring alternative value-maximizing transactions. Freewest intends to use the time provided by Freewest's Shareholder Rights Plan to pursue these alternatives.

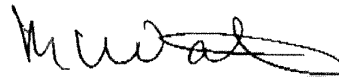
You are advised to read the full explanation of the reasons for your Board of Directors' recommendation to **REJECT** the Noront Offer as described in the enclosed Directors' Circular. **If you have already tendered any of your Freewest Shares under the Noront Offer, you should withdraw them immediately.** Freewest Shareholders who have deposited Freewest Shares under the Noront Offer and who wish to obtain advice or assistance in withdrawing their Freewest Shares are urged to contact Freewest by e-mail at info@freewest.com or toll free at 1-888-878-3551.

Sincerely,

On behalf of the Board of Directors



Edward Thompson
Chairman of the Special Committee of the Board of Directors



Mackenzie I. Watson
President, Chief Executive Officer and Director

Freewest Shareholders requiring advice or assistance concerning the Noront Offer are urged to contact:

FREWEST RESOURCES CANADA INC.

Toll Free: 1-888-878-3551

E-mail: info@freewest.com

Facsimile: (514) 878-4427

DIRECTORS' CIRCULAR

This Directors' Circular is issued by the Board of Directors (the "**Board of Directors**") of Freewest Resources Canada Inc. ("**Freewest**") in connection with the unsolicited offer (the "**Noront Offer**") made by Noront Resources Ltd. ("**Noront**") to acquire all of Freewest's outstanding common shares (the "**Freewest Shares**") on the basis of one common share of Noront (the "**Noront Shares**") for every four Freewest Shares and \$0.0001 in cash for each Freewest Share, upon the terms and subject to the conditions set out in the Noront Offer and accompanying circular of Noront dated October 13, 2009 (the "**Noront Circular**"). Reference is made to the "Glossary of Terms" annexed hereto as Schedule A for the definitions of certain terms used in this Directors' Circular.

All information provided in this Directors' Circular relating to Noront is derived from information contained in the Noront Circular and other information contained in public filings made by Noront with securities regulatory authorities in Canada or otherwise publicly made available by Noront. The Board of Directors does not assume any responsibility for the accuracy or completeness of such information or for any failure by Noront to disclose events that may have occurred or that may affect the significance or accuracy of any such information, which are unknown to Freewest.

Unless otherwise indicated, all dollar amounts in this Directors' Circular are expressed in Canadian dollars.

UNANIMOUS RECOMMENDATION OF THE BOARD OF DIRECTORS

The Freewest Board of Directors unanimously recommends that Freewest shareholders (the "Freewest Shareholders") REJECT the Noront Offer and NOT TENDER their Freewest Shares to the Noront Offer. Freewest Shareholders who have already deposited Freewest Shares under the Noront Offer should WITHDRAW their Freewest Shares.

Each of the directors and officers of Freewest has indicated his intention NOT to accept the Noront Offer.

REASONS FOR THE RECOMMENDATION

The Board of Directors has carefully reviewed and considered the Noront Offer, with the benefit of advice from the Special Committee of the Board of Directors, independent financial advisors and legal advisors. The following is a summary of the principal reasons for the unanimous recommendation of the Special Committee and Board of Directors to Freewest Shareholders that they **REJECT** the Noront Offer and **NOT TENDER** their Freewest Shares to the Noront Offer.

- The Board of Directors believes that the Noront Offer fails to adequately compensate Freewest Shareholders for the strategic value of Freewest's assets***

 - Freewest's chromite assets are highly strategic, as such assets are difficult to discover or acquire. Freewest's McFaulds property in northern Ontario consists of nine mineral claims (144 claim units) comprising 22.7 square kilometers. Four of the claims are wholly-owned by Freewest and contain the "Black Thor" chromite occurrence; the remaining five claims, which contain the "Big Daddy" chromite occurrence, are owned as to 50% by Freewest and as to an aggregate of 50% by Spider Resources Inc. and KWG Resources Inc., which have an option to increase their aggregate ownership in the five claims to 60%. The Board of Directors believes that the Noront Offer fails to adequately compensate Freewest Shareholders for the significant strategic and scarcity value of these chromite assets.
 - Freewest believes that its Black Thor chromite occurrence is of world-class caliber, both in terms of quality as well as potential tonnage and grade. Discovered in September 2008, drilling has fast-tracked the Black Thor deposit over the past year to the point where it has been delineated over a 2.6 kilometre strike-length and to a maximum vertical depth of approximately 400 metres. Black Thor remains completely open-ended along strike and to depth, leaving ample room to expand the chromite mineral resource. The Black Thor occurrence is characterized by several robust drill intercepts, including 43.7% Cr₂O₃ (chromium oxide) over 48.0 metres, 43.12% Cr₂O₃ over 64.0 metres and 41.3% Cr₂O₃ across a core width of 44.0 metres, as disclosed by Freewest in its press releases relating to drill-hole results on the Black Thor occurrence, including press releases issued on September 17, 2009 and October 15, 2009.
 - Of the 54 drill holes completed by Freewest to date at Black Thor, 50 drill holes have intersected economically-significant chromite, attesting to the consistency and continuity of mineralization. This

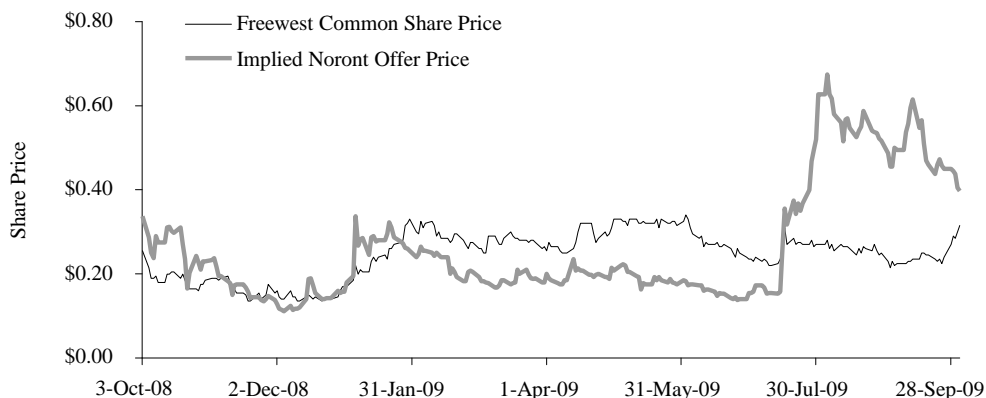
represents a 93% success rate for drilling. As disclosed by Freewest in its press release dated September 17, 2009, preliminary chrome to iron ratios (Cr:Fe) for mineralization averaging greater than 30% Cr₂O₃ are in the range of 1.60 and greater. This is a favourable ratio, comparable to those in established chromite-mining camps globally, including deposits in the Bushveld Complex in South Africa (1.60) and the Kemi Deposit in Finland (1.53). Preliminary scoping-level metallurgical work suggests that Black Thor has desirable and marketable compositions containing a lower-level content of potentially deleterious elements such as TiO₂ (titanium dioxide), MgO (magnesium oxide) and Al₂O₃ (aluminum oxide) than most chromite deposits for which such levels are published.

- Freewest believes that its Black Thor chromite occurrence is superior to Noront's nearby "Blackbird" chromite occurrence, both in terms of potential size and likely grade. As a result of an examination in September 2009 by Freewest's exploration team of Noront's core data, a three-dimensional exploration model prepared by Noront's geologists, as well as various public disclosure documents containing geological data regarding Noront's Blackbird occurrence, Freewest has concluded that the character of Blackbird's chromite mineralization tends to be "poddy" and discontinuous, and will not contain as much tonnage of good-quality chromite mineralization as Freewest's Black Thor occurrence. Geologically, Freewest believes that its Black Thor occurrence is located within the thickest portion of the "Ring of Fire" ultramafic intrusion, whereas Noront's Blackbird occurrence is likely located towards the fringe of the ultramafic intrusion. See "Background to the Noront Offer and Freewest Response — Prior Events".
- Freewest's other key mining asset is the Clarence Stream gold property in southwestern New Brunswick. Clarence Stream contains a mineral resource of 221,620 ounces of gold and 7.3 million pounds of antimony in the indicated category and 161,340 ounces of gold in the inferred category, representing a total of 382,960 ounces of gold, all in compliance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects*. A resource-expansion drilling program will begin shortly with the goal of increasing the mineral resource to at least one million ounces. In Freewest's view, this is a realistic goal, given that most of the gold zones are open along strike and to depth.
- In addition, Freewest has a portfolio of high-quality gold and base-metal properties in eastern Canada. During the remainder of 2009 and through 2010, Freewest's joint-venture partners are expected to incur an aggregate of approximately \$10 million in exploration expenditures on these properties in order to advance them. Freewest's joint venture exploration partners include Xstrata Copper, Rockport Mining Corp., Spider Resources Inc. and KWG Resources Inc.
- Freewest also holds almost 4.2 million shares of Quest Uranium Corporation ("**Quest**"), representing approximately 10.5% of Quest's outstanding shares. Quest is actively exploring the Strange Lake rare earth element ("**REE**") deposit and surrounding area in Québec and Labrador. Exploration activities completed to date by Quest indicate that the Strange Lake and B-Zone deposits are potentially of world-class calibre. REEs are used in batteries to run hybrid automobiles and are an important component in the high-tech and aerospace industries. Such an asset is an extremely important one, given that approximately 95% of the world's REE is produced in the People's Republic of China, which recently imposed severe restrictions on REE exports due to concerns about global-supply shortages.
- According to the Noront Offer, Noront expects to issue approximately 57 million Noront Shares to Freewest Shareholders, on a "fully diluted in the money basis". Based on the implied value of the Noront Offer of \$0.3975 per Freewest Share, the Noront Offer places a value on Freewest of approximately \$90.7 million. As at July 31, 2009, Freewest had cash and marketable securities of approximately \$6.4 million; as well, immediately prior to the public announcement of the Noront Offer, the shares of Quest held by Freewest had a market value of approximately \$15.5 million, based on Quest's closing price on the TSX Venture Exchange on October 2, 2009. Excluding the aforementioned assets, the value placed on Freewest's McFaulds chromite property and all of Freewest's other mining properties and assets by the Noront Offer is only \$68.8 million. This represents \$0.301 per Freewest Share on a "fully-diluted in the money basis". The Noront Offer gives little value to Freewest's properties or their potential, in particular the McFaulds chromite property. It also fails to take into account the potential for continuing appreciation in value of the 4.2 million shares of Quest held by Freewest.

2. *The Board of Directors believes that the timing of the Noront Offer is opportunistic and disadvantageous to Freewest Shareholders*

- The Noront Offer is opportunistically timed to try to acquire Freewest when its chromite properties are at a relatively early stage of exploration. As publicly disclosed, Freewest is focusing its efforts on the McFaulds chromite property, including the Black Thor occurrence. This is considered by Freewest to be its most valuable property. The true potential of the Black Thor occurrence will be properly assessed only when Freewest completes its proposed drilling program and related work. The immediate goal of the drilling, mineral characterization and metallurgical work undertaken by Freewest is to complete a mineral resource estimate on Black Thor by the end of 2009, which estimate will be in compliance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects*. Freewest’s management is confident that Freewest will be able to deliver the mineral resource estimate within this time frame. Noront has timed the Noront Offer so as to try to acquire Freewest before the value of the McFaulds property, including the Black Thor occurrence, is realized and reflected in the price of Freewest Shares.
- The timing of the Noront Offer also takes advantage of a recent period when the spread between the trading prices of Freewest Shares and Noront Shares increased, which the Board of Directors believes inflates the premium described in the Noront Offer. The Board of Directors believes that the Noront Offer represents a particularly inadequate premium when measured against the average price of Freewest Shares over the previous year, prior to the announcement of Noront’s intention to make the Noront Offer. In particular, Freewest Shares have traded above the implied price of the Noront Offer on a majority of the trading days over the past year.

Implied Offer Price of the Noront Offer⁽¹⁾



(1) Based on closing prices on the TSX Venture Exchange through October 2, 2009. Source: Bloomberg Financial Markets.

3. *Noront does not have a strategy focused on chromite*

Noront has many disparate projects currently underway with no particular focus on chromite development

- Freewest is focused on the development of its McFaulds chromite property. In contrast, Noront does not appear to have a development strategy focused on its chromite property. As publicly disclosed, Noront is working on a number of development projects with its primary focus on three main projects in the “Ring of Fire” district of the James Bay Lowlands in northern Ontario, namely a nickel-copper project, a chromite project and a newly-discovered vanadium project. There is a lack of focus on Noront’s part. If Freewest Shareholders accept the Noront Offer, the benefits of Freewest’s focus on the development of its McFaulds chromite property will be diluted.

There is a risk that Noront’s assets may not be developed

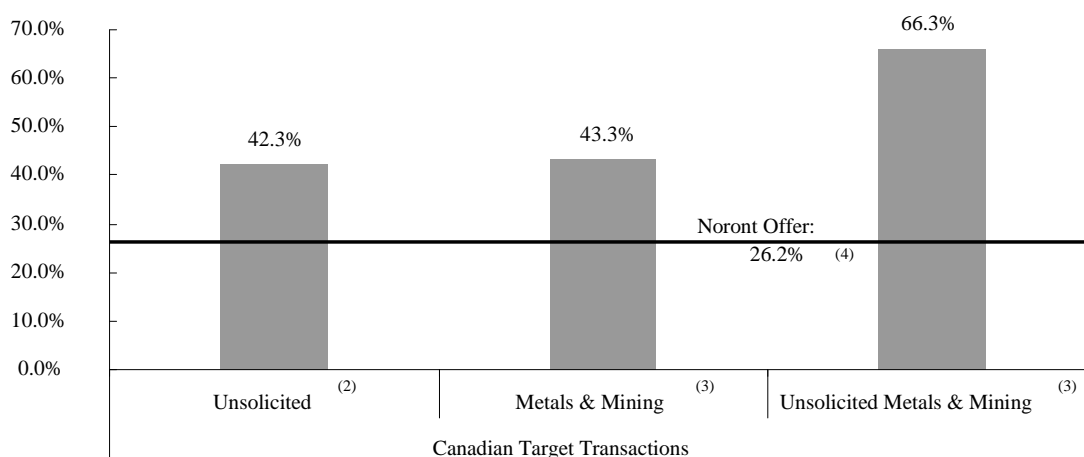
- All of Noront’s projects require a significant amount of capital and it is uncertain how Noront management intends to raise the funds needed to develop, and how it will manage, these disparate projects at the same time. For example, the development of Freewest’s chromite property will take a number of years, involve

significant expenditures, and require considerable expertise in mining-property development. Freewest estimates that the chromite project would require more than \$1 billion in capital. Noront's management team does not have a proven track record of mining-property development and the Noront Circular discloses little in the way of strategy for the development of the chromite properties or Noront's other projects. The Freewest Board of Directors has no reason to believe that Noront management has the experience or expertise necessary to develop Freewest's McFaulds chromite property. Further, there is no evidence that Noront has the financial capacity to proceed with the development of the chromite properties, including construction of the necessary infrastructure.

4. *The Board of Directors believes that the Noront Offer does not reflect an adequate premium for control of Freewest*

- In the Board of Directors' view, a comparison of the Noront Offer to premiums paid in precedent Canadian transactions illustrates that the Noront Offer does not reflect an adequate premium for control of Freewest.

Precedent Take-over Premiums⁽¹⁾



(1) Precedent take-over premiums based on target's unaffected stock price, generally one trading day prior to announcement date. Source: Thomson Financial and other publicly-available information.

(2) Source: Thomson Financial and other publicly-available information for transactions less than \$250 million from January 1, 2000 to October 2, 2009.

(3) Source: Thomson Financial and other publicly-available information for corporate base-metal transactions from January 1, 2000 to October 2, 2009.

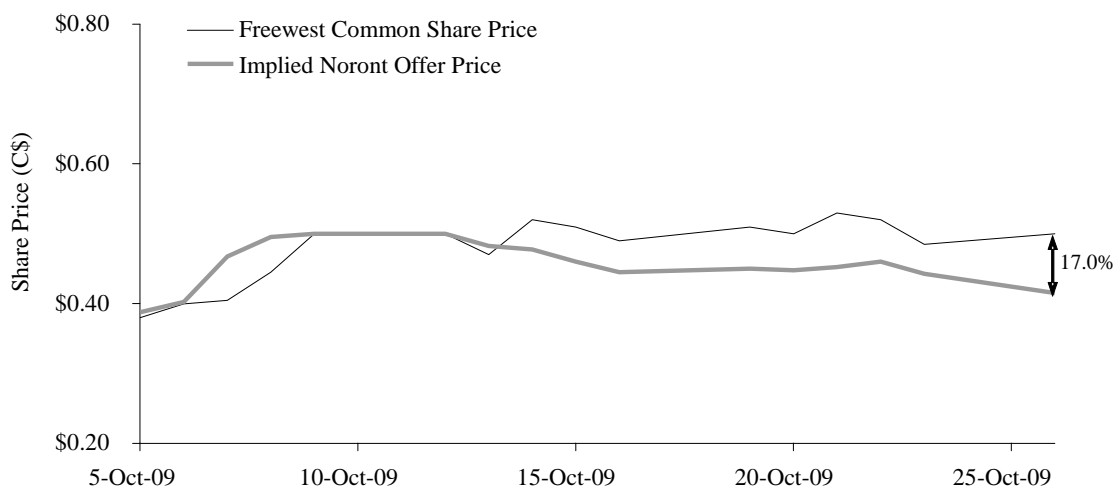
(4) Premium represented by the implied offer price of the Noront Offer as at October 2, 2009 relative to the closing price of Freewest Shares as at October 2, 2009.

- The implied offer price of the Noront Offer represented a premium of 26.2% over the closing price of the Freewest Shares on the TSX Venture Exchange on October 2, 2009, the last trading day prior to the announcement of the Noront Offer. This is significantly below the average premiums paid in comparable transactions.

5. *The consideration offered under the Noront Offer represents a discount to the current trading price of Freewest Shares*

- The Freewest Shares currently trade above the implied offer price of the Noront Offer, supporting the Board of Directors' conclusion that the consideration offered under the Noront Offer is inadequate.
- The Board of Directors is of the view that the performance of Freewest Shares during this period is a strong indicator that the market believes that the Noront Offer undervalues Freewest Shares.
- The closing price of Freewest Shares on the TSX Venture Exchange on October 26, 2009 was \$0.50. The implied offer price of the Noront Offer as of that date was \$0.415, representing a 17.0% **discount** to that closing price.

Implied Offer Price of the Noront Offer Relative to Freewest Share Price⁽¹⁾



(1) Based on closing prices on the TSX Venture Exchange. Source: Bloomberg Financial Markets.

6. *The value of the consideration offered under the Noront Offer is uncertain and entirely dependent on the value of Noront Shares, which are subject to significant fluctuations*

- The value of the consideration to be received by Freewest Shareholders under the Noront Offer is uncertain and will depend entirely on the value of the Noront Shares at the time that the Freewest Shares are taken up under the Noront Offer. Under the terms of the Noront Offer, the exchange ratio (one Noront Share for every four Freewest Shares) will **not** be adjusted to reflect any change, including a decline, in the market value of Noront Shares. If the market price of Noront Shares declines, the value of the consideration received by Freewest Shareholders will decline as well.
- The Noront Offer provides that Freewest Shareholders will be paid almost entirely in Noront Shares, with a nominal cash component (\$0.0001 per Freewest Share). Noront Shares have not performed well on the TSX Venture Exchange during the past months. As recently as December 2008, Noront Shares traded at \$0.435. From an intra-day high price of \$3.01 on August 4, 2009, the price of Noront Shares fell to a low of \$1.52 on October 2, 2009, immediately prior to the public announcement of the Noront Offer. This represents a drop of \$1.49 or 50% in less than two months. Noront proposes to pay Freewest Shareholders with shares which have not performed well on the stock market, and which are subject to significant fluctuations in price.

7. *It may be difficult for Freewest Shareholders to dispose of Noront Shares*

- Under the Noront Offer, Noront will issue one Noront Share for every four Freewest Shares. Assuming that Noront acquires 100% of the Freewest Shares pursuant to the Noront Offer, Freewest Shareholders will own an aggregate of 60,816,617 Noront Shares, calculated on a fully-diluted basis. This represents approximately 27% of the Noront Shares that would then be outstanding. Based on the average daily trading volume of Noront Shares over the 30 trading days ended October 2, 2009, it would take Freewest Shareholders approximately 57 trading days (or three calendar months) to exit their position in Noront.
- The problem is compounded by the fact that Noront issued an aggregate of 8,928,500 “flow-through” shares on August 26, 2009 by way of private placement, at a price of \$2.80 per share. The statutory four-month “hold period” on these “flow-through” Noront Shares expires on December 27, 2009, at which time they will be freely-tradable under Canadian securities legislation. If the holders of these 8.9 million “flow-through” Noront Shares sell them at approximately the same time, it may create downward pressure on the price of the Noront Shares on the TSX Venture Exchange and make it more difficult for former Freewest Shareholders to sell their Noront Shares.

8. *Superior proposals or other alternatives may emerge*

- Since October 5, 2009, the date on which Noront announced its intention to make the Noront Offer, the Freewest Board of Directors and Special Committee, together with Freewest's management and financial and legal advisors, have been working to evaluate a range of strategic alternatives, including the status quo, to enhance Freewest Shareholder value. Discussions are underway with third parties in order to bring forward additional value-maximizing alternatives. While it is difficult to predict with certainty whether any transactions will emerge from these efforts and discussions, the Board of Directors believes that Freewest and its assets are potentially very attractive to other parties in addition to Noront.
- Tendering Freewest Shares to the Noront Offer before the Board of Directors and its advisors have had an opportunity to fully explore all available alternatives to the Noront Offer may preclude the possibility of a financially superior alternative transaction emerging.

9. *Freewest's financial advisor has provided a written opinion that, as of the date of such opinion, the consideration offered under the Noront Offer is inadequate, from a financial point of view, to Freewest Shareholders*

- The Board of Directors and Special Committee have received a written opinion, dated October 27, 2009, from CIBC to the effect that, as of such date and subject to the assumptions, limitations and qualifications stated in its opinion, the consideration offered by Noront under the Noront Offer is inadequate, from a financial point of view, to Freewest Shareholders. A copy of CIBC's opinion is annexed to this Directors' Circular as Schedule B. The Board of Directors recommends that the CIBC opinion be read in its entirety for a description of the procedures followed, matters considered and limitations on the review undertaken. The descriptions do not constitute a recommendation to Freewest Shareholders as to whether they should tender their Freewest Shares to receive Noront Shares. The Board of Directors and Special Committee have reviewed the basis on which CIBC reached its opinion and concur with the views expressed therein.

10. *The Noront Offer is highly conditional*

- The Board of Directors has reviewed, with the assistance of its financial and legal advisors, the conditions that Noront has placed on the Noront Offer. The Board of Directors is concerned about the fact that the Noront Offer is highly conditional for the benefit of Noront.
- There are several conditions which are not subject to materiality thresholds or other objective criteria but rather provide Noront with a broad range of grounds upon which it may decline to proceed with the Noront Offer, with the result that the tendering of Freewest Shares to the Noront Offer would, under certain circumstances, constitute little more than the grant of an option to Noront to acquire Freewest Shares.
- In particular, among these conditions is one to the effect that Noront shall have determined, in its sole judgment, that the aggregate amount payable to all directors and officers of Freewest upon the occurrence of a change of control of Freewest does not exceed \$1.5 million. As Freewest has publicly disclosed in its management proxy circular dated March 20, 2009, it is party to consulting agreements with Mackenzie I. Watson and Ronald Kay and an employment agreement with Donald Hoy, each of whom is a senior officer and director of Freewest, which provide for "change of control" payments which in the aggregate are greater than \$1.5 million. The three agreements were approved by the independent directors of Freewest and entered into in October 2008. The Board of Directors is not prepared to cause Freewest to breach its contractual commitments to Messrs. Watson, Kay and Hoy, such that the foregoing condition of the Noront Offer cannot be satisfied. See "Arrangements or Agreements Regarding Freewest".

11. *The Noront Offer is not a Permitted Bid under Freewest's Shareholder Rights Plan*

- The purpose of Freewest's Shareholder Rights Plan (the "**Rights Plan**"), adopted in 2008 and approved by Freewest Shareholders in accordance with the policies of the TSX Venture Exchange, is to provide the Freewest Board of Directors and Freewest Shareholders with adequate time to consider and evaluate any take-over bid made for the Freewest Shares, provide the Board of Directors with adequate time to identify, develop and negotiate value-enhancing alternatives to any such take-over bid, and encourage the fair treatment of Freewest Shareholders in connection with any take-over bid made for the Freewest Shares. The Rights Plan encourages potential acquirors to make a Permitted Bid without the approval of the

Freewest Board of Directors, having terms and conditions designed to meet the objectives of the Rights Plan, or to negotiate the terms of the offer with the Board of Directors. Failure to do so creates the potential for substantial dilution of the potential acquiror's position. See "Shareholder Rights Plan".

- To be a Permitted Bid, a take-over bid must, among other things, be open for at least 60 days and be accepted by the holders of more than 50% of the Freewest Shares (other than those Freewest Shares held by any Freewest Shareholder or group of Freewest Shareholders making a take-over bid). A Permitted Bid would, among other things, provide additional time for the exploration, development and pursuit of alternatives that could enhance value for Freewest Shareholders. A Permitted Bid would also ensure that holders of Freewest Shares have sufficient time to consider all appropriate alternatives and not feel compelled to accept a bid for fear that other Freewest Shareholders would tender and they would remain as minority shareholders in a corporation with a new controlling shareholder, and with significantly less liquidity and the absence of any take-over premium. The Noront Offer is open for acceptance for only 35 days.
- Noront could have made a Permitted Bid as the Rights Plan was adopted and announced in 2008, and a copy publicly filed prior to the Noront Offer being launched. Noront chose not to make a Permitted Bid.

12. *Freewest has a track record of creating value for Freewest Shareholders*

- In December 1994, Freewest's predecessor corporation, Freewest Resources Inc. ("**Former Freewest**"), entered into a transaction with Hemlo Gold Mines Inc. ("**Hemlo**"). Pursuant to the transaction: (i) Former Freewest transferred all of its assets, other than the Holloway gold deposit located in Harker and Holloway Townships, northern Ontario, to Freewest; (ii) Hemlo acquired all of the shares of Former Freewest, thereby in effect acquiring the Holloway gold deposit; and (iii) shareholders of Former Freewest received Freewest Shares as well as shares of Hemlo. The Hemlo shares issued to the shareholders of Former Freewest were valued by Hemlo at approximately \$27.6 million; the shares subsequently appreciated in value. Following the transaction, Hemlo and its joint venture partners developed the Holloway gold deposit into a mine. Mackenzie I. Watson and Ronald Kay, two of Freewest's current senior executives and directors, were senior executives and directors of Former Freewest and played an instrumental role in the transaction with Hemlo.
- In 2007, Freewest transferred its uranium-exploration properties to a new wholly-owned subsidiary, Quest, and distributed 6,256,000 Quest shares to Freewest Shareholders. At the same time, Freewest Shareholders were given an opportunity to participate in a rights offering by Quest, all concurrent with Quest's listing on the TSX Venture Exchange. Based on current market prices (\$1.88 - October 26, 2009), the 6,256,000 shares of Quest distributed to Freewest Shareholders have an aggregate value of approximately \$11.8 million. The 6,255,891 additional shares of Quest issued pursuant to the fully-subscribed rights offering, at a price of \$0.15 per share, today also have an aggregate value of approximately \$11.8 million. Upon the listing of Quest on the TSX Venture Exchange, Freewest held 4,237,760 Quest shares, 50,000 of which have since been sold by Freewest. Mackenzie I. Watson and Ronald Kay, two of Freewest's senior executives and directors, are on the Board of Directors of Quest and play an active role in advising Quest's management.
- The transaction with Hemlo and spin-out of Quest to Freewest Shareholders demonstrate that Freewest has created value for Freewest Shareholders, while treating all Freewest Shareholders on an equitable basis. While no assurances can be given, it is possible that Freewest will offer similar opportunities to Freewest Shareholders in the future. Noront has no similar history of creating value for its shareholders. Further, it is Freewest's understanding that Messrs. Richard Nemis and John Harvey, who were instrumental in Noront's growth, are no longer involved in the day-to-day management of Noront. Mr. Nemis is the former Chief Executive Officer and Mr. Harvey the former Chief Operating Officer of Noront.

Conclusion and Recommendation

For the principal reasons outlined above, the Board of Directors:

- has unanimously concluded that the Noront Offer is financially inadequate and not in the best interests of Freewest Shareholders; and

- therefore recommends to Freewest Shareholders that they **REJECT** the Noront Offer and **NOT TENDER** their Freewest Shares to the Noront Offer.

The foregoing summary of the information and factors considered by the Special Committee and Board of Directors is not intended to be exhaustive of the factors considered by them in reaching their conclusions and making their recommendations, but includes the material information, factors and analysis considered by the Special Committee and Board of Directors. The members of the Special Committee and Board of Directors evaluated the various factors summarized above in light of their own knowledge of the business, financial condition and prospects of Freewest, and based upon the advice of the financial advisors and Freewest's legal counsel. In view of the numerous factors considered in connection with their evaluation of the Noront Offer, the Special Committee and Board of Directors did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weight to specific factors in reaching their conclusions and recommendations. In addition, individual members of the Special Committee and Board of Directors may have given different weight to different factors. The conclusions and recommendations of the Special Committee and Board of Directors were made after considering the totality of the information and factors involved.

ALTERNATIVES TO THE NORONT OFFER

Discussions are underway between Freewest and third parties with a view to exploring alternative value-maximizing transactions. The Board of Directors believes there is a reasonable prospect that one of these initiatives may result in a competing offer which is financially superior to the Noront Offer.

The Noront Offer is open for acceptance until 5:00 p.m. (Toronto time) on November 18, 2009, unless withdrawn or extended. Accordingly, there is no necessity for Freewest Shareholders to take any steps in respect of the Noront Offer at this time.

BACKGROUND TO THE NORONT OFFER AND FREEWEST RESPONSE

The following is a chronology of the principal events relating to the Noront Offer and Freewest's response:

Prior Events

In the spring of 2009, Messrs. Mackenzie I. Watson, President and Chief Executive Officer of Freewest, and Donald Hoy, Vice-President, Exploration of Freewest, were invited by Joseph Hamilton and Paul Parisotto, the then-Co-Chief Executive Officers of Noront, to an informal dinner meeting held in Toronto. At the dinner, Messrs. Hamilton and Parisotto raised the possibility of a consolidation of the chromite properties owned respectively by Noront and Freewest and described what they thought would be the benefits of such a consolidation. Messrs. Watson and Hoy responded that Freewest was not interested in a consolidation of Freewest's and Noront's chromite properties. Messrs. Watson and Hoy did not see any value for Freewest Shareholders in a consolidation of properties with Noront, in light of the superior mineralization of Freewest's chromite property when compared to that owned by Noront.

On June 4, 2009, Freewest completed a private placement with Cliffs Natural Resources Inc. of Cleveland, Ohio in an amount of \$5,162,500, by issuing 14,750,000 Freewest Shares at a price of \$0.35 per share. Each Freewest Share was accompanied by one-half of a common share purchase warrant. Each full warrant entitles Cliffs Natural Resources Inc. to purchase one additional Freewest Share at a price of \$0.45 for two years. The proceeds from the private placement are being used by Freewest primarily for exploration on its 100%-owned McFaulds chromite property in northern Ontario. Cliffs Natural Resources Inc. is an international mining and natural resources company, the shares of which are listed on the New York Stock Exchange.

In September 2009, Noront expressed an interest in obtaining the views of two of Freewest's geological consultants with respect to Noront's Blackbird occurrence and Eagle's Nest deposits. Accordingly, Noront shared with Mr. Donald Hoy, Freewest's Vice-President, Exploration, and Freewest's two geological consultants, drill core and drill sections from Noront's Blackbird occurrence and a three-dimensional model relating thereto. Noront also showed drill core to Mr. Hoy and the two geological consultants from hole 49 on Noront's Eagle's Nest deposits. In exchange, Mr. Hoy shared with Noront drill core from Freewest's Black Thor occurrence.

Based on that information, as well as various public disclosure documents containing geological data regarding Noront's Blackbird occurrence, the conclusions reached by Mr. Hoy and Freewest's two geological consultants were that: (i) Noront's Blackbird occurrence does not compare favourably to Freewest's Black Thor occurrence; (ii) Freewest's Black Thor occurrence possesses better geology and chromite mineralization than Noront's Blackbird occurrence and is in the thickest part of the "Ring

of Fire” ultramafic intrusion; and (iii) Noront’s Blackbird occurrence does not have the same tonnage potential as Freewest’s Black Thor occurrence, in that Black Thor is characterized by thicker and more continuous massive chromite beds compared to Blackbird. Accordingly, tonnage from Freewest’s Black Thor occurrence is expected to be greater than from Noront’s Blackbird occurrence, with better quality mineralization.

October 2009

On Thursday, October 1, 2009, at 10:40 a.m., Mackenzie I. Watson, President and Chief Executive Officer of Freewest, received an e-mail from Joanne C. Jobin, Vice-President, Corporate Communications of Noront, inquiring whether Mr. Watson was available on Friday, October 2 at approximately 4 p.m. to meet Wesley Hanson, President and Chief Executive Officer of Noront, and Ms. Jobin in Montreal “for a drink or a cup of coffee”. Mr. Watson spoke with Ms. Jobin on October 1 and agreed to meet with Mr. Hanson and Ms. Jobin at Freewest’s offices in Montreal on Friday, October 2 at 1 p.m.

On Friday, October 2, 2009 at 12:31 p.m., Ms. Jobin sent an e-mail to Mr. Watson advising Mr. Watson that Noront would not be able to meet Mr. Watson on that day, and that it would be necessary to reschedule “at a later date”.

On that same day, Friday, October 2, 2009, at approximately 4:15 p.m., Wesley Hanson, President and Chief Executive Officer of Noront, contacted Mr. Watson by telephone. Mr. Hanson advised Mr. Watson that Noront intended to make the Noront Offer and that Noront and its legal and financial advisers were prepared to spend the weekend negotiating the transaction with Freewest, so that the transaction could be announced prior to the opening of the markets on Monday, October 5, 2009. After consulting with two Freewest directors who were then available, Mr. Watson advised Mr. Hanson that Freewest was not available to negotiate over the weekend.

On Friday, October 2, 2009, after the close of business, Freewest received a three-page letter from Noront, confirming the latter’s intention to make the Noront Offer. The letter set out, among other things, the terms and conditions of the Noront Offer, and that Noront was ready to discuss the proposal, together with a binding letter agreement and “customary lock-up agreements” with Freewest over the course of the weekend “with a view to announcing the proposed transaction, with the unanimous support of your board, before the markets open on Monday, October 5, 2009.”

On Monday, October 5, 2009, at 6:00 a.m., Noront issued a press release (in English only) announcing its intention to make the Noront Offer “as soon as practicable”.

On Monday, October 5, 2009, before the opening of the markets, Freewest issued a press release with its initial response to the pending Noront Offer, to the effect that the Board of Directors of Freewest would consider the Noront Offer and make a recommendation to Freewest Shareholders, but that the Noront Offer was highly opportunistic and significantly undervalued Freewest’s assets and future value-creation potential.

On Monday, October 5, 2009, at 11:15 a.m., the Board of Directors of Freewest met by way of telephone conference call. At the meeting, among other things, the Board of Directors appointed the Special Committee consisting of Messrs. George Bryson and Edward Thompson.

On Monday, October 5, 2009, Noront sent to Freewest, by telecopier, a request that Freewest furnish, within ten days of receipt of an affidavit enclosed with the request, a list of Freewest’s shareholders (the “**Shareholder Basic List**”), and the names and address of any known holder of an option or right to acquire shares of Freewest. Noront also requested that Freewest provide Noront with supplemental lists setting out any changes from the Shareholder Basic List for each business day following the date to which the Shareholder Basic List was prepared, the whole pursuant to the *Canada Business Corporations Act*.

On Tuesday, October 6, 2009, at 5:00 p.m., the Board of Directors of Freewest met by way of telephone conference call. Among the matters discussed at the meeting was the engagement of a financial advisor in connection with the Noront Offer. Upon the recommendation of the Special Committee, it was decided to engage CIBC as financial advisor with respect to the Noront Offer.

On Wednesday, October 7, 2009, the Board of Directors of Freewest engaged CIBC as financial advisor with respect to the Noront Offer. On Thursday, October 8, 2009, Freewest issued a press release announcing the appointment of the Special Committee and the engagement of CIBC as financial advisor.

On Tuesday, October 13, 2009, Noront launched the Noront Offer by way of newspaper advertisements and delivered a copy of the Noront Circular to Freewest’s head office.

On October 16, 2009, the Board resolved to defer the “Separation Time” (as defined in the Rights Plan) under the Rights Plan to a later date to be determined by the Board.

On October 23, 2009, Noront sent to Freewest, by telecopier, a request that Freewest furnish, within ten days of receipt of an undertaking enclosed with the request, Freewest’s most recently-prepared list of “U.S. non-objecting beneficial owners” of Freewest Shares in Freewest’s possession, pursuant to section 6.1 of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

On October 26, 2009, the Special Committee met with CIBC and Heenan Blaikie LLP (“**Heenan Blaikie**”) to receive, consider and discuss the initial advice of CIBC in respect of the Noront Offer. CIBC provided the Special Committee with a summary of its initial financial advice and members of the Special Committee asked numerous questions with respect to various matters included in the initial financial advice.

On October 27, 2009, the Special Committee received the CIBC opinion, reviewed this Directors’ Circular and unanimously adopted its recommendation to the Board of Directors that it recommend to the Freewest Shareholders that they reject the Noront Offer and not tender their Freewest Shares to the Noront Offer.

At a meeting of the Board of Directors held on October 27, 2009, the Special Committee reported upon its deliberations and conclusions and made its recommendation to the Board of Directors. The Board of Directors received the recommendation of the Special Committee and, after careful consideration, adopted it. The Board of Directors also approved: (a) a press release summarizing the recommendation and the reasons therefor; and (b) this Directors’ Circular.

OPINION OF THE FINANCIAL ADVISOR

CIBC was retained to assess the Noront Offer and to provide advice to the Board of Directors and Special Committee in connection with the Noront Offer. CIBC has delivered a written opinion addressed to the Board of Directors and Special Committee concluding that, subject to the assumptions, limitations and qualifications set out in the opinion, as of the date thereof, the consideration under the Noront Offer is inadequate, from a financial point of view, to the Freewest Shareholders.

The full text of the written opinion of CIBC is annexed as Schedule B to this document. Freewest Shareholders are urged to read the CIBC opinion carefully and in its entirety for a description of the procedures followed, matters considered and limitations on the review undertaken. The CIBC opinion addresses only the adequacy of the consideration offered under the Noront Offer from a financial point of view. The CIBC opinion does not constitute a recommendation to any Freewest Shareholder as to whether they should tender their Freewest Shares.

FACTUAL ERRORS AND MATERIAL OMISSIONS IN NORONT CIRCULAR

If any information required to be disclosed in the Noront Circular has been presented incorrectly or is misleading, Freewest is required by law to supply additional information in this Directors’ Circular which will make the information in the Noront Circular correct or not misleading.

Freewest Tier 1 Listing on the TSX Venture Exchange

On October 13, 2009, Noront published an advertisement in the financial press, formally launching the Noront Offer. The advertisement included the following statement:

“The Common Shares [of Freewest] are listed on Tier 2 of the TSX Venture Exchange...”.

This statement is repeated a number of times in the Noront Circular. In fact, the Freewest Shares are listed on Tier 1 of the TSX Venture Exchange, a fact that is available to the public on the web site of the Toronto Stock Exchange/TSX Venture Exchange.

Gregory Rieveley – Noront Chief Financial Officer

As the consideration offered in the Noront Offer consists almost entirely of Noront Shares, Noront has a legal obligation to include in the Noront Circular the same information as would be required in a prospectus. Among the information that must be disclosed in a prospectus, and thus in the Noront Circular, is whether a director or executive officer of the issuer (in this case, Noront) is, or has been within the last ten years, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, made a proposal under any legislation relating to

bankruptcy or insolvency, or instituted any proceedings, arrangement or compromise with its creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

The Noront Circular specifically incorporates by reference Noront's annual information form dated September 30, 2009 for the financial year ended April 30, 2009 (the "**Noront AIF**"), which forms an integral part of the Noront Circular. It is evident that the Noront AIF was prepared and filed for the express purpose of incorporation by reference in the Noront Circular.

Page 35 of the Noront AIF sets out that,

"none of the directors, officers or other members of the management of Noront is, or within the ten years prior to the date hereof [September 30, 2009] has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer ... made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets."

The Noront AIF and Noront Circular identify Gregory Rieveley as the Chief Financial Officer of Noront, a position that Mr. Rieveley has held since April 27, 2009. Based exclusively on public documents, it is evident that:

- (i) Gregory Rieveley became a director of Biotech Holdings Ltd. ("**Biotech**") on September 26, 2008 and Chairman of the Board of Directors of Biotech on or about September 26, 2008;
- (ii) Biotech is a "reporting issuer" in British Columbia and Alberta;
- (iii) on July 6, 2009, Biotech, "an insolvent company", filed a Notice of Intention to Make a Proposal to its Creditors under the *Bankruptcy and Insolvency Act* (Canada), which Notice of Intention was signed by Mr. Rieveley;
- (iv) on July 14, 2009, the Supreme Court of British Columbia appointed Abakhan & Associates Inc. as interim receiver of all of Biotech's assets, undertakings and property, pursuant to section 47.1 of the *Bankruptcy and Insolvency Act* (Canada);
- (v) on September 18, 2009, the Supreme Court of British Columbia extended by 45 days to November 5, 2009 the period within which a proposal may be filed by Biotech under the Notice of Intention referred to above; and
- (vi) Mr. Rieveley is to this day a director of Biotech.

None of the foregoing information was disclosed in the Noront Circular or any document incorporated by reference therein, notwithstanding the legal requirement that Noront do so. Further, the statement on page 35 of the Noront AIF referred to above, which forms an integral part of the Noront Circular, is false. In Freewest's view, given that Mr. Rieveley is the Chief Financial Officer of Noront, this constitutes a material misrepresentation in the Noront Circular.

NORONT CORPORATE GOVERNANCE PRACTICES

The Board of Directors is of the view that Noront has recently engaged in practices that bring into question Noront's corporate governance and that Freewest Shareholders should be made aware of such practices, as the consideration offered under the Noront Offer consists almost entirely of Noront Shares.

Grant of Stock Options

On June 29, 2009, after the close of the markets, Noront issued a press release providing an "exploration update of the company's activities". Immediately prior to the announcement, Noront Shares were trading at \$0.56.

On June 30, 2009, less than 24 hours after the issuance of the press release, Noront announced that it had granted stock options in respect of 3.8 million Noront Shares to "new and existing employees and consultants" of Noront. Based on insider reports, it appears that options in respect of an aggregate of approximately 3.2 million Noront Shares (or 83% of the total number of Noront Shares subject to the options) were granted to seven of Noront's senior executives, including the President and Chief

Executive Officer and Chief Financial Officer. Noront's press release did not identify the persons to whom the options were granted or the fact that the vast majority of the options were granted to Noront's senior executives. The options were granted at an exercise price of \$0.62, representing the closing price of the Noront Shares on June 30, 2009.

Before the opening of the markets on July 6, 2009, just two business days after announcing the foregoing grant of options, Noront issued a press release announcing, among other things, that Noront was "evaluating options for additional drilling at Eagle One to test the newly discovered mineralization at depth below the Eagle One resource limit." Noront's share price ascended quickly thereafter and within ten trading days, Noront's share price had reached \$1.50 (the closing price on July 20, 2009). As a result, Noront's seven senior executives saw their recently-granted options increase in value by an aggregate of \$2.8 million in just 13 trading days.

The Freewest Board of Directors believes that such a practice is not proper corporate governance and does not align the interests of senior executives and directors with those of shareholders.

SHAREHOLDER RIGHTS PLAN

The Rights Plan was adopted by the Board of Directors of Freewest on March 20, 2008 and approved by Freewest Shareholders at an annual and special meeting held on April 24, 2008. At the shareholders' meeting, a total of 32,900,346 Freewest Shares were voted with respect to the Rights Plan. Of these, 31,096,874 Freewest Shares (94.5%) were voted for the approval of the Rights Plan while 1,803,472 Freewest Shares (5.5%) were voted against. The Rights Plan was conditionally approved by the TSX Venture Exchange on March 18, 2008. The TSX Venture Exchange granted final approval to the Rights Plan on October 16, 2008.

The Rights Plan was adopted to: (i) provide Freewest Shareholders and the Board of Directors of Freewest with adequate time to consider and evaluate any take-over bid made for the outstanding Freewest Shares; (ii) provide the Board of Directors with adequate time to identify, develop and negotiate value-enhancing alternatives to any such take-over bid; (iii) encourage the fair treatment of Freewest Shareholders in connection with any take-over bid made for the outstanding Freewest Shares; and (iv) generally prevent any person from acquiring beneficial ownership of or the right to vote more than 20% of the outstanding Freewest Shares (or where such person already owns more than 20% of the Freewest Shares, from acquiring ownership of or the right to vote any additional Freewest Shares) while this process is ongoing or entering into arrangements or relationships that have a similar effect. Since the Rights Plan was adopted, decisions of the Canadian courts and securities commissions have confirmed the duty of a board of directors in a change of control circumstance to act in the best interests of the corporation. In the appropriate circumstances, the board of directors of a corporation subject to an unsolicited take-over bid may be entitled to maintain a shareholder rights plan in effect to defend against the hostile bid.

The Rights Plan is in effect for three years.

The following description of the Rights Plan is qualified in its entirety by the terms of the Shareholder Rights Plan Agreement entered into between Freewest and Computershare Investor Services Inc. The Shareholder Rights Plan Agreement is available on SEDAR at www.sedar.com and upon request from Freewest.

The objective of the Rights Plan is to ensure, to the extent possible, that all Freewest Shareholders will be treated equally and fairly in connection with any take-over bid for Freewest.

The Rights Plan is designed to prevent the use of coercive and/or abusive take-over techniques and to encourage any potential acquirer to negotiate directly with the Board of Directors for the benefit of all Freewest Shareholders. In addition, the Rights Plan is intended to provide increased assurance that a potential acquirer would pay an appropriate control premium in connection with any acquisition of Freewest.

The Rights Plan utilizes the mechanism of a "Permitted Bid" (as defined therein) to attempt to ensure that a person seeking to acquire beneficial ownership of 20% or more of the Freewest Shares gives Freewest Shareholders and the Board of Directors sufficient time to evaluate the transaction, negotiate with the proposed acquirer, encourage competing bids to emerge, and ensure that all alternatives to the transaction designed to maximize Freewest Shareholder value have been considered.

The Rights Plan is intended to provide the Board of Directors with time to review any unsolicited take-over bid that may be made and to take action, if appropriate, to enhance Freewest Shareholder value. The Rights Plan attempts to protect Freewest Shareholders by requiring all potential bidders to comply with the conditions specified in the Permitted Bid provisions, failing which such bidders are subject to the dilutive features of the Rights Plan. By creating the potential for substantial dilution of a

bidder's position, the Rights Plan encourages an offeror to proceed by way of a Permitted Bid or to approach the Board of Directors with a view to negotiation.

Operation of the Rights Plan

Pursuant to the Rights Plan, one right (“**Right**”) was issued in respect of each Freewest Share issued and outstanding on the date of signature of the Shareholder Rights Plan Agreement entered into between Freewest and Computershare Investor Services Inc. In addition, one Right has been issued for each additional Freewest Share issued thereafter. Each Right initially entitles the registered holder thereof to purchase from Freewest one Freewest Share at a price of \$100, subject to certain anti-dilution adjustments. The Rights are not exercisable until the “Separation Time” (as defined in the Rights Plan).

Trading and Exercise of Rights

Until the Separation Time, the Rights trade together with the Freewest Shares. After the Separation Time, the Rights are exercisable, and are transferable separately from the Freewest Shares.

Flip-In Event

The acquisition by a person making an unsolicited take-over bid for Freewest, including others acting jointly or in concert, of beneficial ownership of 20% of the Freewest Shares, other than by way of a Permitted Bid is referred to as a “Flip-In Event”. Any Rights beneficially owned by an “Acquiring Person” upon the occurrence of a Flip-In Event will be void, as will any Rights beneficially owned by associates, affiliates or persons acting jointly or in concert with an Acquiring Person, and transferees thereof. After the occurrence of a Flip-In Event, each Right (other than those that are void) will permit the holder to purchase Freewest Shares from Freewest with a total market value on the date of occurrence of the Flip-In Event equal to twice the exercise price for an amount in cash equal to the exercise price.

Permitted Bid Requirements

The requirements of a Permitted Bid include the following:

- (1) the take-over bid must be made by way of a take-over bid circular;
- (2) the take-over bid must be made to all registered holders of all outstanding Freewest Shares (other than Freewest Shares held by the offeror or any associate or affiliate of the offeror);
- (3) the take-over bid must contain, and the take-up and payment for securities tendered or deposited thereunder is subject to, irrevocable and unqualified conditions that: (i) no Freewest Shares shall be taken up or paid for pursuant to the take-over bid prior to the close of business on the date which is not less than 60 days following the date of the take-over bid; and (ii) no Freewest Shares shall be taken up or paid for pursuant to the take-over bid unless at the date referred to in (i) above, more than 50% of the aggregate outstanding Freewest Shares held by “independent shareholders” shall have been deposited or tendered pursuant to the take-over bid and not withdrawn;
- (4) the take-over bid must contain an irrevocable and unqualified provision that unless the take-over bid is withdrawn, Freewest Shares may be deposited pursuant to such take-over bid at any time prior to the close of business on the date of first take-up or payment for Freewest Shares and that any Freewest Shares deposited pursuant to the take-over bid may be withdrawn until taken up and paid for;
- (5) the take-over bid must contain an irrevocable and unqualified provision that if, on the date on which Freewest Shares may be taken up or paid for, more than 50% of the aggregate outstanding Freewest Shares held by “independent shareholders” shall have been deposited or tendered pursuant to the take-over bid and not withdrawn, the offeror will make a public announcement of that fact and the take-over bid will remain open for deposits and tenders of Freewest Shares for not less than ten business days from the date of such public announcement;
- (6) the offeror does not at the commencement of nor at any time during the currency of the take-over bid beneficially own more than 5% of the outstanding Freewest Shares (other than Freewest Shares taken-up and acquired pursuant to a Permitted Bid); and

- (7) the offeror, or any of its affiliates or associates, or any person acting jointly or in concert with the offeror or any of its affiliates or associates in connection with the take-over bid, shall not have entered into either prior to the commencement of the take-over bid nor at any time during the currency thereof any agreement, commitment or understanding (including a “Permitted Lock-Up Agreement”) with one or more persons who beneficially own, in the aggregate, 20% or more of the outstanding Freewest Shares, which agreement, commitment or understanding is with respect to the Freewest Shares beneficially owned by such persons.

The usual provisions regarding “permitted lock-up agreements” are included in the Rights Plan.

The Rights Plan allows a competing bid to be made while a Permitted Bid is in existence. A competing bid must satisfy all the requirements of a Permitted Bid.

Waiver and Redemption

The Board of Directors may, prior to a Flip-In Event, waive the dilutive effects of the Rights Plan in respect of a particular Flip-In Event relating to a take-over bid to all holders of Freewest Shares provided that, if waived or deemed to have been waived in respect of any take-over bid made to all Freewest Shareholders, it shall thereafter be deemed to have been waived in respect of any other take-over bid made to all Freewest Shareholders prior to the expiry of the former take-over bid. At any time prior to the occurrence of a Flip-In Event, the Board of Directors may redeem all, but not less than all, of the outstanding Rights at a price of \$0.00001 each.

SPECIAL COMMITTEE

As set out above, on October 6, 2009, the Board of Directors appointed the Special Committee consisting of George Bryson and Edward Thompson.

The Special Committee was established to review and consider, among other things: (i) the unsolicited offer made to Freewest by Noront; and (ii) any further proposals made to Freewest or Freewest Shareholders by third parties, and to make recommendations to the Board of Directors.

In fulfilling its mandate, the Special Committee was authorized by the Board of Directors to, among other things:

- retain an independent financial advisor to advise the Special Committee;
- if necessary, retain independent legal counsel to advise the Special Committee;
- report to the Board of Directors; and
- take such other actions as the Special Committee considered necessary or appropriate in order to carry out its mandate.

For their services, the members of the Special Committee receive a fee of \$750 per meeting, whether the member of the Special Committee attends the meeting in person or participates by telephone.

ARRANGEMENTS OR AGREEMENTS REGARDING NORONT

No contract or arrangement or agreement has been made, or to the knowledge of the directors or officers of Freewest is proposed to be made, between Noront and any of the directors or officers of Freewest relating to any matter, including arrangements or agreements with respect to compensation for loss of office or as to their remaining in or retiring from office. No director or officer of Freewest is a director or officer of Noront or of any subsidiary of Noront.

ARRANGEMENTS OR AGREEMENTS REGARDING FREEWEST

Except as set out below, no contract or arrangement or agreement has been made, or is proposed to be made, between Freewest and any of the directors or officers of Freewest pursuant to which a payment or other benefit is to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the Noront Offer is successful.

Under a consulting agreement dated October 1, 2008 between Freewest and Mr. Mackenzie I. Watson, President and Chief Executive Officer of Freewest, in the event of termination of Mr. Watson's employment, Mr. Watson is entitled to an amount equal to the greater of: (i) the then-current annual consulting fee of Mr. Watson; (ii) the average of the consulting fee of Mr. Watson during the three years immediately prior to the date of the termination of the agreement; and (iii) \$200,000. Mr. Watson's current annual consulting fee is \$150,000. Such payment will also be due to Mr. Watson upon a "deemed termination" of the agreement by Freewest, as that term is defined therein. The agreement further provides that in the event of a "change in control" of Freewest, as defined in the agreement, and provided that Mr. Watson has been an officer of Freewest at any time during the three months preceding the change in control, Freewest will make a one-time lump sum payment to Mr. Watson of \$4,000,000. If the Noront Offer is successful, it will constitute a "change of control" within the meaning of the agreement.

Under a consulting agreement dated October 1, 2008 between Freewest and Mr. Ronald Kay, Vice-President of Freewest, in the event of termination of Mr. Kay's employment, Mr. Kay is entitled to an amount equal to the greater of: (i) the then-current annual consulting fee of Mr. Kay; (ii) the average of the consulting fee of Mr. Kay during the three years immediately prior to the date of the termination of the agreement; and (iii) \$100,000. Mr. Kay's current annual consulting fee is \$60,000. Such payment will also be due to Mr. Kay upon a "deemed termination" of the agreement by Freewest, as that term is defined therein. The agreement further provides that in the event of a "change in control" of Freewest, as defined in the agreement, and provided that Mr. Kay has been an officer of Freewest at any time during the three months preceding the change in control, Freewest will make a one-time lump sum payment to Mr. Kay of \$1,250,000. If the Noront Offer is successful, it will constitute a "change of control" within the meaning of the agreement.

Under an employment agreement dated October 1, 2008 between Freewest and Mr. Donald Hoy, Vice-President, Exploration of Freewest, in the event of termination of Mr. Hoy's employment, Mr. Hoy is entitled to an amount equal to the greater of: (i) the then-current annual salary of Mr. Hoy; (ii) the average of the salary of Mr. Hoy during the three years immediately prior to the date of the termination of the agreement; and (iii) \$175,000. Mr. Hoy's current annual salary is \$125,000. Such payment will also be due to Mr. Hoy upon a "deemed termination" of the agreement by Freewest, as that term is defined therein. The agreement further provides that in the event of a "change in control" of Freewest, as defined in the agreement, and provided that Mr. Hoy has been an officer of Freewest at any time during the three months preceding the change in control, Freewest will make a one-time lump sum payment to Mr. Hoy of \$1,250,000. If the Noront Offer is successful, it will constitute a "change of control" within the meaning of the agreement.

The consulting agreements with Messrs. Watson and Kay and employment agreement with Mr. Hoy were approved by the Board of Directors of Freewest on November 7, 2008. In accordance with section 120 of the *Canada Business Corporations Act*, each of Messrs. Watson, Kay and Hoy declared his interest in writing to the Board of Directors with respect to his consulting agreement or employment agreement, as applicable. Messrs. Watson, Kay and Hoy did not participate in any consideration by the Board of Directors of the three agreements.

Background of the Three Agreements

In 2008, the Board of Directors of Freewest considered the contractual relationship between Freewest and its three senior executives, namely Mackenzie I. Watson (co-founder, President and Chief Executive Officer), Ronald Kay (co-founder and Vice-President) and Donald Hoy (Vice-President, Exploration). In particular, the Board of Directors considered the length of time each had worked for Freewest, the very modest consulting fees or salary paid to each during that time, and the contribution of each to Freewest over the years. The Board of Directors was concerned that in the event of a change of control of Freewest, the important contribution of each of Messrs. Watson, Kay and Hoy would not be adequately recognized. As a result, the Board of Directors decided to enter into formal agreements with each of Messrs. Watson, Kay and Hoy and to provide, among other things, for lump-sum payments to each in the event of a change of control of Freewest.

Mackenzie I. Watson

The "change of control" provision in the consulting agreement with Mr. Watson was agreed to by Freewest in recognition of the fact that: (i) Mr. Watson is a founder of Freewest; (ii) he has served as President and Chief Executive Officer of Freewest for approximately 25 years; and (iii) Mr. Watson's compensation during this period has been extremely modest when compared to that paid by many other Canadian mining-exploration companies.

Mr. Watson's current annual compensation as President and Chief Executive Officer of Freewest is \$150,000. Over the past 14 fiscal years, Mr. Watson's average annual cash compensation from Freewest has been approximately \$79,500. The Board of Directors is of the view that a lump-sum payment of \$4 million to Mr. Watson will compensate him in part for the fact that he has been significantly under-compensated by Freewest for the past 25 years. The Board of Directors is of the view that

Mr. Watson has been under-compensated by at least \$160,000 per year on average over that period, representing an aggregate amount of at least \$4 million. The Board of Directors is further of the view that the number of stock options granted by Freewest to Mr. Watson is within industry norms.

Ronald Kay

The “change of control” provision in the consulting agreement with Mr. Kay was agreed to by Freewest in recognition of the fact that: (i) Mr. Kay is a founder of Freewest; (ii) he has served Freewest in various capacities for approximately 25 years, including as Chief Financial Officer; and (iii) Mr. Kay’s compensation during this period has been extremely modest when compared to that paid by many other Canadian mining-exploration companies.

Mr. Kay’s current annual compensation as Vice-President of Freewest is \$60,000. Over the past 14 fiscal years, Mr. Kay’s average annual cash compensation from Freewest has been approximately \$17,400. The Board of Directors is of the view that a lump-sum payment of \$1,250,000 to Mr. Kay will compensate him in part for the fact that he has been significantly under-compensated by Freewest for the past 25 years. The Board is of the view that Mr. Kay has been under-compensated by at least \$50,000 per year on average over that period, representing an aggregate amount of at least \$1,250,000. The Board of Directors is further of the view that the number of stock options granted by Freewest to Mr. Kay is within industry norms.

Donald Hoy

The “change of control” provision in the employment agreement with Mr. Hoy was agreed to by Freewest in recognition of the fact that: (i) Mr. Hoy has worked for Freewest for approximately 17 years, including most recently as Vice-President, Exploration; and (ii) Mr. Hoy’s compensation during this period has been extremely modest when compared to that paid by many other Canadian mining-exploration companies.

Mr. Hoy’s current annual compensation as Vice-President, Exploration of Freewest is \$125,000. Over the past 13 fiscal years, Mr. Hoy’s average annual cash compensation from Freewest has been approximately \$78,200. The Board of Directors is of the view that a lump-sum payment of \$1,250,000 to Mr. Hoy will compensate him for the fact that he has been significantly under-compensated by Freewest for the past 17 years. The Board is of the view that Mr. Hoy has been under-compensated by at least \$90,000 per year on average over that period, representing an aggregate amount of at least \$1,250,000. The Board of Directors is further of the view that the number of stock options granted by Freewest to Mr. Hoy is within industry norms.

The “change of control” provisions referred to above were adopted in order to address the fact that Freewest has not adequately compensated its three senior executives for many years. The Board of Directors is of the view that these “change of control” provisions are justified and reasonable in the circumstances. Limiting the “change of control” payments to the three senior executives to an aggregate of \$1.5 million, a condition of the Noront Offer, would not take into account the contribution of the three senior executives to Freewest, their respective levels of compensation over the past many years, and the fact that by accepting modest compensation, each put the interests of Freewest ahead of his personal interest.

MATERIAL CONTRACTS

Other than as may be set out in this Directors’ Circular, none of the directors or officers of Freewest or any of their associates, and to the knowledge of such directors and officers after reasonable inquiry, no person or company who owns more than 10% of any class of equity securities of Freewest for the time being outstanding, has any interest in any material contract to which Noront is a party.

OWNERSHIP OF SECURITIES OF FREEWEST

The following table sets out the names and positions with Freewest of each director and officer of Freewest and the number, designation and percentage of outstanding securities beneficially owned, directly or indirectly, or over which control or direction is exercised by each such person and, where known after reasonable inquiry, by each associate or affiliate of Freewest, any insider of Freewest and such insider’s associates or affiliates, and any person or company acting jointly or in concert with Freewest.

Name	Position with Freewest	Securities of Freewest beneficially owned directly or indirectly			
		Freewest Shares	% of Freewest Shares	Freewest options	% of Freewest options
Mackenzie I. Watson	President, Chief Executive and Director	1,452,001 ⁽¹⁾	0.68	3,500,000	26.1
Ronald Kay	Vice-President and Director	300,000	0.14	2,400,000	17.9
Donald Hoy	Vice-President, Exploration and Director	256,666	0.12	1,700,000	12.7
George Bryson	Director	380,000	0.18	400,000	3.0
Edward Thompson	Director	345,000	0.16	475,000	3.5
Neil Wiener	Director	1,000	0.0005	250,000	1.9
Mark Schneiderman	Chief Financial Officer and Secretary-Treasurer	50,000	0.02	710,000	5.3

(1) Of these shares, 69,100 are beneficially owned by Rena Watson, the spouse of Mackenzie I. Watson.

INTENTION OF DIRECTORS AND OFFICERS WITH RESPECT TO THE NORONT OFFER

Each of the directors and officers of Freewest has indicated that he has not accepted, and does not intend to accept, the Noront Offer. To the knowledge of the directors and officers of Freewest, after reasonable enquiry, no associate or affiliate of Freewest nor any insider of Freewest, nor any of such insider's associates or affiliates nor any person or company acting jointly or in concert with Freewest has indicated that they have tendered or intend to tender any Freewest Shares to the Noront Offer.

PRINCIPAL SHAREHOLDERS

As of October 23, 2009, to the best knowledge of Freewest, no person beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the Freewest Shares.

TRADING IN SECURITIES OF FREEWEST

Except as set out below, during the six months preceding the date hereof, none of Freewest, the directors, officers or other insiders of Freewest or, to the knowledge of the directors and officers of Freewest, after reasonable inquiry, any of their respective associates or affiliates or any person or company acting jointly or in concert with Freewest, has traded any securities of Freewest.

Name	Nature of trade	Date of trade	Number of Freewest Shares	Price per Freewest Share
George Bryson	Purchase in public market	September 2, 2009	6,000	\$0.225
	Purchase in public market	September 2, 2009	44,000	0.23
Barbara Kay ⁽¹⁾	Sale in public market	October 7, 2009	50,000	0.405

(1) Barbara Kay is the spouse of Ronald Kay, Vice-President and a director of Freewest. These shares were beneficially owned, indirectly, by Mrs. Kay.

ISSUANCES OF SECURITIES OF FREEWEST

No Freewest Shares or other securities convertible or exchangeable into Freewest Shares have been issued to the current directors or officers of Freewest or other insiders of Freewest during the two years preceding the date hereof, other than as set out in the following table:

<u>Name</u>	<u>Nature of transaction</u>	<u>Date of transaction</u>	<u>Number of Freewest Shares</u>	<u>Price per Freewest Share</u>
Mackenzie I. Watson	Exercise of options	September 11, 2008	200,000	\$0.20
Ronald Kay	Exercise of options	December 4, 2007	100,000	0.20
	Exercise of options	September 11, 2008	200,000	0.20
Donald Hoy	Exercise of options	September 10, 2008	150,000	0.20
George Bryson	Exercise of warrants	November 2, 2007	112,000	0.25
	Exercise of options	March 12, 2008	100,000	0.20
Edward Thompson	Exercise of warrants	December 5, 2007	110,000	0.25
	Exercise of options	September 3, 2008	50,000	0.20
Mark Schneiderman	Exercise of options	September 11, 2008	50,000	0.20

The following table sets out all grants of stock options by Freewest to the current directors and officers of Freewest during the two years preceding the date hereof. All of these options were granted under the Stock Option Plan established by Freewest in 1997 or the 2003 Stock Option Plan.

<u>Grantee</u>	<u>Number of Freewest Shares subject to option</u>	<u>Date of grant</u>	<u>Exercise price</u>	<u>Expiry date</u>
Mackenzie I. Watson	300,000	July 7, 2008	\$0.30	July 7, 2013
	500,000	September 2, 2008	0.30	September 2, 2013
	400,000	September 8, 2008	0.30	September 8, 2013
	300,000	January 21, 2009	0.25	January 21, 2014
Ronald Kay	200,000	July 7, 2008	0.30	July 7, 2013
	300,000	September 2, 2008	0.30	September 2, 2013
	300,000	September 8, 2008	0.30	September 8, 2013
	300,000	January 21, 2009	0.25	January 21, 2014
Donald Hoy	100,000	September 2, 2008	0.30	September 2, 2013
	200,000	September 8, 2008	0.30	September 8, 2013
	300,000	January 21, 2009	0.25	January 21, 2014
George Bryson	50,000	July 7, 2008	0.30	July 7, 2013
	50,000	September 2, 2008	0.30	September 2, 2013
	100,000	September 8, 2008	0.30	September 8, 2013
Edward Thompson	50,000	July 7, 2008	0.30	July 7, 2013
	100,000	September 8, 2008	0.30	September 8, 2013
Neil Wiener	50,000	September 2, 2008	0.30	September 2, 2013

Grantee	Number of Freewest Shares subject to option	Date of grant	Exercise price	Expiry date
Mark Schneiderman.....	100,000	July 7, 2008	0.30	July 7, 2013
	100,000	September 2, 2008	0.30	September 2, 2013
	50,000	September 8, 2008	0.30	September 8, 2013

OWNERSHIP OF SECURITIES OF NORONT

Neither Freewest nor any of the directors or officers of Freewest or, to their knowledge after reasonable enquiry, any associate or affiliate of Freewest, any insider of Freewest or any such insider's associates or affiliates or any person acting jointly or in concert with Freewest, owns, directly or indirectly, or exercises control or direction over, any securities of Noront.

MATERIAL CHANGES IN THE AFFAIRS OF FREEWEST

Except as otherwise described or referred to in this Directors' Circular, no other information is known to the directors or officers of Freewest that indicates any material change in the affairs or prospects of Freewest since July 31, 2009, the date of Freewest's most recent interim financial statements.

OTHER INFORMATION

Except as disclosed in this Directors' Circular, there is no information that is known to the directors and officers of Freewest that would reasonably be expected to affect the decision of the holders of Freewest Shares (or securities convertible into Freewest Shares) to accept or reject the Noront Offer.

PERSONS OR ASSETS EMPLOYED, COMPENSATED OR USED

CIBC was retained to render financial advisory services to the Board of Directors and Special Committee in connection with the analysis and consideration of, and response to, the Noront Offer. Freewest will pay CIBC reasonable and customary compensation for its services and will reimburse CIBC for its reasonable out-of-pocket expenses. Freewest has agreed to indemnify CIBC against certain liabilities arising out of or in connection with its engagement.

Except as set forth above, neither Freewest nor any person acting on its behalf has employed, retained or agreed to compensate any person making solicitations or recommendations to Freewest Shareholders in connection with the Noront Offer.

STATUTORY RIGHTS

Securities legislation in the provinces and territories of Canada provides security holders of the offeree issuer with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

AVAILABILITY OF DOCUMENTS

Freewest is a reporting issuer or equivalent in Québec, Ontario, British Columbia and Alberta and files its continuous disclosure documents and other documents with the securities authorities of such provinces. Freewest's continuous disclosure documents are available at www.sedar.com.

APPROVAL OF THE DIRECTORS' CIRCULAR

The contents of this Directors' Circular and the delivery thereof have been approved and authorized by the Board of Directors of Freewest.

CONSENT OF CIBC WORLD MARKETS INC.

To: The Special Committee of the Board of Directors of Freewest Resources Canada Inc.

CIBC World Markets Inc. hereby consents to the references in the Directors' Circular dated October 27, 2009 (the "**Circular**") of Freewest Resources Canada Inc. (the "**Corporation**") to our firm's name and to our opinion letter dated October 27, 2009 (the "**CIBC Opinion**") addressed to the special committee (the "**Special Committee**") of the Corporation's board of directors (the "**Board of Directors**"), and to the inclusion of a copy of the CIBC Opinion as Schedule B to the Circular. In providing our consent, we do not intend or permit that any person other than the Special Committee or the Board of Directors may rely upon the CIBC Opinion.

DATED at Toronto, Canada this 27th day of October, 2009.

CIBC World Markets Inc.

CERTIFICATE

October 27, 2009

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

On behalf of the Board of Directors

(signed) Edward Thompson
Chairman of the Special Committee of the Board of Directors

(signed) Mackenzie I. Watson
President, Chief Executive Officer and Director

**SCHEDULE A
GLOSSARY OF TERMS**

The following provides the definition of certain terms used in this Directors' Circular.

"Board of Directors" means the Board of Directors of Freewest, consisting of Mackenzie I. Watson, Ronald Kay, Donald Hoy, George Bryson, Edward Thompson and Neil Wiener.

"CIBC" means CIBC World Markets Inc.

"Directors' Circular" means this Directors' Circular dated October 27, 2009.

"Freewest" means Freewest Resources Canada Inc., a corporation incorporated under the *Canada Business Corporations Act*, having its registered office at 1155 University Street, Suite 1308, Montreal, Québec H3B 3A7.

"Freewest Shareholders" means the holders of Freewest Shares.

"Freewest Shares" means the common shares of Freewest.

"Heenan Blaikie" means Heenan Blaikie LLP, counsel to Freewest.

"Noront" means Noront Resources Ltd., a corporation incorporated under the *Business Corporations Act (Ontario)*, having its head office and principal place of business at 15 Toronto Street, Suite 1000, Toronto, Ontario M5C 2E3.

"Noront Circular" means the circular dated October 13, 2009 accompanying the Noront Offer.

"Noront Offer" means the unsolicited offer dated October 13, 2009 made by Noront to acquire all of the issued and outstanding Freewest Shares.

"Noront Shares" means the common shares of Noront.

"Quest" means Quest Uranium Corporation.

"Rights" means rights issued pursuant to the Rights Plan.

"Rights Plan" means the Freewest Shareholder Rights Plan Agreement dated as of March 20, 2008 between Freewest and Computershare Investor Services Inc.

"Special Committee" means the special committee of the Board of Directors, consisting of George Bryson and Edward Thompson.

SCHEDULE B
OPINION OF CIBC WORLD MARKETS INC.



CIBC World Markets Inc.
Brookfield Place
161 Bay Street, 6th Floor
Toronto ON M5J 2S8
Tel: 416 594-7000

October 27, 2009

The Special Committee and Board of Directors of
Freewest Resources Canada Inc.
1155 University Street
Suite 1308
Montreal, Quebec H3B 3A7

To the Special Committee and Board of Directors:

CIBC World Markets Inc. ("CIBC", "we" or "us") understands that Noront Resources Ltd. ("Noront" or the "Offeror") has made an offer (the "Offer") to purchase all of the outstanding common shares of Freewest Resources Canada Inc. ("Freewest" or the "Company") on the basis of 0.25 of a common share of the Offeror and \$0.0001 cash for each common share of Freewest (the "Consideration"). The terms and conditions of the Offer are described in the Offeror's offer and take-over bid circular dated October 13, 2009 (the "Take-over Bid Circular"). We understand that the Company's board of directors (the "Board of Directors") has appointed a special committee (the "Special Committee") to consider the implications of the Offer and to make recommendations to the Board of Directors concerning the Offer and responses thereto, including considering potential transactions that might be pursued by the Company as an alternative to the Offer.

Engagement of CIBC

By letter agreement dated April 28, 2009 as amended October 6, 2009 (the "Engagement Agreement"), the Company retained CIBC to act as financial advisor to the Company and the Board of Directors in connection with the Offer and the consideration of potential strategic alternatives to create value for Freewest's shareholders (the "Shareholders"). Pursuant to the Engagement Agreement, the Special Committee has requested that we prepare and deliver to the Special Committee and Board of Directors our written opinion (the "Opinion") as to the adequacy, from a financial point of view, of the Consideration offered pursuant to the Offer to the Shareholders, other than the Offeror.

CIBC will be paid a fee for rendering the Opinion and will be paid an additional fee that is contingent upon the completion of the Offer or any alternative transaction. The Company has also agreed to reimburse CIBC for its reasonable out-of-pocket expenses and to indemnify CIBC in respect of certain liabilities that might arise out of our engagement.

Credentials of CIBC

CIBC is one of Canada's largest investment banking firms with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. The Opinion expressed herein is the opinion of CIBC and the form and content herein have been approved for release by a committee of its managing



directors and internal counsel, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

Scope of Review

In connection with rendering our Opinion, we have reviewed and relied upon, among other things, the following:

- (i) the Take-over Bid Circular;
- (ii) a draft dated October 26, 2009 of the Company's directors' circular prepared in response to the Offer;
- (iii) the annual reports, including the comparative audited financial statements and management's discussion and analysis, of Freewest for the fiscal years ended October 31, 2006, 2007, and 2008;
- (iv) the interim reports, including the comparative unaudited financial statements and management's discussion and analysis, of Freewest for the quarters ended January 31, 2009, April 30, 2009 and July 31, 2009;
- (v) the management information circular of the Company dated March 20, 2009 relating to the annual meeting of shareholders held on April 23, 2009;
- (vi) selected management presentations and press releases of Freewest;
- (vii) the Shareholder Rights Plan of Freewest dated March 20, 2008;
- (viii) global assessment of Freewest's chromite deposits prepared by Micon International Limited (October 20, 2009);
- (ix) technical report on the Big Daddy Chromite Deposit and Associated Ni-Cu-PGE prepared by Micon International Limited (March 31, 2009) and on the Clarence Stream Gold Project prepared by Scott Wilson Roscoe Postle Associates Inc. (June 17, 2008);
- (x) draft Fall 2008 to Winter 2009 Technical Drill Report on Freewest's chromite deposits and Associated Ni-Cu-PGEs prepared by Freewest;
- (xi) mineral resource inventory estimates and drillhole data bases prepared by Freewest;
- (xii) the annual reports, including the comparative audited financial statements and management's discussion and analysis, of Noront for the fiscal years ended April 30, 2008 and 2009;



- (xiii) the interim report, including the comparative unaudited financial statements and management's discussion and analysis, of Noront for the quarter ended July 31, 2009;
- (xiv) selected management presentations and press releases of Noront;
- (xv) the annual information form of Noront dated September 30, 2009;
- (xvi) selected public market trading statistics and relevant financial information of Freewest, Noront and other publicly-traded entities;
- (xvii) selected financial statistics and relevant financial information with respect to relevant precedent transactions;
- (xviii) selected relevant reports published by equity research analysts and industry sources regarding Noront and other comparable publicly-traded entities; and
- (xix) such other information, analyses, investigations and discussions as we considered necessary or appropriate in the circumstances.

CIBC has also participated in discussions regarding the Offer and related matters with Heenan Blaikie LLP, legal counsel to the Company, the Board of Directors and the Special Committee in connection with responding to the Offer.

In addition, we have participated in discussions with members of the senior management of Freewest regarding past and current business operations, financial condition and future prospects.

Assumptions and Limitations

Our Opinion is subject to the assumptions, explanations and limitations set forth below.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of any of the assets or securities of the Company, the Offeror or any of their respective affiliates and our Opinion should not be construed as such.

With your permission, we have relied upon, and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Company or its advisors or otherwise obtained by us pursuant to our engagement, and our Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations. We have not met separately with the independent auditors of the Company in connection with preparing this Opinion and, with your permission, we have assumed the accuracy and fair presentation of, and relied upon, the Company's audited financial statements and the reports of the auditors thereon.



With respect to the historical financial data, operating and financial forecasts and budgets provided to us concerning the Company and relied upon in our financial analyses, we have assumed (subject to the exercise of our professional judgment) that they have been reasonably prepared on bases reflecting the most reasonable assumptions, estimates and judgments of management of the Company, having regard to the Company's business, plans, financial condition and prospects.

The Company has represented to us, in a certificate of two senior officers of the Company dated the date hereof, among other things, that the information, data and other material (financial or otherwise) provided to us by or on behalf of the Company, including the written information and discussions concerning the Company referred to above under the heading "Scope of Review" (collectively, the "Information"), are complete and correct at the date the Information was provided to us and that, since the date of the Information, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Offer or the sufficiency of this opinion for your purposes.

Our Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company as they are reflected in the Information and as they were represented to us in our discussions with management of the Company and its affiliates. In our analyses and in connection with the preparation of our Opinion, we made numerous assumptions with respect to industry performance, general business, markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Offer.

The Opinion is being provided to the Special Committee and Board of Directors for their exclusive use only in considering the Offer and may not be published, disclosed to any other person, relied upon by any other person, or used for any other purpose, without the prior written consent of CIBC. Our Opinion is not intended to be and does not constitute a recommendation to any Shareholder to accept or reject the Offer.

CIBC believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to carry out such could lead to undue emphasis on any particular factor or analysis.

The Opinion is given as of the date hereof and, although we reserve the right to change or withdraw the Opinion if we learn that any of the information that we relied upon in preparing



the Opinion was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the Opinion, to advise any person of any change that may come to our attention or to update the Opinion after the date of this Opinion.

Opinion

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our opinion, as of the date hereof, that the Consideration offered to Shareholders pursuant to the Offer is inadequate, from a financial point of view, to Shareholders other than the Offeror.

Yours very truly,

CIBC World Markets Inc.

Please direct all enquires to:

Freewest Resources Canada Inc.

1155 University Street
Suite 1308
Montreal, Québec
H3B 3A7

Toll Free: 1-888-878-3551

E-mail: info@freewest.com

Facsimile: (514) 878-4427