

Interim Condensed
Consolidated Financial Statements

NOBLE IRON INC.
(formerly Texada Software Inc.)

For the six months ended June 30, 2012 and 2011
(Unaudited)

**MANAGEMENT'S COMMENTS ON
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of Texada Software Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited interim consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and reflect management's best estimates and judgment based on information currently available. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

NOBLE IRON INC. (formerly Texada Software Inc.)

Interim Condensed Consolidated Statements of Financial Position
(Unaudited)

As at June 30, 2012 and December 31, 2011

	June 30, 2012	December 31, 2011
Assets		
Current assets:		
Cash	\$ 5,608,031	\$ 1,978,219
Accounts receivable	2,960,570	2,326,136
Inventory	329,512	327,314
Prepaid expenses and other assets	348,225	546,330
	<u>9,246,338</u>	<u>5,177,999</u>
Indemnity fund	212,104	203,400
Property and equipment (note 3)	19,207,867	17,546,769
Intangible assets (note 4)	1,219,695	1,204,401
Loan receivable	87,500	87,500
	<u>\$ 29,973,504</u>	<u>\$ 24,220,069</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,499,986	\$ 2,282,538
Deferred revenue	343,760	311,238
Current portion of license obligation	199,501	195,567
Current portion of long-term debt	-	1,199,879
	<u>3,043,247</u>	<u>3,989,222</u>
License obligation	658,400	756,719
Long-term debt (note 5)	15,076,792	11,818,140
Deferred income tax liability	1,262,000	1,522,000
Shareholders' equity:		
Share capital (note 6)	25,253,789	20,675,595
Contributed surplus	2,742,721	2,658,583
Accumulated other comprehensive income	442,856	373,783
Deficit	(18,506,301)	(17,573,973)
	<u>9,933,065</u>	<u>6,133,988</u>
	<u>\$ 29,973,504</u>	<u>\$ 24,220,069</u>

See accompanying notes to interim unaudited condensed consolidated financial statements.

NOBLE IRON INC. (formerly Texada Software Inc.)

Interim Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

Six months ended June 30, 2012 and 2011

	Three Months Ended		Six Months Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Revenue:				
Software and services	\$ 1,121,608	\$ 1,197,683	\$ 2,563,644	\$ 2,299,782
Rental	2,925,378	-	5,485,523	-
	<u>4,046,986</u>	<u>1,197,683</u>	<u>8,049,167</u>	<u>2,299,782</u>
Cost of revenue:				
Software and services	137,713	132,704	288,015	299,690
Rental	921,205	-	1,826,447	-
	<u>1,058,918</u>	<u>132,704</u>	<u>2,114,462</u>	<u>299,690</u>
Gross profit	2,988,068	1,064,979	5,934,705	2,000,092
Operating expenses:				
Support, maintenance and delivery	1,478,354	357,960	2,898,443	683,433
Sales and marketing	288,758	75,396	573,250	176,117
Research and development	149,272	183,550	409,494	374,107
General and administration	1,547,963	489,403	2,758,716	887,113
	<u>3,464,348</u>	<u>1,106,309</u>	<u>6,639,904</u>	<u>2,120,770</u>
Loss from operations	(476,280)	(41,330)	(705,199)	(120,678)
Financing costs:				
Interest expense	239,872	16,346	505,193	33,384
Interest expense on convertible debentures	-	35,800	-	70,229
Accretion on convertible debentures	-	18,732	-	36,596
Foreign exchange loss (gain)	(10,180)	(5,099)	(18,064)	12,672
	<u>229,692</u>	<u>65,779</u>	<u>487,129</u>	<u>152,881</u>
Loss before income taxes	(705,972)	(107,109)	(1,192,328)	(273,559)
Deferred income tax expense (recovery)	(180,000)	-	(260,000)	-
Net loss	(525,972)	(107,109)	(932,328)	(273,559)
Other comprehensive income (loss):				
Foreign currency translation adjustment	200,481	(10,687)	69,073	(4,651)
Total comprehensive loss	\$ (325,491)	\$ (117,796)	\$ (863,255)	\$ (278,208)
Net earnings (loss) per share: (note 7)				
Basic	\$ (0.04)	\$ (0.04)	\$ (0.07)	\$ (0.11)
Diluted	\$ (0.04)	\$ (0.04)	\$ (0.07)	\$ (0.11)
Weighted average number of shares outstanding: (note 7)				
Basic	12,671,262	2,555,470	12,613,187	2,555,470
Diluted	13,151,056	2,555,470	13,092,981	2,555,470

See accompanying notes to interim unaudited consolidated financial statements.

NOBLE IRON INC. (formerly Texada Software Inc.)

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Unaudited)

Six months ended June 30, 2012 and 2011

	Share capital	Convertible debentures conversion option	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
Balance, January 1, 2011	\$ 15,571,062	\$ 139,717	\$ 2,412,107	\$ 105,856	\$ (19,250,350)	\$ (1,021,608)
Stock-based compensation	-	-	36,043	-	-	36,043
Other comprehensive income - foreign currency translation adjustment	-	-	-	(4,651)	-	(4,651)
Net loss	-	-	-	-	(273,209)	(273,209)
Balance, June 30, 2011	15,571,062	139,717	2,448,150	101,205	(19,523,909)	(1,263,775)
Balance, December 31, 2011	\$ 20,675,595	\$ -	\$ 2,658,583	\$ 373,783	\$ (17,573,973)	\$ 6,133,988
Stock-based compensation	-	-	84,632	-	-	84,632
Share capital issuance	4,572,400	-	-	-	-	4,572,400
Share capital issuance - exercise of share options	5,794	-	(494)	-	-	5,300
Other comprehensive income - foreign currency translation adjustment	-	-	-	69,073	-	69,073
Net loss	-	-	-	-	(932,328)	(932,328)
Balance, June 30, 2012	\$ 25,253,789	\$ -	\$ 2,742,721	\$ 442,856	\$ (18,506,301)	\$ 9,933,065

See accompanying notes to interim unaudited condensed consolidated financial statements.

NOBLE IRON INC. (formerly Texada Software Inc.)

Interim Condensed Consolidated Statements of Cash Flows
(Unaudited)

Six months ended June 30, 2012 and 2011

	June 30, 2012	June 30, 2011
Cash provided by (used in):		
Operations:		
Net loss	\$ (932,328)	\$ (273,559)
Items not involving cash:		
Amortization	1,561,812	8,474
Stock-based compensation	84,634	36,043
Interest expense	505,193	33,384
Gain on property and equipment disposals	(172,284)	-
Interest on convertible debentures added to principal	-	70,229
Accretion on convertible debentures	-	36,596
Unrealized foreign exchange gain	(37,854)	(4,651)
Tax recovery	(260,000)	-
Change in non-cash operating working capital (note 8)	(213,111)	(97,663)
	536,062	(97,291)
Investing activities:		
Proceeds on sale of property and equipment	353,705	-
Purchase of property and equipment	(3,257,158)	(24,022)
Acquisition of intangible assets	(70,438)	-
	(2,973,891)	(24,022)
Financing activities:		
Proceeds from issuance of common shares	4,577,700	-
Proceeds from long-term debt	16,248,489	-
Repayment of long-term debt	(14,144,145)	-
Interest paid	(515,728)	(222)
Repayment of license obligation	(94,385)	-
	6,071,660	(222)
Effect of exchange rate changes on cash	(4,019)	7,058
Increase (decrease) in cash	3,629,812	(13,007)
Cash, beginning of period	1,978,219	851,371
Cash, end of period	\$ 5,608,031	\$ 838,364

See accompanying notes to interim unaudited condensed consolidated financial statements.

NOBLE IRON INC. (formerly Texada Software Inc.)

Notes to Interim Condensed Consolidated Financial Statements

Period ended June 30, 2012 and 2011

1. Reporting entity:

Noble Iron Inc. (the "Company") was incorporated under the Company's Act (British Columbia). On July 23, 2012, the Company changed its name to Noble Iron Inc. from Texada Software Inc. The address of the Company's registered office is located at 3411 Richmond Avenue, Suite 450, Houston, Texas. The interim condensed consolidated financial statements of the Company as at and for the six months ended June 30, 2012 and 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

On July 23, 2012, the Company completed the consolidation of its outstanding common shares on the basis of one (1) new common share for every five (5) old common shares. All references in these financial statements to number of shares reflect this consolidation as if it took place on December 31, 2010.

Noble Iron Inc. (TSXV: NIR), operates in three complementary sectors: equipment rental, equipment dealership and enterprise software, for the construction and industrial equipment industry.

The Company operates its equipment rental business and dealership under the name "Noble Iron." Noble Iron rental depots currently serve customers in California and Texas. Noble Iron's dealership offers select manufacturers' equipment and accessories for sale, and is the exclusive distributor of LiuGong Construction Machinery equipment in Southeast Texas.

The Company's software division, Texada Software, provides software applications to manage the complete equipment ownership lifecycle, from acquisition, rental, sales and other activities, through to disposal. Texada offers in-the-cloud or client-based software, and is scalable to meet the needs of any customer.

2. Basis of preparation:

(a) Statement of compliance:

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These interim condensed consolidated financial statements should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2011. These condensed consolidated interim financial statements were approved by the Audit Committee of the Board of Directors on August 29, 2012.

NOBLE IRON INC. (formerly Texada Software Inc.)

Notes to Interim Condensed Consolidated Financial Statements, continued

Period ended June 30, 2012 and 2011

2. Basis of preparation (continued):

(b) Basis of measurement:

The interim condensed consolidated financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency:

The functional currency of the Group's entities is the currency of their primary economic environment.

In individual companies, transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at year-end rates. Any resulting exchange differences are taken to the statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

On consolidation, assets and liabilities of Group entities reported in their functional currencies are translated into the Canadian dollar at the exchange rate on the reporting date.

The functional currency of the Company's Canadian operations is the Canadian dollar. The functional currency of the Company's subsidiary operations located in the United States is the US dollar and for its operations in Australia, the Australian dollar.

3. Property and equipment:

During the six months ended June 30, 2012 additions to property and equipment were \$3,257,158 (2011 - \$24,022). The net book value of disposals of property and equipment was \$181,421 during the six months ended June 30, 2012 (2011 - nil).

4. Intangible assets:

During the six months ended June 30, 2012 additions to intangible assets were \$70,438 (2011 - nil). There were no disposals of intangibles in 2012 or 2011.

NOBLE IRON INC. (formerly Texada Software Inc.)

Notes to Interim Condensed Consolidated Financial Statements, continued

Period ended June 30, 2012 and 2011

5. Long-term debt:

During the most recent quarter end, the Company's U.S. subsidiary completed a recapitalization of its long-term debt. The existing debt facilities were repaid with the proceeds of the new loan facility. The salient terms of this loan facility are as follows:

- \$25.0 MI. U.S. Revolving Senior Secured Line of Credit Facility with a four year term;
- Interest rate of one month LIBOR plus 325 basis points; no scheduled principal payments;
- A total of \$13.2 MI. U.S. funded at closing leaving \$11.8 MI. undrawn and available, subject to applicable borrowing base determined by the value of rental fleet, accounts receivable and inventory.

The facility operates with a daily cash sweep against outstanding debt with no scheduled principal payments during the four year term. The facility is evidenced by a revolving note and security for the facility includes a continuing first charge security interest in all of the U.S. subsidiary's assets and undertakings. Noble Rents Inc. has provided a corporate guarantee of the facility supported by a pledge of its common shares in the borrower.

As there are no scheduled principal repayments on the facility in the next 12 months, the full amount of the debt has been shown as long-term in the Company's interim condensed consolidated statements of financial position as of June 30, 2012.

6. Share capital:

(a) Authorized:

100,000,000 preferred shares without par value, assumable in one or more series. An unlimited number of common shares without par value.

(b) Issued:

On July 23, 2012, the Company completed the consolidation of its outstanding common shares on the basis of one (1) new common share for every five (5) old common shares. All references in these financial statements to number of shares reflect this consolidation as if it took place on December 31, 2010.

The Company had 17,181,635 Issued and outstanding common shares as at June 30, 2012. During the six month ended June 30, 2012 the Company issued a total of 4,627,170 common shares, including 126,110 under a shares for debt transaction, 1,060 on the exercise of share options and 4,500,000 shares in conjunction with the closing of a private placement.

NOBLE IRON INC. (formerly Texada Software Inc.)

Notes to Interim Condensed Consolidated Financial Statements, continued

Period ended June 30, 2012 and 2011

7. Net earnings per share:

The computations for basic and diluted earnings per share for the six months ended June 30, 2012 are as follows:

	2012	2011
Net loss	\$ (932,328)	\$ (273,559)
Weighted average number of common shares outstanding:		
Basic	12,613,187	2,555,470
Diluted	13,092,981	2,555,470
Net loss per share:		
Basic	\$ (0.07)	\$ (0.11)
Diluted	\$ (0.07)	\$ (0.11)

8. Changes in non-cash operating working capital:

	2012	2011
Accounts receivable	\$ (634,434)	\$ 30,115
Inventory	(2,198)	-
Prepaid expenses and other assets	198,105	(7,440)
Accounts payable and accrued liabilities	192,894	7,360
Deferred revenue	32,522	67,628
	\$ (213,111)	\$ 97,663

NOBLE IRON INC. (formerly Texada Software Inc.)

Notes to Interim Condensed Consolidated Financial Statements, continued

Period ended June 30, 2012 and 2011

9. Segmented information:

The Company currently operates in two reportable segments being, i) equipment rental and, ii) the development and distribution of enterprise asset and rental management software and related services to rental companies and other organizations.

The Company's external revenue by geographic region is based on the region in which the revenue is transacted. Property and equipment, intangible and other assets are based on the geographic region in which the Company operates.

NOBLE IRON INC. (formerly Texada Software Inc.)

Notes to Interim Condensed Consolidated Financial Statements, continued

Period ended June 30, 2012 and 2011

9. Segmented information (continued):

(In 000's) Revenue by Reportable Segment	Six months ended June 30,	
	2012	2011
Equipment rental	\$ 5,486	\$ -
Software licenses and services	2,563	2,300
	<u>\$ 8,049</u>	<u>\$ 2,300</u>

(In 000's) Net loss by Reportable Segment	Six months ended June 30,	
	2012	2011
Equipment rental	\$ (151)	\$ -
Software licenses and services	546	238
	<u>395</u>	<u>238</u>
Less:		
Corporate expenses	(1,288)	(372)
Interest expense	(39)	(33)
Interest expense and accretion on convertible debentures	-	(107)
	<u>\$ (932)</u>	<u>\$ (274)</u>

(In 000's) Property and Equipment, Intangible Assets and Other Assets by Reportable Segment	June 30, 2012	December 31, 2011
Equipment rental	\$ 19,774	\$ 17,926
Software licenses and services	953	1,116
	<u>\$ 20,727</u>	<u>\$ 19,042</u>

(In 000's) Revenue by Geographic Segment	Six months ended June 30,	
	2012	2011
North America	\$ 7,685	\$ 1,756
Australia & New Zealand	364	544
	<u>\$ 8,049</u>	<u>\$ 2,300</u>

(In 000's) Property and Equipment, Intangible Assets and Other Assets by Geographic Segment	June 30, 2012	December 31, 2011
North America	\$ 20,714	\$ 19,027
Australia	13	15
	<u>\$ 20,727</u>	<u>\$ 19,042</u>

NOBLE IRON INC. (formerly Texada Software Inc.)

Notes to Interim Condensed Consolidated Financial Statements, continued

Period ended June 30, 2012 and 2011

9. Segmented information (continued):

For the six months ended June 30, 2012, one customer accounted for 10% of total Company revenue. For the six months ended June 30, 2011, two customers accounted for 27% of revenue. As at June 30, 2012, and December 31, 2011, no one customer accounted for more than 10% of the accounts receivable balance.

10. Subsequent events:

- (i) On July 23, 2012, the Company changed its name to Noble Iron Inc. from Texada Software Inc. Also on that date, the Company completed the consolidation of its outstanding common shares on the basis of one (1) new common share for every five (5) old common shares. All references in these financial statements to number of shares reflect this consolidation as if it took place on December 31, 2010.

- (ii) Subsequent to June 30, 2012, the Company completed the purchase of selected operating assets of Bane Machinery Houston LP ("Bane"), located in Houston, Texas. The total consideration of the transaction was approximately \$2.2 U.S. and was paid in cash. In conjunction with the acquisition of the assets of the business acquired, including an extensive, active customer list, the Company retained all the employees of the business and entered into a lease on the property where the business is conducted. None of Bane's liabilities were assumed as part of the acquisition of the assets.

The business will operate a full rental and distribution location (CELL: Centralized Equipment Logistics Location ™) serving southeast Texas. The transaction will allow the Company to expand its operational footprint and its strong relationship with key equipment suppliers

The accounting for the acquisition is not complete, and accordingly no disclosure of fair value of the consideration received is available at this time.