Consolidated Financial Statements

NOBLE IRON INC.

Years ended December 31, 2013 and 2012

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Noble Iron Inc.

We have audited the accompanying consolidated financial statements of Noble Iron Inc., which comprise the consolidated statements of financial position as at December 31, 2013 and December 31, 2012, the consolidated statements of comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Noble Iron Inc. as at December 31, 2013 and December 31, 2012, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

April 30, 2014

London, Canada

NOBLE IRON INC.

Consolidated Statements of Financial Position

As at December 31, 2013 and 2012

In Canadian Dollars

	2013	2012
Assets		
Current assets:		
Cash	$ 2,658,204	$ 1,821,226
Accounts receivable (note 21 (c))	2,994,819	3,162,352
Inventories (note 6)	482,833	322,728
Current portion of loans receivable (note19)	-	52,500
Prepaid expenses and other assets	943,387	700,450
	7,079,243	6,059,256
Property and equipment (note 7)	34,567,954	27,058,433
Intangible assets (note 8)	1,366,108	1,628,994
Loans receivable (note 19)	119,015	35,000
Deferred tax asset (note 12)	906,388	-
	$ 44,038,708	$ 34,781,683
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,620,645	$ 2,473,565
Other current liabilities (note 9)	2,996,469	2,438,946
Deferred revenue	238,473	260,153
Current portion of license obligation (note 10)	240,040	207,070
Current portion of long-term debt (note 11)	221,910	570,298
	5,317,536	5,950,032
License obligation (note 10)	330,306	532,449
Long-term debt (note 11)	27,931,286	19,035,208
Deferred tax liability (note 12)	794,900	308,000
Shareholders' equity:		
Share capital (note 13)	30,502,004	25,261,920
Contributed surplus	2,997,045	2,884,903
Accumulated other comprehensive income	497,073	197,733
Deficit	(24,331,443)	(19,388,562)
	9,664,679	8,955,994
Commitments (note 10 and 17)		
	$ 44,038,708	$ 34,781,683

See accompanying notes to consolidated financial statements

On behalf of the Board:

/s/ Nabil Kassam Director

/s/ Ron Schwarz Director

NOBLE IRON INC.

Consolidated Statements of Comprehensive Income (Loss)

Years ended December 31, 2013 and 2012

In Canadian Dollars

	2013	2012
Revenue:		
Rental and distribution (note 16)	$ 15,539,722	$ 11,399,587
Software and services	4,710,903	4,765,215
	20,250,625	16,164,802
Cost of revenue:		
Rental and distribution	8,143,250	4,385,919
Software and services	527,335	539,279
	8,670,585	4,925,198
Gross profit	11,580,040	11,239,604
Operating expenses (revenue):		
Support, maintenance and delivery	6,692,905	6,353,408
Research and development	784,345	865,056
Sales and marketing	1,212,320	1,398,505
General and administration	7,337,491	5,806,156
Gain on fair value increment on acquisition net of income taxes (note 4)	-	(243,354)
Business acquisition expenses (note 4)	-	10,229
Gain on expiry of default judgment (note 5)	-	(691,424)
	16,027,061	13,498,576
Loss from operations	(4,447,021)	(2,258,972)
Finance costs:		
Interest expense	906,405	910,009
Foreign exchange loss	45,008	76,157
	951,413	986,166
Loss before income taxes	(5,398,434)	(3,245,138)
Income tax recovery (note 12)	(455,553)	(1,430,549)
Net loss	(4,942,881)	(1,814,589)
Other comprehensive income (loss):		
Items that will not be reclassified to net loss:		
Foreign currency translation adjustment	299,340	(176,050)
Total comprehensive loss	$ (4,643,541)	$ (1,990,639)
Net loss per share (note 14)		
Basic and diluted	$ (0.24)	$ (0.12)

See accompanying notes to consolidated financial statements

NOBLE IRON INC.

Consolidated Statements of Changes in Shareholders' Equity

Years ended December 31, 2013 and 2012

In Canadian Dollars

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
Balance, December 31, 2011	$ 20,675,595	$ 2,658,583	$ 373,783	$ (17,573,973)	$ 6,133,988
Stock-based compensation (note 13)	-	228,278	-	-	228,278
Share capital issuance (note 13)	4,572,400	-	-	-	4,572,400
Share capital issuance - exercise of options (note 13)	13,925	(1,958)	-	-	11,967
Net loss	-	-	-	(1,814,589)	(1,814,589)
Other comprehensive loss - foreign currency translation adjustment	-	-	(176,050)	-	(176,050)
Total comprehensive loss	-	-	(176,050)	(1,814,589)	(1,990,639)
Balance, December 31, 2012	$ 25,261,920	$ 2,884,903	$ 197,733	$ (19,388,562)	$ 8,955,994
Stock-based compensation (note 13)	-	229,344	-	-	229,344
Share capital issuance (note 13)	5,040,704		-	-	5,040,704
Share capital issuance - exercise of options (note 13)	199,380	(117,202)	-	-	82,178
Net loss	-	-	-	(4,942,881)	(4,942,881)
Other comprehensive income - foreign currency translation adjustment	-	-	299,340	-	299,340
Total comprehensive income (loss)	-	-	299,340	(4,942,881)	(4,643,541)
Balance, December 31, 2013	$ 30,502,004	$ 2,997,045	$ 497,073	$ (24,331,443)	$ 9,664,679

See accompanying notes to consolidated financial statements

NOBLE IRON INC.

Consolidated Statements of Cash Flows

Years ended December 31, 2013 and 2012
In Canadian Dollars

	2013	2012
Cash provided by (used in):		
Operating activities:		
Net loss	$ (4,942,881)	$ (1,814,589)
Items not involving cash:		
Depreciation and amortization	6,402,212	3,910,463
Stock-based compensation	229,344	228,278
Interest expense	906,405	910,009
Gain on disposal of property and equipment	(39,811)	(165,422)
Gain on fair value increment on acquisition net of income taxes (note 4)	-	(243,354)
Gain on expiry of default judgment (note 5)	-	(691,424)
Unrealized foreign exchange gain (loss)	11,490	(18,171)
Income tax recovery	(455,553)	(1,430,548)
Change in non-cash operating working capital (note 18)	(1,259,007)	(154,384)
Net cash from operating activities	852,200	530,858
Investing activities:		
Business acquisition (note 4)	-	(2,278,148)
Indemnity fund	-	200,168
Purchase of property and equipment	(12,563,440)	(11,814,838)
Purchase of intangibles	(12,488)	(106,705)
Proceeds on sale of property and equipment	1,083,081	537,912
Net cash used in investing activities	(11,492,847)	(13,461,611)
Financing activities:		
Proceeds from issuance of common shares (note 13)	5,010,382	4,471,967
Proceeds from long-term debt	29,682,802	21,356,470
Proceeds from other current liabilities	557,523	2,438,946
Proceeds from repayment of loan receivable	87,500	-
Repayment of long-term debt	(22,799,054)	(14,363,138)
Debt refinancing costs	(171,420)	-
Repayment of license obligation	(161,439)	(212,767)
Interest paid	(768,387)	(909,806)
Net cash from financing activities	11,437,907	12,781,672
Effect of exchange rate changes on cash	39,718	(7,912)
Increase (decrease) in cash	836,978	(156,993)
Cash, beginning of year	1,821,226	1,978,219
Cash, end of year	$ 2,658,204	$ 1,821,226

See accompanying notes to consolidated financial statements

1. Corporate information:

Noble Iron Inc. (the "Company") was incorporated under the Company's Act (British Columbia). The address of the Company's registered office is 7B-291 Woodlawn Road West, Guelph, Ontario, N1H 7L6. Executive management of the Company is located in Houston, Texas. The consolidated financial statements of the Company, as at and for the years ended, December 31, 2013 and 2012, comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

Noble Iron Inc. is listed on the TSX-Venture Exchange under the symbol NIR. The Company operates in three complimentary industries: construction and industrial equipment rental, construction and industrial equipment distribution, and enterprise asset management software for the construction and industrial equipment industry. For segment reporting purposes the Company has combined the rental and distribution businesses.

The Company operates its equipment rental and distribution businesses under the name ("Noble Iron"). The individual locations are referred to as Centralized Equipment Logistics Locations ("CELLs") TM. Noble Iron CELLs currently serve customers in California and Texas with its rental fleet, and it offers select manufacturer equipment and accessories for sale. Noble Iron's Houston, Texas CELL 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 asset ownership lifecycle, from acquisition, rental, sales and other activities through to disposal. Texada Software offers in-the-cloud or client-based software, and is scalable to meet the needs in the industry.

2. Basis of preparation:

(a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The consolidated financial statements were authorized for issue by the Board of Directors on April 30, 2014.

(b) Basis of measurement:

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

(c) Functional and presentation currency:

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

2. Basis of preparation (continued):

(d) Use of estimates and judgments:

Use of estimates:

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expense. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Management periodically reviews its estimates and underlying assumptions relating to the following items:

(i) Allowance for doubtful accounts

Management makes estimates of the recoverability of accounts receivable balances based on specific facts and circumstances as well as past experience of write-offs. Changes in economic conditions, in which our customers operate as well as their underlying financial stability, may impact these estimates.

(ii) Taxes

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rates as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

(iii) Depreciation

Management estimates future residual values and the rate at which the useful lives of property and equipment are consumed to determine appropriate depreciation charges. Estimates of residual value and useful lives are based on data and information from various sources, including vendors, industry practice and company specific history. These estimates are evaluated annually and adjusted prospectively, where necessary, to reflect actual experience.

2. Basis of preparation (continued):

(d) Use of estimates and judgments (continued):

(iv) Amortization

Management makes estimates of the appropriate useful lives to be assigned to intangible assets based on the individual circumstances of the asset or acquisition. Management reviews the appropriateness of the lives assigned and makes adjustments prospectively, where necessary.

Use of judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments that affect the application of accounting policies and the interpretation of accounting standards.

Management periodically reviews its judgments and underlying assumptions relating to the following items:

(i) Intangible assets

Management exercises judgment to determine whether identifiable intangible assets were acquired in a business combination, separate from goodwill and whether they will provide future economic benefits to the Company.

(ii) Business combinations

Management exercises judgments in its decision to classify acquisitions as business combinations or as asset acquisitions. This requires management's assessment of whether the assets acquired and liabilities assumed constitute a business. If net assets acquired are not considered to be a business, they will be classified as an asset acquisition.

(iii) Impairment test

Management exercises judgment to determine whether there are factors that would indicate that an asset or a Cash Generating Unit ("CGU") is impaired. The determination of CGUs is also based on management's judgment and is an assessment of the smallest group of assets that generate cash inflows independently of other assets. Factors considered include whether an active market exists for the output produced by the asset or group of assets as well as how management monitors and makes decisions about the operations.

3. Summary of significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The accounting policies have been applied consistently by Group entities.

(a) Basis of consolidation:

The consolidated financial statements include the accounts of Noble Iron Inc. and its wholly-owned subsidiaries, RentOnTheDot Inc., Systematic Computer Services Corporation, Texada Software Pty Ltd., Noble Rents, Inc., Noble Iron (U.S.), Inc., Noble Rents (TX) Inc., Noble Equipment, Inc., Inc. and Noble 3411, Inc.

(i) Business combinations:

The Group measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a gain on fair value increment on acquisition is recognized immediately in the net income or loss.

The Group elects, on a transaction-by-transaction basis, whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred.

(ii) Subsidiaries:

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iii) Transactions eliminated on consolidation:

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3. Summary of significant accounting policies (continued):

(b) Foreign currency:

(i) Foreign currency transactions:

Transactions in foreign currencies are translated to the respective functional currencies of Group entities and are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at year end rates. Any resulting foreign currency differences are recognized in net earnings or loss.

(ii) Foreign operations:

The assets and liabilities of foreign operations are translated to Canadian dollars at exchange rates at the reporting date. Revenues and expenses of foreign operations are translated to Canadian dollars at the date of the transaction.

Foreign currency differences are recognized in other comprehensive income (loss) and in the accumulated other comprehensive income (loss) in equity.

(c) Financial assets and financial liabilities:

Financial assets and financial liabilities are initially recognized at fair value plus directly attributable transaction costs, unless the transaction costs relate to financial instruments classified as fair value through profit or loss, in which case they are expensed immediately. Subsequent measurement is determined based on initial classification.

The Group uses trade date accounting for regular-way purchases and sales of financial assets. Financial assets and liabilities are recorded in the statement of financial position as current if they mature within one year and non-current if they mature after one year.

(i) Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This category includes cash, accounts receivable, and loan receivable.

Subsequent to initial measurement, loans and receivables are measured at amortized cost using the effective interest method less any impairment losses. Allowances for doubtful receivables represent the Group's estimates of losses that could arise from the failure or inability of customers to make payments when due.

(ii) Other liabilities:

This category includes accounts payable and accrued liabilities, other current liabilities, license obligation, and long-term debt. Subsequent to initial measurement, other liabilities are measured at amortized cost using the effective interest method. All other financial liabilities are recognized initially when the Company becomes a party to the contractual provisions of the instrument.

3. Summary of significant accounting policies (continued):

(c) Financial assets and financial liabilities (continued):

(iii) Offsetting:

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(iv) Fair value through profit or loss:

Financial assets and financial liabilities classified as held-for-trading are measured at fair value with changes in fair value recognized in net income or loss.

(v) Derecognition:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive contractual cash flows on the financial asset in a transaction in which substantially all of the risk and rewards of ownership of the financial asset are transferred.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

(vi) Impairment:

A financial asset carried at amortized cost is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be reliably estimated. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss, with respect to a financial asset that is measured at amortized cost, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred adjusted per management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Losses are recognized in the consolidated statement of comprehensive income (loss).

3. Summary of significant accounting policies (continued):

(d) Financial assets and financial liabilities (continued):

(vii) Fair value:

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets held and offer prices for financial liabilities. When independent prices are not available, fair values are determined by using valuation techniques that refer to observable market data.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 – quoted prices in active markets for identical securities

Level 2 – significant observable inputs other than quoted prices included in Level 1

Level 3 – significant unobservable inputs

The Company currently has no financial instruments that are carried at fair value.

(d) Inventories:

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on their weighted average and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. When circumstances which previously caused inventories to be written down to its net realizable value no longer exist, the previous impairment is reversed.

(e) Property and equipment:

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

3. Summary of significant accounting policies (continued):

(e) Property and equipment (continued):

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The Company, in the normal course of its business, routinely sells rental fleet that it previously rented to its customers. The Company transfers such items to inventory when they cease to be rented and become held for sale. The items are transferred at their carrying amounts at the date of transfer, and the Company recognizes the proceeds from the sale of such assets as revenue.

Gains and losses on disposal are determined by comparing the proceeds from the sale with the carrying amount of property and equipment and are recognized in profit and loss.

Depreciation is recognized by using the straight-line method so as to depreciate the cost of the asset to its residual value over its estimated useful life. Depreciation ceases when the asset is derecognized or is classified as held for sale.

The estimated useful lives are as follows:

• Equipment rental fleet	3 - 7 years dependent on equipment age to a 10% residual
• Vehicles	5 years
• Furniture, fixtures and equipment	5 years
• Computer equipment	3 years
• Leasehold improvements	Shorter of lease term or useful life

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

(f) Leases:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognized in the Company's statement of financial position with payments recognized in profit and loss on a straight line basis over the term of the lease.

(g) Intangible assets:

Intangible assets are measured at cost less accumulated amortization and impairment losses. Amortization is recognized using the straight-line method so as to amortize the cost of the asset less its residual value over the estimated useful life of the asset.

3. Summary of significant accounting policies (continued):

(g) Intangible assets (continued):

The estimated useful lives are as follows:

• Trademarks	5 years
• Customer lists	5 years
• Software license	Over the life of contract
• Software development	3 years
• Lease purchase option	5 years

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate.

(h) Share capital:

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from share capital, net of any tax effects.

(i) Impairment of property and equipment and finite life intangible assets:

Consideration is given at each reporting date to determine whether there is any indication of impairment of the carrying amounts of the Group's property and equipment and finite life intangible assets. An impairment loss is recognized if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

The recoverable amount is the greater of the fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, based on the time value of money and the risks specific to the asset. Assets that suffer impairment are considered for possible reversal of the impairment at each reporting date.

The Company has defined its CGUs as each CELL and its asset management software business, as in management's judgment this is the smallest group of assets that generate cash inflows independently of other assets. Each generates revenue largely independent of the others and is ultimately responsible for managing and producing products, in the case of the asset management software business.

(j) Stock-based compensation:

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-

3. Summary of significant accounting policies (continued):

(j) Stock-based compensation (continued):

market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

When a stock option is exercised, share capital is recorded at the sum of the proceeds received plus the amount previously recorded in contributed surplus relating to the options exercised.

(k) Provisions:

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(l) Revenue:

Software and services:

The Company's revenues from its software business are derived from product elements, comprised primarily of subscription fees (“SaaS”), license fees and upgrades, and service elements, which include maintenance, implementation and training.

Product elements are recognized pursuant to a contract or purchase order, when each element is delivered to the customer, the fee is fixed or determinable, and collection of the related receivable is probable.

Service elements are non-refundable, and are recognized ratably over the term of the agreement, which is typically twelve months. Revenues from implementation and training services are recognized when the services are performed.

Contract revenues derived from contracts to develop applications and provide consulting services are included in software and service revenue. Contract revenues are recognized under the percentage of completion method in proportion to the stage of completion of the contract. The stage of completion is determined by costs incurred in relation to total expected costs under the contract, after providing for any anticipated losses under the contract.

Revenue from sales arrangements that include multiple elements is allocated to the elements based upon the relative value of the elements included in the arrangement. An element is considered to be separately identifiable if the product or service delivered has stand-alone value to the customer and the fair value can be measured reliably.

3. Summary of significant accounting policies (continued):

(l) Revenue (continued):

The amount recognized as revenue for each component is the fair value of the element in relation to the fair value of the arrangement as a whole. The fair value of each component is based on a hierarchy of (1) vendor specific objective evidence of selling price ("VSOE"), if available, (2) third-party evidence ("TPE") of selling price, if VSOE is unavailable, and (3) the cost-plus-margin ("CPM") method if neither VSOE nor TPE is available.

Product and service elements that have been prepaid but do not yet qualify for recognition as revenue are recognized as deferred revenue.

Rental:

Rental revenue from the construction and industrial equipment rental and distribution business is recognized as equipment is rented by customers pursuant to a written contract. Contract periods are daily, weekly or monthly and revenue is recognized on a straight-line basis over the contract period.

Revenue from the sale of new or used equipment is recognized when title has transferred, payment is not contingent upon performance of installation or service obligation and collectability is reasonably assured. At the time revenue is recognized, the net book value in the case of used equipment, or cost for new equipment, is included in cost of revenue.

(m) Income taxes:

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities,

3. Summary of significant accounting policies (continued):

(m) Income taxes (continued):

but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer considered probable that the related tax benefit will be realized.

(n) Earnings (loss) per share:

The Group presents basic and diluted Earnings (Loss) Per Share (“EPS”) data for its common shares. Basic EPS is calculated by dividing net earnings (loss) of the Group by the weighted average number of common shares outstanding during the reporting period. Diluted EPS are computed similar to basic EPS except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of warrants or stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding warrants and stock options were exercised and that the proceeds from such exercises were used to acquire shares of common stock at the average market price during the reporting period.

(o) Finance costs:

Finance costs consist of interest on borrowings and finance leases, long-term debt accretion, unwinding of the discounts on provisions and changes in fair value of derivative financial instruments.

(p) Segment reporting:

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the Group’s senior management, including the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(q) New standards and interpretations adopted during the year:

The Company adopted the following accounting pronouncements during the year, details of which are included herein. These standards did not have a significant impact on the Company’s financial statements other than as described below.

3. Summary of significant accounting policies (continued):

(q) New standards and interpretations adopted during the year (continued):

Consolidated financial statements

In May 2011, the IASB issued IFRS 10, *Consolidated Financial Statements* (“IFRS 10”). This standard is effective for annual periods beginning on or after January 1, 2013 and establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. The Company adopted IFRS 10 in its financial statements for the annual period beginning on January 1, 2013. The adoption of this standard did not have a material impact on the financial statements.

Fair value measurement

In May 2011, the IASB issued IFRS 13, *Fair Value Measurement* (“IFRS 13”). This standard is effective for annual periods beginning on or after January 1, 2013 and provides additional guidance where IFRS requires fair value to be used. IFRS 13 defines fair value, sets out in a single standard a framework for measuring fair value and establishes the required disclosures about fair value measurements. The standard sets forth three levels of hierarchy which analyze financial instruments carried at fair value, by valuation method. The Company adopted IFRS 13 prospectively in its financial statements for the annual period beginning on January 1, 2013. The adoption of this new standard had no impact on the Company’s financial statements.

Employee benefits

In June 2011, the IASB issued an amended version of IAS 19, *Employee Benefits* (“IAS 19”). This amendment is effective for annual periods beginning on or after January 1, 2013 and requires the recognition of actuarial gains and losses immediately in other comprehensive income and full recognition of past service costs immediately in profit or loss. Revised IAS 19 also streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, and enhances the disclosure requirements for defined benefit plans. The Company adopted the amendments in its financial statements for the annual period beginning on January 1, 2013. The adoption of this amendment did not have a material impact on the financial statements.

. *Presentation of other comprehensive income (“OCI”)*

In June 2011, the IASB issued an amended version of IAS 1, *Presentation of Financial Statements* (“IAS 1”). This amendment is effective for annual periods beginning on or after July 1, 2012 and requires companies preparing financial statements in accordance with IFRS to group together items within OCI that may be reclassified to the profit or loss section of the statement of earnings. Revised IAS 1 also reaffirms existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. The Company adopted the amendment in its financial statements for the annual period beginning on January 1, 2013. As the amendment only required a change in the presentation of items in OCI, the adoption of this amendment did not have a material impact to the financial statements.

3. Summary of significant accounting policies (continued):

(q) New standards and interpretations adopted during the year (continued):

Disclosure of interests in other entities

The Company has applied IFRS 12, *Disclosure of Interests in Other Entities*. The new standard discloses the nature of, and risks associated with, the Company's interest in other entities. The adoption of this new standard had no impact on the Company's financial position but enhanced disclosures are included in note 25.

(r) New standards and interpretations not yet adopted:

The International Accounting Standards Board has issued the following Standards, Interpretations and amendments to Standards that are not yet effective and while considered relevant to the Company have not yet been adopted by the Company.

Financial instruments

In 2011, the IASB issued amendments to IFRS 7, "Financial Instruments: Disclosures". These amendments are required to be applied for periods beginning on or after January 1, 2014. The Company does not expect any significant impacts on its consolidated financial statements as a result of these amendments.

In October 2010, the International Accounting Standards Board ("IASB") issued IFRS 9, *Financial Instruments* ("IFRS 9"). This standard is effective for annual periods beginning on or after January 1, 2015 and is part of a wider project to replace IAS 39, *Financial Instruments*: *Recognition and Measurement*. IFRS 9 replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset or liability. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. The Company intends to adopt IFRS 9 in its financial statements for the annual period beginning on January 1, 2015. The classification and measurement of the Company's financial assets and financial liabilities is not expected to change under IFRS 9 because of the nature of the Company's operations and the types of financial assets and liabilities that it holds.

Levies

In May 2013, the IASB issued IFRIC 21, *Levies.* This IFRIC is effective for annual periods commencing on or after January 1, 2014 and is to be applied retrospectively. The IFRIC provides guidance on accounting for levies in accordance with the requirements of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets.* The interpretation defies a levy as an outflow from an entity imposed by a government in accordance with legislation. It also notes that levies do not arise from executor contracts or other contractual arrangements. The interpretation also confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. The Company intends to adopt IFRIC 21 in its financial statements for the annual period beginning January 1, 2014. The extent of the impact of adoption of the amendments on the Company's consolidated financial statements has not yet been determined.

3. Summary of significant accounting policies (continued):

(r) New standards and interpretations not yet adopted (continued):

Presentation of Financial instruments

Effective January 1, 2014, IAS 32 clarifies existing application issues relating to offsetting requirements. These amendments are not expected to have a material effect on the Company's accounting policies or financial statements.

Non-Financial Assets

In May 2013, the International Accounting Standards Board ("IASB") issued Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36). The IASB has issued amendments effective January 1, 2014 to reverse the unintended requirement in IFRS 13, Fair Value Measurement, to disclose the recoverable amount of every CGU to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, recoverable amount is required to be disclosed only when an impairment loss has been recognized or reversed. Management is still assessing the adoption of these amendments, which are not expected have a material impact on the consolidated financial statements.

4. Acquisition of the operating assets of Bane Machinery Houston LP:

On July 9, 2012, the Company's wholly-owned US subsidiary (the "Subsidiary"), completed the acquisition of certain operating assets of Bane Machinery Houston LP ("Bane"), a Houston, Texas based equipment rental and distribution business that was established in 2007 (the "Bane Acquisition").

The total consideration of the transaction was approximately $2,300,000 US dollars. In conjunction with the acquisition of the assets of the business acquired, including an active customer list, the Company retained all employees of the business and entered into a purchase option lease on the property where the business is conducted. None of Bane's liabilities were assumed as part of the acquisition. The primary reason for the acquisition was to expand its operations into a second rental and distribution CELL from the location serving Southeastern Texas.

In Canadian Dollars (unless otherwise specified)

4. Acquisition of the operating assets of Bane Machinery Houston LP (continued):

The acquisition was accounted for using the acquisition method. The purchase price was allocated to the assets acquired and the liabilities assumed based upon their estimated fair values as follows:

		2012
Assets acquired:		
Parts inventory	$	33,295
Property and equipment:		
Equipment rental fleet		1,970,922
Shop equipment		93,034
Vehicles		19,586
Intangible assets:		
Purchase option for premises		489,650
Customer list		73,448
		2,679,935
Liabilities assumed and cash paid:		
Deferred taxes on acquisition		158,433
Cash paid at closing		2,278,148
		2,436,581
Fair value increment on acquisition	$	243,354

The total fair value of the assets acquired was $243,354 in excess of liabilities assumed and cash paid. Accordingly, the Company has recorded a gain on fair value increment in net loss.
The Company incurred acquisition costs of $10,229 which have been recorded in net loss.

The assets, liabilities and results of operations of Bane have been consolidated with the Company from the acquisition date of July 9, 2012.

Bane contributed $720,621 of revenue and a loss of $114,125 to the Company's net loss for the year ended December 31, 2012. Any representation or interpretation of Bane's results of operations in conjunction with the results of the Company prior to the acquisition would not be a meaningful representation and, accordingly, an estimate of the revenue and profit or loss for the year as if Bane had been acquired at the beginning of the year has not been provided. Bane and the Company followed different business models in regards to revenue streams of renting equipment versus sales through distribution.

5. Gain on expiry of default judgment:

During the third quarter of 2012, the execution and appeal period for a default judgment in the original amount of $219,259 US rendered against a wholly owned US subsidiary in September 2002, expired.

The original default judgment amount was recognized during the year ended December 31, 2002 and interest on the judgment was recorded in the Company's financial statements up to and including June 30, 2012.

Accordingly, the Company recorded a gain on the expiry of the default judgment in the amount of $691,424 in 2012 to reverse the accrued liability, which was recorded in the Company's net loss for the year ended December 31, 2012.

6. Inventories:

Inventories consist of spare parts and servicing equipment to support the equipment rental business. Inventory recognized as cost of rental and distribution revenue during the year amounted to $425,995 (2012 - $208,655).

In Canadian Dollars (unless otherwise specified)

7. Property and equipment:

	Equipment rental fleet	Vehicles	Furniture, fixtures and equipment	Computer equipment	Leasehold improvements	Total
Cost:						
Balance as of December 31, 2012	$29,464,191	$1,659,440	$1,291,663	$196,378	$168,765	$32,780,437
Additions	11,854,223	595,856	17,552	17,826	77,983	12,563,440
Disposals	(1,219,018)	(167,455)	(119)	-	-	(1,386,592)
Effect of movement in foreign exchange rates	2,394,297	129,128	16,458	(1,036)	6,173	2,545,020
Balance as at December 31, 2013	42,493,693	2,216,969	1,325,554	213,168	252,921	46,502,305
Depreciation and impairment losses:						
Balance as of December 31, 2012	4,030,554	337,400	1,090,329	143,732	119,989	5,722,004
Depreciation for the year	5,571,262	408,127	60,801	29,394	9,421	6,079,005
Disposals	(323,810)	(39,332)	-	-	-	(363,142)
Effect of movement in foreign exchange rates	455,514	35,736	6,924	(2,183)	493	496,484
Balance as at December 31, 2013	9,733,520	741,931	1,158,054	170,943	129,903	11,934,351
Carrying amount at December 31, 2013	32,760,173	1,475,038	167,500	42,225	123,018	34,567,954

For the year ended December 31, 2013 depreciation of property and equipment is included in the Statement of Comprehensive Income (loss) as follows:
i) Cost of revenue – $5,979,389, ii) Support, maintenance and delivery - $12,551, iii) Research and development - $2,459, iv) General and administrative -$84,607

For the year ended December 31, 2012 depreciation of property and equipment is included in the Statement of Comprehensive Income (loss) as follows:
i) Cost of revenue – $3,616,827, ii) General and administrative – $43,637

In Canadian Dollars (unless otherwise specified)

7. Property and equipment (continued):

	Equipment rental fleet	Vehicles	Furniture, fixtures and equipment	Computer equipment	Leasehold improvements	Total
Cost:						
Balance as of December 31, 2011	$ 17,069,143	$ 1,246,853	$ 1,285,136	$ 149,766	$ 125,413	$ 19,876,311
Acquisitions (note 4)	1,970,922	19,586	93,034	-	-	2,083,542
Additions	11,060,303	412,605	36,611	46,851	43,574	11,602,944
Disposals	(582,741)	(17,500)	(126,561)	-	-	(726,802)
Effect of movement in foreign exchange rates	(53,436)	(2,104)	443	(239)	(222)	(55,558)
Balance as at December 31, 2012	29,464,191	1,659,440	1,291,663	196,378	168,765	32,780,437
Depreciation and impairment losses:						
Balance as of December 31, 2011	821,987	83,123	1,184,739	121,847	117,843	2,329,539
Depreciation for the year	3,346,628	258,206	31,506	21,997	2,157	3,660,464
Disposals	(121,362)	(2,625)	(126,561)	-	-	(250,548)
Effect of movement in foreign exchange rates	(16,699)	(1,304)	645	(112)	(11)	(17,481)
Balance as at December 31, 2012	4,030,554	337,400	1,090,329	143,732	119,989	5,722,004
Net Carrying amount at December 31, 2012	$ 25,433,637	$ 1,322,040	$ 201,334	$ 52,646	$ 48,776	$ 27,058,433

In Canadian Dollars (unless otherwise specified)

8. Intangible assets:

	Trademarks	Customer Lists	Software License	Software Development	Lease Purchase Option	Total
Cost:						
Balance as of December 31, 2011	36,361	254,250	997,759	-	-	1,288,370
Acquisitions (note 4)	-	73,448	-	-	489,650	563,098
Other additions	-	-	-	106,509	-	106,509
Effect of movements in foreign exchange rates	-	(4,355)	-	(437)	7,800	3,008
Balance as at December 31, 2012	36,361	323,343	997,759	106,072	497,450	1,960,985
Balance as of December 31, 2012	36,361	323,343	997,759	106,072	497,450	1,960,985
Additions	-	-	-	12,488	-	12,488
Effect of movements in foreign exchange rates	-	22,327	-	7,746	34,350	64,423
Balance as at December 31, 2013	36,361	345,670	997,759	126,306	531,800	2,037,896
Amortization and impairment losses:						
Balance as of December 31, 2011	36,361	16,951	30,658	-	-	83,970
Amortization for the year	-	57,426	123,823	18,879	49,840	249,968
Effect of movements in foreign exchange rates	-	(588)	(1,186)	(78)	(96)	(1,948)
Balance as at December 31, 2012	36,361	73,789	153,295	18,801	49,744	331,990
Balance as of December 31, 2012	36,361	73,789	153,295	18,801	49,744	331,990
Amortization for the year	-	90,887	122,636	41,089	68,594	323,206
Effect of movements in foreign exchange rates	-	8,160	-	2,684	5,748	16,592
Balance as at December 31, 2013	36,361	172,836	275,931	62,574	124,086	671,788
Carrying amounts:						
At December 31, 2012	$ -	$ 249,554	$ 844,464	$ 87,271	$ 447,706	$ 1,628,995
At December 31, 2013	$ -	$ 172,834	$ 721,828	$ 63,732	$ 407,714	$ 1,366,108

For the year ended December 31, 2013 (amortization of intangible assets is included in the Statement of Comprehensive Income (loss)) as follows:
i) Cost of revenue – $122,636, ii) Support, maintenance and delivery - $108,035, iii) Sales and marketing - $92,534

For the year ended December 31, 2012 (amortization of intangible assets is included in the Statement of Comprehensive Income (loss)) as follows:
i) Cost of revenue – $122,637, ii) Support, maintenance and delivery - $49,745, iii) General and administrative $18,801, and, iv) Sales and marketing - $56,838

In Canadian Dollars (unless otherwise specified)

9. Other current liabilities:

The Company purchases certain rental equipment with varying payment terms of less than one year from several key vendors. The amount outstanding at December 31, 2013, related to these vendor arrangements, is $2,996,469 (2012 – 2,438,946) and is secured by the equipment.

10. License and maintenance contract:

The Company has a multi-year licensing agreement with its software development tools provider. The license fee component of this agreement meets the definition of an intangible asset and has been recorded as an asset along with the related liability recorded as license obligation.

The software maintenance fee component of the contract is being expensed straight line over the term of the arrangement to September 2019.

The total license obligation at December 31, 2013 is $570,346 (2012 - $739,519). The principal component due in 2014 of $240,040 (2013 - $207,070) is recorded as a current liability. The following are the amounts due, including interest, in each year for both components of the agreement:

	Maintenance fee	License fee	Total
2014	$ 247,021	$ 284,779	$ 531,800
2015	258,189	247,021	505,210
2016	272,016	116,464	388,480
2017	278,397	-	278,397
2018	283,715	-	283,715
Thereafter	219,368	-	219,368
	$ 1,558,706	$ 648,264	$ 2,206,970

In Canadian Dollars (unless otherwise specified)

11. Long-term debt:

	December 31, 2013	December 31, 2013
Long-term debt	28,510,877	19,839,578
Less: transaction cost	(357,681)	(234,072)
Less: current portion	(221,910)	(570,298)
	$ 27,931,286	$ 19,035,208

The principal amounts due over the next five years on long-term debt as of December 31, 2013:

2014	$ 221,910
2015	7,686
2016	22,439,808
2017	5,841,473
	$ 28,510,877

First Facility - Revolving Loan and Security Agreement:

On May 31, 2013, a wholly owned subsidiary of the Company completed the refinancing of long-term debt supporting the Houston, Texas operations with an existing lender. The principal terms of the revolving loan and security agreement are as follows:

Advance Date:	May 31, 2013
Maximum Advance:	$15,000,000 US ($15,954,000 CDN) subject to applicable borrowing base as determined by the value of rental fleet, accounts receivable and parts inventory
Interest Rate:	Fully floating tied to the one month LIBOR plus 275 basis points
Payments:	No fixed payments are required over the term. Cash is swept daily by the lender and is credited against outstanding debt
Term/Maturity Date:	Four (4) years due in full on May 31, 2017
Security:	First security interest in all assets of the borrower
Borrower	Noble Rents (TX) Inc.
Guarantor	Noble Iron Inc.
Prepayment premium:	None

The balance outstanding as of December 31, 2013 on this facility is $5,835,803 ($5,486,840 US). As there are no scheduled principal repayments on the facility during the next 12 months, the full amount of the debt has been classified as long-term.

In Canadian Dollars (unless otherwise specified)

11. Long-term debt (continued):

First Facility - Revolving Loan and Security Agreement (continued):

The facility is evidenced by a revolving note and security agreement that includes a continuing first charge security interest in all of the subsidiary's assets.

The Company has provided a corporate guarantee of the facility supported by a pledge of its common shares in the subsidiary.

The facility contains covenants requiring the subsidiary to maintain certain metrics or ratios. This includes fixed charge coverage, and minimum availability. As of December 31, 2013, the subsidiary is in compliance with these covenants.

Second Facility - Revolving Loan and Security Agreement:

On May 30, 2012, a subsidiary of the Company completed a refinancing of its long-term debt supporting Southern California operations. The principal terms of the revolving loan and security agreement are as follows:

Advance Date:	May 30, 2012
Maximum Advance Amount:	$ 25,000,000 US ($26,590,000 CDN) (subject to applicable borrowing base as determined by the value of rental fleet, accounts receivable and parts inventory
Current Interest Rate:	Fully floating tied to the one month LIBOR plus 225 basis points
Payments:	No fixed payments are required over the term. Cash is swept daily by the lender and is credited against outstanding debt
Term/Maturity Date:	Four years due in full on May 30, 2016
Security:	First security interest in all assets of the borrower
Borrower:	Noble Rents, Inc.
Guarantor:	Noble Iron Inc.
Prepayment premium:	None

The balance outstanding as of December 31, 2013 on this facility is $22,432,122 ($21,090,750 US) (2012 - $16,660,756 ($16,746,161 US)). As there were no scheduled principal repayments on the facility for the next 12 months, the full amount of the debt classified as long-term.
The facility is evidenced by a revolving note and security agreement which includes a continuing first charge security interest in all of the Company's US subsidiary's assets. The Company has provided a corporate guarantee of the facility supported by a pledge of its common shares in the subsidiary.

In Canadian Dollars (unless otherwise specified)

11. Long-term debt (continued):

Second Facility - Revolving Loan and Security Agreement (continued):

The facility contains covenants requiring the subsidiary to maintain certain metrics or ratios. This includes fixed charge coverage and minimum availability. The facility was amended on July 30, 2013, to remove a leverage covenant, reduce the interest rate and provide for additional collateral to be included within the facility's borrowing base. As of December 31, 2013, the subsidiary is in compliance with these covenants.

Third Facility - Agreement for Rental Fleet Financing:

On October 19, 2012, a subsidiary of the Company entered into a Third Facility financing certain rental assets with a US lender. The principal terms of the facility are as follows:

Advance Date:	Various beginning in October of 2012
Payments:	48 monthly equal payments of principal and interest
Interest Rate:	One month LIBOR plus 450 basis points reset monthly with a minimum rate LIBOR floor of 50 basis points
Maturity:	48 months following advance
Maximum Advance Amount:	$700,000 US ($744,520 CDN)
Advance Rate:	70% of invoice amount
Security:	First preferred security interest in the assets financed under the agreement
Borrower:	Noble Equipment, Inc.
Guarantor:	Noble Iron Inc.
Prepayment:	No prepayment premium

The balance outstanding as of December 31, 2012, on the Third Facility was $653,783 ($657,134 US). On May 31, 2013, this facility was paid in full with proceeds from the First Facility.

In Canadian Dollars (unless otherwise specified)

11. Long-term debt (continued):

Fourth Facility - Loan and Security Agreement:

On October 9, 2012, a subsidiary of the Company financed multiple loan schedules which were funded separately as equipment was delivered. The financing terms for the various schedules were as follows:

Advance Date:	Various beginning in October of 2012
Payments:	6 monthly payments of principal and interest totaling 1.0% per month of the value of the equipment financed followed by 58 equal payments of principal and interest amortizing to a final payment equal to 15% of the original equipment cost
Maximum Advance Amount:	$8,900,000 US ($9,466,040 CDN)
Interest Rate:	Three month LIBOR plus 449 basis points reset quarterly with a minimum rate of 5.99%
Maturity:	64 months following advance
Security:	First preferred security interest in all assets of the borrower
Borrower:	Noble Rents (TX) Inc.
Guarantor:	Noble Iron Inc.
Prepayment:	No prepayment premium if the note is paid off within two years of the original advance date

The balance outstanding as of December 31, 2012, on the Fourth Facility was $2,096,430 ($2,107,177 US). On May 31, 2013, this facility was paid in full with proceeds from the First Facility.

Other Term Debt – Loan and Security Agreements

A subsidiary of the Company entered into two (2) loan agreement and security agreements to finance certain transportation equipment with US based lenders. The principal terms of these loans were as follows:

Advance date:	Various beginning October 19, 2012
Interest Rate:	0.0% to 5.97%
Borrower:	Noble Rents (TX) Inc.
Payments:	60 equal monthly payments of principal and interest
Security:	First preferred security interest in assets financed under the agreement
Prepayment:	No prepayment premium

The balance outstanding as of December 31, 2012, on this Other Term Debt was $194,537 ($195,534 US). On May 31, 2013, this Other Term Debt was paid in full with proceeds from the First Facility.

In Canadian Dollars (unless otherwise specified)

12. Income taxes:

(a) Income tax expense:

The income tax recovery differs from the amount that would be computed by applying the applicable federal and provincial statutory rates to the loss before income taxes. The reasons for the differences are as follows:

	2013	2012
Net loss	$ (4,942,881)	$ (1,814,589)
Income tax recovery	(455,553)	(1,430,549)
Loss before income tax	(5,398,434)	(3,245,138)
Statutory income tax rate	26.50%	26.50%
Expected income tax expense (recovery)	(1,430,585)	(859,962)
Effect on income tax of:		
Difference related to gain on fair value incurred on acquisition	-	(83,175)
Difference between Canadian rate and rate applicable to subsidiaries in other countries	(532,096)	(457,960)
Unrecognized tax benefits of losses and temporary differences	1,431,097	(89,946)
Non-deductible expense and other permanent differences	36,474	60,494
Recognition of previously unrecognized deductible temporary differences	(1,132,622)	-
Recognition of previously unrecognized taxable temporary differences	1,172,179	-
Deferred tax expense	$ (455,553)	$ (1,430,549)

In Canadian Dollars (unless otherwise specified)

12. Income taxes:

(b) Deferred tax assets and liabilities:

(i) Unrecognized deferred tax assets		2013		2012
Net operating loss carry forwards	$	3,195,754	$	2,612,336
Property and equipment		-		100,000
Intangible assets		-		610,000
Other temporary differences		7,020		-
Total unrecognized deferred tax assets	$	3,202,774	$	3,322,336

(ii) Recognized deferred tax assets:		2013		2012
Net operating loss carry forwards	$	320,556	$	-
Property and equipment		674,342		-
Intangible assets		(35,666)		-
Non-deductible reserves		(52,844)		-
Total recognized deferred tax assets	$	906,388	$	-

(iii) Recognized deferred tax liabilities:		2013		2012
Net operating loss carry forwards	$	(6,970,425)	$	(6,200,000)
Property and equipment		7,820,082		6,228,000
Intangible assets		210,467		280,000
Non-deductible reserves		(265,224)		-
Total recognized deferred tax liabilities	$	794,900	$	308,000

In Canadian Dollars (unless otherwise specified)

12. Income taxes (continued):

(b) Deferred tax assets and liabilities (continued):

(iv) Rollforward of recognized deductible (taxable) temporary differences:

	Balance December 31, 2011	Recognized in net loss	Acquired in business combination	Balance December 31, 2012	Recognized in net loss	Balance December 31, 2013
Property and equipment	$ (9,847,000)	$ (6,665,000)	-	$ (16,512,000)	$ (1,979,000)	$ (18,491,000)
Intangible assets	(237,000)	(63,000)	(402,000)	(702,000)	(13,000)	(715,000)
Non-deductible reserves	-	-	-	-	492,000	492,000
Net operating loss carry forwards	6,261,000	10,352,000	-	16,613,000	4,233,000	20,846,000
	$ (3,823,000)	$ 3,624,000	$ (402,000)	(601,000)	2,733,000	2,132,000

There are no aggregate taxable temporary differences associated with the Company's investments in its subsidiaries for which deferred tax liabilities have not been recognized.

In Canadian Dollars (unless otherwise specified)

12. Income taxes (continued):

(c) Net operating losses:

At December 31, 2013, the Company has the following net operating loss amounts available to reduce future years' income for tax purposes for its Canadian, US and Australian operations.

Year	Recognized	Unrecognized	Total
2020	-	754,000	754,000
2021	-	990,000	990,000
2022	-	582,000	582,000
2023	-	39,000	39,000
2024	-	-	-
2025	477,000	-	477,000
2026	729,000	4,000	733,000
2027	1,000	196,000	197,000
2028	3,000	222,000	225,000
2029	-	59,000	59,000
2030	-	276,000	276,000
2031	5,404,000	1,038,000	6,442,000
2032	9,656,000	375,000	10,031,000
2033	4,576,000	5,388,000	9,964,000
Indefinite	-	5,000	5,000
	$20,846,000	$9,928,000	$30,774,000

In Canadian Dollars (unless otherwise specified)

13. Share capital:

(a) Authorized:

The Company has authorized 100,000,000 preferred shares without par value, issuable in one or more series as well as an unlimited number of common shares without par value. As of December 31, 2013, there are 21,205,479 fully paid for common shares issued and outstanding. There are no preferred shares outstanding as of December 31, 2012 or December 31, 2013.

On July 23, 2012, the Company announced the completion of a stock consolidation on the basis of one new common share for every five existing common shares. All references in these financial statements as to the number of shares and per share amounts, reflect this consolidation as if it had taken place on December 31, 2011.

(b) Issued:

Common shares	Number	Amount
Balance, December 31, 2011	12,554,465	$ 20,675,595
Common shares issued for cash	4, 500,000	4,460,000
Common shares issued for debt	116,570	112,400
Common shares issued upon exercise of options	23,933	13,925
Balance, December 31, 2012	17,194,968	25,261,920
Common shares issued for cash	3,846,154	4,928,204
Common shares issued for debt	150,000	112,500
Common shares issued upon exercise of options	164,357	199,380
Balance, December 31, 2013	21,355,479	$ 30,502,004

On May 7, 2013, the Company issued a total of 3,846,154 common shares at $1.30 per share, in conjunction with the closing of a private placement, for gross proceeds of $5,000,000. Expenses of the private placement, totaling $71,796, have been deducted from the gross proceeds.

On January 8, 2013, the Company issued a total of 150,000 common shares to an officer of the Company, through a private placement of $150,000, as per the terms of the officer's employment agreement. In exchange, the Company received a non-interest bearing note from the officer secured by the common shares issued. The fair value of the note was $112,500 based on the market value of the stock at the time the note was issued. See note 19.

13. Share capital (continued):

(b) Issued (continued):

During the year, the Company issued 164,357 common shares upon the exercise of share options. The exercise price of these options was $0.50 per share. Total cash proceeds were $82,178 with $199,380 being allocated to share capital and $117,202 recorded as a reduction to contributed surplus.

On May 18, 2012, the Company issued a total of 116,570 common shares upon the completion of a shares-for-debt transaction involving three members of senior management, at $1.05 per share, to retire $112,400 of debt.

On June 30, 2012, the Company issued a total of 4,500,000 common shares in a private placement at $1.00 per share for gross proceeds of $4,500,000. Expenses of the private placement totaling $40,000 have been deducted from the gross proceeds.

During 2012, the Company issued 23,933 common shares upon the exercise of share options. The exercise price of these options was $0.50 per share. Total cash proceeds were $11,967 with $13,925 being allocated to share capital and $1,958 recorded as a reduction to contributed surplus.

(c) Stock-based compensation:

Pursuant to its stock option plan established May 15, 2002, last amended May 17, 2013, the Company has reserved for issuance 2,119,112 of its common shares. Options to purchase common shares of the Company under the plan may be granted by the Board of Directors to employees, officers, directors of the Company and consultants engaged by the Company. All options have a maximum term of ten years from their grant date. To date, all options have been granted with one third vested on the issue date, one third on the first anniversary and the remaining one third on the second anniversary date of the grant.

During the year ended December 31, 2013, the Company granted 197,000 options to purchase common shares (2012 - 290,000). Options granted in 2013 were at exercise prices ranging from $1.00 to $1.30. All of the options granted in 2012 were at an exercise price of $0.50 to $1.45 per share. At December 31, 2013, 1,068,901 options (2012 – 1,086,628) remain outstanding and are exercisable at prices ranging from $0.50 to $1.45 per share. The options expire at varying dates to December 2023.

In Canadian Dollars (unless otherwise specified)

13. Share capital (continued):

(c) Stock-based compensation (continued):

The following table reflects activity under the stock option plan from December 31, 2011, through to December 31, 2013, and the weighted average exercise prices:

	Number of common shares under option	Weighted average exercise price
Outstanding, December 31, 2011	854,827	$ 0.50
Granted	290,000	0.96
Exercised	(23,933)	0.50
Cancelled/Forfeited	(34,266)	0.87
Outstanding, December 31, 2012	1,086,628	0.62
Granted	197,000	1.27
Exercised	(164,357)	0.50
Cancelled/Forfeited	(50,370)	0.62
Outstanding, December 31, 2013	1,068,901	$ 0.75

The weighted average market price for the options exercised in 2013 was $1.21 (2012 - $1.28).

Information related to the stock options outstanding at December 31, 2013 and December 31, 2012 is presented below:

	Exercise price	Number outstanding	Number exercisable	Remaining contractual life (in years)	Weighted average exercise price
December 31, 2013	$0.50 - $5.0	1,068,901	877,235	7.9	$ 0.75
December 31, 2012	$0.10 - $5.0	1,086,628	798,630	8.2	$ 0.62

The fair value of the Company's stock option grants are estimated using the Black-Scholes option pricing model. Measurement inputs include share price on the measurements date, exercise price of the instrument, expected volatility, (based upon weighted average historic volatility, adjusted for changes expected due to publically available information), weighted averaged expected life of the options (based upon historical experience and general option holder behavior) and the risk free interest rate (based upon government bonds). The stock-based compensation expense for the year ending December 31, 2013 was $ 229,344 (2012 - $228,278) and is included in support, maintenance and delivery, research and development, and general and administration in the Consolidated Statements of Comprehensive Income (Loss).

In Canadian Dollars (unless otherwise specified)

13. Share capital (continued):

(c) Stock-based compensation (continued):

The weighted average fair value of options granted in 2013 and 2012 have been calculated based on the following assumptions:

	2013	2012
Weighted average fair value of each option	$ 0.58	$ 0.46
Assumptions:		
Expected volatility	272%	282%
Risk free interest rate	1.68%	1.72%
Expected life in years	5 years	5 years
Expected dividend yield	0%	0%

14. Net loss per share:

The computations for basic and diluted loss per share are as follows:

	2013	2012
Net loss	$ (4,942,881)	$ (1,814,589)
Weighted average number of common shares outstanding:		
Basic and diluted	19,891,941	14,917,407
Net loss per share:		
Basic and diluted	$ (0.24)	$ (0.12)

Share options to purchase 1,068,901 (December 31, 2012 – 1,086,628) common shares are excluded from the weighted average common shares in the calculation of diluted loss per share as they are not dilutive.

The average market value of the Company's common shares, for the purpose of calculating the dilutive impact of outstanding share options, was based on quoted market prices for the period during which the options were outstanding.

15. Employee benefits:

	2013	2012
Short-term employee benefits	$ 8,130,554	$ 7,143,680
Compulsory social security contributions	473,470	336,153
Stock-based compensation	229,344	228,278
	$ 8,833,368	$ 7,708,111

In Canadian Dollars (unless otherwise specified)

16. Rental and distribution revenue:

Ancillary revenue includes proceeds from the sale of new and used equipment, disposal of rental fleet in the ordinary course, and asset sales related to conversions of rental purchase options.

	2013	2012
Rental revenue	$ 13,733,239	$ 10,373,315
Ancillary revenue	1,806,483	1,026,272
	$ 15,539,722	$ 11,399,587

17. Leases:

The Company is committed to future payments under various leases for premises expiring with terms to 2017. Minimum lease payments over this period are as follows:

2014	$ 904,300
2015	940,510
2016	703,989
2017	245,568
	$ 2,794,367

18. Change in non-cash operating working capital:

	2013	2012
Accounts receivable	$ 167,533	$ (836,216)
Inventories	(160,105)	4,586
Prepaid expenses and other assets	(242,937)	(154,120)
Accounts payable and accrued liabilities	(1,001,818)	882,451
Deferred revenue	(21,680)	(51,085)
	$ (1,259,007)	$ (154,384)

19. Related party transactions:

Loans receivable:

On January 8, 2013, the Company provided a loan advance of $150,000, recorded at a fair value of $112,500, to a senior officer. The advance is non-interest bearing, with the principal due on January 8, 2018 (and in certain circumstances an earlier date should the senior officer cease to be employed by the Company). The loan is secured by 150,000 common shares acquired by the senior officer at the time the loan was advanced.

During 2013, an $87,500 loan, previously made to a former executive of the Company secured by common shares of the Company, was fully repaid. $52,500 of this loan was in Current portion of loans receivable as of December 31, 2012.

In Canadian Dollars (unless otherwise specified)

19. Related party transactions (continued):

Key management personnel compensation:

In addition to their salaries, key executive officers participate in short-term bonus plans based upon the financial performance of the Group and other non-financial factors, set annually. The Company also provides benefit plan and vehicle allowances to executive officers. In addition, key executive officers are granted stock options at the discretion of the Company's board of directors.

Key executive officers have contracts entitling them to severance payments of up to 12 months following their departure from the Company.

Key management personnel compensation comprised:

	2013	2012
Short-term employee benefits	$ 1,204,689	$ 1,259,347
Stock-based compensation	112,952	87,595
	$ 1,317,641	$ 1,346,942

Shareholdings:

Key executive officers of the Company directly control 3.0% of the Company's outstanding voting common shares as at December 31, 2013 (4.5% as at December 31, 2012).

20. Financial instruments:

(a) Financial Assets:

Management has determined the carrying amount of its short-term financial assets, including cash and accounts receivable, approximates fair value at the reporting date. The amortized cost related to these items as of December 31, 2013 was $5,653,023 (2012 - $5,036,078). The carrying value of loans receivable approximate fair value.

(b) Financial liabilities:

Management has determined that the carrying amount of its short-term financial liabilities, including accounts payable, accrued liabilities and other current liabilities approximate fair value at the reporting date due to the short-term maturity of these obligations. The amortized cost related to these items as of December 31, 2013 was $4,617,114 (2012 - $4,912,511).

Management has determined that the carrying amount of the Company's long-term debt and license obligation approximate fair market value using the present value of future principal and interest payments discounted at market based interest rates available to the Company for similar debt instruments with similar maturities. The amortized cost related to these items as of December 31, 2013 was $28,261,592 (2012 - $19,567,657).

(c) Fair value:

In 2013, the Company did not have any financial instruments, except for cash, that are measured at fair value at each reporting period. This is consistent with 2012.

21. Financial risk management:

The Company is exposed to fleet valuation risk, credit risk, foreign exchange risk, interest rate risk and liquidity risk related to its underlying financial assets and liabilities. Risk management strategies are designed to ensure that Company's risks and related exposures are consistent with its business objectives and overall risk tolerance. There have been no significant changes to the Company's risk management strategies since December 31, 2012, and no assurance can be provided that these strategies will continue to be effective.

(a) Foreign exchange risk:

Foreign exchange risk is the risk that the fair value, or the future value cash flow of a financial instrument, will fluctuate due to changes in foreign exchange rates. The most significant foreign exchange impact on the Company's net loss, and other comprehensive income, is the translation of foreign currency financial instruments into Canadian dollars, which is the Company's functional and presentation currency.

The Company sells licenses and services to customers located in the United States denominated in US dollars, to customers located in Australia denominated in Australian dollars and to customers located in New Zealand denominated in New Zealand dollars. The Company's equipment rental business is conducted exclusively in US dollars.

The Canadian dollar equivalent of accounts receivable billed in US dollars at December 31, 2013, is $2,776,165 (2012 - $3,099,841), Australian dollars at December 31, 2013, is $26,025 (2012 - $16,709) and New Zealand dollars at December 31, 2013, is $ 57,673 (2012 - $15,395).

The Canadian dollar equivalent of accounts payable and accrued liabilities, other current liabilities, deferred revenues, current portion of license obligation and current portion of long term debt held in foreign currency consists of US dollars at December 31, 2013, of $4,337,303 (2012 - $4,746,404), and Australian dollars at December 31, 2013, of $117,552 (2012 - $18,688). The Canadian dollar equivalent of long-term debt and obligations held in US dollars at December 31, 2013, is $27,931,286 (2012 - $19,035,208).

The impact of a one percent increase in the value of the Canadian dollar, relative to the US dollar on net US denominated assets and liabilities at December 31, 2013 is a decrease to Company equity of approximately $278,000 (2012 – 200,000).

(b) Interest rate risk:

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of interest rate risk management is to manage and control interest rate risk exposures within acceptable parameters, while optimizing the return.

21. Financial risk management (continued):

(b) Interest rate risk (continued):

As of December 31, 2013, the Company's financial liability exposure to variable rate instruments totaled $28,267,925 (2012 - $ 19,885,812). As of December 31, 2013, the Company's exposure to fixed rate instruments totaled $813,298 (2012 - $968,984).

The Company had no financial assets bearing interest for the twelve month periods ended December 31, 2013.

The impact of a one percent increase in interest rates would increase the Company's net loss and reduce the Company's equity, by approximately $283,000 (2012 - $196,000). Accordingly, a one percent decrease in interest rates would reduce the Company's net loss and increase the Company's equity, by approximately $283,000 (2012 - $196,000).

(c) Concentration and credit risk:

Credit risk is the financial risk of non-performance by a contracted counter party. The Company primarily sells its software to customers operating in the equipment rental and distribution industry. The Company's equipment rental business is focused on smaller to mid-sized contractors. The Company's exposure to credit risk associated with the non-performance of these customers can be directly impacted by a decline in economic conditions which would impair the customer's ability to satisfy their obligations to the Company. In order to reduce this economic risk, the Company has credit procedures in place whereby analyses are performed to control the granting of credit to any high risk customer. The Company believes there is no significant risk associated with the collection of these accounts receivable.

As of December 31, 2013, $631,271 (2012 – 926,832) or 21.1% (2012 – 29.3%) of accounts receivable were more than 90 days past due. Trade accounts receivable are recorded net of an allowance for doubtful accounts totaling $307,461 (2012 – 302,594) as at December 31, 2013.

21. Financial risk management (continued):

(c) Concentration and credit risk (continued):

The following is a continuity of the Group's allowance for doubtful accounts for the past two years:

Balance, December 31, 2011	$	55,000
Additions		252,594
Write-offs		(5,000)
Balance December 31, 2012	$	302,594
Additions		121,091
Write-offs		(147,471)
Recoveries		14,350
Currency Translation		16,897
Balance December 31, 2013	$	307,461

During the year ended December 31, 2013, the Company incurred bad debt expense related to trade accounts receivable of $243,819 (2012 - $252,594).

The following is an ageing of the Group's accounts receivable as at December 31, 2012 and 2013 (In thousands):

		2013		2012
Current	$	1,460	$	1,236
30 - 59 days		764		812
60 - 89		447		490
90 and over		631		927
Less allowance for doubtful accounts		(307)		(303)
	$	2,995	$	3,162

The Company primarily sells to customers operating in the North American and Australian/New Zealand construction, asset management and rental industry and customers throughout Southern California and Houston, Texas in its equipment rental business. The Company's exposure to credit risk associated with the non-performance of these customers can be directly impacted by a decline in economic conditions which would impair the customer's ability to satisfy their obligations to the Company. In order to reduce this economic risk, the Company has credit procedures in place whereby analyses are performed to control the granting of credit to any high risk customer. The Company believes there is no significant risk associated with the collection of these amounts.

21. Financial risk management (continued):

(d) Fleet valuation risk:

A significant portion of the Company's debt is financed through a revolving credit facility, secured by the appraised value of the rental equipment. The Company is subject to the risk of market fluctuations related to the value of its rental fleet. If the market value of used equipment were to fall faster and further than management expectations, the Company would be at risk of having an insufficient borrowing base securing its' debt. This would result in a default under the facility if the Company were not in a position to cure the default through additional capitalization.

In Canadian Dollars (unless otherwise specified)

21. Financial risk management (continued):

(e) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company believes that there is sufficient cash to cover the expected short-term and long-term cash requirements.

The following are the contractual maturities of the Company's financial liabilities, including estimated interest payments:

December 31, 2013	Carrying amount	Contractual cash flows	6 months or less	7 - 12 months	2 years	3 - 5 years	More than 5 years
Long-term debt	$ 27,931,286	$ 28,155,501	$ 220,372	$ 3,843	$ 7,686	$ 27,923,600	-
License obligation	570,346	648,264	143,586	141,193	247,021	116,464	-
Accounts payable and accrued liabilities	1,620,645	1,629,678	1,629,678	-	-	-	-
Equipment payable	2,996,469	2,996,469	2,996,469	-	-	-	-
	$ 33,118,746	$ 33,429,912	$ 4,990,105	$ 145,036	$ 254,707	$ 28,040,064	-

December 31, 2012	Carrying amount	Contractual cash flows	6 months or less	7 - 12 months	2 years	3 - 5 years	More than 5 years
Long-term debt	$ 19,605,506	$ 20,440,549	$ 464,579	$ 392,244	$ 761,471	$ 18,481,565	$ 340,690
License obligation	739,519	878,745	136,799	135,555	266,384	340,007	-
Accounts payable and accrued liabilities	2,472,553	2,472,553	2,472,553	-	-	-	-
Equipment payable	2,438,946	2,438,946	1,963,782	475,164	-	-	-
	$ 25,256,524	$ 26,230,793	$ 5,037,713	$ 1,002,963	$ 1,027,855	$ 18,821,572	$ 340,690

22. Capital risk management:

The Company's objective is to maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future business development. The Company defines capital as shareholders' equity. The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended December 31, 2013.

The Company was compliant with its debt covenant obligations at December 31, 2013, December 31, 2012 and during 2013.

23. Segmented information:

The Company operates in two reportable segments being, i) Enterprise Asset Management Software and, ii) Construction and Industrial Equipment Rental and Distribution. The Company's external revenue by geographic region is based on the region in which the revenue is transacted. Property and equipment assets are based on the geographic region in which the Company operates.

For the year ended December 31, 2013, no single customer, in either reportable segment, accounted for 10% or more of total Company revenue. As of December 31, 2013, no one customer accounted for more than 10% of accounts receivable. For the year ended December 31, 2012, no single customer accounted for 10% or more of total Company revenue. As of December 31, 2012, no one customer accounted for more than 10% of the accounts receivable balance.

23. Segmented information (continued):

(In 000's) Revenue by Reportable Segment	Year ended December 31, 2013	2012
Equipment rental and distribution	$ 15,540	$ 11,400
Enterprise asset management software	4,711	4,765
	$ 20,251	$ 16,165

(In 000's) Net Earnings (Loss) by Reportable Segment	Year ended December 31, 2013	2012
Equipment rental and distribution	$ ($2,215)	$ 860
Enterprise asset management software	1,824	684
	(391)	1,544
Less:		
Corporate expenses	(3,645)	(3,140)
Gain on expiry of default judgment	-	691
Interest expense	(907)	(910)
	$ (4,943)	$ (1,815)

(In 000's) Property and Equipment and Intangible Assets and Other Assets by Reportable Segment	Year ended December 31, 2013	2012
Enterprise asset management software	$ 763	$ 883
Equipment rental and distribution	34,869	27,620
Corporate	303	272
	$ 35,935	$ 28,775

(In 000's) Revenue by Geographic Segment	Year ended December 31, 2013	2012
North America	$ 19,004	$ 15,553
Australia & New Zealand	1,247	612
	$ 20,251	$ 16,165

(In 000's) Property and Equipment, Intangible Assets and Other Assets by Geographic Segment	Year ended December 31, 2013	2012
North America	$ 35,924	$ 28,766
Australia	11	9
	$ 35,935	$ 28,775

In Canadian Dollars (unless otherwise specified)

24. Seasonality:

Revenues within the Company's construction and industrial equipment rental and distribution segment will generally be lower from December through March as winter weather and seasonal migration of workers hinders construction activity. Demand for construction and rental equipment generally increases in April with warmer weather and typically remains strong through the month of November. The Company's enterprise asset management software segment revenue is largely generated from recurring fees which accrue and are earned equally throughout the year; as such seasonality is not a material factor within the segment.

25. Noble Iron Inc. entities:

Subsidiary	Segment	Country of Incorporation	Ownership 2012	Ownership 2013	Year End
Noble Iron (U.S.), Inc.	Corporate	United States	100%	100%	December 31
Noble Rents, Inc.	Rental	United States	100%	100%	December 31
Noble Rents (TX) Inc.	Rental	United States	100%	100%	December 31
Noble Equipment, Inc.	Distribution	United States	100%	100%	December 31
Noble 3411, Inc.	Corporate	United States	100%	100%	December 31
Systematic Computer Services Corporation	Software	Canada	100%	100%	December 31
RentOnTheDot Inc.	Software	United States	100%	100%	December 31
Texada Software Pty Ltd.	Software	Australia	100%	100%	December 31