MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")

For the Twelve and Three Months Ended December 31, 2013

Basis of Presentation:

The following discussion of the financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2013 and 2012, which were prepared under International Financial Reporting Standards ("IFRS"), and the MD&A for the year ended December 31, 2012,. This MD&A has been prepared as of April 30, 2014 to help investors understand the financial performance of the Company and provide information that management believes is relevant to an assessment and understanding of Noble Iron Inc.'s ("Noble Iron" or the "Company" or the "Group") business, risks, opportunities and performance measures. We have prepared this document in conjunction with our broader responsibilities for the accuracy and reliability of the financial statements and the development and maintenance of appropriate internal controls in our efforts to ensure that the financial information is complete and reliable. The Audit Committee of the Board of Directors, consisting of three directors, has reviewed this document and all other publicly reported financial information for integrity, usefulness and consistency.

Additional information about Noble Iron, including copies of continuous disclosure materials, is available on Noble Iron's website at www.NobleIron.com or the SEDAR website at www.sedar.com. Noble Iron maintains the registered head office in Guelph, Ontario, Canada, with executive management offices located in Houston, Texas. Noble Iron's Investor Relations department can be reached at 1-832-767-4424. The information on the Company's website is not to be considered a part of this MD&A.

Forward Looking Statements:

This document may contain forward-looking statements which reflect the Company's current expectations regarding future events. The forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "estimate", "expect", "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. These forward-looking statements involve risk and uncertainties, including the difficulty in predicting acceptance of and demands for new products and services, the impact of the products, services and pricing strategies of competitors, delays in developing and launching new products and services, fluctuations in operating results and other risks, any of which could cause actual results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. There are many inherent risks in the industries in which Noble Iron operates; some are more specific to the Company. The reader should consult Noble Iron's ongoing quarterly filings for additional information on risks and uncertainties relating to these forward-looking statements. The reader should not place undue reliance on any forward-looking statements. Management assumes no obligation to update or alter any forward-looking statements whether as a result of new information, further events or otherwise other than as required by law.

Non-IFRS Measures:

The term ''Adjusted EBITDA'' refers to net earnings (loss) before interest expense, income taxes, depreciation, amortization, gain on fair value increment on acquisition, acquisition expenses, stock-based compensation, gain on expiry of default judgement, severances, and foreign exchange. The Company believes that Adjusted EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration the other items listed above.

"Adjusted Working Capital" is defined by Management as working capital excluding current liabilities for equipment purchases that remain secured by the equipment. Management believes Adjusted Working Capital is more indicative of the Company's working capital position. Adjusted EBITDA and Adjusted Working Capital are not recognized measures under IFRS. Readers are cautioned that Adjusted EBITDA and Adjusted Working Capital should not be construed as an alternative to net earnings (loss) or working capital determined in accordance with IFRS as an indicator of the financial performance of the Company or as a measure of the Company's liquidity or cash flows. The Company's method of calculating Adjusted EBITDA and Adjusted Working Capital may differ from that of other issuers or companies operating in similar sectors and, accordingly, may not be comparable to similar measures presented by other issuers.

NOBLE IRON INC.

Overview:

Noble Iron Inc., a TSX Venture Exchange listed company (symbol NIR.V), operates in three primary sectors:

- Construction and Industrial Equipment Rental
- Construction and Industrial Equipment Sales and Dealership
- Enterprise Resource Planning ("ERP") and Equipment Asset Management Software

Noble Iron Inc.'s ERP and Equipment Asset Management Software customers include rental companies, construction companies, contractors, dealers, and other users and owners of equipment assets. The Company's software business operates under the name "Texada Software".

In August of 2011, the Company began operating directly in construction and industrial equipment rental under the name "Noble Iron". The Company's equipment rental offering is currently available in Southern California and Houston, Texas.

In May 2012, the Company expanded its platform by launching its equipment dealership, offering select manufacturers' equipment for sale. The Company's dealership also operates under the name, "Noble Iron". Prior to launching its dealership, the Company announced an agreement with LiuGong ("LiuGong"), a global construction equipment manufacturer, for Noble Iron to represent LiuGong as its dealer with exclusive territory distribution rights for the 20 counties making up the greater Houston, Texas, market. In 2013, Noble Iron also began representing Allied Construction Products under an exclusive dealership agreement.

Historical Timeline and Background:

Noble Iron Inc. was incorporated on March 21, 2000 as Aqua Capital Corp. On May 13, 2002 Aqua Capital Corp. was acquired by RentOnTheDot Inc. ("ROTD"), which constituted the Company's "Qualifying Transaction" under Policy 2.4 of the TSX Venture Exchange. As the acquisition resulted in the shareholders of ROTD owning greater than 50% of the Company's common shares, it was accounted for as an acquisition of the Company by ROTD using the purchase method. Systematic Computer Services Corporation ("SCSC") was acquired in 2001 by ROTD.

Effective May 15, 2002, the Company changed its name to "Texada Software Inc." carrying on the business of ROTD, and its principal subsidiary SCSC, developing and providing enterprise asset management software solutions to the equipment rental and construction services sector.

On October 22, 2010, the Company announced the appointment of William Swisher as Chief Executive Officer and Nabil Kassam as a director on the board. The Company also announced its intention to pursue strategic expansion directly into the construction and industrial equipment rental and distribution sectors.

On August 30, 2011, the Company announced it had concluded the acquisition of certain operating assets of a U.S.-based construction and industrial equipment rental business, Rolls Scaffold & Equipment Inc., dba Rolls High Reach ("Rolls"). Established in 1958, Rolls was a Southern California-based rental business focused on aerial reach equipment. The Company acquired certain rental fleet and operating assets from Rolls for cash and assumed liabilities of approximately $1.1 million USD. In addition, the Company purchased rental fleet from an existing lender to Rolls, Terex Corporation, a leading global construction equipment manufacturer. The lender provided term financing in conjunction with the acquisition and took a first preferred security interest in all assets of the Company's wholly owned U.S. subsidiary, Noble Rents, Inc.

On September 15, 2011, the Company completed a non-brokered private placement for 8,000,000 common shares of the Company at a price of $0.50 per share, for gross proceeds of $4.0 million. The Company used the proceeds to satisfy liquidity conditions related to the Rolls acquisition, fleet expansion, and provide for general working capital.

On November 10, 2011, Noble Iron announced the appointment of Nabil Kassam to the role of Executive Chairman, replacing William Swisher who had held the role of Chairman and subsequently continued as a director and Chief

Executive Officer of the Company. In addition, the Company announced the appointment of Samir Manji and William Palmer to its Board of Directors. Samir Manji is the founder, President and CEO of Amica Mature Lifestyles Inc. (“Amica”). Amica is an industry leading TSX-listed company which manages and owns luxury independent living retirement communities. William Palmer is an independent entrepreneur whose experience includes starting and operating a variety of businesses in the United States, Canada and Europe over 35 years. William Palmer founded and was previously the CEO of what became one of Europe's largest self-storage companies with locations in England, France and Germany.

On December 2, 2011, the Company’s convertible debentures, with an original face amount of $1.1 million were retired with accrued interest totalling $1.7 million. Of the total due outstanding, $0.6 million was paid in cash to five debentures holders with the balance converted into 1,998,996 common shares of the Company by the remaining debenture holders at an average price of $0.57 per share.

On May 15, 2012, the Company entered into an exclusive dealership agreement with LiuGong Construction Machinery, N.A. LP (“LiuGong”) for the 20 counties making up the greater Houston, Texas, market.

On May 31, 2012, the Company announced the closing of a $25.0 million USD revolving secured line of credit facility from a large U.S. lender for the recapitalization of all outstanding debt of its wholly owned subsidiary Noble Rents Inc. A total of $13.2 million was funded at closing. Interest on the variable rate facility was equal to LIBOR plus 325 basis points, totaling approximately 3.50% at closing. The facility has no scheduled principal payments during the four year term, and is guaranteed by Noble Iron Inc. Under the terms of the financing, Noble Rents, Inc. can borrow up to $25.0 million US based upon borrowing base availability as supported by the subsidiary’s assets, including its equipment rental fleet, accounts receivable and parts inventory.

On June 28, 2012, the Company announced the addition of Malcolm Hunter and Ron Schwarz to the Board of Directors. Malcolm Hunter is an Owner, as well as the President and Chief Operating Officer, of Deeley Harley-Davidson® Canada. Deeley Harley-Davidson® Canada is the single largest customer of Harley-Davidson Inc. globally, and has earned the designation of being one of the 50 Best Managed Companies in Canada for 15 consecutive years. Ron Schwarz is an independent investor with experience as a senior executive in equity research, wholesale banking and asset management. Mr. Schwarz has held the positions of Executive Director of UBS Global Asset Management Canada, and CIBC’s Managing Director and Head of Canadian Cash Equities.

On June 29, 2012, the Company closed a non-brokered private placement of 4,500,000 common shares at a price of $1.00 per share for gross proceeds of $4.5 million. The proceeds were used to acquire certain assets of Bane Machinery Houston L.P. (“Bane”), additional equipment fleet, and working capital to launch Noble Iron’s operations in Houston, Texas.

On July 9, 2012, the Company purchased certain assets of Bane Machinery Houston L.P., located in Houston, Texas. Along with the purchase of earth moving assets from Bane, the Company retained all of the Houston-based employees and an active customer list.

On July 23, 2012, the Company announced the completion of a name change from “Texada Software Inc.” to “Noble Iron Inc.”, and that the Company’s shares would trade under the ticker symbol “NIR” on the TSX Venture Exchange. The Company also announced the completion of a stock consolidation on the basis of one new common share for every five existing common shares. All references in this MD&A, as to the number of shares and per share amounts, reflect this consolidation as if it had taken place on December 31, 2011.

On September 10, 2012, the Company announced, and was advised that, the execution and appeal periods for a default judgment in the original amount of $0.2 million US rendered against a wholly owned subsidiary in September 2002 had expired. The original default judgment was accrued by the Company along with interest through June 30, 2012. At expiration of the judgement the Company recorded a one-time non-cash adjustment to income of $0.7 million US.

On September 20, 2012, the Company announced additional approved financing for the purchase of rental fleet for its equipment rental and distribution businesses. The financing, from a global equipment manufacturer, provided for the ability to purchase approximately $8.0 million US of aerial work platforms and light construction equipment. The terms

of the financing provided for an initial down payment approximating 10%, a 63-month loan term, with a floating interest rate of approximately 5.99% based on the three-month LIBOR rate at the time of the approval.

On October 15, 2012, the Company announced a significant software customer, representing less than 10% of total Company revenues, was to migrate their Texada Software serviced locations to the software platform currently being utilized within their parent company's business. The Company secured a revised contract to assist the customer with its software migration through 2013.

On May 6, 2013, the Company closed a non-brokered private placement of 3,846,154 common shares at a price of $1.30 per share for gross proceeds of $5.0 million. The proceeds were used to satisfy liquidity conditions related to the refinancing of debt in support of the Company's Houston, Texas, operations, fleet expansion, and to provide for general working capital.

On May 31, 2013, the Company announced the closing of a $15.0 million USD revolving secured line of credit facility from a large U.S. lender for the recapitalization of all outstanding debt of its wholly owned subsidiary Noble Rents (TX) Inc. A total of $5.4 million USD was funded at closing. Interest on the variable rate facility was equal to LIBOR plus 275 basis points, totaling approximately 3.00% at closing. The facility has no scheduled principal payments during the four year term, and is guaranteed by Noble Iron (U.S.), Inc. and Noble Iron Inc. Under the terms of the financing, Noble Rents (TX) Inc. can borrow up to $15.0 million USD based upon borrowing base availability as supported by the subsidiary's equipment rental fleet, accounts receivable and parts inventory.

On January 1, 2014, Nabil Kassam, previously Founder & Executive Chairman, was appointed to the role of Founder, Chairman & CEO following his election by the board of directors. Willie Swisher retained his seat on the board following his resignation from the role of President & CEO and the Company's management, effective December 31, 2013.

Description of Noble Iron's Business:

Construction and Industrial Equipment Rental

Through wholly-owned subsidiaries, the Company operates in the construction and industrial equipment rental sector in the Southern California and Houston, Texas markets. Established in August 2011, the Company's Southern California operations serve two major MSAs ("Metropolitan Statistical Areas") in the United States, including Los Angeles, and Riverside-San Bernardino.

In July 2012, The Company expanded its construction and industrial equipment rental operations to the greater Houston, Texas, market.

The Company's construction and industrial rental operations deploy fleets of aerial, forklift, heavy construction, and light compact construction equipment. Segment revenues consist of equipment rental revenue along with other ancillary rental associated revenues. Other revenues include proceeds from the disposition of rental fleet in the ordinary course as part of the Company's ongoing capital expenditure plan.

Construction and Industrial Equipment Sales and Dealership

The Company also sells equipment, services and provides parts for new and used equipment through its construction and industrial equipment dealership. On May 15, 2012, Noble Iron announced the launch of its dealership, as well as a dealership agreement with exclusive territory rights to represent and distribute with LiuGong Construction Machinery in the 20 counties that make up the greater Houston, TX, market. The Company's appointment as a LiuGong dealer required an initial fleet purchase, as well as minimum unit purchases during the succeeding two years of the multi-year agreement. The Company met this purchase requirement for 2013.

Enterprise Resource Planning and Equipment Asset Management Software

The Company's software division operates under the brand name Texada Software, and is a premier provider of enterprise asset management software solutions for users of construction and industrial equipment and other rentable

assets. Texada's current customers include construction equipment rental companies, equipment dealerships, contractors and construction companies. Texada software applications manage the complete equipment asset life-cycle from acquisition through to disposal, offering enhanced efficiency through better asset utilization, effective location tracking, optimized scheduling, reservation management and other business critical processes. The Company's technology solutions are scalable to meet the unique needs of any sized operation and are backed by proven implementation, services, and support.

The segment's revenues are derived from license revenues, which include server license fees, user license fees, Software as a Service ("SaaS") subscription fees and upgrade fees. In addition to these fees, the segment generates maintenance and service revenue. The products are generally licensed under single-year, multi-year, or perpetual arrangements in which the fair value of the license fee is separately determinable from service fees. Maintenance fee arrangements generally include ongoing customer support and rights to certain product updates. Service revenue consists of professional fees charged for product training, consulting, implementation, and programming services. Customers typically purchase a combination of software, maintenance, and professional services.

In conjunction with its entrance into the equipment rental industry in 2011, the Company launched a proactive project, and implementation plan, for Noble Interactive Customer Care ("NiCC"). NiCC is a proprietary technology architecture that integrates call center interactions, as well as a variety of other business processes unique to the Company.

Noble Iron's Markets:

Construction and Industrial Equipment Rental and Distribution

The equipment rental market consists of companies renting various types of construction and industrial equipment, on both short and long-term contracts, in return for rental fees. The rental industry is highly fragmented and consists of a small number of multi-location, regional or national rental houses, as well as large number of small independent businesses serving discrete local markets. The industry is driven by a broad range of economic factors including residential and non-residential construction trends, infrastructure investment and maintenance, as well as overall economic activity.

Construction and industrial equipment is largely provided to end users through two channels: equipment rental companies and equipment dealers. Examples of other national rental equipment companies include United Rentals, Hertz Equipment Rental, and Sunbelt Rentals.

Incorporating ARA (American Rental Association) and other industry research, Management estimates that the total North American construction and industrial related equipment rental market could exceed $40 billion in 2014. The equipment rental industry experienced approximately 7% growth during the calendar year 2013. Growth within the North American Rental Industry has outpaced that of the general US economy since 2010 and is expected to grow at a compounded annual growth rate in excess of 8.8% through 2017.

The relative sizes of the three primary revenue generating segments of the equipment rental market, as previously published by the ARA (American Rental Association), are:

- Heavy and Light Construction - 67%
- General Tool - 25%
- Party / Event - 8%

The Company currently operates in the heavy and light construction equipment rental market. The majority of its rental fleet is comprised of aerial reach, forklift and earth moving equipment. The heavy and light construction equipment rental market consists of equipment with a significant capital cost, and is deployed to contractors to meet the demands of their construction projects. Customers in this market are generally repeat customers with longstanding relationships with equipment rental companies, and in some instances may have contractual supply arrangements for certain types of equipment.

Enterprise Resource Planning and Equipment Asset Management Software

Customers in the US construction equipment rental industry currently account for approximately 90% of the software segment's revenue. It is estimated that there are more than 30,000 companies worldwide that rent various types of equipment, 12,000 of which conduct business in the United States and Canada.

The market for rental management software has existed for over 30 years, and management estimates its growth at generally less than 10% per year. Management estimates there are more than 200 providers of rental management software to the three primary segments of the rental market, and that current annual revenues in the North American enterprise asset management software solutions market are approximately $50 million USD, as it relates to the equipment rental industry. This estimate places the Company's software company as the second largest provider of these solutions.

Financial Overview:

Company Results

The Company continues to pursue growth opportunities within the construction and industrial equipment rental segment, and has continued investing in additional equipment fleet. These initiatives are expected to increase the breadth of equipment offered for rent, while filling existing demand that has been achieved through customer relationships.

In addition to growth opportunities, resources are being allocated towards further proprietary technology development designed to improve processes, minimize operational costs and further drive economies of scale.

At the Company's Enterprise Asset Management Software segment, objectives include migrating existing customers from customized software products to the current standard version of Texada's ERP software; and, to convert on premise software clients to Texada's SaaS (Software-as-a-Service) cloud-based offering, which was launched in 2011. This commitment reaffirms the Company's strategic intent to continue as an industry leading provider of enterprise asset management software solutions to existing customers while continuing to expand its customer base.

Consolidated Quarterly Results

The following chart outlines, in summary form, the Company's comparative results for the last eight quarters along with summarized Statement of Financial Position information presented for 2013 and 2012:

Quarterly Results (000's)	2013				2012			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	$5,172	$4,993	$5,567	$4,519	$4,146	$3,970	$4,047	$4,002
Adjusted EBITDA (loss)	524	755	629	277	(164)	145	444	520
Net earnings (loss) for the period	(1,188)	(1,270)	(1,146)	(1,339)	(593)	(290)	(526)	(406)
Earnings (loss) per share - basic *	($0.05)	($0.06)	($0.06)	($0.08)	($0.03)	($0.02)	($0.04)	($0.03)
Earnings (loss) per share - diluted *	($0.05)	($0.06)	($0.06)	($0.08)	($0.03)	($0.02)	($0.04)	($0.03)
Weighted Avg. Shares Outstanding (Basic)	21,265,627	20,572,933	19,900,117	17,331,635	17,194,970	17,133,042	12,671,262	12,554,466
Weighted Avg. Shares Outstanding (Diluted)	21,265,627	20,572,933	19,900,117	17,331,635	17,194,970	17,133,042	12,671,262	12,554,466

Selected Information (000's)	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Total Assets	$ 44,039	$ 40,965	$ 40,574	$ 36,249
Total Current Liabilities **	$ 5,318	$ 4,769	$ 2,822	$ 7,539
Total Non-Current Liabilities	$ 29,056	$ 25,333	$ 25,468	$ 20,693
Total Shareholder Equity	$ 9,665	$ 10,863	$ 12,284	$ 8,017

*All per share losses reflect the July 23, 2012 five (5) for one (1) share consolidation and are presented as if the consolidation took place on December 31, 2010.

** The December 31, 2013 current liability balance includes $3.0 million of obligations due to manufactures for rental fleet purchased with extended payment terms. These obligations are scheduled to be converted to long term debt under existing borrowing facilities.

Consolidated revenues increased 25% for the year, and quarter, ended December 31, 2013 as compared to same periods ended December 31, 2012. The Company has achieved revenue growth in both of the Company's operating segments for the comparable quarters ending December 31, 2013 and 2012. Overall, the Company incurred a net loss of $4.9 million for the twelve month period ended December 31, 2013 compared to a loss of $1.8 million for the twelve month period ended December 31, 2012. For the quarter ended December 31, 2013 the Company recorded a loss of $1.2 million compared to a loss of $0.6 for the same period in 2012. Quarterly and full year losses continue to be driven primarily by the continued acquisition of equipment, causing a significant increase in the Company's depreciable asset base. On a consolidated basis, the Company generated $6.4 million of non-cash expense for depreciation and amortization for the twelve month period ended December 31, 2013, compared to $3.9 million for the twelve month period ended December 31, 2012. The Company's entry into a new market in July 2012 also resulted in a greater increase in expenses over revenues at the operating level; this scenario is expected following the launch and early stage period in new markets. As Noble Iron's processes and technology are implemented and additional fleet is added in new markets, the Company expects profitability to grow as operations mature and achieve scale.

Consolidated Company Results

The following chart outlines, in summary form, the Company's consolidated results for the twelve and three month periods ending December 31, 2013 and December 31, 2012:

Comparative Financial Results (000's) - Consolidated Company	Twelve Months Ended				Three Months Ended			
	December 31, 2013		December 31, 2012		December 31, 2013		December 31, 2012	
Revenue	**$20,251**	100%	**$16,165**	100%	**$5,172**	100%	**$4,147**	100%
Cost of Revenue	(8,670)	(43%)	(4,925)	(30%)	(2,507)	(48%)	(1,739)	(42%)
Summary Expenses								
Support, Maintenance and Delivery	(6,668)	(33%)	(6,262)	(39%)	(1,871)	(36%)	(1,758)	(42%)
Research and Development	(769)	(4%)	(865)	(5%)	(188)	(4%)	(218)	(5%)
Sales and Marketing	(1,213)	(6%)	(1,399)	(9%)	(316)	(6%)	(573)	(14%)
General and Administration	(7,148)	(35%)	(5,679)	(35%)	(1,437)	(28%)	(1,357)	(33%)
Deferred Income Tax / Recovery	455	2%	1,430	9%	353	7%	1,070	26%
Stock Based Compensation	(229)	(1%)	(228)	(1%)	(63)	(1%)	(86)	(2%)
Gain on Fair Value Increment	0	0%	243	2%	0	0%	243	6%
Interest Expense	(907)	(4%)	(910)	(6%)	(263)	(5%)	(204)	(5%)
Default Judgment Reversal	0	0%	691	4%	0	0%	0	0%
Foreign Exchange Gain / Loss	(45)	(0%)	(76)	(0%)	(68)	(1%)	(118)	(3%)
Net Earnings (Loss)	**(4,943)**	**(24%)**	**(1,815)**	**(11%)**	**(1,188)**	**(23%)**	**(593)**	**(14%)**
Add Back:								
Depreciation / Amortization	6,402	32%	3,910	24%	1,671	32%	1,334	32%
Deferred Income Tax / Recovery	(455)	(2%)	(1,430)	(9%)	(353)	(7%)	(1,070)	(26%)
Stock Based Compensation	229	1%	228	1%	63	1%	86	2%
Gain on Fair Value Increment	0	0%	(243)	2%	0	0%	(243)	6%
Interest Expense	907	4%	910	6%	263	5%	204	5%
Default Judgment Reversal	0	0%	(691)	(4%)	0	0%	0	0%
Severance	216	1%	0	0%	0	0%	0	0%
Foreign Exchange Gain / Loss	45	0%	76	0%	68	1%	118	3%
Adjusted EBITDA	**$2,401**	**12%**	**$945**	**6%**	**$524**	**10%**	**($164)**	**-4%**

The Company's revenues grew 25% to $20.2 million for the twelve month period ending December 31, 2013, a $4.1 million increase over the prior year. The Company's revenue growth is primarily driven by the construction and industrial equipment rental and distribution segment. This segment, and its results, is discussed in further detail below. Net loss for the Company increased to $4.9 million from $1.8 million for the same twelve month period ending December 31, 2012. The losses are primarily the result of depreciation totaling $6.4 million and $3.9 million for the twelve month periods ended December 31, 2013 and December 31, 2012, respectively.

The Company generated an Adjusted EBITDA of $2.4 million on $20.2 million of revenue for the twelve month period ending December 31, 2013, compared to $0.9 million of Adjusted EBITDA on $16.2 million of revenue for the same period in 2012. Adjusted EBITDA, for the three month period ending December 31, 2013, increased by $.7 million. This increase was driven by improvements in both the construction and industrial equipment rental and distribution, and enterprise asset management software segments.

Cost of Revenue increased by $3.7 million year over year as the result of an increase in depreciation totaling $2.5 million. Total operating expense, as a percentage of revenue, decreased from 88% for the twelve months ended December 31, 2012, to 78% for the twelve months ended December 31, 2013. On a comparable quarterly basis, Cost of Revenue decreased 20% to 74% for the three month period ending December 31, 2013 compared to the same period in 2012.

General and Administration expense increased $1.5 million year over year, which includes $0.2 million for severances, $0.8 million related to the addition of a new CELL™ (Centralized Equipment Logistics Location) in Houston, Texas and $0.5 million to support continued growth, technology and process development initiatives. The year over year increase in total expenses is also influenced by a onetime default judgement reversal in September 2012, which reduced prior year expenses by $0.7 million.

Segment Results:

An overview of the Company's operating segments for the twelve months ended December 31, 2013 is provided below. Expenses incurred by the Revenue Assistance Operations ("RAO"), in support of all operating segments, is also presented.

Construction and Industrial Equipment Rental and Distribution

The Company currently operates construction and industrial equipment rental and distribution operations in two major markets, Southern California and Southeastern Texas. The Company entered the segment by way of acquisition, and the operating results for the segment are included in the Company's financial statements from the effective date of acquisition. The following chart contains year to date comparative data for 2013 and 2012.

Comparative Financial Results (000's) - Construction and Industrial Equipment Rental and Distribution	Twelve Months Ended				Three Months Ended			
	December 31, 2013		December 31, 2012		December 31, 2013		December 31, 2012	
Revenue								
Rental	$ 13,733	88%	$10,374	91%	$ 3,520	89%	$ 2,751	90%
Ancillary Revenue	1,806	12%	1,026	9%	422	11%	321	10%
Total Revenue	15,540	100%	11,400	100%	3,944	100%	3,072	100%
Cost of Revenue	(8,143)	(52%)	(4,386)	(38%)	(2,346)	(59%)	(1,610)	(52%)
Summary Expenses							0	
Support, Maintenance and Delivery	(5,306)	(34%)	(4,948)	(43%)	(1,568)	(40%)	(1,539)	(50%)
Sales and Marketing	(975)	(6%)	(825)	(7%)	(280)	(7%)	(230)	(7%)
General and Administration	(2,880)	(19%)	(2,235)	(20%)	(443)	(11%)	(462)	(15%)
Deferred Income Tax / Recovery	(451)	(3%)	1,430	13%	(553)	(14%)	1,070	35%
Gain on Fair Value Increment	0	0%	243	2%	0	0%	243	8%
Interest	(846)	(5%)	(776)	(7%)	(254)	(6%)	(184)	(6%)
Net Earnings (Loss)	**($3,061)**	**(20%)**	**($97)**	**(1%)**	**($1,500)**	**(38%)**	**$360**	**12%**
Add:							**0**	
Depreciation / Amortization	6,200	40%	3,738	33%	1,626	41%	1,287	42%
Deferred Income Tax / Recovery	451	3%	(1,430)	(13%)	553	14%	(1,070)	(35%)
Gain on Fair Value Increment	0	0%	(243)	2%	0	0%	(243)	8%
Interest	846	5%	776	7%	254	6%	184	6%
Adjusted EBITDA	**$4,436**	**29%**	**$2,744**	**24%**	**$933**	**24%**	**$518**	**17%**

Total revenue generated from the equipment rental and distribution segment for the twelve months ended December 31, 2013 was $15.5 million, an increase of 36% over the same period of the prior year. Rental revenue increased 32%, while ancillary revenue from equipment disposals and other activities increased 76% over the same period of the prior year as a result of new and used equipment sales. It is important to note, that the sales of new and used equipment do not occur evenly throughout year within the segment, and may fluctuate significantly from period to period. Approximately, $3.5 million of the year over year increase in segment revenues is attributable to the addition of the Houston, Texas CELL. Quarterly revenues, for the three month period ending December 31, 2013, increased by $0.9 million or 28% as compared to the same three month period ending December 31, 2012.

Net losses for the twelve month period ended December 31, 2013 totaled $3.1 million as compared to a net loss of $0.1 million for the same twelve month period ended December 31, 2012. 2012 losses were offset by $1.7 million of gains related to deferred income taxes and a gain from a fair value increment related to the acquisition of Bane Machinery, compared an increase of $0.5 million in deferred liability for the same twelve month period ended December 31, 2013. On a quarterly basis, segment losses totaled $1.5 million for the twelve month period ending December 31, 2013 compared to earnings of $0.4 for the same period ended December 31, 2012. The decrease in quarterly earnings is the result of increased depreciation totaling $1.6 million for the quarter ended December 31, 2013.

Cost of revenue in the equipment rental and distribution segment for the twelve months ended December 31, 2013 was $8.1 million, and comprised primarily of depreciation and amortization totaling $6.2 million, as well as cost of goods sold related to new and used equipment sales. Cost of revenue for the same period ended December 31, 2012 was $4.4 million comprised primarily of depreciation. Year to date operating expense, as a percent of total revenue, decreased from 68% of total revenues for the twelve months ended December 31, 2012, to 58% during the same period of 2013. This decrease in operating expense, as a percent of revenue, is primarily the result of operational leverage as the business is able to manage incremental fleet with the existing resource as is expected with the Noble Iron business model. The quarterly increase in revenues, and expense, for the three month period ended December 31, 2013, as compared to the same three month period of 2012, is partially influenced by the expansion of operations in Houston, Texas, which began operations in July of 2012.

Adjusted EBITDA totaled $4.4 million for the twelve months ended December 31, 2013, an increase of 62% over the same period in 2012. The $4.1 million year over year increase in revenue produced an incremental Adjusted EBITDA margin of 41% for the twelve month period ended December 31, 2013. This increase in Adjusted EBITDA is the result of the business leveraging existing resource to manage and deploy additional rental fleet.

Enterprise Asset Management Software

Comparative Financial Results (000's) - Software Segment	Twelve Months Ended				Three Months Ended			
	December 31, 2013		December 31, 2012		December 31, 2013		December 31, 2012	
Revenue	**$4,711**	100%	**$4,765**	100%	**$1,228**	100%	**$1,075**	100%
Cost of Revenue	(527)	(11%)	(539)	(11%)	(161)	(13%)	(129)	(12%)
Expenses								
Support, Maintenance and Delivery	(1,362)	(29%)	(1,314)	(28%)	(303)	(25%)	(219)	(20%)
Research and Development	(769)	(16%)	(865)	(18%)	(188)	(15%)	(218)	(20%)
Sales and Marketing	(107)	(2%)	(312)	(7%)	(18)	(1%)	(81)	(8%)
General and Administration	(1,022)	(22%)	(851)	(18%)	(213)	(17%)	(278)	(26%)
Deferred Income Tax / Recovery	906	19%	0	0%	906	74%	0	0%
Interest Expense	(67)	(1%)	(87)	(2%)	(15)	(1%)	(20)	(2%)
Foreign Exchange Gain / Loss	(6)	(0%)	(47)	(1%)	(48)	(4%)	37	3%
Net Earnings (Loss)	**1,757**	**37%**	**750**	**16%**	**1,188**	**97%**	**167**	**16%**
Add:								
Depreciation / Amortization	138	3%	143	3%	29	2%	35	3%
Deferred Income Tax / Recovery	(906)	(19%)	0	0%	(906)	(74%)	0	0%
Interest Expense	67	1%	87	2%	15	1%	20	2%
Severance	216	5%	0	0%	0	0%	0	0%
Foreign Exchange Gain / Loss	6	0%	47	1%	48	4%	(37)	(3%)
Adjusted EBITDA	**$1,278**	**27%**	**$1,027**	**22%**	**$374**	**30%**	**$185**	**17%**

Enterprise asset management software revenues are derived from products, comprised primarily of license fees, upgrades, and service elements, which include maintenance, implementation and training. Support, maintenance, and delivery expense primarily consists of personnel costs associated with maintenance, training and professional services efforts. Sales and marketing expenses consist primarily of personnel costs, trade show expense and other promotional activities. Research and development expense includes personnel costs associated with software development. General and administration expense primarily consists of personnel costs associated with the administration of the segment.

The segment recognized revenue totaling $4.7 million for the twelve month period ended December, 2013 and $4.8 million for the same period of 2012. The nominal year over year decrease in revenues can be directly attributable to a large onetime software license sale to a single customer during the previous year. Separately, and on a quarter over

quarter basis, the Company had incremental onetime licence sales to a customer during the three month period ended December 31, 2013 which resulted in a 14% increase in quarterly revenues when compared to the same three month period ending December 31, 2012.

Net earnings were $1.8 million for the twelve month period ended December 31, 2013 as compared to $0.8 million for the twelve month period ended December 31, 2012. This year over year increase in earnings is directly attributable to a $0.9 million increase in deferred income taxes. Adjusted EBITDA totaled $1.3 million for the twelve month period ended December 31, 2013 as compared to $1.0 million for the same period of 2012. Exclusive of a onetime charge for severances, operating expenses as a percentage of segment revenues decreased to 64.6% in 2013 from 65.6% for the comparable twelve month period ended December 31, 2012. This decrease is the result of gains in operational efficiency by the segment as it leverages the benefits from increased SaaS product deployment. The reduction in Sales and Marketing expense, quarter over quarter, as well as year over year was the result of the reclassification of expense within the segment more directly associated with General and Administrative expense.

Adjusted EBITDA for the enterprise asset management software segment increased 24% during the twelve month period ended December 31, 2013. On a quarterly basis, Adjusted EBITDA increased 102% for the three month period ending December 31, 2013 compared to the same period in 2012. The increase in Adjusted EBITDA, for the quarter ended December 31, 2013 as compared to the same period in 2012, is attributable to an increase onetime licence sales during the period.

Revenue Assistance Operations

The Company incurs certain macro-level expenses that are presented in this MD&A as Revenue Assistance Operations (“RAO”). These expenses represent costs associated with public entity management, planning and executing strategic initiatives, technology and process development, training, research, corporate level management, Company-wide branding, trademark and intellectual property work, as well as other ancillary costs required to support operating segments. A summary of these expenses are as follows:

Comparative Financial Results (000's) - Revenue Assistance Operations	Twelve Months Ended				Three Months Ended			
	December 31, 2013		December 31, 2012		December 31, 2013		December 31, 2012	
Expenses								
Support, Maintenance and Delivery	0	0%	0	0%	0	0%	0	0%
Sales and Marketing	(131)	4%	(262)	11%	(18)	2%	(262)	23%
General and Administration	(3,246)	89%	(2,593)	105%	(781)	89%	(617)	55%
Stock Based Compensation	(229)	6%	(228)	9%	(63)	7%	(86)	8%
Interest Expense	6	(0%)	(47)	2%	6	(1%)	0	0%
Default Judgment Reversal	0	0%	691	(28%)	0	0%	0	0%
Foreign Exchange Gain / Loss	(39)	1%	(29)	1%	(20)	2%	(155)	14%
Total	**(3,639)**	**100%**	**(2,468)**	**100%**	**(876)**	**100%**	**(1,120)**	**100%**
Non-Cash Expenses					**0**		**0**	
Depreciation / Amortization	64	(2%)	29	(1%)	16	(2%)	12	(1%)
Stock Based Compensation	229	(6%)	228	(9%)	63	(7%)	86	(8%)
Interest Expense	(6)	0%	47	(2%)	(6)	1%	0	0%
Default Judgment Reversal	0	0%	(691)	28%	0	0%	0	0%
Foreign Exchange Gain / Loss	39	(1%)	29	(1%)	20	(2%)	155	(14%)
Total Net of Non-Cash Expenses	**($3,313)**	**91%**	**($2,826)**	**115%**	**($783)**	**89%**	**($867)**	**77%**

Total expenses, net of non-cash items, at RAO increased $0.5 million over the comparable twelve month period from 2012. On a quarterly basis, comparing the three month period ended December 31, 2013 with the same period of 2012, RAO expenses as a percentage of total revenue declined 10%. Overall, RAO expenses remain in line with expectations, and are primarily the result of growth initiatives, integration of acquisitions and continued development of the infrastructure required to support the Noble Iron business model, including further development of the Noble Iron Interactive Customer Care capabilities, investment in additional software modules, and data gathering and analytics capabilities.

Liquidity:

Liquidity risk is the risk the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk through cash and debt management.

The Company's centralized finance function manages liquidity by assessing future cash flow requirements and maintains sufficient borrowing base availability against the Company's debt facilities. Cash flow estimates are based upon rolling forecasts that consider borrowing limits, cash restrictions and compliance with debt covenants. Cash, which is surplus to working capital requirements, is managed by a centralized finance function. These funds are typically held as deposits, in both US and Canadian funds, with larger financial institutions.

Cash flow from operations for the twelve months ended December 31, 2013 was $0.9 million compared to $0.5 million for the same period ended December 31, 2012. As of December 31, 2013, the Company had cash of $2.7 million and working capital of $1.8 million compared to cash of $1.8 million and working capital of $0.1 million at December 31, 2012.

As of December 31, 2013, the Company had available unused approved credit facilities (operating, capital, and others combined) of $13.4 million US subject to the borrowing base requirements. Net availability, given the value of the Company's borrowing base, was approximately $3.6 million. The Company also had accounts receivable, net of reserves, of $3.0 million and cash totaling $2.7 million. Management plans to satisfy the Company's liabilities by means of cash flow generated from operations, existing cash reserves, and the refinancing of debt instruments. Management considers Adjusted Working Capital, as previously defined, as a more indicative measure of the Company's near term liquidity. Adjusted working capital was $4.8 million as of December 31, 2013, compared to $2.5 million at December 31, 2012.

Capital Resources:

The Company's two rental and distribution operations are supported by separate credit facilities from a single lender which include a continuing first charge security interest in all of the borrower's assets. Availability under each facility is subject to a borrowing base as determined by the value of rental fleet, accounts receivable and parts inventory. There are no required principal payments under the four year facilities and interest is charged on a floating basis using the 1-month LIBOR rate, plus a spread ranging from 225 basis points to 275 basis points. The Company has provided a corporate guarantee to the lender that is also supported by a pledge of the Company's common shares in the respective borrower.

The combined loan balance outstanding under the facilities as of December 31, 2013 was $28.3 million ($26.6 million 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. The facility contains covenants requiring the Company to maintain certain metrics or ratios. This includes fixed charge coverage, and liquidity ratios. As of December 31, 2013, the Company was in compliance with these covenants.

The lender has also made available to the Company standby letter of credit facilities, subject to borrowing base availability, with a combined limit of $4.0 million. No letters of credit were drawn by the Company as of December 31, 2013. The facilities also contain covenants specifying a minimum fixed charge coverage ratio, minimum availability requirements and a restriction on dividends to shareholders. As of December 31, 2013 the Company was in compliance with all bank covenants.

As of December 31, 2013, the Company had cash of $2.7 million and working capital of $1.8 million compared to cash of $1.8 million and working capital of $0.1 million at December 31, 2012.

Equipment is often procured from manufacturers who offer an extended period before payment is due. During this extended payment period, equipment payables due for these fleet purchases are recorded as Other Current Liabilities. Due to temporary timing differences associated with receipt of fleet purchases and their subsequent financing by existing borrowing facilities, these current equipment payables will then be converted to long-term debt under existing borrowing facilities. As of December 31, 2013, invoices for equipment shipped to operations amounted to $3.0 million, $2.4

million as of December 31, 2012. As such, short-term borrowings under terms from manufactures related to equipment purchases are included in Other Current Liabilities on the balance sheet.

Off-Balance Sheet Arrangements:

During the twelve months ended December 31, 2013 the Company did not participate in any off-balance sheet arrangements.

Transactions between Related Parties:

In January of 2013, the Company provided a loan advance of $150,000 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.

Changes in Accounting Policies:

The significant accounting policies used in preparing the Consolidated Financial Statements are unchanged from those disclosed in the Company's 2012 annual consolidated financial statements except for the review, assessment, and implementation of new IFRS pronouncements prospectively adopted in its financial statements for the annual period beginning on January 1, 2013. The adoption of these pronouncements did not have a material impact on the financial statements. Further details can be found in the Consolidated Financial Statements for the twelve months ended December 31, 2013.

Risks and Uncertainties:

Noble Iron's management team is responsible for the evaluation and management of risk factors affecting the Company. The following is management's assessment of the significant risks which would have the greatest impact on the Company over the ensuing 12 to 24 months given currently available information. This analysis contains forward looking statements that may differ materially from actual results.

Liquidity continues to be a significant risk for the Company as it continues to grow and deploy the Noble Iron business model. As such, management understands the need to raise funds in support of the business model and anticipates doing such during 2014. As described under "Liquidity", the Company had a cash balance of approximately $2.7 million as of the close of business on December 31, 2013 and had working capital of $1.8 million. Management's opinion is that Adjusted working capital (defined above), which amounted to $4.8 million on December 31, 2013, offers a better indication of the Company's financial position. However, there can be no assurances that the Company's resources, combined with cash generated from future operations, will be adequate to continue funding operations, which includes the funding needed to sustain and grow the equipment rental fleet and for further expansion.

Revenue and Collection Risk:

Having a large number of customers with lower average account balances exposes the Company to aggregate billing and collection risk. These risks can include missed billings, unwarranted credits, additional time to collect payments and greater risk of customer default. Continual process improvements are made to ensure timely collection of the Company's accounts receivable. These efforts include the positioning of resources and technology to improve the efficiency of invoicing, collections and customer credit extension.

Technology and Software Development:

The process of developing technology from concept stage, through to design and final production involves time to complete testing, redesign and adoption by customers. Unexpected testing results or performance irregularities are normal in a development process and can result in new product offerings being delayed beyond projected time frames or slow adoption from customers. The risk of not developing and introducing reliable products, on a timely basis, presents a

risk to the Company's software business. Management mitigates this risk through its continuous product development plan. This continual assessment, adjusted to meet market trends, is communicated periodically with customers and business partners.

Reliance on Key Personnel:

The success of Noble Iron depends on the abilities, experience, efforts and knowledge of their respective senior management and other key employees, including its ability to retain and attract skilled management and employees. The loss of services from key personnel could have a material adverse effect on Noble Iron's business, financial condition, results of operations or future prospects, particularly since it does not enter into non-competition arrangements with senior management and other key employees in certain circumstances. In addition, the growth plans described in this MD&A may require additional employees, increase the demand on management, and produce risks in both productivity and retention levels. Noble Iron may not be able to attract and retain additional qualified management and employees as needed in the future. There can be no assurance Noble Iron will be able to effectively manage its growth, and any failure to do so could have a material adverse effect on its business, financial condition, results of operations and future prospects.

Foreign Currency and Exchange Risk:

Foreign currency risk in the exchange rates between the Canadian dollar and foreign currencies could affect the Company's operating and financial results. The Company is exposed to foreign currency risk as substantially all of its assets and liabilities are denominated in foreign currency, particularly the US dollar. In addition, approximately 75% of its revenues are transacted in US dollars. Future growth of the Company is expected to be in US dollar denominated assets and or transactions. To date, the Company has funded its growth by issuing equity in Canadian funds and raising debt in US dollars. The Company's management monitors exchange rate fluctuations and presently does not use any derivative instruments to manage foreign currency exposure. As the Company continues to grow its US operations, exposure to foreign currency risk may increase with the likelihood of the Company employing exchange rate derivative instruments.

Asset and Leverage Risk:

The integration and sustained growth initiative of the Company's operations into the construction and industrial equipment rental business poses risks that include, but are not limited to: considerable financial leverage, debt repayment requirements relative to anticipated cash flow, the execution of an operational turnaround for acquisitions, the reaction of the Company's software customers to its expansion into the segment, and the availability of additional capital to grow the segment beyond the existing operations. There can be no assurances that sufficient capital will be available on acceptable terms, if at all.

The revolving debt facilities supporting the Company's existing construction and industrial equipment rental and distribution operations, secured by the appraised value of the their respective equipment rental fleet, subjects the Company to market fluctuation risk 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.

A significant portion of the Company's debt is subject to interest rate risk due to the fact the rate charged is fully floating tied to LIBOR. A one percent change in the LIBOR rate would result in an additional annual expense to the Company of approximately $283,000 US. At present, the Company does not employ an interest rate hedge to mitigate this risk. Management may elect to do such in the future. There can be no assurance that a sufficient hedge could be procured to fully mitigate this risk.

The construction and industrial equipment rental and distribution industry has demonstrated year over year revenue growth surpassing the most recent rate of gross domestic product in the United States where the Company's rental business is transacted. Should the current rate of construction and industrial equipment rental growth in the United States stagnate, or should the United States enter a recessionary period with a prolonged decline in construction activity, the Company may lack sustainable revenue growth needed support its debt obligations and capital expenditure plan.

Outstanding Share Data:

The Company has authorized 100,000,000 preferred shares without par value, assumable in one or more series, as well as an unlimited number of common shares without par value. As of the date of filing, the Company had 21,415,479 common shares issued and outstanding. There are no preferred shares outstanding as of the date of filing.

During the twelve month period ended December 31, 2013 the Company issued a total of 4,160,511 common shares, including 164,357 with the exercise of share options and 3,996,154 shares in conjunction with the closing of private placements. Further information can be found in the Company's Consolidated Financial Statements for the periods ended December 31, 2013 and 2012.

Seasonality:

Revenues within the construction and industrial equipment rental segment will generally be lower from December through March as the winter weather and seasonal migration of workers hampers construction activity. Rental demand for construction and general rental equipment generally increases in April with warmer weather and typically remains strong through to the month of November. The Company's Asset Management Software revenue is largely generated from recurring license fees which accrue and are earned equally throughout the year, therefore seasonality is not a large factor within the segment.

Additional information relating to the Company is available on SEDAR at www.sedar.com.