

Interim Condensed
Consolidated Financial Statements

NOBLE IRON INC.

For the three months ended March 31, 2015 and 2014
(Unaudited)

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

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim condensed consolidated financial statements of Noble Iron Inc. (the "Company"), have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity's auditor.

NOBLE IRON INC.

Interim Condensed Consolidated Statements of Financial Position

(Unaudited)

As at March 31, 2015 and December 31, 2014

In Canadian Dollars

	March 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash	\$ 1,093,945	\$ 2,065,127
Accounts receivable	3,087,258	2,979,843
Inventories	613,237	504,986
Loan Receivable (note 13)	114,000	-
Prepaid expenses and other assets	928,596	1,018,013
	5,837,036	6,567,969
Long term assets:		
Property and equipment	35,293,101	34,385,112
Intangible assets	729,392	773,891
Loan receivable	0	114,000
Deferred tax asset	704,000	724,000
	36,726,493	35,997,003
Total assets	\$ 42,563,529	\$ 42,564,972
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,974,453	\$ 1,778,915
Other current liabilities (note 6)	-	469,077
Deferred revenue	203,600	182,783
Current portion of license obligation	193,055	243,178
Short term debt	125,349	227,715
Current portion of long-term debt	219,899	197,036
	2,716,356	3,098,704
Long term liabilities:		
License obligation	132,214	120,935
Long-term debt	32,871,823	30,614,315
Deferred tax liability	-	-
	33,004,037	30,735,250
Total liabilities	\$ 35,720,393	\$ 33,833,954
Shareholders' equity:		
Share capital (note 4)	36,471,467	36,471,467
Contributed surplus	3,181,498	3,099,886
Accumulated other comprehensive income	2,007,735	1,263,675
Deficit	(34,817,564)	(32,104,010)
	6,843,136	8,731,018
Total liabilities and shareholders' equity	\$ 42,563,529	\$ 42,564,972

See accompanying notes to interim unaudited condensed consolidated financial statements

On behalf of the Board:

/s/ Nabil Kassam Director

/s/ Ron Schwarz Director

NOBLE IRON INC.

Interim Condensed Consolidated Statements of Comprehensive Loss

(Unaudited)

For the three months ended March 31, 2015 and 2014

In Canadian Dollars

	March 31, 2015	March 31, 2014 (restated note 3)
Revenue:		
Rental and distribution (note 8)	\$ 4,474,718	\$ 4,113,110
Software and services	1,175,884	1,107,658
	5,650,602	5,220,768
Cost of revenue:		
Rental and distribution	2,470,592	2,060,251
Software and services	148,878	160,022
	2,619,470	2,220,273
Gross profit	3,031,132	3,000,495
Operating expenses:		
Support, maintenance and delivery	2,358,204	1,784,710
Research and development	237,463	182,702
Sales and marketing	492,798	327,280
General and administration	2,259,575	1,681,850
	5,348,040	3,976,542
Loss from operations	(2,316,908)	(976,047)
Other Income / Expense:		
Interest expense	230,881	225,528
Foreign exchange loss	145,243	59,194
	376,124	284,722
Loss before income taxes	(2,693,032)	(1,260,769)
Income tax expense (recovery)	20,522	(435,433)
Net loss	(2,713,554)	(825,336)
Other comprehensive income:		
Items that will not be reclassified to net loss:		
Foreign currency translation adjustment	744,060	694,616
Total comprehensive loss	\$ (1,969,494)	\$ (130,720)
Net loss per share (note 4) :		
Basic and diluted	\$ (0.10)	\$ (0.04)

See accompanying notes to interim unaudited condensed consolidated financial statements

NOBLE IRON INC.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

(Unaudited)

For the three months ended March 31, 2015 and 2014

In Canadian Dollars

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
Balance at December 31, 2013 as restated (note 3)	\$ 30,502,004	\$ 2,997,045	\$ 495,363	\$ (24,120,364)	\$ 9,874,048
Stock-based compensation	-	37,832	-	-	37,832
Share capital issuance	-	-	-	-	-
Share capital issuance – exercise of share options	-	-	-	-	-
Other comprehensive income - foreign currency translation adjustment	-	-	694,616	-	694,616
Net loss	-	-	-	(825,336)	(825,336)
Balance, March 31, 2014 as restated (note 3)	\$ 30,502,004	\$ 3,034,877	\$ 1,189,979	\$ (25,033,842)	\$ 9,693,018
Balance, December 31, 2014	\$ 36,471,467	\$ 3,099,886	\$ 1,263,675	\$ (32,104,010)	\$ 8,731,018
Stock-based compensation	-	81,612	-	-	81,612
Share capital issuance	-	-	-	-	-
Share capital issuance – exercise of share options	-	-	-	-	-
Other comprehensive income (loss) - foreign currency translation adjustment	-	-	744,060	-	744,060
Net loss	-	-	-	(2,713,554)	(2,713,554)
Balance March 31, 2015	\$ 36,471,467	\$ 3,181,498	\$ 2,007,735	\$ (34,817,564)	\$ 6,843,136

See accompanying notes to interim unaudited condensed consolidated financial statements

NOBLE IRON INC.

Interim Condensed Consolidated Statements of Cash Flows
(Unaudited)

For the three months ended March 31, 2015 and 2014

In Canadian Dollars

	March 31, 2015	March 31, 2014 (restated note 3)
Cash provided by (used in):		
Operating activities:		
Net loss	\$ (2,713,554)	\$ (825,336)
Items not involving cash:		
Depreciation and amortization	2,135,192	1,779,414
Stock-based compensation	81,612	37,832
Interest expense	230,881	225,528
Gain on disposal of property and equipment	(32,661)	8,972
Unrealized foreign exchange (gain) loss	183,829	(75,370)
Income tax recovery	20,522	(435,433)
Change in non-cash operating working capital (note 7)	90,106	(764,671)
Net cash from (used in) operating activities	(4,073)	(49,064)
Investing activities:		
Purchase of property and equipment	(188,641)	(637,128)
Proceeds on disposal of rental equipment	334,785	-
Purchase of intangibles	-	-
Proceeds on disposal of property and equipment	13,921	77
Net cash (used in) investing activities	160,065	(637,051)
Financing activities:		
Proceeds from issuance of common shares	-	-
Proceeds from long-term debt	4,679,912	5,029,535
Repayment of other current liabilities	(469,075)	(552,054)
Repayment of long-term debt	(5,233,445)	(4,640,110)
Repayment of license obligation	(69,392)	(59,198)
Interest paid	(199,058)	(199,951)
Net cash (used in) from financing activities	(1,291,058)	(421,778)
Increase (decrease) in cash	(1,135,066)	(1,107,893)
Cash, beginning of period	2,065,127	2,658,204
Effect of exchange rate changes on cash	163,884	34,878
Cash, end of period	\$ 1,093,945	\$ 1,585,189

See accompanying notes to interim unaudited condensed consolidated financial statements

NOBLE IRON INC.

Notes to Interim Condensed Consolidated Financial Statements
(Unaudited)
For the three months ended March 31, 2015 and 2014
In Canadian Dollars

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. The interim condensed consolidated financial statements of the Company, as at and for the three months ended, March 31, 2015 and 2014, 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 equipment rental, equipment distribution, and enterprise asset management software for the construction and industrial equipment industry. For segment reporting purposes, the Company has combined the equipment rental and distribution businesses.

Noble Iron Inc.'s equipment rental and distribution business operates under the name "Noble Iron" and currently serves customers in California and Texas. Noble Iron offers construction and industrial equipment and accessories for rent and for sale, and is the exclusive distributor of LiuGong Construction Machinery earth moving equipment in Southeast Texas.

Noble Iron Inc.'s software division operates under the name "Texada Software". Texada Software develops software applications to manage the complete equipment ownership lifecycle: from equipment purchasing, rental & sales transactions, inventory management, maintenance & depreciation tracking, through to used equipment sales, disposal, & inventory replenishment. Texada Software offers in the cloud or client-based software, and is scalable to meet the needs of any equipment rental company, dealership, construction company, contractor, and any customer who owns or uses construction or industrial equipment.

2. Basis of preparation:

(a) Statement of compliance:

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). The notes presented in these interim condensed consolidated financial statements include only significant changes and transactions occurring since the Company's last year end, and are not fully inclusive of all disclosure required by International Financial Reporting Standards ("IFRS") for annual financial statements.

These interim condensed consolidated financial statements should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2014, which are available on SEDAR. These interim condensed consolidated financial statements were approved by the Audit Committee of the Board of Directors on June 1, 2015.

These interim condensed consolidated financial statements follow the same accounting policies and methods of application as the consolidated financial statements as at, and for, the year ended December 31, 2014, with the exception of policies that were adopted on January 1, 2015 as more fully described in (c) below.

NOBLE IRON INC.

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(Unaudited)
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2. Basis of preparation (continued):

(b) Use of judgments and estimates:

In preparing these interim condensed consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2014.

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

The Company adopted the following accounting pronouncements during the period, details of which are included in the consolidated financial statements for the year ended December 31, 2014. These standards did not have a significant impact on these interim financial statements.

In December 2013, the IASB published Annual Improvements to IFRS in order to make amendments and clarifications to IFRS.

- **IFRS 2 *Share-based Payment*** clarifies the definition of “vesting condition” while adding definitions for “performance condition” and “service condition”
- **IFRS 3 *Business Combinations*** requires that contingent consideration classified as an asset or liability in a business combination be measured at fair value, it also includes scope exclusion for joint arrangements
- **IFRS 8 *Operating Segments*** requires certain disclosures when applying aggregation to reporting of operating segments
- **IFRS 13 *Fair Value Measurement*** clarified that discounting short-term receivables and payables is not required if the effect is immaterial
- **IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*** provides clarification related to restatement of accumulated depreciation/amortization
- **IAS 24 *Related Party Disclosures*** expands the definition of a “related party”
- **IAS 40 *Investment Property*** has been amended to clarify investment property and requires an entity to assess property acquisition under IFRS 3

These amendments are effective for annual periods beginning on or after July 1, 2014.

NOBLE IRON INC.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited)

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2. Basis of preparation (continued):

(d) New standards and interpretations not yet adopted:

The IASB 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.

- i. In October 2010, the International Accounting Standards Board ("IASB") issued IFRS 9, Financial Instruments ("IFRS 9"). IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities. This revision includes a new impairment model on expected credit losses for calculating impairment. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The International Accounting Standards Board ("IASB") has decided on an effective date of January 1, 2018. The Group plans to implement these changes on January 1, 2018. The Group is currently assessing the impact of the issued and proposed changes to IFRS 9.
- ii. In May 2014, the IASB issued IFRS 15, which replaces several standards and interpretations including IAS 18, Revenue, and IFRIC 13, Customer Loyalty Programs. This standard introduces a five-step framework for a company to follow in order to properly recognize revenue and report useful information about the nature, timing, and uncertainty of revenues related to contracts with customers. IFRS 15 also provides guidance relating to the treatment of contract acquisition and contract fulfilment costs. This standard is effective for periods beginning on or after January 1, 2017. The Group is currently assessing the impact of this standard on its consolidated financial statements.
- iii. In May 2014, the IASB issued Amendments to IAS 16 and IAS 38. These amendments clarify that revenue-based depreciation methods are not appropriate and amortization of intangibles based on revenue methods are allowable only in very specific instances. The amendments are effective for periods on or after January 1, 2016. The Group is currently assessing the impact of this standard on its consolidated financial statements.
- iv. On May 6, 2014, the IASB issued amendments to IFRS 11, Accounting for Acquisitions of Interests in Joint Operations. The amendments require business combinations accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. The Group intends to adopt the amendments to IFRS 11 in its financial statements for the annual period beginning on January 1, 2016. The Group does not expect the amendments to have a material impact on the financial statements.
- v. On December 18, 2014 the IASB published clarifications to IAS 1, Presentation of Financial Statements. The amendments were designed to improve the effectiveness of disclosure through application of professional judgement when determining materiality and aggregation. The amendments are effective for annual periods on or after January 1, 2016. The Group is currently assessing the impact of this standard on its consolidated financial statements.

NOBLE IRON INC.

Notes to Interim Condensed Consolidated Financial Statements
(Unaudited)
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In Canadian Dollars

2. Basis of preparation (continued):

(d) New standards and interpretations not yet adopted:

- vi. In September 2014, the IASB published Annual Improvements to IFRS in order to make amendments and clarifications to IFRS.
- **IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*** provides specific guidance on methods for disposal when an entity reclassifies an asset from held for sale to held for distribution
 - **IFRS 7 *Financial Instruments: Disclosures*** provides clarification in cases of a servicing contract on a transferred asset
 - **IAS 19 *Employee Benefits*** clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.
 - **IAS 34 *Interim Financial Reporting*** was amended to require a cross-reference for items presented elsewhere in the interim report

These amendments are effective for annual periods beginning on or after January 1, 2016. The Group is currently reviewing the impact of the annual improvements on its consolidated financial statements and plans to adopt these changes for January 1, 2016.

3. Correction of Errors:

During the year ended December 31, 2014, the Company corrected the accounting for the following items:

(a) Depreciation of property and equipment

As a result of incorrectly accounting for the residual value of certain equipment, the Company had over depreciated rental fleet equipment by \$390,197 as at December 31, 2013 and \$56,098 as at December 31, 2012.

(b) Deferred income tax liability

As a result of not recognizing the state tax benefit associated with certain deductible temporary differences, the deferred tax liability as at December 31, 2013 was overstated by \$250,000 and the related deferred tax recovery for the year ended December 31, 2013 was understated by the same amount. As a result of the depreciation correction described in a. above, the deferred tax liability as at December 31, 2013 was understated by \$166,334 and the deferred tax recovery was overstated by the same amount.

(c) Income tax recovery

As a result of not accruing for a state income tax, the income tax recovery was overstated by \$24,980 and accounts payable and accrued liabilities was understated by the same amount as at December 31, 2013.

NOBLE IRON INC.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2015 and 2014

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3. Correction of Errors (continued):

(d) 2012 Business acquisition and related operating lease

During the year ended December 31, 2012, the Company completed a business acquisition and in conjunction with that transaction entered into an operating lease with a purchase option. The Company incorrectly recognized the purchase option as an intangible asset with a value of \$489,650 as at July 9, 2012, as part of the business acquisition accounting, together with a related deferred tax liability of \$158,433 and a resulting gain on fair value increment on acquisition of \$243,354.

The financial statement impact of the correction of the above errors as at March 31, 2014 is as follows:

March 31, 2014 Consolidated Statement of Comprehensive Loss	As previously reported	Effect of restatement	As restated
Cost of revenue	\$ 2,297,848	\$ (59,575)	\$ 2,220,273
Operating expenses	4,005,109	(28,567)	3,976,542
Loss from operations	(1,064,189)	88,142	(976,047)
Loss before taxes	(1,348,911)	88,142	(1,260,769)
Net loss	(913,478)	88,142	(825,336)
Other comprehensive income	(218,862)	88,142	(130,720)

March 31, 2014 Consolidated Statement of Changes in Shareholders Equity	As previously reported	Effect of restatement	As restated
Accumulated other comprehensive loss	\$ 1,191,689	\$ (1,710)	\$ 1,189,979
Deficit	(913,478)	88,142	(825,336)
Total comprehensive loss	(218,862)	88,142	(130,720)

March 31, 2014 Consolidated Statement of Cash Flows	As previously reported	Effect of restatement	As restated
Net loss	\$ (913,478)	\$ 88,142	\$ (825,336)
Depreciation and amortization	1,867,556	(88,142)	1,779,414

For further details consult the Consolidated Financial statements for Noble Iron, Inc. for the years ended December 31, 2014 and 2013 as listed on Sedar.com.

NOBLE IRON INC.

Notes to Interim Condensed Consolidated Financial Statements
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4. 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. There are no preferred shares outstanding as of March 31, 2015 or March 31, 2014.

The Board of Directors ratified, confirmed, and approved a Restricted Share Plan which was adopted by the Board of Directors effective June 10, 2014. A maximum of 1,000,000 shares, or 4.67% of the Company's common shares issued and outstanding as of the date of approval of the Restricted Share Plan, are available for grant under the Restricted Share Plan. As at March 31, 2015 Noble Iron had no restricted shares issued.

(b) Issued:

Issued and outstanding common shares were 27,417,479 as of March 31, 2015 and 27,417,479 as of December 31, 2014. During the three months ended March 31, 2015, the Company issued no common shares and had no exercise of options.

5. Net loss per share:

The computations for basic and diluted earnings per share for the three months ended March 31, 2015 and 2014 are as follows:

	2015	2014 (restated note 3)
Net loss	\$ (2,713,554)	\$ (825,336)
Weighted average number of common shares outstanding:		
Basic and diluted	27,417,479	21,355,479
Net loss per share:		
Basic and diluted	\$(0.10)	\$(0.04)

The average market value of the Group'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.

Share options to purchase 602,967 (March 31, 2014 – 1,068,900) common shares are excluded from the weighted average common shares in the calculation of diluted loss per share as they are not dilutive.

6. Other current liabilities:

The Group purchases certain rental equipment with varying payment terms of less than one year from several key vendors. The amount outstanding at March 31, 2015 related to these vendor arrangements is nil (December 31, 2014 - \$469,075), and is secured by the equipment.

NOBLE IRON INC.

Notes to Interim Condensed Consolidated Financial Statements
(Unaudited)
For the three months ended March 31, 2015 and 2014
In Canadian Dollars

7. Changes in non-cash operating working capital:

	March 31, 2015	March 31, 2014
Accounts receivable	\$ (107,415)	\$ 107,098
Inventories	(108,252)	(19,920)
Prepaid expenses and other assets	89,418	131,768
Accounts payable and accrued liabilities	195,012	(958,261)
Deferred revenue	20,818	(25,356)
	\$ 90,106	\$ (764,671)

8. Rental and distribution revenue:

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

The Distribution revenue for the three months ended March 31, 2015 and 2014 are as follows:

	March 31, 2015	March 31, 2014
Rental revenue	\$ 3,877,898	\$ 3,828,046
Distribution revenue	596,820	285,064
	\$ 4,474,718	\$ 4,113,110

9. Financial risk management:

The Group is exposed to foreign exchange risk, interest rate risk, credit risk, and liquidity risk related to its underlying financial assets and liabilities. Risk management strategies are designed to ensure that the 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, 2014, and no assurance can be provided that these strategies will continue to be effective.

NOBLE IRON INC.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited)

For the three months ended March 31, 2015 and 2014

In Canadian Dollars

10. Determination of fair values:

(a) Financial Assets:

Management has determined that the carrying amount of its short-term financial assets, including cash and accounts receivable, approximates fair value at the reporting date. The carrying value of the loan 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. Management has determined that the carrying amount of the Company's short-term debt and 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 Group for similar debt instruments with similar maturities.

(c) Fair value:

As of March 31, 2015, the Company did not have any financial instruments, except for cash, that are measured at fair value. This is consistent with 2014.

NOBLE IRON INC.

Notes to Interim Condensed Consolidated Financial Statements
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10. Determination of fair values (continued):

Financial assets and liabilities

	Carrying Amount				Fair Value
	Non-current assets	Current Assets			
	Trade and other receivables	Trade and other receivables	Cash and cash equivalents	Total	
March 31, 2015					
Financial assets not measured at fair value					
Trade and other receivables	\$ -	\$ 3,100,818	\$ -	\$ 3,100,818	\$ 3,100,818
Cash	-	-	1,080,423	1,080,423	1,080,423
Loan receivable	114,000	-	-	114,000	114,000
	<u>\$ 114,000</u>	<u>\$ 3,100,818</u>	<u>\$ 1,080,423</u>	<u>\$ 4,295,241</u>	<u>\$ 4,295,241</u>
December 31, 2014					
Financial assets not measured at fair value					
Trade and other receivables	\$ -	\$ 2,979,843	\$ -	\$ 2,979,843	\$ 2,979,843
Cash	-	-	2,065,127	2,065,127	2,065,127
Loan receivable	114,000	-	-	114,000	114,000
	<u>\$ 114,000</u>	<u>\$ 2,979,843</u>	<u>\$ 2,065,127</u>	<u>\$ 5,158,970</u>	<u>\$ 5,158,970</u>

NOBLE IRON INC.

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10. Determination of fair values (continued):

Financial assets and liabilities

	Carrying Amount				Fair Value
	Non-current liabilities	Current Liabilities			Total
		Loans and borrowings	Trade and other payables	Loans and borrowings	
March 31, 2015					
Financial liabilities not measured at fair value					
Accounts payable and accrued liabilities	\$ -	\$ (1,973,927)	\$ -	\$ (1,973,927)	\$ (1,973,927)
Other current liabilities	-	-	-	-	-
License obligation	(193,055)	-	(132,215)	(325,270)	(325,270)
Short term debt	-	-	(125,349)	(125,349)	(125,349)
Long-term debt	(32,871,823)	-	(219,899)	(33,091,722)	(33,091,722)
	<u>\$ (33,064,878)</u>	<u>\$ (1,973,927)</u>	<u>\$ (477,463)</u>	<u>\$ (36,245,159)</u>	<u>\$ (36,245,159)</u>
December 31, 2014					
Financial liabilities not measured at fair value					
Accounts payable and accrued liabilities	\$ -	\$ (1,778,915)	\$ -	\$ (1,778,915)	\$ (1,778,915)
Other current liabilities	-	(469,075)	-	(469,075)	(469,075)
License obligation	(120,935)	-	(243,178)	(364,113)	(364,113)
Short term debt	-	-	(227,715)	(227,715)	(227,715)
Long-term debt	(30,614,315)	-	(197,036)	(30,811,351)	(30,811,351)
	<u>\$ (30,735,250)</u>	<u>\$ (2,247,990)</u>	<u>\$ (667,929)</u>	<u>\$ (33,651,169)</u>	<u>\$ (33,651,169)</u>

NOBLE IRON INC.

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11. Segmented information:

The Group operates in two reportable segments being, i) Construction and Industrial Equipment Rental and Distribution and, ii) Enterprise Asset Management Software. Each segment has its own management that is accountable and responsible for the segment's operations, results and financial performance. These segments are principally organized by the major industries in which they operate. The following summary describes the operations of each of the Group's operating Segments:

Enterprise Asset Management Software: The Asset Management Software segment, headquartered in Canada, markets and sells its software platform to customers who manage large quantities of construction and industrial heavy equipment inventory in Canada, Australia and the United States.

Construction and Industrial Equipment Rental and Distribution: The Rental and Distribution segment, headquartered in Houston, Texas operates two rental and distribution units of construction and industrial equipment in the Southern California region and Houston, Texas.

The chief operating decision-maker assess segment performance based on segment revenue, segment operating income (loss), total assets, and total liabilities for the Enterprise Asset Management Software segment, and for the Construction and Industrial Equipment Rental and Distribution segment. In addition to operating income, the chief operating decision-maker also monitors key items including asset additions and disposals, depreciation and amortization, when reviewing the performance of the Construction and Industrial Equipment Rental and Distribution segment.

Other includes corporate head office and shared expenses.

For the three months ended March 31, 2015 and 2014, no single customer, in either reportable segment, accounted for 10% or more of total Company revenue or accounts receivable.

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11. Segmented information (continued):

	The three months ended March 31,	
	2015	2014 (restated note 3)
Segment revenue		
Construction and industrial equipment rental and distribution	\$ 4,474,718	\$ 4,113,110
Enterprise asset management software	1,175,884	1,107,658
Total segment revenue	\$ 5,650,602	\$ 5,220,768
Segment operating income (loss)		
Construction and industrial equipment rental and distribution	\$ (1,336,837)	\$ (492,232)
Enterprise asset management software	278,498	254,412
Total segment operating income (loss)	\$ (1,058,339)	\$ (157,586)
Reconciliation to consolidated loss before income taxes:		
Total segment operating income	\$ (1,058,339)	\$ (157,586)
Other expenses	(1,258,569)	(818,461)
Interest costs	(230,881)	(225,528)
Foreign exchange	(145,243)	(59,194)
Loss before income taxes	\$ (2,693,032)	\$ (1,260,769)
	March 31, 2015	December 31, 2014
Additions to property and equipment and intangible assets		
Construction and industrial equipment rental and distribution	\$ 166,299	\$ 4,841,857
Enterprise asset management software	-	5,785
Other	22,342	62,896
	\$ 188,641	\$ 4,910,538
Disposals from property and equipment and intangible assets		
Construction and industrial equipment rental and distribution	\$ (563,206)	\$ (846,247)
Enterprise asset management software	-	-
Other	-	(48,733)
	\$ (563,206)	\$ (894,980)
	The three months ended March 31,	
	2015	2014 (restated note 3)
Depreciation and amortization		
Construction and industrial equipment rental and distribution	\$ 2,082,205	\$ 1,727,471
Enterprise asset management software	33,384	35,973
Other	19,603	15,970
	\$ 2,135,192	\$ 1,779,414

NOBLE IRON INC.

Notes to Interim Condensed Consolidated Financial Statements
(Unaudited)
For the three months ended March 31, 2015 and 2014
In Canadian Dollars

11. Segmented information (continued):

	March 31, 2015	December 31, 2014
Total reportable assets		
Construction and industrial equipment rental and distribution	\$ 39,320,902	\$ 38,568,800
Enterprise asset management software	2,217,750	2,022,280
Other	1,024,877	1,973,892
	\$ 42,563,529	\$ 42,564,972
Total reportable liabilities		
Construction and industrial equipment rental and distribution	\$ 34,101,859	\$ 32,317,561
Enterprise asset management software	897,662	812,804
Other	720,872	703,589
	\$ 35,720,393	\$ 33,833,954

Revenue by Geographic Segment	The three months ended March 31,	
	2015	2014
US	\$ 4,474,718	\$ 4,113,110
Canada	967,513	873,354
Australia & New Zealand	208,371	234,304
	\$ 5,650,602	\$ 5,220,768

Property and Equipment and Intangible Assets by Reportable Segment	March 31, 2015	December 31, 2014
US	\$ 35,433,971	\$ 34,537,288
Canada	580,401	612,448
Australia	8,121	9,267
	\$ 36,022,493	\$ 35,159,003

12. Seasonality:

Revenues within the Group'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 Group'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 this segment.

NOBLE IRON INC.

Notes to Interim Condensed Consolidated Financial Statements

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For the three months ended March 31, 2015 and 2014

In Canadian Dollars

13. Related party transactions:

Loans receivable:

On January 8, 2013, the Group provided a loan advance of \$150,000 to a senior officer with a carrying amount of \$114,000 as of March 31, 2015. The advance was non-interest bearing, with the principal due on January 8, 2018. The loan is secured by 150,000 common shares acquired by the senior officer at the time the loan was advanced. On January 19, 2015, the Chief Financial Officer (CFO) of Noble Iron tendered his resignation. The loan receivable outstanding to the Company became due on demand based on the terms of the loan agreement as a result of the resignation, and accordingly the loan receivable was reclassified as a current asset in 2015.

14. Subsequent Events:

In conjunction with the consolidation of the Southern California operations to a centralized location in Pico Rivera the Company vacated the Long Beach facility and was excused from the remainder of the lease obligation with no penalty as of May 31, 2015.