Condensed Interim
Consolidated Financial Statements

NOBLE IRON INC.

For the three months ended March 31, 2017 and 2016
(Unaudited)

MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim 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 condensed Interim 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.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited)
As at March 31, 2017 and December 31, 2016
In Canadian Dollars

	March 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash	$ 1,866,696	$ 719,750
Accounts receivable	2,093,406	2,523,449
Inventories	621,660	550,227
Prepaid expenses and other assets	734,588	749,724
Short term loans receivable (note 12)	151,268	149,378
	5,467,618	4,692,529
Long term assets:		
Property and equipment	12,224,684	13,728,399
Intangible assets	543,913	599,791
Other long term assets	102,009	102,813
Deferred tax asset	203,000	260,000
	13,073,606	14,691,003
Total assets	$ 18,541,224	$ 19,383,532
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,529,185	$ 2,334,890
Deferred revenue	252,079	273,057
Current portion of license obligation	80,462	79,020
Short term debt (note 14)	24,950,491	23,981,724
Current portion of long-term debt	356,630	356,501
	28,168,847	27,025,192
Long term liabilities:		
License obligation	74,375	95,391
Long-term debt	576,994	655,072
	651,369	750,463
Total liabilities	28,820,216	27,775,655
Shareholders' equity:		
Share capital (note 4)	36,471,467	36,471,467
Contributed surplus	4,040,906	3,983,679
Accumulated other comprehensive income	2,690,621	2,693,586
Deficit	(53,481,986)	(51,540,856)
	(10,278,992)	(8,392,124)
Total liabilities and shareholders' equity	$ 18,541,224	$ 19,383,532

See accompanying notes to interim unaudited condensed consolidated financial statements

On behalf of the Board:

/s/ Nabil Kassam Director

/s/ Aly Mawji Director

NOBLE IRON INC.

Condensed Interim Consolidated Statements of Comprehensive Loss
(Unaudited)
For the three months ended March 31, 2017 and 2016
In Canadian Dollars

	Three Months Ended	
	March 31, 2017	March 31, 2016
Revenue:		
Rental and distribution (note 7)	$ 3,458,746	$ 4,103,392
Software and services	1,103,597	1,141,063
	4,562,343	5,244,455
Cost of revenue:		
Rental and distribution	1,862,650	2,118,493
Software and services	185,554	174,694
	2,048,204	2,293,187
Gross profit from continuing operations	2,514,139	2,951,268
Operating expenses:		
Support, maintenance and delivery	1,328,720	2,133,545
Research and development	251,060	228,878
Sales and marketing	354,289	452,983
General and administration	2,149,406	2,404,565
	4,083,475	5,219,971
Loss from continuing operations	(1,569,336)	(2,268,703)
Finance costs:		
Interest expense	314,841	272,086
Foreign exchange (gain) loss	(1,107)	(19,616)
	313,734	252,470
Loss from continuing operations before income taxes	(1,883,070)	(2,521,173)
Income tax expense (recovery)	58,060	58,082
Net loss from continuing operations	(1,941,130)	(2,579,255)
Loss from discontinued operations, net of taxes	-	(500,503)
Net Loss	(1,941,130)	(3,079,758)
Other comprehensive income (loss):		
Items that may be reclassified to net loss:		
Foreign currency translation adjustment	(2,965)	189,554
Total comprehensive loss	$ (1,944,095)	$ (2,890,204)
Net loss per share:		
Basic and diluted from continuing operations (note 3)	$ (0.07)	$ (0.09)
Basic and diluted from discontinued operations (note 3)	$ (0.00)	$ (0.02)

See accompanying notes to interim unaudited condensed consolidated financial statements

NOBLE IRON INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)
For the three months ended March 31, 2017 and 2016
In Canadian Dollars

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
Balance at January 1, 2016	$ 36,471,467	$ 3,557,866	$ 2,076,235	$ (42,336,290)	$ (230,722)
Stock-based compensation	-	113,136	-	-	113,136
Other comprehensive income - foreign currency translation adjustment	-	-	189,554	-	189,554
Net loss	-	-	-	(3,079,758)	(3,079,758)
Balance, March 31, 2016	$ 36,471,467	$ 3,671,002	$ 2,265,789	$ (45,416,048)	$ (3,007,790)
Balance, January 1, 2017	$ 36,471,467	$ 3,983,679	$ 2,693,586	$ (51,540,856)	$ (8,392,124)
Stock-based compensation	-	57,227	-	-	57,227
Other comprehensive income - foreign currency translation adjustment	-	-	(2,965)	-	(2,965)
Net loss	-	-	-	(1,941,130)	(1,941,130)
Balance, March 31, 2017	$ 36,471,467	$ 4,040,906	$ 2,690,621	$ (53,481,986)	$ (10,278,992)

See accompanying notes to interim unaudited condensed consolidated financial statements

NOBLE IRON INC.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
For the three months ended March 31, 2017 and 2016
In Canadian Dollars

	March 31, 2017	March 31, 2016
Cash provided by (used in):		
Operating activities:		
Net loss	$ (1,941,130)	$ (2,579,255)
Items not involving cash:		
Depreciation and amortization	1,465,872	1,788,170
Stock-based compensation	57,227	113,136
Interest expense	314,841	272,086
(Gain) loss on disposal of property and equipment	(207,081)	15,986
Unrealized foreign exchange (gain) loss	(27,163)	(86,403)
Impairment on loan receivable	(3,000)	42,000
Income tax expense	58,060	58,082
Income tax paid	-	8,864
Operating activities from discontinued operations	-	236,434
Change in non-cash operating working capital (note 6)	569,046	1,333,513
Net cash provided from operating activities	286,672	1,202,613
Investing activities:		
Purchase of property and equipment	(146,997)	(154,671)
Proceeds on disposal of rental equipment	317,020	81,204
Purchase of intangibles	-	(199,386)
Proceeds on disposal of property and equipment	-	-
Investing activities from discontinued operations	-	313,824
Net cash provided from investing activities	170,023	40,971
Financing activities:		
Proceeds from long-term debt	-	5,516,772
Proceeds from short-term debt	5,567,468	-
Repayment of long-term debt	(34,815)	(5,853,716)
Repayment of short-term debt	(4,488,127)	-
Repayment of license obligation	-	(33,894)
Interest paid	(351,856)	(141,402)
Financing activities from discontinued operations	-	(446,312)
Net cash (used in) financing activities	692,670	(958,552)
Increase (decrease) in cash	1,149,365	285,032
Cash, beginning of period	719,750	502,078
Effect of exchange rate changes on cash	(2,419)	(47,787)
Cash, end of period	$ 1,866,696	$ 739,323

See accompanying notes to interim unaudited condensed consolidated financial statements

1. Corporate information:

Noble Iron Inc. (the "Company") was incorporated under the *Company Act* (British Columbia) and was continued under the *Business Corporations Act* (Ontario) on November 5, 2008. The address of the Company's registered office is 90 Woodlawn Road West, Guelph, Ontario, N1H 1B2. The condensed interim consolidated financial statements of the Company, as at and for the three months ended, March 31, 2017 and 2016, comprise of 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. Noble Iron offers construction and industrial equipment and accessories for rent and for sale. Until November 9, 2016, the Company also operated in the Houston, Texas market. Please refer to note 15 for the subsequent event impacting the Los Angeles, California based equipment rental operations.

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 and sales transactions, inventory management, maintenance and depreciation tracking, through to used equipment sales, disposals, and 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 condensed interim 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 condensed interim 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 condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the years ended December 31, 2016 and 2015, (the "2016 Annual Financial Statements") which are available on SEDAR. These Condensed Interim consolidated financial statements were approved by the Board of Directors on May 30, 2017.

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the 2016 Annual Financial Statements. These condensed interim consolidated financial statements are presented in Canadian dollars.

2. Basis of preparation (continued):

(b) Use of judgments and estimates:

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. 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 monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

ii. 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.

iii. Amortization

Management estimates the expected useful life of intangible assets for use in calculating amortization expense. The estimates are evaluated annually and adjusted prospectively, where necessary, to reflect actual experience.

iv. Impairment of long-lived assets

When circumstances require the performance of an impairment test, Management utilizes estimates in assessing the recoverable amount of the asset or cash generating unit. In so doing, management utilizes independent, third party sources of information; specifically observable market prices for similar assets with similar characteristics.

2. Basis of preparation (continued):

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

v. Provision for doubtful accounts

The Company makes an assessment of whether accounts receivable are collectable for each customer based on payment history and financial condition. These estimates are continuously evaluated and updated.

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. Going Concern

The Company is subject to a number of risks and uncertainties associated with the achievement of sustainable profitability and with the financing requirements of its operations. Management exercises judgment relating to the above factors in its determination of the Company’s ability to continue as a going concern and its analysis covers the Company’s prospects for at least 12 months from the end of the reporting period.

ii. Impairment

Management exercises judgment to determine whether there are factors that would indicate that an asset or a Cash Generating Unit (“CGU”) is impaired. This 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.

iii. Intercompany transactions

Management exercises judgment to determine which amounts receivable from a foreign operation are not expected to be settled and accordingly forms part of the Company’s net investment in the foreign operation. Factors considered include the nature of the source of the amounts advanced and the ability of the foreign operation to repay the advance.

iv. Classification of long-term debt

Management exercises judgement in determining the classification of the long-term debt as a current liability or long-term liability. Factors considered include whether the company expects to settle the liability within its normal business cycle within its equipment rental business and whether the liability is due to be settled within twelve months after the reporting period.

2. Basis of preparation (continued):

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

v. Recognition of deferred tax asset

Management exercises judgement in determining whether to recognize deferred tax assets and the amount of the recognition at each period end. Factors considered in this determination include the probability of generating sufficient taxable income, the estimation of the tax rates that will be enacted when these assets will be utilized and different tax positions that can be taken to affect taxes payable in the future.

vi. Multiple elements of revenue

Management's judgement is applied to the evaluation of multiple elements arrangements in the Company's enterprise asset management software segment to assess whether deliverables can be recognized separately for revenue recognition purposes.

vii. Fleet equipment

Fleet equipment is presented as property and equipment as the fleet equipment is available for rental and sale. At the time of sale, the net book value of used equipment, or cost of new equipment, is included in cost of revenue.

(c) New standards and interpretations not yet adopted:

The International Accounting Standards Board ("IASB") has issued the following amendments, revisions, and new International Financial Reporting Standards ("IFRS") that are not yet effective and while considered relevant to the Group, they have not yet been adopted by the Group.

i. In July 2014, the IASB issued the final version of IFRS 9 – Financial Instruments ("IFRS 9"), which brings together the classification and measurement and impairment phases of the IASB's project to replace IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39").

Classification and measurement – Financial assets are classified and measured based on the business model under which they are managed and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified in a similar manner as under IAS 39, except that financial liabilities measured at fair value will have fair value changes resulting from changes in the Group's own credit risk, recognized in Other Comprehensive Income instead of net income, unless this would create an accounting mismatch.

Impairment – the measurement of impairment of financial assets is based on an expected credit loss model. It is no longer necessary for a triggering event to have occurred before credit losses are recognized. IFRS 9 also includes new disclosure requirements about expected credit losses and credit risk.

IFRS 9 will be applied retrospectively for annual periods beginning on or after January 1, 2018. The Group is assessing the potential impact of this standard.

2. Basis of preparation (continued):

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

ii. In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers ("IFRS 15") which replaces IAS 11, Construction Contracts, IAS 18 - Revenue, and IFRIC 13, Customer Loyalty Programmes, as well as various other interpretations regarding revenue. IFRS 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts, and financial instruments. IFRS 15 also contains enhanced disclosure requirements. IFRS 15 will be applied for annual periods beginning on or after January 1, 2018. The Group is assessing the potential impact of this standard.

iii. In January 2016, the IASB issued IFRS 16 – Leases ("IFRS 16"), which replaces IAS 17 – Leases "IAS 17") and related interpretations. IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12-months or less or the underlying asset has a low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17 with the distinction between operating leases and finance leases being retained. IFRS 16 will be applied retrospectively for annual periods beginning on or after January 1, 2019. The Group is assessing the potential impact of this standard.

3. Sale of subsidiary:

In the fourth quarter of 2016, the Company announced it entered into an agreement with an arm's length third party to sell 100% of its wholly owned subsidiary Noble Rents (TX), Inc. The proceeds of the sale were $812,077 comprised of $670,400 cash and $141,677 in an unsecured promissory note due in November 2017.

Accordingly, the operating results and operating cash flows for the previously reported subsidiary are presented as discontinued operations separate from the Company's continuing operations. Prior period information has been reclassified to present the subsidiary Noble Rents (TX), Inc. as a discontinued operation. The transaction closed on, November 9, 2016. For further details related to this transaction, consult the Consolidated Financial statements for Noble Iron Inc. for the year ended December 31, 2016 as listed on Sedar.com.

In Canadian Dollars

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, 2017 or December 31, 2016.

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, 2017 and December 31, 2016 Noble Iron had no restricted shares issued.

(b) Issued:

Issued and outstanding common shares were 27,417,479 as of March 31, 2017 and 27,417,479 as of December 31, 2016. During the three months ended March 31, 2017, the Company issued no common shares and had no exercise of options. There are no preferred shares outstanding as of March 31, 2017 or December 31, 2016. As at March 31, 2017 and December 31, 2016, the Company had no restricted shares issued.

5. Net loss per share:

The computations for basic and diluted earnings per share for the three months ended March 31, 2017 and 2016 are as follows:

	March 31, 2017	March 31, 2016
Net loss from continuing operations	$ (1,941,130)	$ (2,579,255)
Net income(loss) from discontinued operations	-	(500,503)
Weighted average number of common shares outstanding:		
Basic and diluted	27,417,479	27,417,479
Net loss per share:		
Basic and diluted from continuing operations	$ (0.07)	$ (0.09)
Basic and diluted from discontinued operations	$ (0.00)	$ (0.02)

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 2,715,700 (March 31, 2016 – 2,115,700) common shares are excluded from the weighted average common shares in the calculation of diluted loss per share as they are not dilutive.

In Canadian Dollars

6. Changes in non-cash operating working capital:

	March 31, 2017	March 31, 2016
Accounts receivable	$ 413,878	$ 860,040
Inventories	(75,042)	(58,715)
Prepaid expenses and other assets	9,570	(79,561)
Accounts payable and accrued liabilities	244,169	575,464
Deferred revenue	(23,529)	36,285
	$ 596,046	$ 1,333,513

7. 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 revenues for the three months ended March 31, 2017 and 2016 are as follows:

	Three Months Ended March 31,	
	2017	2016
Rental revenue	$ 2,750,042	$ 3,660,646
Distribution revenue	708,704	442,746
	$ 3,458,746	$ 4,103,392

The cost of rental equipment sold during the three months ended March 31, 2017 recognized as cost of rental and distribution revenue was $175,543 (March 31, 2016 - $92,268). The above table and numbers reflect the operations of the Los Angeles, California business.

8. Financial risk management:

The Company 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, 2016, 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.

(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.

(c) Credit risk:

Credit risk is the financial risk of non-performance by a contracted counter party.

(d) 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 it has access to sufficient cash to cover the expected short-term and long-term cash requirements.

A significant portion of the Company's debt is financed through revolving loan and security agreements, with the available borrowing base determined largely by the appraised value of the rental equipment. As a result, the Company's ability to access funds under the revolving loan and security agreement is subject to change based on rental equipment appraisal values provided by a third party. If the market value of used equipment were to decline faster or further than management expectations, the Company would be at risk of having an insufficient borrowing base to support its outstanding debt. If the debt outstanding was in excess of the borrowing base, this could result in a default under the facility if the Company were not in a position to cure the default.

The Company has incurred net losses and used significant cash in its operating activities since incorporation. It has relied upon financing to fund its operations and to establish its infrastructure, primarily through debt and private equity placements. The Company continues to anticipate raising additional funds to finance its objectives. If the Company is unable to obtain sufficient additional financing, planned operations could be delayed or scaled-back, which could affect the Company's financial condition and results of operations and/or its ability to meet the debt covenants under its credit facilities. See note 15 for additional information related to the Company's cash status.

9. 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 short-term loan receivable approximates fair value.

(b) Financial liabilities:

Management has determined that the carrying amount of its short-term financial liabilities, including accounts payable and accrued liabilities and short-term debt approximate fair value at the reporting date due to the short-term maturity of these obligations.

Management has determined that the carrying amounts of its short-term debt and current portion of license obligation approximates 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 long-term debt and long-term portion of 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.

(c) Fair value:

As of March 31, 2017, the Company did not have any financial instruments that are measured at fair value. This is consistent with 2016.

In Canadian Dollars

9. 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	Total	
March 31, 2017					
Financial assets not measured at fair value					
Trade and other receivables	$ -	$ 2,093,406	$ -	$ 2,093,406	$ 2,093,406
Cash	-	-	1,866,696	1,866,696	1,866,696
Loan receivable	-	151,268	-	151,268	151,268
	$ -	$ 2,244,674	$ 1,866,696	$ 4,111,370	$ 4,111,370
December 31, 2016					
Financial assets not measured at fair value					
Trade and other receivables	$ -	$ 2,523,449	$ -	$ 2,523,449	$ 2,523,449
Cash	-	-	719,750	719,750	719,750
Loan receivable	-	149,378	-	149,378	149,378
	$ -	$ 2,672,827	$ 719,750	$ 3,392,577	$ 3,392,577

In Canadian Dollars

9. Determination of fair values (continued):

Financial assets and liabilities:

	Carrying Amount				Fair Value
	Non-current liabilities	**Current Liabilities**			
	Loans and borrowings	Trade and other payables	Loans and borrowings	Total	
March 31, 2017					
Financial liabilities not measured at fair value					
Accounts payable and accrued liabilities	$ -	$ (2,529,185)	$ -	$ (2,529,185)	$ (2,529,185)
Other current liabilities	-	-	-	-	-
License obligation	(74,375)	-	(80,462)	(154,837)	(154,837)
Short-term debt	-	-	(24,950,491)	(24,950,491)	(24,950,491)
Long-term debt	(576,994)	-	(356,630)	(933,624)	(933,624)
	$ (651,369)	$ (2,529,185)	$ (25,387,583)	$ (28,568,137)	$ (28,568,137)
December 31, 2016					
Financial liabilities not measured at fair value					
Accounts payable and accrued liabilities	$ -	$ (2,334,890)	$ -	$ (2,334,890)	$ (2,334,890)
Other current liabilities	-	-	-	-	-
License obligation	(95,391)	-	(79,020)	(174,411)	(174,411)
Short-term debt	-	-	(23,981,724)	(23,981,724)	(23,981,724)
Long-term debt	(655,073)	-	(356,501)	(1,011,574)	(1,011,574)
	$ (750,464)	$ (2,334,890)	$ (24,417,245)	$ (27,502,599)	$ (27,502,599)

10. 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 total debt and equity. There has been no change with respect to the overall capital risk management strategy since December 31, 2016. Subsequent to the quarter ended March 31, 2017, the Company sold substantially all of the assets of the equipment rental and distribution business. The Company expects to utilize the funds to repay the short-term debt in the business unit.

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 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 currently operates a rental and distribution unit of construction and industrial equipment in Southern California.

The chief operating decision-maker assesses 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, 2017 and 2016, no single customer, in either reportable segment, accounted for 10% or more of the total Company's revenue or accounts receivable.

In Canadian Dollars

11. Segmented information (continued):

	The three months ended March 31, 2017	2016
Segment revenue		
Construction and industrial equipment rental and distribution	$ 3,458,746	$ 4,103,392
Enterprise asset management software	1,103,597	1,141,063
Total segment revenue	$ 4,562,343	$ 5,244,455
Segment operating income (loss)		
Construction and industrial equipment rental and distribution	$ (678,969)	$ (910,591)
Enterprise asset management software	71,871	172,592
Total segment operating income (loss)	$ (607,098)	$ (737,999)
Reconciliation to consolidated loss before income taxes		
Total segment operating income (loss)	$ (607,098)	$ (737,999)
Other expenses	(962,238)	(1,530,704)
Interest costs	(314,841)	(272,086)
Foreign exchange	1,107	19,616
Loss from continuing operations before income taxes	$ (1,883,070)	$ (2,521,173)

	The three months ended March 31, 2017	2016
Depreciation and amortization		
Construction and industrial equipment rental and distribution	$ 1,431,988	$ 1,711,025
Enterprise asset management software	33,884	29,938
Other	-	47,207
	$ 1,465,872	$ 1,788,170

Revenue by Geographic Segment	2017	2016
US	$ 3,458,746	$ 4,103,392
Canada	916,572	965,832
Australia & New Zealand	187,025	175,231
	$ 4,562,343	$ 5,244,455

In Canadian Dollars

11. Segmented information (continued):

	The three months ended March 31, 2017	2016
Additions to property and equipment and intangible assets		
Construction and industrial equipment rental and distribution	$ 145,799	$ 85,339
Enterprise asset management software	1,198	268,718
Other	-	-
	$ 146,997	$ 354,057
Disposals from property and equipment and intangible assets		
Construction and industrial equipment rental and distribution	$ (276,370)	$ (673,775)
Enterprise asset management software	-	-
Other	-	-
	$ (276,370)	$ (673,775)

	March 31, 2017	December 31, 2016
Total reportable assets		
Construction and industrial equipment rental and distribution	$ 15,192,881	$ 17,085,142
Enterprise asset management software	3,066,538	1,651,931
Other	281,805	646,459
	$ 18,541,224	$ 19,383,532
Total reportable liabilities		
Construction and industrial equipment rental and distribution	$ 20,782,677	$ 21,584,620
Enterprise asset management software	996,683	929,090
Other	7,040,856	5,261,945
	$ 28,820,216	$ 27,775,655

Property and Equipment and Intangible Assets by Reportable Segment	March 31, 2017	December 31, 2016
US	$ 12,175,442	$ 13,702,645
Canada	586,028	618,815
Australia	7,127	6,730
	$ 12,768,597	$ 14,328,190

12. Loan receivable:

On January 8, 2013, the Group provided a loan advance of $150,000 to a senior officer with a carrying amount of $10,500 as of March 31, 2017. The advance was non-interest bearing, with the principal due on January 8, 2017. 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 Inc. 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.

In the fourth quarter of 2016, the Company announced it entered into an agreement with an arm's length third party to sell 100% of its wholly owned subsidiary Noble Rents (TX), Inc. The proceeds of the sale were $812,077 comprised of $670,400 cash and $140,768 in an unsecured promissory note due in November 2017.

13. Short-term debt:

At March 31, 2017, the Company had short-term debt of $24,950,491 (December 31, 2016 - $23,981,724). The short-term debt consists of insurance payable, third party, and related party loans.

At March 31, 2017, the Company had outstanding promissory notes to related and third parties in the amount of $6,386,094 ($4,499,822 – December 31, 2016). The notes are due as follows: a principal balance of $741,702 due on February 18, 2017 with an interest rate of 10 percent per annum; and a principal balance of $3,579,725 due on June 3, 2017 with an interest rate of 15 percent per annum. These notes may be extended one tie for six months at the Company's option. The notes due on February 18, 2017 were extended for the six month option. The notes due on June 3 2017 include a continuing first charge security interest in all of the assets of the Company's software operations. There is no prepayment penalty for any of the above listed promissory notes. Also at March 31, 2017, the Company had outstanding promissory notes to related and third parties in the amount of $2,000,000 due on March 24, 2018, with an interest rate of 15 percent per annum.

As of March 31, 2017, the short-term debt includes the Company's credit facility. This facility is subject to a borrowing base as determined by the value of rental fleet and accounts receivable. There are no required fixed principal payments under the facility, although payments are required to be made when the outstanding advance exceeds the Borrowing Base. The maturity date of this facility is May 31, 2017. The balance of the credit facility was classified as long-term debt as of March 31, 2016.

14. Subsequent Event:

On May 5, 2017 the Company completed an agreement to sell the assets of its Los Angeles, California based equipment rental operations to Sunbelt Rental's Inc., a third party. The sale price for the assets is approximately $46,338,530 ($33,823,743 USD), to be paid in cash, after deduction of an escrow amount of $1,370,000 ($1,000,000 USD) for any adjustments to the purchase price following closing. Parts of the proceeds of the sale were used to repay the credit facility and other obligations. Included in the sale were equipment rental fleet, vehicles, inventory, accounts receivable, and other tangible personal property used in the business. Certain intangible assets, including tradenames and other sundry assets are not part of the Agreement. No liabilities were included in the transaction. The Company is responsible for all liabilities incurred prior to closing.

Following the sale of the Los Angeles operations, the Company repaid outstanding loans in the amount of $29,583,433.