



**NOBLE IRON INC.**  
 FOR IMMEDIATE RELEASE  
 NIR: TSX Venture Exchange

## Noble Iron Announces Third Quarter and Nine Month 2015 Results

**November 12, 2015 - San Francisco, CA** - Noble Iron Inc. (“Noble Iron,” or “the Company”) [TSX.V:NIR] announced its interim unaudited consolidated financial results for the three and nine month periods ended September 30, 2015 (the “third quarter”).

### Third Quarter Highlights

- Total revenues of \$7.3 million, an increase of \$1.5 million or 26% compared to the third quarter of 2014
- Construction and Industrial Equipment Rental and Distribution segment revenue of \$6.2 million, an increase of \$1.6 million or 36% compared to the third quarter of 2014
- Software segment revenue of \$1.0 million, a decrease of \$0.2 million or 12% compared to the third quarter of 2014
- Net loss for the third quarter of \$2.3 million, an increase of \$0.7 million compared to the third quarter of 2014
- Adjusted EBITDA of \$0.5 million, an increase of \$0.1 million compared to the third quarter of 2014

Quarterly Results (000's)	2015			2014				2013
	Q3	Q2	Q1	Q4	Q3 <sup>1</sup>	Q2 <sup>1</sup>	Q1 <sup>1</sup>	Q4 <sup>1</sup>
Revenue	\$7,270	\$6,591	\$5,651	\$4,964	\$5,762	\$5,163	\$5,211	\$5,172
Cost of Revenue	(3,143)	(2,918)	(2,619)	(3,079)	(2,427)	(2,130)	(2,033)	(2,411)
Net earnings (loss) for the period	(2,278)	(2,446)	(2,714)	(3,775)	(1,588)	(1,798)	(743)	(1,017)
<b>Add Back:</b>								
Depreciation/Amortization expense	2,242	2,188	2,135	2,555	1,745	1,630	1,806	1,557
Income Tax (Recovery) Expense	23	143	21	66	(94)	(57)	(521)	(410)
Stock Based Compensation	111	74	82	67	2	36	38	63
Interest Expense	265	257	231	223	244	250	200	263
Severance	-	24	-	-	-	-	-	216
Foreign Exchange (Gain) / Loss	148	(4)	145	(139)	91	(34)	41	68
Adjusted EBITDA <sup>2</sup> (loss)	\$511	\$236	(\$100)	(\$1,003)	\$400	\$27	\$821	\$740

<sup>1</sup> Cost of Revenue, Net earnings (loss) Loss per share –basic and diluted amounts have been restated. See Note 3 to the Interim Financial Statements.

<sup>2</sup> Adjusted EBITDA is a non-IFRS measure and is defined within the “Introduction – Non-IFRS Measures” section of the MD&A.

### Q3 2015 and Nine Month Results

Overall, the third quarter of 2015 compared favorably to the first and second quarters of 2015 following real estate consolidation and reorganization activities in Southern California, stronger performance in Texas, and further building of the Company’s team.

Noble Iron recorded revenues of \$19.5 million and \$16.1 million for the nine months ended September 30, 2015 and 2014, respectively, resulting in an increase of 21% or \$3.4 million. For the third quarter of 2015, Noble Iron recorded revenues of \$7.3 million compared to \$5.8 million for the three months ended September 30, 2014, resulting in an increase of 26% or \$1.5 million. These increases were primarily attributed to higher rental revenues, increased sales of software licenses and conversions of existing customers from on-premise software to the Company’s SaaS software, and strengthening of the US dollar versus the Canadian dollar.

Noble Iron recorded cost of revenue of \$8.7 million and \$6.6 million for the nine months ended September 30, 2015 and 2014, respectively, resulting in an increase of 32% or \$2.1 million. For the third quarter of 2015, Noble Iron recorded cost of revenues of \$3.1 million as compared to \$2.4 million for the three months ended September 30, 2014, respectively, resulting in an increase of 30% or \$0.7 million. Both nine month and quarterly increases were primarily attributed to an increase in depreciation for the nine months and three months ended September 30, 2015, as a result of the addition of equipment fleet during the second half of 2014, which caused an increase in depreciation during the first half of 2015; an increase in renting out 3<sup>rd</sup> party owned equipment; as well as strengthening of the US dollar versus the Canadian dollar.

Noble Iron recorded expenses of \$18.3 million and \$13.7 million for the nine months ended September 30, 2015 and 2014, respectively, resulting in an increase of 33% or \$4.6 million for the nine months ended September 30, 2015. For the third quarter of 2015, Noble Iron recorded expenses of \$6.4 million compared to \$4.9 million for the three months ended September 30, 2014, resulting in an increase of 30% or \$1.5 million. Expense increases were incurred in support, maintenance, and delivery of equipment; research and development; general and administration; sales and marketing; income tax; and foreign exchange. The expense increases were largely driven by higher rental activity; real estate consolidation initiatives; hiring and expansion of the company's team; investment in technology and process development; and strengthening of the US dollar versus the Canadian dollar.

The Company's Adjusted EBITDA improved sequentially over last three quarters of 2015, in line with the reorganization and consolidation plan.

NOBLE IRON INC.  
Interim Condensed Consolidated Statements of Financial Position  
(Unaudited)  
As at September 30, 2015 and December 31, 2014  
In Canadian Dollars

	Three Months Ended		Nine Months Ended	
	September 30, 2015	September 30, 2014 (restated)	September 30, 2015	September 30, 2014 (restated)
Revenue:				
Rental and distribution (note 8)	\$ 6,224,831	\$ 4,575,421	\$ 15,957,638	\$ 12,754,591
Software and services	1,045,382	1,186,836	3,553,775	3,381,891
	7,270,213	5,762,257	19,511,413	16,136,482
Cost of revenue:				
Rental and distribution	3,004,566	2,320,806	8,239,316	6,152,217
Software and services	138,619	105,274	441,628	410,433
	3,143,185	2,426,080	8,680,944	6,562,650
Gross profit	4,127,028	3,336,177	10,830,469	9,573,832
Operating expenses:				
Support, maintenance and delivery	2,512,268	2,049,956	7,480,924	6,224,983
Research and development	225,539	224,021	674,597	583,222
Sales and marketing	677,126	420,195	1,781,612	1,198,766
General and administration	2,554,227	1,986,687	7,102,062	5,566,745
	5,969,160	4,680,859	17,039,195	13,573,716
Loss from operations	(1,842,132)	(1,344,682)	(6,208,726)	(3,999,884)
Other (income) expense:				
Interest expense	265,021	244,846	753,148	694,674
Foreign exchange (gain)/loss	148,198	91,373	289,009	98,381
	413,219	336,219	1,042,157	793,055
Loss before income taxes	(2,255,351)	(1,680,901)	(7,250,883)	(4,792,939)
Income tax expense (recovery)	23,058	(93,758)	186,933	(672,205)
Net loss	(2,278,409)	(1,587,143)	(7,437,816)	(4,120,734)
Other comprehensive income (loss):				
Items that may be reclassified to net loss:				
Foreign currency translation adjustment	(58,333)	(125,225)	541,500	(319,974)
Total comprehensive loss	(2,336,742)	\$ (1,712,368)	\$ (6,896,316)	\$ (4,440,708)
Net loss per share (note 5) :				
Basic and diluted	\$ (0.08)	\$ (0.07)	\$ (0.27)	(0.19)

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	September 30, 2015	December 31, 2014
<b>Assets</b>		
Current assets:		
Cash	\$ 65,706	\$ 2,065,127
Accounts receivable	4,415,220	2,979,843
Inventories	768,616	504,986
Loan receivable	8,250	-
Prepaid expenses and other assets	1,373,653	1,018,013
	6,631,445	6,567,969
Long term assets:		
Property and equipment	32,261,415	34,385,112
Intangible assets	597,036	773,891
Loan receivable	0	114,000
Deferred tax asset	555,000	724,000
	33,413,451	35,997,003
Total assets	\$ 40,044,896	\$ 42,564,972
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,034,608	\$ 1,778,915
Other current liabilities	-	469,077
Deferred revenue	121,119	182,783
Current portion of license obligation	183,918	243,178
Short term debt	312,646	227,715
Current portion of long-term debt	241,700	197,036
	3,893,991	3,098,704
Long term liabilities:		
License obligation	-	120,935
Long-term debt	34,049,739	30,614,315
	34,049,739	30,735,250
Total liabilities	\$ 37,943,730	\$ 33,833,954
Shareholders' equity:		
Share capital	36,471,467	36,471,467
Contributed surplus	3,366,349	3,099,886
Accumulated other comprehensive income	1,805,175	1,263,675
Deficit	(39,541,825)	(32,104,010)
	2,101,166	8,731,018
Total liabilities and shareholders' equity	\$ 40,044,896	\$ 42,564,972

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	September 30, 2015	September 30, 2014 (restated)
Cash provided by (used in):		
Operating activities:		
Net loss	\$ (7,437,816)	\$ (4,120,734)
Items not involving cash:		
Depreciation and amortization	6,565,221	5,179,274
Stock-based compensation	266,463	75,743
Interest expense	753,148	694,674
Fleet valuation reserve	-	(2,322)
Impairment on loan receivable	105,750	-
Gain on disposal of property and equipment	(225,460)	(178,403)
Unrealized foreign exchange (gain) loss	360,256	(35,902)
Income tax expense (recovery)	186,933	(672,205)
Income tax paid	(30,679)	-
Change in non-cash operating working capital	(720,992)	878,452
Net cash from operating activities	(177,176)	1,818,577
Investing activities:		
Purchase of property and equipment	(292,147)	(4,481,322)
Proceeds on disposal of rental equipment	1,135,298	-
Proceeds on disposal of property and equipment	46,584	706,642
Net cash from (used in) investing activities	889,735	(3,774,680)
Financing activities:		
Proceeds from issuance of common shares	-	30,000
Proceeds from debt	15,407,524	15,211,452
Repayment of other current liabilities	(469,075)	(1,401,506)
Repayment of debt	(16,597,952)	(13,289,024)
Repayment of license obligation	(442,409)	(181,396)
Interest paid	(621,292)	(515,271)
Net cash used in financing activities	(2,723,204)	(145,745)
Decrease in cash	(2,010,645)	(2,101,848)
Cash, beginning of period	2,065,127	2,658,204
Effect of exchange rate changes on cash	11,224	13,499
Cash, end of period	\$ 65,706	\$ 569,855

Financial information indicated, as set out in this news release, is presented on a basis consistent with the accounting principles used to prepare Noble Iron's most recently filed financial statements. The consolidated financial statements are prepared by management in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. Readers are advised that the Company faces various risk factors with respect to its business and operations: for further information please see the Management Discussion and Analysis of Noble Iron Inc. at [www.SEDAR.com](http://www.SEDAR.com).

### **About Noble Iron Inc. (NIR: TSX Venture Exchange)**

Noble Iron Inc. operates in equipment rental, equipment sales, and software for construction and industrial equipment users and owners.

Noble Iron Inc.'s equipment rental and dealership operations do business under the name, "Noble Iron", and currently serve customers in California and Texas. Noble Iron offers construction and industrial equipment and accessories for rent and for sale, and is an exclusive distributor of LiuGong Construction Machinery equipment and Allied Construction Products in Southeast Texas.

Noble Iron Inc.'s software segment operates under the name, "Texada Software". Texada Software offers cloud or client-based software applications for equipment rental companies, equipment dealerships, construction companies, contractors, and any construction or industrial equipment user, including mechanics, and logistics and service technicians. Texada Software's applications manage the entire equipment lifecycle, including equipment purchasing; rental & sales transactions; inventory location, utilization, maintenance and depreciation tracking; used equipment sales and disposals analysis; and inventory replenishment analysis.

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### **Non-IFRS Measures**

References in this press release to Adjusted EBITDA are to earnings before interest expense, deferred income taxes, depreciation, amortization, share based compensation, gain on fair value increment on acquisition (net of deferred income taxes), acquisition expenses, accretion on convertible debt, interest on convertible debentures, severances and foreign exchange. Adjusted EBITDA is a measure used by investors to compare issuers on the basis of ability to generate cash flow from operations. Adjusted EBITDA is not an earnings measure recognized by International Financial Reporting Standards (IFRS), does not have standardized meanings as prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. Noble Iron's management believes that Adjusted EBITDA is an important supplemental measure in evaluating Noble Iron's performance and in determining whether to invest in its common shares. Readers of this information are cautioned that Adjusted EBITDA should not be construed as an alternative to net income or loss determined in accordance with IFRS as an indicator of Noble Iron's performance, or cash flows from operating, investing and financing activities as measures of Noble Iron's liquidity and cash flows. Noble Iron's method of calculating Adjusted EBITDA may differ from the methods used by other issuers and, accordingly, Noble Iron's Adjusted EBITDA may not be comparable to similar measures presented by other issuers.

This news release 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, the impact of the products and pricing strategies of competitors, delays in developing and launching new products, fluctuations in operating results and other risks, any of which could cause results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. Many risks are inherent in the industries in which the Company participates; others are more specific to the Company. The Company's ongoing quarterly filings should be consulted for additional information on risks and uncertainties relating to these forward-looking statements. Investors 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.

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