

Interim Condensed
Consolidated Financial Statements

NOBLE IRON INC.

For the three and six months ended June 30, 2017 and 2016
(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 June 30, 2017 and December 31, 2016

In Canadian Dollars

	June 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash	\$ 13,449,364	\$ 719,750
Accounts receivable	1,932,259	2,523,449
Inventories	-	550,227
Prepaid expenses and other assets	257,638	749,724
Short term loan receivable (note 10)	182,524	149,378
	15,821,785	4,692,529
Long term assets:		
Property and equipment (note 12)	57,142	13,728,399
Intangible assets	497,961	599,791
Other long term assets	-	102,813
Deferred tax asset	149,000	260,000
	704,103	14,691,003
Total assets	\$ 16,525,888	\$ 19,383,532
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,504,137	\$ 2,334,890
Deferred revenue	160,215	273,057
Current portion of license obligation	81,931	79,020
Short term debt (note 11)	14,767	23,981,724
Current portion of long-term debt	24,951	356,501
	2,786,001	27,025,192
Long term liabilities:		
License obligation	52,976	95,391
Long-term debt	16,074	655,072
	69,050	750,463
Total liabilities	2,855,051	27,775,655
Shareholders' equity:		
Share capital (note 4)	36,471,467	36,471,467
Contributed surplus	4,091,403	3,983,679
Accumulated other comprehensive income	1,597,121	2,693,586
Deficit	(28,489,154)	(51,540,856)
	13,670,837	(8,392,124)
Total liabilities and shareholders' equity	\$ 16,525,888	\$ 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.

Interim Condensed Consolidated Statements of Comprehensive Loss

(Unaudited)

For the three and six months ended June 30, 2017 and 2016

In Canadian Dollars

	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Revenue:				
Software and services	\$ 1,198,450	\$ 1,212,746	\$ 2,302,047	\$ 2,353,809
	1,198,450	1,212,746	2,302,047	2,353,809
Cost of revenue:				
Software and services	193,060	163,179	378,614	337,873
	193,060	163,179	378,614	337,873
Gross profit from continuing operations	1,005,390	1,049,567	1,923,433	2,015,936
Operating expenses:				
Support, maintenance and delivery	462,742	455,116	839,834	851,074
Research and development	276,954	272,248	528,014	501,125
Sales and marketing	39,737	72,493	90,023	147,203
General and administration	1,512,956	1,590,201	2,642,928	3,215,136
	2,292,389	2,390,058	4,100,799	4,714,538
Loss from continuing operations	(1,286,999)	(1,340,491)	(2,177,366)	(2,698,602)
Finance costs:				
Interest expense	137,438	23,428	278,818	41,968
Foreign exchange (gain)/loss	(234,856)	42,007	(235,963)	22,390
	(97,418)	65,435	42,855	64,358
Loss from continuing operations before income taxes	(1,189,581)	(1,405,926)	(2,220,221)	(2,762,960)
Income tax expense	54,132	56,000	111,132	113,000
Net loss from continuing operations	(1,243,713)	(1,461,926)	(2,331,353)	(2,875,960)
Gain/(loss) from discontinued operations, net of taxes	26,236,545	(1,656,785)	25,383,055	(3,322,507)
Net income/(loss)	24,992,832	(3,118,711)	23,051,702	(6,198,467)
Other comprehensive income (loss):				
Items that may be reclassified to net loss:				
Foreign currency translation adjustment	(1,093,500)	7,593	(1,096,465)	197,147
Total comprehensive income/(loss)	\$ 23,899,332	\$ (3,111,118)	\$ 21,955,237	\$ (6,001,320)
Net loss per share (note 5) :				
Basic and diluted from continuing operations (note 3)	\$ (0.05)	\$ (0.05)	\$ (0.09)	\$ (0.10)
Basic and diluted from discontinued operations (note 3)	\$ 0.96	\$ (0.06)	\$ 0.93	\$ (0.12)

See accompanying notes to interim unaudited condensed consolidated financial statements