NOBLE IRON INC.

INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)
Expressed in Canadian Dollars

FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

NOBLE IRON INC.

CONTENTS

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, 2021 AND DECEMBER 31, 2020
In Canadian Dollars

	Notes	2021	2020
Assets		**$**	**$**
Current assets			
Cash		5,241,039	5,470,634
Trade receivables		572,128	552,327
Prepayment and other assets		123,381	201,613
Total current assets		**5,936,548**	**6,224,574**
Non-current assets			
Intangible assets		29,421	35,071
Property and equipment		50,780	56,758
Right of use assets		39,815	57,424
Total non-current assets		**120,016**	**149,253**
Total assets		**6,056,564**	**6,373,827**
Liabilities and Equity			
Current liabilities			
Trade and other payables		674,531	905,465
Contract liabilities		201,631	194,185
Lease liabilities		51,926	67,789
Total current liabilities		**928,088**	**1,167,439**
Non-current liabilities			
Lease liabilities		-	5,502
Long term note	3	239,300	245,875
Total non-current liabilities		**239,300**	**251,377**
Total liabilities		**1,167,388**	**1,418,816**
Equity attributable to owners of the parent			
Share capital	5	36,471,467	36,471,467
Other reserves		4,519,444	4,519,374
Accumulated other comprehensive income		2,189,452	2,236,132
Accumulated deficit		(38,291,187)	(38,271,962)
Total equity		**4,889,176**	**4,955,011**
Total equity and liabilities		**6,056,564**	**6,373,827**

See Accompanying Notes to Interim Condensed Consolidated Financial Statements

NOBLE IRON INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

In Canadian Dollars

		2021 **$**	**2020** **$**
Revenue		1,581,278	1,356,204
Cost of revenue		87,815	123,479
Gross profit		**1,493,463**	**1,232,725**
Operating expenses			
General and administrative		613,295	728,770
Research and development		414,870	480,593
Sales and marketing		149,356	375,061
Support, maintenance and delivery		301,019	299,897
Income / (loss) from operations		**14,923**	**(651,596)**
Finance costs / (income)			
Interest expense		692	4,879
Foreign exchange loss / (gain)		33,456	(191,953)
Loss before taxation		**(19,225)**	**(464,522)**
Income tax		-	-
Net loss		**(19,225)**	**(464,522)**
Other comprehensive loss			
Item that may be subsequently reclassified to profit or loss			
Foreign currency translation adjustment		(46,680)	168,376
Total comprehensive loss		**(65,905)**	**(296,146)**
Loss per share			
Basic and diluted	6	(0.00)	(0.02)

See Accompanying Notes to Interim Condensed Consolidated Financial Statements

NOBLE IRON INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

In Canadian Dollars

	Share Capital No.	**Share Capital $**	**Other reserves $**	**Accumulated other comprehensive income $**	**Accumulated deficit $**	**Total equity $**
Balance, January 1, 2020	27,267,479	36,471,467	4,302,423	2,377,894	(38,168,858)	4,982,926
Loss for the period	-	-	-	-	(464,522)	(464,522)
Other comprehensive income	-	-	-	168,376	-	168,376
Total comprehensive loss	-	-	-	168,376	(464,522)	(296,146)
Share-based payments	-	-	414	-	-	414
Balance, March 31, 2020	27,267,479	36,471,467	4,302,837	2,546,270	(38,633,380)	4,687,194
Balance, January 1, 2021	27,267,479	36,471,467	4,519,374	2,236,132	(38,271,962)	4,955,011
Loss for the period	-	-	-	-	(19,225)	(19,225)
Other comprehensive loss	-	-	-	(46,680)	-	(46,680)
Total comprehensive loss	-	-	-	(46,680)	(19,225)	(65,905)
Share-based payments	-	-	70	-	-	70
Balance, March 31, 2021	**27,267,479**	**36,471,467**	**4,519,444**	**2,189,452**	**(38,291,187)**	**4,889,176**

See Accompanying Notes to Interim Condensed Consolidated Financial Statements

NOBLE IRON INC.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
In Canadian Dollars

	Notes	**2021** **$**	**2020** **$**
Cash flows from operating activities			
Net loss		(19,225)	(464,522)
Adjustments for:			
Amortization and depreciation		29,398	38,900
Share-based payments		70	414
Gain on disposal of asset		(170)	-
Unrealized foreign exchange loss		61,060	32,983
Changes in working capital	6	(165,057)	(379,875)
Cash used in operating activities		**(93,924)**	**(772,100)**
Interest paid		(1,321)	(6,800)
Net cash used in operating activities		**(95,245)**	**(778,900)**
Investing activities			
Interest received		629	2,297
Purchase of property and equipment		(2,568)	(1,825)
Disposal of property and equipment		1,050	-
Net cash (used in) / from investing activities		**(889)**	**472**
Financing activities			
Payment of lease liabilities		(19,770)	(21,837)
Net cash used in financing activities		**(19,770)**	**(21,837)**
Effects of exchange rate differences on cash and cash equivalents		(113,691)	126,100
Net increase (decrease) in cash and cash equivalents		(115,904)	(800,265)
Cash, beginning of period		5,470,634	4,868,869
Cash, end of period		**5,241,039**	**4,194,704**

See Accompanying Notes to Interim 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 Interim condensed consolidated financial statements of the Company, as at and for the three months ended, March 31, 2021 and 2020, 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 enterprise asset management software for the construction and industrial equipment industry 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, disposal, 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 unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim financial reporting". 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 consolidated financial statements.

These interim condensed consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the years ended December 31, 2020 and 2019, (the "2020 Annual Financial Statements") which are available on SEDAR and have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on May 28, 2021.

These interim condensed consolidated financial statements follow the same accounting policies and methods of application as the 2020 Annual Financial Statements. These interim condensed consolidated financial statements are presented in Canadian dollars.

(b) Basis of measurement:

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except as otherwise disclosed.

(c) Functional and presentation currency:

Amounts included in the interim financial statements of each entity that is a foreign operation are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The interim condensed consolidated financial statements are presented in Canadian dollars ("presentation currency"), which is also Noble Iron Inc.'s functional currency.

2. Basis of preparation: (continued)

(d) Use of estimates and judgments:

Use of estimates:

The preparation of interim condensed 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:

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

i. 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.

ii. 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.

iii. Provision for doubtful accounts

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

iv. Stand-alone selling prices

The recognition of revenue requires judgement in the assessment of performance obligations, whether they are distinct and separate, within a contract and the assessment of recognizing at a point in time or over a period of time. Material promises within a contract to deliver distinct services are accounted for as separate performance obligations. The determination of the standalone selling prices ("SSP") for distinct performance obligations can also require judgment and estimates. The Company uses a single amount to estimate SSP for bundled items such as subscription fee SaaS licenses, implementation and training in subscription arrangements that are not sold separately. The Company uses a range of amounts to estimate SSP when it sells each of the products and services separately and needs to determine whether there is a discount that needs to be allocated based on the relative SSP of the various products and services. In general, SSP for implementation and training in subscription fee contracts is supported by third party evidence and internal analysis of similar contracts. SSP for subscription licenses for same or similar services is established based on using the residual approach. Revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring services to the customer.

2. Basis of preparation: (continued)

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

Use of judgments:

The preparation of interim condensed consolidated 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. 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.

ii. Recognition of deferred tax asset

Management exercises judgment in determining whether to recognize deferred tax assets and the amount of the recognition at each period end. Factors considered in this determination includes 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.

iii. Multiple elements of revenue

Management's judgment is applied to the evaluation of multiple elements arrangements in the Company's contract with customers to assess whether deliverables can be recognized separately for revenue recognition purposes. Determining whether such bundled products and services are considered a) distinct performance obligations that should be separately recognized, or b) non-distinct and therefore should be combined with another good or service and recognized as a combined unit of accounting may require significant judgment. In general, the Company's implementation and training services are capable of being distinct as they could be performed by third party service providers and do not involve significant customization of the licensed software.

iv. Leases

The Company has applied judgement to determine the lease term for its lease contracts in which it is a lessee that include renewal options. The assessment whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

(e) New standards and interpretations 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.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2020 except for the adoption of new standards effective January 1, 2021, if any. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several other amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Company.

2. Basis of preparation: (continued)

(e) New standards and interpretations not yet adopted:

Amendments to IAS 1 In January 2020, IASB issued Classification of Liabilities as “Current” or “Non-current”, which amends IAS 1.

The narrow scope amendments affect only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least 12 months. That classification is unaffected by the likelihood that an entity will exercise its deferral right. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. The Company is still assessing the impact of adopting these amendments on its financial statements.

3. Long term note:

On August 6th, 2020 (Commencement Date), Texada Software PTY LTD. (“borrower”), subsidiary of the Company, received loan proceeds of approximately $240,625 (AU$250,000) in the form of a Note under the Queensland Rural and Industry Development Authority (QRIDA) COVID-19 Job Support Loans (Program). This program was established to assist small companies to meet their working capital expenses. The loan has a term of 10 years with no repayment for the first 12 months and the loan shall be repaid in 108 installments. The first installment is due 13 months after the Commencement Date, with subsequent instalments due monthly on or before the same date thereafter.

As per the agreement, for the first 12 months, no interest shall be accrued. Effective on the 13th month, the interest will be at 2.50% per annum and will continue to accrete interest based on the outstanding principal balance from the 13th month to the 36th month.

For the first 12 months, the Borrower will not be required to make any payment, however the Borrower can repay the principal balance without incurring any penalty. For the 13th to the 36th month, the Borrower will be required to make an interest only payment which is calculated using the monthly portion of the annual interest rate against the outstanding principal. For months 37 to 120, the Borrower will be required to make both a principal and interest payment to payoff the balance by no later than the end of 10 years after the Commencement Date. The Borrower will be able to repay the principal without incurring any penalty.

The loan is recorded as a long term note under non-current liabilities on the interim consolidated statements of financial position.

In Canadian Dollars

4. Government grants and assistance:

The Company applied for various government support programs introduced in response to the COVID-19 pandemic. These assistances are available to the companies that were impacted by the COVID-19 pandemic based on the eligibility criteria in the jurisdictions they operate in. The Company would request and receive these funds subsequent to the payroll period.

During the three months ended March 31, 2021, the Company received a total of $4,579 (2020: $nil) in government assistance under the government economic response to COVID-19 in Canada that was directly attributable to payroll expenses.

5. 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. As of March 31, 2021, there are 27,267,479 (December 31, 2020 – 27,267,479) fully paid for common shares issued and outstanding.

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 number 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. On July 15, 2020, the Board of Directors discontinued the Restricted Share Plan. At the time of discontinuation, the Company had no restricted shares issued. There are no preferred shares outstanding as at March 31, 2021 and December 31, 2020.

(b) Issued:

Issued and outstanding common shares were 27,267,479 as of March 31, 2021 and as of December 31, 2020. During the three months ended March 31, 2021, the Company issued no common shares and had no exercise of options. There are no preferred shares outstanding as at March 31, 2021 or December 31, 2020.

6. Net loss per share:

The computations for basic and diluted income (loss) per share for the three months ended March 31, 2021 and 2020 are as follows:

	Three Months Ended March 31		Year ended December 31	
	2021	**2020**	**2020**	**2019**
	$	$	$	$
Net loss	(19,225)	(464,522)	(103,104)	(3,760,378)
Weighted average number of common shares outstanding:				
Basic and diluted	27,267,479	27,267,479	27,267,479	27,267,479
Net loss per share:				
Basic and diluted	(0.00)	(0.02)	(0.00)	(0.14)

At as March 31, 2021, share options to purchase 2,530,500 (December 31, 2020 – 2,530,500) common shares are excluded from the weighted average common shares in the calculation of diluted loss per share as they are anti-dilutive.

In Canadian Dollars

7. Change in non-cash operating working capital:

	2021	2020
	$	$
Accounts receivable	(19,801)	(144,947)
Prepaid expenses and other assets	78,232	(34,198)
Accounts payable and accrued liabilities	(230,934)	(156,029)
Contract liabilities	7,446	(44,701)
	(165,057)	(379,875)

8. Financial risk management:

The Company is exposed to foreign exchange risk, credit risk, and liquidity risk related to its underlying financial assets and liabilities. Risk management strategies are designed to ensure that 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, 2020, 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) Credit risk:

Credit risk is the financial risk of non-performance by a contracted counter party. The Company primarily sells its software to customers operating in the equipment rental and distribution industry.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Company has therefore determined that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. During the period the Company made no write-offs of trade receivables, it does not expect to receive future cash flow from and no recoveries from collection of cash flows previously written off.

(c) 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.

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.

In Canadian Dollars

9. Determination of fair values (continued):

(b) Financial liabilities:
Management has determined that the carrying amount of its short-term financial liabilities, including accounts payable and accrued liabilities approximate fair value at the reporting date due to the short-term maturity of these obligations. The carrying amount of the long-term note approximate fair value at the reporting date, the amortized cost related to this note as at March 31, 2021 was $0.2 million.

(c) Fair value:
As of March 31, 2021, the Company did not have any financial instruments which are measured at fair value. This is consistent with the year ended December 31, 2020.

10. Segment information:

The Company's reportable segment is Enterprise Asset Management Software, which is headquartered in Canada. The business 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.

For the three months ended March 31, 2021 and 2020, a customer accounted for 10% or more of the total Company's revenue.

	Three months ended March 31		**Year ended December 31**	
Revenue by geographic segment	**2021**	**2020**	**2020**	**2019**
	$	**$**	**$**	**$**
Canada and United States	1,270,749	1,105,491	4,746,120	4,504,059
Australia and New Zealand	310,529	250,713	1,108,483	1,244,835
	1,581,278	1,356,204	5,854,603	5,748,894

	Three months ended March 31, 2021		**Three months ended March 31, 2020**	
	Canada	**Australia**	**Canada**	**Australia**
Disaggregation of revenue:	**$**	**$**	**$**	**$**
Recurring:				
Maintenance	125,596	107,898	137,029	99,026
Subscription fees (i)	906,520	171,689	770,084	134,898
	1,032,116	279,587	907,113	233,924
Non-recurring:				
License fees (i)	31,755	1,066	12,493	-
Implementation and training	206,878	29,876	185,885	16,789
	238,633	30,942	198,378	16,789
	1,270,749	310,529	1,105,491	250,713

In Canadian Dollars

10. Segment information (continued):

	Year ended December 31, 2020 (Restated)		Year ended December 31, 2019 (Restated)	
	Canada	**Australia**	**Canada**	**Australia**
Disaggregation of revenue:	**$**	**$**	**$**	**$**
Recurring:				
Maintenance	524,125	413,161	579,484	401,781
Subscription fees (i)	3,273,520	568,639	2,999,671	495,302
	3,797,645	981,800	3,579,155	897,083
Non-recurring:				
License fees (i)	114,129	1,117	142,230	19,191
Implementation and training	834,346	125,566	782,674	328,561
	948,475	126,683	924,904	347,752
	4,746,120	1,108,483	4,504,059	1,244,835

(i) In instances of bundled contracts, Subscription fees and License fees exclude implementation and training services, which are listed separately above.

11. Subsequent events:

Subsequent to the three months ended March 31, 2021, the Company signed a new support and maintenance contract for a term of three years with a software development tool provider. The total contract value for the three-year term is $1.2 million.