



MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

For The Three Month Period Ended March 31, 2016

NOBLE IRON INC.

Management's Discussion & Analysis for the Three Months Ended March 31, 2016

Basis of Presentation:

The following discussion of the financial condition and results of operations of Noble Iron Inc. ("Noble Iron" or the "Company") should be read in conjunction with the Company's unaudited interim condensed Consolidated Financial Statements for the 3 months period ended March 31, 2016 and March 31, 2015, which were prepared under International Financial Reporting Standards ("IFRS") using the Company's functional currency of Canadian dollars. This MD&A has been prepared as of May 26, 2016 to help investors understand the financial performance of the Company and to provide information that management believes is relevant to an assessment and understanding of the business, risks, opportunities and performance measures of the Company. We have prepared this document in conjunction with our broader responsibilities for the accuracy and reliability of the financial statements and the development and maintenance of appropriate internal controls in our efforts to ensure that the financial information is complete and reliable. The Company's Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness and consistency.

Additional information about Noble Iron, including copies of the Company's continuous disclosure materials, is available at www.nobleiron.com or on SEDAR at www.sedar.com. Noble Iron maintains its registered head office in Ontario, Canada, with executive management based in California and Texas, USA. Noble Iron's Investor Relations department can be reached at 1-281-443-7667. The information on the Company's website is not considered to be a part of this MD&A.

Forward-Looking Statements:

This document may contain forward-looking statements that reflect Noble Iron'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 and services, the impact of the products, services and pricing strategies of competitors, delays in developing and launching new products and services, fluctuations in operating results and other risks, any of which could cause actual results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. There are many inherent risks in the industries in which Noble Iron operates; some are more specific to the Company. The reader should consult Noble Iron's ongoing quarterly filings for additional information on risks and uncertainties relating to these forward-looking statements. The reader 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, unless required by law.

Non-IFRS Measures:

The term "Adjusted EBITDA" refers to net earnings (loss) before interest expense, income taxes, depreciation, amortization, acquisition expenses, stock-based compensation, severances, foreign exchange, lease termination payments and other extra ordinary and non-recurring items. The Company believes that Adjusted EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration the other items listed above.

Overview:

Noble Iron (symbol "NIR") operates in the equipment rental, equipment sales, and software for construction and industrial equipment users.

Noble Iron's equipment rental and dealership 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 an exclusive distributor of LiuGong Construction Machinery earth moving equipment and Allied Construction Products in Southeast Texas.

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Noble Iron's software division operates under the name "Texada Software". Texada Software offers in-the-cloud or client-based software for equipment rental companies, equipment dealerships, construction companies, contractors, and customers who own or use construction or industrial equipment. Texada Software develops software applications to manage the equipment ownership lifecycle, including equipment purchasing, rental and sales transactions, inventory management, maintenance and depreciation tracking, used equipment sales, disposal and inventory replenishment.

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. 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 growth 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.

Recent Developments:

In January 2016, the Company launched Texada Insights, a business intelligence add-on software to be sold as a separate product to existing Texada customers.

Effective February 1, 2016, the Company hired a Chief People Officer to oversee all human resource matters.

The Company is pursuing asset-sharing opportunities which would generate incremental rental revenue from 3rd party equipment without requiring additional capital for equipment ownership.

Description of Noble Iron's Business:

Noble Iron engages in equipment rentals and sales, as well as providing software to the construction and industrial equipment industry.

Noble Iron's equipment rental and sales 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 equipment in Southeast Texas for earth moving equipment.

Noble Iron's software division provides enterprise asset management software and operates under the name "Texada Software". Texada Software develops enterprise asset management 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.

Construction and Industrial Equipment Rental and Distribution

Established in August 2011, the Company's Southern California operations serve two major Metropolitan Statistical Areas in the United States, including Los Angeles and Riverside-San Bernardino.

In July 2012, the Company expanded its construction and industrial equipment rental operations to the market surrounding Houston, Texas.

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The Company's construction and industrial equipment rental operations deploy a fleet comprised of aerial, forklift, heavy construction and light compact construction equipment. Segment revenues consist of equipment rental revenue along with other associated revenues such as, equipment protection fees, environmental fees and delivery charges. Other ancillary revenues include fuel sales, parts sales and proceeds from the disposition of rental fleet as part of the Company's capital expenditure and replenishment plan.

On May 15, 2012, Noble Iron announced the launch of its dealership offering, as well as a dealership agreement with exclusive territory rights to represent and distribute LiuGong Construction Machinery in the 20 counties that make up the greater Houston, Texas market. As part of the exclusive territory rights agreement, the Company was required to make an initial fleet purchase, as well as make minimum unit purchases during the succeeding two years of the multi-year agreement. The Company met this purchase requirement for 2013 and 2014; there was no requirement in 2015 or 2016.

The Company is pursuing asset-sharing opportunities which would generate incremental rental revenue from 3rd party equipment without requiring additional capital for equipment ownership.

Enterprise Asset Management Software

The software segment's revenues are derived from license revenues, which include server license fees, user license fees, Software as a Service ("SaaS") subscription fees, contract development, and upgrade fees. In addition to these fees, the segment generates maintenance and service revenue. The products are generally licensed under single-year or multi-year terms, both of which are arranged to automatically renew. Maintenance fee arrangements generally include ongoing customer support and rights to certain product updates. Service revenue consists of professional fees charged for product training, consulting, implementation, and programming services. Contract revenue is derived from contracts for the development of custom applications. Customers typically purchase a combination of software, maintenance, and professional services.

Other

In conjunction with its foray directly into renting equipment in 2011, the Company launched a proactive project and implementation plan for Noble Interactive Customer Care ("NiCC"). NiCC is a proprietary technology architecture that integrates call centre interactions as well as a variety of other processes unique to the Company.

Noble Iron's Markets:

Construction and Industrial Equipment Rental and Distribution

The equipment rental market consists of companies renting various types of construction and industrial equipment, on both short and long-term contracts, in return for rental fees. The rental industry remains highly fragmented and consists of a small number of multi-location, regional or national rental houses, as well as a large number of small independent businesses serving discrete local markets. Equipment rental and sales activity is impacted by a broad range of economic factors, including residential and non-residential construction trends, infrastructure investment and maintenance, as well as overall economic activity.

Construction and industrial equipment is largely provided to end users through two channels: equipment rental companies and equipment dealers. Examples of other national rental equipment companies include United Rentals, Hertz Equipment Rental and Sunbelt Rentals.

Management estimates that the total North American construction and industrial related equipment rental market exceeded \$38.5 billion in 2015 based on third party research. According to the ARA, the equipment rental industry experienced approximately 7.9% growth during the calendar year 2015.

The Company currently operates in the heavy and light construction equipment rental and distribution markets. The majority of its rental fleet is comprised of aerial reach, forklift and earth moving equipment. The heavy and light construction equipment rental market consists of equipment with a significant capital cost and is deployed primarily to

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professional contractors to meet the demands of their construction projects. Customers in this market are generally repeat customers with longstanding relationships with equipment rental companies and, in some instances, may have contractual supply arrangements for certain types of equipment.

Enterprise Asset Management Software

Customers in the North American construction equipment rental sector currently account for approximately 90% of the Company's software revenue in its Texada Software division. It is estimated there are more than 30,000 companies worldwide that rent various types of equipment, 12,000 of which conduct business in the United States and Canada.

The market for rental management software has existed for over 30 years, and management estimates its growth at generally less than 10% per year. Management estimates there are more than 200 providers of rental management software to the three primary segments of the rental market. Most companies in this sector are private companies making it difficult to accurately assess the market at this time. We estimate that the Company's software business is currently the second largest provider of ERP software to the rental sector.

Seasonality and Other Factors Affecting the Variability of Results and Financial Condition:

Revenues within the Company's construction and industrial equipment rental and distribution segment may be seasonal. Demand for construction and rental equipment generally increases during temperate weather months and typically slows during storm and snow seasons. The Company's enterprise asset management software segment revenue is largely generated from recurring fees, which are earned equally throughout the year. As such, seasonality is not a material factor within the segment.

Our results of operations for interim periods and for full fiscal years are also impacted by the variability of certain factors including, but not limited to: changes in demand of construction and industrial activity, our customers' decision to rent equipment rather than buy equipment (which is impacted by customers' forecasted equipment utilization rates as well as available financing and interest rates), and weather variability outside of normal seasons. Revenue fluctuations in the Company's enterprise asset management software business are also affected by one-time large upfront license sales. These initial license sales may result in more revenue being generated in some quarters over subsequent quarters, and is not necessarily indicative of detrimental business performance in subsequent quarters; following an initial one-time licence sale to a customer, the Company's ongoing revenue for support agreements increases, and the customer is likely to eventually convert to the Company's SaaS subscription offering, which increases the Company's overall recurring revenue.

Energy costs in the Company's results of operations are also affected by fluctuations in the price of oil, which influences transportation costs. Fluctuations in commodity prices of metals, such as iron and copper, influence pricing of our parts and equipment from suppliers and therefore also impacts the Company's purchase costs. In addition, the effect of asset write-downs, including provisions for bad debts and impairment of assets can affect the variability of our results.

Management decisions to consolidate or reorganize operations, including the closure of facilities, may result in significant restructuring costs in an interim or annual period.

2016 Business Developments:

During 2016, the Company continued to focus on building scalable operating processes and capabilities, investing in the Company's management and operating teams, and developing proprietary technology. The Company did not make significant equipment fleet investments so far in 2016, as management focused primarily on solidifying the Company's operating platform.

During 2015, the Company completed a significant real estate consolidation and reorganization initiative within its construction and industrial equipment rental and distribution segment. The Company has consolidated its four Southern California locations (Ventura, San Diego, Riverside, and Long Beach) into a single facility in Pico Rivera, which is close

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to the centre of Los Angeles. Management believes that the consolidation of the Company's Southern California operations will result in considerable efficiency improvements in 2016 and beyond.

The Company's operation in Texas has not been directly impacted by the continued weakness in the energy sector as it is not engaged in the rental of specific oil and gas equipment. However, delayed recovery in the energy sector may cause general weakness in local construction trends which could negatively impact equipment rental demand in the area.

Objectives of the Company's Software segment in 2016 continues to include migrating existing customers from customized software products to the current standard version, converting on-premise software clients to Texada's SaaS cloud-based offering, as well as developing specific software products, mobile applications and support capabilities for the Company's rental and dealership operations. These new software applications are intended to be developed for the Company's internal operations, and are also planned to be deployed to external software customers over the course of 2016.

Consolidated Financial Highlights:

Consolidated Financial Highlights (000's except EPS)	Three Months Ended		
	March 31, 2016	March 31, 2015	March 31 2014 restated ¹
Revenues	\$6,487	\$5,651	\$5,221
Cost of Revenue	(3,101)	(2,619)	(2,221)
Expenses, interest, and taxes	(6,465)	(5,746)	(3,824)
Net Earnings (Loss)	(3,080)	(2,714)	(824)
Adjusted EBITDA ²	(\$149)	(\$100)	\$841
Loss per share - basic and diluted	(\$0.11)	(\$0.10)	(\$0.04)

	March 31, 2016	December 31, 2015	December 31, 2014
Total Assets	33,182	38,182	44,189
Total Current Liabilities	5,227	4,159	5,342
Total Non-Current Liabilities	30,963	34,254	28,973
Total Shareholders Equity	(3,008)	(231)	9,874

¹Cost of revenue, net earnings (loss) Loss per share-basic and diluted amounts have been restated

²Adjusted EBITDA is a non-IFRS measure and is defined within the "Introduction – Non-IFRS Measures" section of the MD&A

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Comparative Financial Results (000's) - Consolidated Company	Three Months Ended		
	March 31, 2016	March 31, 2015	Percentage Change
Revenue	\$6,487	\$5,651	15%
Cost of Revenue	(3,101)	(2,619)	18%
Expenses			
Support, Maintenance and Delivery	(2,475)	(2,358)	5%
Research and Development	(229)	(237)	(3%)
Sales and Marketing	(609)	(493)	24%
General and Administration	(2,699)	(2,261)	19%
Income Tax Expense	(67)	(21)	219%
Interest Expense	(407)	(231)	76%
Foreign Exchange (Loss)	20	(145)	(114%)
Net Loss	(3,080)	(2,714)	13%
Add:			
Depreciation / Amortization	2,364	2,135	11%
Income Tax Expense	67	21	221%
Stock Based Compensation	113	82	38%
Interest Expense	407	231	76%
Foreign Exchange Loss	(20)	145	(114%)
Adjusted EBITDA	(\$149)	(\$100)	49%
Loss per share - basic and diluted	(\$0.11)	(\$0.10)	10%

Quarterly Results (000's)	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3 ¹	Q2 ¹
Revenue	\$6,487	\$7,394	\$7,270	\$6,591	\$5,651	\$4,964	\$5,762	\$5,163
Cost of Revenue	(3,101)	(3,385)	(3,143)	(2,918)	(2,619)	(3,079)	(2,427)	(2,130)
Net earnings (loss) for the period	(3,080)	(2,794)	(2,278)	(2,446)	(2,714)	(3,775)	(1,588)	(1,798)
Add Back:								
Depreciation/Amortization expense	2,364	2,257	2,242	2,188	2,135	2,555	1,745	1,630
Income Tax (Recovery) Expense	67	10	23	143	21	66	(94)	(57)
Stock Based Compensation	113	191	111	74	82	67	2	36
Interest Expense	407	277	265	257	231	223	244	250
Severance and Other	-	3	-	24	-	-	-	-
Foreign Exchange (Gain) / Loss	(20)	36	148	(4)	145	(139)	91	(34)
Other non-recurring item	-	226	-	-	-	-	-	-
Lease Termination Payments	-	201	-	-	-	-	-	-
Adjusted EBITDA (loss) ²	(\$149)	\$405	\$511	\$236	(\$100)	(\$1,003)	\$400	\$27
Earnings (loss) per share - basic and diluted	(\$0.11)	(\$0.09)	(\$0.08)	(\$0.09)	(\$0.10)	(\$0.15)	(\$0.07)	(\$0.08)
Weighted Avg. Shares Outstanding (Basic)	27,417,479	27,417,479	27,417,479	27,417,479	27,417,479	26,085,039	21,415,479	21,411,479
Weighted Avg. Shares Outstanding (Diluted)	27,417,479	27,417,479	27,417,479	27,417,479	27,417,479	26,085,039	21,415,479	21,411,479

¹ Cost of Revenue, Net loss, Depreciation/Amortization, Income Tax/Recovery, loss per share –basic and diluted amounts have been restated

²Adjusted EBITDA is a non-IFRS measure and is defined within the "Introduction – Non-IFRS Measures" section of the MD&A

For the first quarter of 2016 Noble Iron recorded revenues of \$6.5 million, a \$0.8 million (15%) increase when compared to the first quarter of 2015. This increase was due to the strengthening of the US dollar compared to the Canadian dollar of \$0.6 million and an increase in equipment rental and distribution revenue of \$0.2 million.

For the first quarter of 2016, Noble Iron recorded cost of revenue of \$3.1 million, a \$0.5 million (18%) increase when compared to the first quarter of 2015. This increase was due to the strengthening of the US dollar of \$0.4 million and an increase in expenses for third party equipment rentals and for leased equipment delivery trucks totaling \$0.1 million.

For the first quarter of 2016, Noble Iron recorded expenses of \$6.4 million, a \$0.7 million increase when compared to the first quarter of 2015. This increase was primarily due to a \$0.4 million in general and administration expense, a \$0.2

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million increase in interest expense, and an increase of \$0.1 million increase in support, maintenance and delivery expense and an increase of \$0.1 million in sales and marketing expenses within the Company's construction and industrial equipment and distribution operations offset by a foreign exchange gain of \$0.02 million. The increase in expenses was largely due to increases in rental activities, the strengthening of the US dollar versus the Canadian dollar, hiring and expansion of the Company's core team, and increased investment in technology and process development. Further detail is outlined in the segmented sections of this MD&A.

For the first quarter of 2016, Noble Iron recorded a net loss of \$3.1 million, a \$0.4 million (13%) increase when compared to the first quarter of 2015. This was primarily due to increased expense levels.

For the first quarter of 2016, Noble Iron recorded an Adjusted EBITDA loss of \$0.1 million, a small increase from the first quarter of 2015 due to slightly higher expenses and investments.

Segmented Results:

Construction and Industrial Equipment Rental and Distribution

The Company currently operates construction and industrial equipment rental and distribution operations in two major markets, Southern California and Southeastern Texas.

Comparative Financial Results (000's) - Construction and Industrial Equipment Rental and Distribution	Three Months Ended		
	March 31, 2016	March 31, 2015	Percentage Change
Revenue			
Rental	\$4,517	\$3,878	16%
Distribution	829	597	39%
Total Revenue	5,346	4,475	19%
Cost of Revenue	(2,926)	(2,470)	18%
Expenses			
Support, Maintenance and Delivery	(2,079)	(1,999)	4%
Sales and Marketing	(535)	(437)	22%
General and Administration	(1,073)	(904)	19%
Income Tax Recovery (Expense)	(10)	(1)	900%
Interest	(388)	(223)	74%
Net Loss	(1,665)	(1,559)	7%
Add:			
Depreciation / Amortization	2,287	2,082	10%
Income Tax Expense	10	1	940%
Interest	388	223	74%
Adjusted EBITDA	\$1,021	\$747	37%

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For the first quarter of 2016, the Construction and Industrial Equipment Rental and Distribution segment recorded revenue of \$5.3 million compared to revenue of \$4.5 million for the first quarter of 2015. This increase of \$0.9 million is primarily due to the strengthening of the US dollar totalling \$0.7 million. The remaining increase in revenue is due to increased rental of third party equipment and increased rental revenue of owned fleet.

The Construction and Industrial Equipment Rental and Distribution segment recorded cost of revenue of \$2.9 million for the first quarter of 2016, an increase of \$0.5 million. The majority of the increase was due to the strengthening of the US dollar versus the Canadian dollar. The remaining increase was driven by higher expenses for third party equipment rentals and for leased equipment delivery trucks.

The Construction and Industrial Equipment Rental and Distribution segment recorded expenses of \$4.1 million and \$3.6 million for the quarters ended March 31, 2016 and 2015, respectively, resulting in an increase of 14% or \$0.5 million. This increase was primarily due to a \$0.1 million increase in support, maintenance, and delivery expense, a \$0.1 million increase in sales and marketing expense, a \$0.1 million increase in general and administration expense, and a \$0.2 million increase in interest expense.

For the first quarter of 2016, the Construction and Industrial Equipment Rental and Distribution segment recorded a net loss of \$1.7 million, a \$0.1 million (6%) increase in net loss when compared to the first quarter of 2015.

For the first quarter of 2016 the Construction and Industrial Equipment Rental and Distribution segment recorded an Adjusted EBITDA of \$1.0 million, a \$0.3 million (37%) increase when compared to the first quarter of 2015.

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Enterprise Asset Management Software

Comparative Financial Results (000's) - Enterprise Asset Management Software	Three Months Ended		
	March 31, 2016	March 31, 2015	Percentage Change
Revenue	\$1,141	\$1,176	(3%)
Cost of Revenue	(175)	(149)	17%
Expenses			
Support, Maintenance and Delivery	(387)	(359)	8%
Research and Development	(229)	(237)	(3%)
Sales and Marketing	(70)	(42)	67%
General and Administration	(108)	(111)	(3%)
Income Tax Recovery (Expense)	(57)	(20)	185%
Interest Expense	(7)	(8)	(13%)
Foreign Exchange Gain / (Loss)	20	(145)	(114%)
Net Earnings (loss)	128	105	22%
Add:			
Depreciation / Amortization	47	33	43%
Income Tax Expense	57	20	185%
Interest Expense	7	8	(13%)
Foreign Exchange (Gain) / Loss	(20)	145	(114%)
Adjusted EBITDA	\$219	\$311	(30%)

For the first quarter of 2016, the Enterprise Asset Management Software segment recorded revenue of \$1.1 million, essentially flat with the first quarter of 2015.

For the first quarter of 2016, the Enterprise Asset Management Software segment recorded cost of revenue \$0.2 million, essentially unchanged from the first quarter of 2015.

For the first quarter of 2016, the Enterprise Asset Management Software segment recorded expenses of \$0.8 million, a \$0.1 million (15%) decrease when compared to the first quarter of 2015. The expenses decreased due to lack of foreign exchange losses offset by small variances in other expense categories.

For the first quarter of 2016, the Enterprise Asset Management Software segment's net income was \$0.1 million, a \$0.02 million increase when compared to the first quarter of 2015. This was primarily due to the aforementioned decrease in expenses.

The Enterprise Asset Management Software segment recorded Adjusted EBITDA of \$0.2 million for the first quarter of 2016, a \$0.1 million (30%) decrease when compared to the first quarter of 2015.

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Other

In addition to expenses incurred within its two operating segments, the Company incurs certain expenses that are presented in this MD&A as "Other". These expenses include costs associated with public entity management, corporate level management, technology and process development, Company-wide training, branding, trademark and intellectual property, and other ancillary costs required to support operating segments. "Other" was previously called "RAO" (revenue assistance operations). A summary of these expenses follows:

Comparative Financial Results (000's) - Other	Three Months Ended		
	March 31, 2016	March 31, 2015	Percentage Change
Expenses			
Support, Maintenance and Delivery	(9)	\$0	
Sales and Marketing	(4)	(14)	(71%)
General and Administration	(1,518)	(1,246)	22%
Interest Expense	(12)	-	
Foreign Exchange (Loss)	-	-	
Total Expenses	(\$1,543)	(\$1,260)	22%

Overall, "Other" expenses are primarily the result of continued investment in the infrastructure and tools required to support Noble Iron's corporate functions and the operating business model, including further development of Noble Iron's Interactive Customer Care platform, additional software applications, development of strategic partnerships and data and analytics capabilities.

For the first quarter of 2016, "Other" recorded expenses of \$1.5 million, a \$0.3 million (22%) increase when compared to the first quarter of 2015. This is largely due to an increase of general and administration expense of \$0.3 million. The remaining increase can be attributed to hiring and expansion of the Company's core team and increased investment in technology and process development.

Liquidity:

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk through cash and debt management. See "Liquidity Risk" below.

The Company manages liquidity by assessing future cash flow requirements and maintaining sufficient borrowing base availability against the Company's debt facilities. Cash flow estimates are based upon rolling forecasts that consider borrowing limits, cash restrictions and compliance with debt covenants. No fixed payments are required over the term of the loans. Payments are required to be made when the outstanding advance exceeds the "Borrowing Base". The Borrowing Base is largely determined by the fair market value of the equipment fleet as estimated by a third party valuator and as a result, any amount due within the next twelve months cannot be estimated reliably. Cash, which is surplus to working capital requirements, is typically held as deposits in both US and Canadian funds with larger financial institutions.

Cash Flow:

During the first quarter ended March 31, 2016, the Company's cash balance increased by \$0.3 million. This increase is due to \$1.2 million received from operating activities offset by \$1.0 million used in financing activities for the repayment of debt with the remaining increase in investing activities from the sale of rental equipment. The Company is optimizing its fleet portfolio with strategically balancing the purchase of new equipment with the refurbishment of existing equipment and the disposal of older fleet while enhancing its product offering through other strategies. Property Plant and Equipment decreased by \$4.2 million during the first quarter of 2016, partially due to depreciation and the sale of fleet as well as a foreign exchange impact of \$1.8 million.

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As of March 31, 2016, the Company had cash of \$0.7 million and working capital of \$0.3 million compared to cash of \$0.5 million and working capital of \$2.2 million at December 31, 2015.

In February 2016, the Company temporarily fell below its 7.5% minimum excess availability threshold on its long-term debt credit facility and returned above the threshold after a 4 day extension without triggering a debt covenant breach notice.

Strong collections management effort during the quarter ended March 31, 2016 contributed to a reduced accounts receivable balance when compared to the year ended December 31, 2015 by collecting \$0.1 million in over-due accounts receivable and accelerating accounts receivable collections of \$0.1 million.

Capital Resources:

The Company's two rental and distribution operations are supported by separate credit facilities from a single lender which include a continuing first charge security interest in all of the assets of Noble Rents Inc. and Noble Rents (TX) Inc. Availability under each 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 four year facilities, although payments are required to be made when the outstanding advance exceeds the Borrowing Base. Interest is charged on a floating basis using the 1-month LIBOR rate, plus a spread ranging from 225 to 275 basis points. The Company has provided a corporate guarantee to the lender that is also supported by a pledge of the Company's common shares in the respective borrower which are wholly owned subsidiaries of the Company.

The combined loan balance outstanding under the facilities as of March 31, 2016 was \$30.1 million (approximately \$23.2 million US as at March 31, 2016). The facilities contain covenants requiring Noble Rents Inc. and Noble Rents (TX) Inc. to maintain certain financial covenants. This includes fixed charge coverage and certain liquidity ratios. In February 2016, the Company temporarily fell below its 7.5% minimum excess availability threshold on its credit facility and returned above its threshold after a 4 day extension without triggering a debt covenant breach notice. As of March 31, 2016, Noble Rents Inc. and Noble Rents (TX) Inc. were in compliance with all of its loan covenants.

As of March 31, 2016, the Company had available unused approved credit facilities (operating, capital, and others combined) of \$21.8 million (approximately \$16.8 million US as at March 31, 2016) subject to Borrowing Base requirements. The total excess amount above the amount drawn and the Company's borrowing base was approximately \$2.4 million. Borrowing Base availability is subject to additional thresholds. The net availability above the 5% borrowing base covenant threshold was approximately \$0.9 million.

The lender has also made available to the Company standby letter of credit facilities, subject to Borrowing Base availability, with a limit of \$5.2 million (approximately \$4.0 million US as at March 31, 2016). No letters of credit were drawn by the Company as of March 31, 2016. The facilities also contain covenants specifying a minimum fixed charge coverage ratio, minimum availability requirements and a restriction on dividends to shareholders.

Off-Balance Sheet Arrangements:

During the three months ended March 31, 2016 the Company did not participate in any off-balance sheet arrangements.

Transactions between Related Parties:

At March 31, 2016, there is a loan outstanding to a former officer of the Company with a balance due to Noble Iron of \$0.1 million.

At March 31, 2016, the Company had outstanding promissory notes to related parties in the amount of \$0.7 million with the balance due on February 17, 2017. The notes may be extended one time for six months at the Company's discretion and bears an interest rate of 10 percent per annum. There is no prepayment penalty.

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Changes in Accounting Policies:

The significant accounting policies used in preparing the Consolidated Financial Statements are unchanged from those disclosed in the Company's 2015 annual consolidated financial Statements except for the review, assessment, and implementation of new IFRS pronouncements prospectively adopted in its financial statements for the annual period beginning on January 1, 2016. The adoption of these pronouncements did not have a material impact on the financial statements. Further details can be found in the Consolidated Financial Statements for the twelve months ended December 31, 2015 available under the Company's profile on www.SEDAR.com.

Financial Instruments:

The Company is exposed to certain risks related to its financial instruments during its normal course of business including, but not limited to: liquidity risk, foreign currency risk, interest rate risk, and credit risk. Noble Iron's financial instruments are detailed below. Noble Iron manages these financial instruments to support the Company's strategy for growth and ongoing operations.

The Company's short-term financial assets include cash, accounts receivable, and loan receivable, and management has determined that the carrying value of these assets approximates the fair value at the reporting date.

The carrying amount of the Company's short-term financial liabilities include accounts payable, accrued liabilities, other current liabilities, and short term debt. Management has determined that the carrying value approximates the fair value at the reporting date.

Management has determined that the carrying value of the Company's long-term debt and license obligation approximates the fair 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 at the reporting date.

Risks and Uncertainties:

Noble Iron's management team is responsible for the evaluation and management of risk factors affecting the Company. The following is management's assessment of the significant risks which would have the greatest impact on the Company over the ensuing 12 to 18 months given currently available information. This analysis contains forward-looking statements that may differ materially from actual results.

Liquidity Risk

Liquidity continues to be a risk for the Company as it continues to grow and deploy the Noble Iron business model. As described under "Liquidity", the Company had cash of \$0.7 million and working capital of \$0.3 million as at March 31, 2016. On August 26, 2015, the Company extended its \$25 million credit facility for the Southern California operations with a new maturity date of May 31, 2017. The credit facility for the Texas operations also has a maturity date of May 31, 2017. The lines of credit will continue to provide working capital liquidity for the Company's operations in California and Texas. There can be no assurances that future renewals (i.e., after May 2017) will be available on terms acceptable to the Company, or at all. Furthermore, there can be no assurances that the Company's resources, combined with cash generated from future operations, will be adequate to continue funding operations, which includes the funding needed to sustain and grow the business.

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. 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 growth objectives. If the Company is unable

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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.

Revenue and Collection Risk

The Company has a large number of customers with relatively small account balances which exposes the Company to aggregate billing and collection risk. These risks can include missed billings, unwarranted credits, additional time to collect payments and greater risk of customer default. Continual process improvements are made to ensure timely collection of the Company's accounts receivable. These efforts include the positioning of resources and technology to improve the efficiency of invoicing, collections and customer credit extension.

Technology and Software Development

The process of developing technology from concept stage, through to design and final production involves time to complete testing, redesign and adoption by customers. Unexpected testing results or performance irregularities are normal in a development process and can result in new product offerings being delayed beyond projected time frames or slow adoption from customers. The risk of not developing and introducing reliable products, on a timely basis, presents a risk to the Company's software business.

Reliance on Key Personnel

The success of Noble Iron depends on the abilities, experience, efforts and knowledge of its senior management and other key employees, including its ability to retain and attract skilled management and employees. The loss of services from key personnel could have a material adverse effect on Noble Iron's business, financial condition, results of operations or future prospects, particularly since the Company does not always enter into non-competition arrangements with senior management and other key employees. In addition, the growth plans described in this MD&A may require additional employees, increase the demand on management, and produce risks in both productivity and retention levels. Noble Iron may not be able to attract and retain additional qualified management and employees as needed in the future. There can be no assurance Noble Iron will be able to effectively manage its growth, and any failure to do so could have a material adverse effect on its business, financial condition, results of operations and future prospects.

Foreign Currency and Exchange Risk

Foreign currency risk in the exchange rates between the Canadian dollar and foreign currencies could affect the Company's operating and financial results. The Company is exposed to foreign currency risk as substantially all of its assets and liabilities are denominated in foreign currency, particularly the US dollar. In addition, approximately 82% of its revenues are transacted in US dollars. Future growth of the Company is expected to be in US dollar denominated assets and or transactions. To date, the Company has funded its growth by issuing equity in Canadian funds and raising debt in US dollars. The Company's management monitors exchange rate fluctuations and presently does not use any derivative instruments to manage foreign currency exposure. As the Company continues to grow its US operations, exposure to foreign currency risk may increase with the likelihood of the Company employing exchange rate derivative instruments.

Asset and Leverage Risk

The integration and sustained growth initiative of the Company's operations into the construction and industrial equipment rental business poses risks that include, but are not limited to: considerable financial leverage, debt repayment requirements relative to anticipated cash flow, the execution of an operational turnaround for acquisitions, the reaction of the Company's software customers to its expansion into the segment, and the availability of additional capital to grow the segment beyond the existing operations. There can be no assurances that sufficient capital will be available to the Company on acceptable terms, if at all.

The revolving debt facilities supporting the Company's existing construction and industrial equipment rental and distribution operations, secured by the appraised value of the respective equipment rental fleet, subjects the Company to market fluctuation risk related to the value of its rental fleet. If the market value of used equipment were to fall faster

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and further than management expectations, the Company would be at risk of having an insufficient borrowing base securing its debt. This would result in a default under the facility if the Company were not in a position to cure the default.

A significant portion of the Company's debt is subject to interest rate risk due to the fact the rate charged is fully floating tied to LIBOR. At present, the Company does not employ an interest rate hedge to mitigate this risk. Management may elect to do such in the future. There can be no assurance that a sufficient hedge could be procured to fully mitigate this risk.

The construction and industrial equipment rental and distribution industry has demonstrated year over year revenue growth surpassing the most recent rate of gross domestic product in the United States, where the Company's rental business is transacted. Should the current rate of construction and industrial equipment rental growth in the United States stagnate, or should the United States enter a recessionary period with a prolonged decline in construction activity, the Company may lack sustainable revenue growth needed support its debt obligations and capital expenditure plan.

Outstanding Share Data:

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 the date of filing this MD&A, the Company had 27,417,479 common shares issued and outstanding. There are no preferred shares outstanding as of the date of filing.

The Board of Directors ratified, confirmed, and approved a Restricted Share Plan that was adopted effective June 10, 2014. A maximum of 1,000,000 of the Company's shares are available for grant under the Restricted Share Plan. As of the date of this filing Noble Iron had no restricted shares issued. Further information can be found in the 2015 Annual Financial Statements.

Additional information relating to the Company is available on SEDAR at www.SEDAR.com.