IRONHORSE OIL & GAS INC.
MANAGEMENT'S DISCUSSION & ANALYSIS

This management's discussion and analysis ("MD&A") for Ironhorse Oil and Gas Inc. ("Ironhorse" or the "Company" or "we" or "our"), dated May 28, 2015, should be read in conjunction with the financial statements for the years ended December 31, 2014 and December 31, 2013.

This MD&A and financial statements and comparative information have been prepared in Canadian dollars, except where another currency has been indicated. The MD&A and financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB).

This MD&A contains Non-GAAP measures and forward-looking statements. Readers are cautioned that the MD&A should be read in conjunction with Ironhorse's disclosure under the Advisory heading included at the end of this MD&A. Additional information relating to Ironhorse can be found on SEDAR at www.sedar.com or on the Company's website at www.ihorse.ca.

2015 OVERVIEW

Ironhorse is engaged in the exploration, development and production of petroleum and natural gas reserves in western Canada. Ironhorse's shares are listed on the TSX Venture Exchange under the symbol IOG-V.

The Company has continued to have positive working capital throughout the first quarter of 2015. Production from the Pembina L2L pool continued to be limited as Sinopec Canada did not complete upgrades to the 13-2 battery until mid March 2015. Once the upgrades were completed, production remained restricted as equipment testing occurred and facility start-up issues were identified and resolved. Production levels were also affected by pipeline curtailments imposed by Trans Canada Pipelines. As a result of these issues, overall production levels for Q1 2015 were 21% lower than fourth quarter 2014.

OUTLOOK

Currently the Pembina L2L pool is producing from both the 9-5 and 14-5 wells at an average combined rate of 2,000 boe/d gross (315 boe/d net) at restricted choke rates. Water injection into the 10-5 injection well is at 3,000 barrels of water per day. Oil production from the two wells is anticipated to continue to increase as facility related downtime issues and TransCanada pipeline restrictions are resolved concurrent with well production rate optimization activities by facility operator Sinopec Canada.

A Special Committee comprised of independent directors of the Company was established to formalize the process for determining potential options available in order to maximize shareholder value. Any potential corporate or asset transactions that may result as part of this review will depend on market conditions and will require shareholder approval prior to finalization.

SELECTED ANNUAL INFORMATION

($ thousands except per share amounts)	For the three months ended **March 31, 2015**	December 31, 2014	March 31, 2014
Petroleum and natural gas revenues[1]	**248**	545	134
Funds from operations[2]	**(68)**	123	(44)
Net loss	**(159)**	(331)	(82)
Net loss per share-basic & diluted	**(0.01)**	(0.01)	-
Capital expenditures[3]	**20**	12	636
Total assets	**21,250**	21,409	23,179
Net working capital (debt)[2]	**2,643**	2,731	2,182

(1) Petroleum and natural gas revenues are before royalty expense.
(2) Funds from operations and net debt are non-GAAP measures as defined in the Advisory section of the MD&A.
(3) Capital expenditures are before acquisitions and dispositions.

FINANCIAL AND OPERATING REVIEW

Production

	Three Months Ended March 31 **2015**	2014	% Change
Light oil & NGL(bbl/d)	**52**	8	550
Natural gas (mcf/d)	**171**	124	38
Total (boe/d)	**81**	28	189
Volumes by product			
Oil & NGL	**64%**	29%	121
Natural gas	**36%**	71%	(49)

For the three months ended March 31, 2015 Ironhorse's average daily light oil and NGL sales volumes were 52 boe/d compared to 8 boe/d for the three months ended March 31, 2014 representing an increase of 550%. The volumes remain low due to production restrictions related to the Pembina wells.

The Company's natural gas production has increased 38% to 171 mcf/d in the first quarter of 2015 as compared to 124 mcf/d for the same period in 2014. The gas production is comprised of approximately 108 mcf/d from the Balsam gas well, and 63 mcf/d of solution gas from the Pembina Nisku wells.

Commodity Prices

	Three Months Ended March 31 **2015**	2014	% Change
Average benchmark prices:			
WTI (US$/bbl)	**48.63**	98.68	(51)
Canadian Light Sweet ($/bbl)	**53.22**	99.76	(47)
AECO natural gas ($/mcf)[1]	**2.75**	5.63	(51)
Realized prices:			
Light oil & NGL ($/bbl)	**45.09**	100.23	(55)
Natural gas ($/mcf)	**2.42**	5.92	(59)
Total ($/boe)	**34.27**	52.87	(35)

(1) Represents the AECO Monthly (7a) Index.

Revenues

($ thousands)	Three Months Ended March 31		
	2015	2014	% Change
Light oil & NGL	**211**	68	210
Natural gas	**37**	66	(44)
Total	**248**	134	85

Revenues and Commodity Prices

The Company's realized light oil and ngl price/bbl was $45.09/bbl for the three months ended March 31, 2015 as compared to $100.23/bbl for the same period in 2014 representing a decrease of 55%. The Company's realized natural gas price/mcf for the three months ended March 31, 2015 was $2.42/mcf compared to $5.92/mcf for the same period in 2014 representing a decrease of 59% and reflective of the 51% decrease in the benchmark AECO price period over period.

Sales revenues for the three months ended March 31, 2015 were $248,000, an 85% increase from $134,000 for the three months ended March 31, 2014. This increase in sales revenue for the three months ended March 31, 2015, compared to the same period in 2014, was a result of increased sales volumes for both oil and natural gas, as described above, with oil volumes more than offsetting the significant commodity price decreases period over period.

Royalties

($ thousands except per boe)	Three Months Ended March 31		
	2015	2014	% Change
Oil & NGL	**88**	10	780
Natural gas	**13**	18	(28)
Royalties	**101**	28	261
Royalties %	**41**	21	95
Royalties per boe	**13.96**	10.85	29

Royalties represent charges against production or revenue by governments and mineral right owners. From period to period royalties vary due to changes in the production mix, production rates and sales prices, the components of which are subject to different royalty rates.

For the three months ended March, 2015, royalties increased 261% from $28,000 in the comparable period in 2014 to $101,000. Royalties as a percentage of revenues increased to 41% for the three months ended March 31, 2015 compared to 21% in the comparable period in 2014. This increase is primarily a result of the 9-5 Pembina well's royalty rate increasing to a sliding scale 40% rate from 5%. The Pembina wells qualified for the new well royalty rate which allows for a 5% royalty on the first 50,000 barrels of gross production or 12 producing months, whichever occurs first. Once either of these conditions is met, the royalty rate reverts to 40%.

Operating Expenses

($ thousands except per boe)	Three Months Ended March 31		
	2015	2014	% Change
Operating expenses	**122**	30	307
Operating expenses ($/boe)	**16.89**	11.77	44

Operating expenses were $122.000, or $16.89/boe, for the three months ended March 31, 2015 compared to $30,000 or $11.77/boe for the comparable period in 2014 representing an increase of 307% and 44% respectively. Although volumes have increased by 189%, the volumes at Pembina have been restricted so the effect of the fixed cost component is higher as compared with the increased volume base.

Operating Netbacks

	Three Months Ended March 31		
	2015	2014	% Change
Oil & NGL ($/bbl)	**45.09**	100.23	(55)
Natural gas ($/mcf)	**2.42**	5.92	(59)
Revenues ($/boe)	**34.27**	52.87	(35)
Royalties ($/boe)	**(13.96)**	(10.85)	29
Operating expenses ($/boe)	**(16.89)**	(11.77)	44
Operating netback ($/boe)	**3.42**	30.25	(89)

Ironhorse's operating netback per boe for the three months ended March 31, 2015 was $3.42/boe compared to $30.25/boe representing a decrease of 89% from the three months ended March 31, 2014. The decrease in netbacks is a result of lower oil and gas prices, higher royalties and higher operating costs per boe due to restricted production.

General and Administrative (G&A) Expense and Share-based Compensation

	Three Months Ended March 31		
($ thousands except per boe)	**2015**	2014	% Change
G&A expense	**97**	120	(19)
Stock-based compensation	**-**	(3)	100
G&A expense ($/boe)	**13.39**	47.62	(71)
Stock-based comp ($/boe)	**-**	(1.10)	100

G&A expense for the three months ended March 31, 2015 decreased 19% to $97,000 from $120,000 for the three months ended March 31, 2014. The decrease is mainly a result of monthly management fees which were reduced to $15,000 per month for 2015 as compared with $25,000 per month in 2014. With production being higher in Q1 2015 as compared with Q1 2014, G&A expense per boe is 71% lower in Q1 2015 as compared with Q1 2014.

Share-based compensation was nil for the three months ended March 31, 2015 compared to a recovery of $1.10 for the same period in 2014 representing a 100% increase.

Finance (income) expense

	Three Months Ended March 31		
($ thousands except per boe)	**2015**	**2014**	% Change
Interest (income) expense	**(4)**	**(5)**	(20)
Accretion	**1**	**2**	(50)
Financing expenses	**(3)**	**(3)**	-
Interest (income) expense ($/boe)	**(0.41)**	**(1.32)**	(69)

Interest income for the three months ended March 31, 2015 was $4,000 compared to $5,000 in the comparable 2014 period and represents a 20% reduction. Interest income is dependent on the level of funds held on deposit. During the first quarters of 2015 and 2014, the Company did not have bank debt and received interest on its cash balance and deposits.

Accretion is the increase or decrease, in the reporting period, in the present value of the Company's decommissioning liabilities that are estimated based on current costs, inflated at a rate of 2% and discounted using a risk free interest factor of between 0.5% and 1.8%.

Depletion and Amortization

($ thousands except per boe)	Three Months Ended March 31		
	2015	2014	% Change
Depletion and amortization	**142**	38	274
Depletion and amortization ($/boe)	**19.60**	14.99	31

Depletion and amortization expense was $142,000 or $19.60/boe for the three months ended March 31, 2015 compared to $38,000 or $14.99/boe in the same period in 2014. Depletion is higher due to higher production in Q1 2015 as compared to Q1 2014.

Impairment

($ thousands except per boe)	Three Months Ended March 31		
	2015	2014	% Change
Impairment	**1**	2	(50)
Impairment ($/boe)	**0.12**	1.12	(89)

An impairment expense is recognized for the amount by which the carrying amount exceeds the recoverable amount. Impairment expense is reversed when there has been a subsequent increase in the recoverable amount, but only to the extent of what the carrying amount would have been, had no impairment been recognized.

Capital Expenditures

($ thousands)	Three Months Ended March 31		
	2015	2014	% Change
Drilling and completions	**15**	397	(96)
Facilities	**5**	239	(98)
Capital expenditures	**20**	636	(97)

Capital expenditures totalled $20,000 for the three months ended March 31, 2015 compared to $636,000 for three months ended March 31, 2014. Capital expenditures for the current period are related to facility costs at the 7-5 Pembina pad site and recompletion costs related to the Pembina Nisku production and injection wells.

Shareholders' Equity

As at March 31, 2015 there were 27,885,824 shares outstanding and 555,000 options outstanding with a weighted average strike price of $0.32.

	Number of shares	Amount
Balance, December 31, 2014 and March 31, 2015	27,885,824	29,875

During the three month period ended March 31, 2014 there were 25,000 options exercised at a price of $0.17 per option. During the three months ended March 31, 2015 there were no option grants and 186,000 options that had expired.

Financial Resources and Liquidity

Ironhorse's strategy is to maintain a capital structure which will sustain and grow the Company while retaining creditor and investor confidence. In managing its capital structure, the Company considers future investments and acquisition opportunities, the amount of credit that may be obtainable from a lender as a result of changes in reserve values, the availability of other sources of debt, the sale of assets, adjustments to the current capital expenditures program, and issuance of new shareholder capital. The Company's approach to managing liquidity risk is by preparing and monitoring capital and operating budgets, coordinating and authorizing project expenditures and updating when required as conditions change. The Company plans to meet its obligations when due through its available cash resources and may seek potential credit facilities in the future.

The Company's shareholders' capital is not subject to external restrictions and it does not have any credit facilities. The approach to capital management during the period has not changed from the prior reporting period and the Company's net working capital is as follows:

As at	**March 31, 2015**	December 31, 2014
Current assets	**2,985**	3,027
Current liabilities	**(342)**	(296)
Net working capital	**2,643**	2,731

Transactions with Related Parties

The Company, Grizzly Resources Ltd. ("GRL") and Copper Island Resources Ltd. ("CIRL") are considered related by virtue of common management. The Company and GRL are also significant joint venture partners in Ironhorse's operating areas. The Company has entered into a management contract with GRL to provide technical and administrative services.

Joint venture transactions

The nature of the joint venture transactions between GRL and Ironhorse are governed by industry standard joint operating agreements. GRL provides monthly joint interest billings to the Company which include capital expenditures, operating costs, revenues and royalty costs related to joint venture lands. Throughout the year, GRL provides the Company's Board of Directors with information related to upcoming issues related to these joint properties to seek approval for any significant capital requirements or approval for major funding requirements that would be required by Ironhorse. The common joint venture property between the two companies is the Pembina area of Alberta.

Management fee transactions

GRL charges Ironhorse a monthly management fee for services required to manage the Company's day to day operations. The fee is based on an estimate of accounting services, senior management services, information technology costs, reception, office rent and other general office administration. The monthly management fee for the three months ended March 31, 2015 was $15,000 per month (March 31, 2014 - $25,000). The management agreement is reviewed annually to account for any changes in the Company's operating assets.

For a more detailed discussion on related party transactions see note 8 of the accompanying condensed interim financial statements.

RISK FACTORS

General

Additional risk factors can be found under "Risk Factors" in the Company's Annual Information Form, which can be viewed on www.sedar.com. Many risks are discussed below, but these risk factors should not be construed as exhaustive. There are numerous factors, both known and unknown, that could cause actual results or events to differ materially from expected results.

Depletion of reserves

Oil and natural gas operations involve many risks that, even with a combination of experience, knowledge and careful evaluation, the Company may not be able to overcome. The long-term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves the Company may have at any particular time and the production there from will decline over time as such existing reserves are exploited. A future increase in the Company's reserves will depend not only on the Company's ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that further commercial quantities of oil and natural gas will be discovered or acquired by the Company.

Financing and capital requirement

The Company's principal risks include finding and developing economic hydrocarbon reserves efficiently and being able to fund the capital program. The Corporation's need for capital is both short-term and long-term in nature. Short-term working capital will be required to finance accounts receivable, drilling deposits and other similar short-term assets, while the acquisition and development of oil and natural gas properties requires large amounts of long-term capital. The Company anticipates that future capital requirements will be funded through a combination of funds from operations, sale of existing assets and issuance of debt and/or equity financing. There is no assurance that debt and equity financing will be available on terms acceptable to the Company to meet its capital requirements. If any components of the Company's business plan are missing, the Company may not be able to execute the entire business plan.

Changes in Government Royalty Legislation

Provincial programs related to the oil and natural gas industry may change in a manner that adversely impacts shareholders. Ironhorse currently operates in Alberta and future amendments to royalty programs could result in a reduction of cash flows.

Regulatory Approval Risks

Before proceeding with most major development projects, Ironhorse must obtain regulatory approvals and maintain these approvals through to project completion. The regulatory approval process involves stakeholder consultation, environmental impact assessments and public hearings, among other factors. Failure to obtain regulatory approvals, or failure to obtain them on a timely basis, could result in delays, abandonment, or restructuring of projects and increased costs, all of which could negatively impact future earnings and cash flow. Failure to maintain approvals, licenses, permits and authorizations in good standing could result in the imposition of fines, production limitations or suspension orders.

Reliance on Partners

Ironhorse is dependent on other working interest partners to fund their contractual share of the capital expenditures. If these partners are unable to fund their contractual share of, or do not approve the capital expenditures, the partners may seek to defer programs, resulting in delays of portion of development of Ironhorse's programs, or the partners may default such that projects may be delayed and/or Ironhorse may be partially or totally liable for their share.

Environmental

The oil and natural gas industry is subject to environmental regulation pursuant to local, provincial and federal legislation. A breach of such legislation may result in the imposition of fines or issuance of clean up orders in respect to Ironhorse or its working interests. Such legislation may be changed to impose higher standards and potentially more costly obligations on Ironhorse. Furthermore, management believes that the federal political parties appear to favour new programs for environmental laws and regulations, particularly in relation to the reduction of emissions, and there is no assurance that any such programs, laws or regulations, if proposed an enacted, will not contain emission reduction targets which the Company cannot meet.

ACCOUNTING POLICIES AND ESTIMATES

Critical Accounting Estimates

We make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The Company's financial and operating results incorporate estimates including:

- Estimated revenues, royalties, operating expenses on production;
- Estimated capital expenditures on projects that are in progress;
- Estimated depletion, depreciation, amortization expenses that are based on estimates of oil and gas proved and probable reserves that the Company expects to recover in the future;
- Estimated value of decommissioning liabilities that are dependent on estimates of future costs and timing of expenditures;
- Estimated future recoverable value of development and production assets within PP&E and E&E assets;
- Estimated deferred income tax assets and liabilities based on current tax interpretations, regulations and legislation that is subject to change;
- Estimated loss probable based on judgement and interpretation of laws and regulations.

The recoverable amounts of PP&E asset by area have been determined as the greater of the asset by area's value-in-use and fair value less costs to sell. These calculations require the use of estimates and assumptions and are subject to changes as new information becomes available including information on future commodity prices, expected production volumes, quantity of reserves and discount rates, as well as, future development and operating costs. Changes in the following assumptions used in determining the recoverable amount could affect the carrying value of the related asset.

- Reserves: Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.

- Oil and natural gas prices: Forward price estimates of the oil and natural gas prices are used in the cash flow model. Commodity prices have fluctuated widely in recent years due to global and regional factors including supply and demand fundamentals, inventory levels, exchange rates, weather, economic and geopolitical factors.

- Discount rate: The discount rate used to calculate the net present value of cash flows is based on estimates of an approximate industry peer group weighted average cost of capital. Changes in the general economic environment could result in significant changes to this estimate.

New and Future Accounting Pronouncements

As of January 1, 2014, Ironhorse adopted the following standards and amendments issued by the IASB. The adoption of these standards did not have any material impact on the Company's financial statements.

- IAS 36 "Impairment of Assets" which reduce the circumstances in which the recoverable amount of CGUs is required to be disclosed and clarify the disclosures required when an impairment loss has been recognized or reversed in the period.

- IFRIC 21 "Levies," which was developed by the IFRS Interpretations Committee ("IFRIC"). IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that no liability should be recognized before the specified minimum threshold to trigger that levy is reached.

IFRS 9- Financial Instruments

The IASB intends to replace International Accounting Standards ("IAS") 39, "Financial Instruments: Recognition and Measurement" with IFRS 9, "Financial Instruments". For financial assets, IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, and replaces the multiple rules in IAS 39. Portions of the standard remain in development and the full impact of the standard on the Company's financial statements is tentatively required to be adopted for fiscal years beginning January 1, 2018.

IFRS 11- Joint Arrangements

IFRS 11 Joint arrangements has been amended to require that the relevant principles from IFRS 3 Business combinations be applied when an organization acquires an initial or additional interest in a joint operation and the activities of the joint operation constitute a business as defined in IFRS 3. IFRS 1 is effective for annual periods beginning on or after January 1, 2016.

ADVISORY SECTION

Non-GAAP Measures

The MD&A contains terms commonly used in the oil and gas industry, such as operating netbacks ("netbacks"), funds from operations and net debt. These terms are not defined by the financial measures used by the Company to prepare its financial statements and are referred to herein as non-GAAP measures. These non-GAAP measures should not be considered an alternative to, or more meaningful than, other measures of financial performance calculated in accordance with GAAP. Management believes that in addition to net earnings (loss), netbacks, funds from operations and net debt are useful financial measurement which assist in demonstrating the Company's ability to make interest payments, fund capital expenditures necessary for future growth or repay debt. The non-GAAP measures presented may not be comparable to that report by other companies.

Netback

Ironhorse uses netback as a key performance indicator. Netback does not have a standardized meaning prescribed by Canadian GAAP and therefore may not be comparable with the calculation of similar measures by other companies. Netback is calculated by deducting royalties and operating expenses from petroleum and natural gas revenues.

Funds from Operations

Funds from Operations is not a recognized performance measure under GAAP and does not have a standardized meaning prescribed by GAAP. Funds from operations include cash flow from operating activities and is calculated before changes in non-cash working capital and decommissioning liabilities settled. The most comparable measure calculated in accordance with GAAP is cash flow from operating activities. The Company considers it a key measure as it demonstrates the ability of the Company to generate the funds necessary to finance future capital investments and repay debt.

The following table reconciles cash flow from operating activities to funds from operations which is used in the MD&A:

($ thousands except per share amounts)	**Q1 2015**	Q4 2014	Q1 2014
Cash flow from operating activities	**190**	154	120
Decommissioning expenditures	**-**	-	2
Changes in non-cash working capital	**(258)**	(31)	(166)
Funds from operations	**(68)**	123	(44)

Net Debt

Net debt is not a recognized performance measure under GAAP and does not have a standardized meaning prescribed by GAAP. Net debt is calculated as debt and current liabilities less current assets as they appear on the balance sheet and excludes current unrealized amounts pertaining to risk management contracts and assets held for sale and associated liabilities held for sale.

Forward-Looking Information

Certain information regarding Ironhorse set forth in this document, including management's assessment of the Company's future plans and operations, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Ironhorse's control. These risks include, but are not limited to, operational risks in development, exploration, production and start-up activities; delays and changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainly of estimates and projections relating to production, costs and expenses, and environmental risks, risks associated with the impact of industry conditions, volatility of commodity prices, currency fluctuations, competition from other producers, ability to access capital from internal and external sources and risks and uncertainties associated with securing and maintaining the necessary regulatory approvals and financing to proceed with the development of Pembina. Ironhorse's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact it would have on Ironhorse. Words such as “may”, “will”, “should”, “could”, “anticipate”, “believe”, “expect”, “intend”, “plan”, “potential”, “continue”, and similar expressions have been used to identify these forward-looking statements.
The forward-looking information contained in this MD&A are as of the date of the MD&A and Ironhorse assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by applicable laws.

BOE Conversion

In this document, certain natural gas volumes have been converted to barrels of oil equivalent ("boe") on the basis of one barrel ("bbl") to six thousand cubic feet ("mcf"), unless otherwise stated. A conversion ratio of one bbl to six mcf is based on an energy equivalent conversion applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

QUARTERLY FINANCIAL INFORMATION

The Company's operating results over the past eight quarters reflect the ongoing shift in focus as Ironhorse increases the oil weighting of its reserves and restructures its balance sheet.

($ thousands except per unit and share data)	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Volumes								
Natural gas (mcf/d)	171	150	130	112	124	159	285	435
Oil & NGL (bbl/d)	52	77	64	11	8	9	41	40
Total (boe/d)	81	102	86	30	28	36	89	113
Revenues (1)	248	545	593	157	134	130	441	449
Funds from operations(2)	(68)	123	358	98	(44)	(73)	24	8
Per share-basic and diluted	-	0.01	0.01	-	-	-	-	-
Net income (loss)	(159)	(331)	141	51	(82)	26	(1,015)	(209)
Per share-basic and diluted	(0.01)	(0.01)	0.01	-	-	(0.01)	(0.03)	(0.01)
Weighted average shares								
Basic and diluted	27,886	27,886	27,886	27,886	27,886	27,861	27,861	27,861

(1) Revenues are before royalties

(2) Non-GAAP measures are defined in the Advisory section within this MD&A.

IRONHORSE OIL & GAS INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THREE MONTHS ENDED MARCH 31, 2015 AND 2014

MANAGEMENT'S REPORT

The accompanying unaudited condensed interim financial statements of Ironhorse Oil & Gas Inc. (the "Company") for the three months ended March 31, 2015 and 2014 have been prepared by management and were approved by the Board of Directors of the Company. These financial statements have not been reviewed by the Company's external auditors.

May 28, 2015

Approved on behalf of Ironhorse Oil & Gas Inc.:

(signed) "Larry J. Parks"

Larry J. Parks
President & Chief Executive Officer

(signed) "Karen Hutson"

Karen Hutson
VP Finance & Chief Financial Officer

IRONHORSE OIL & GAS INC.
Condensed Interim Statements of Financial Position
(Unaudited)
(In thousands of Canadian dollars)

	March 31, 2015	December 31, 2014
ASSETS		
Current assets		
Cash	**2,651**	**2,469**
Accounts receivable	**59**	**278**
Prepaid expenses and deposits	**275**	**280**
	2,985	**3,027**
Property, plant and equipment (note 3)	**18,265**	**18,382**
	21,250	**21,409**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**342**	**296**
Decommissioning liabilities (note 4)	**338**	**331**
Deferred income taxes	**1,275**	**1,328**
	1,955	**1,955**
SHAREHOLDERS' EQUITY		
Shareholders' capital (note 5)	**29,875**	**29,875**
Contributed surplus	**2,048**	**2,048**
Deficit	**(12,628)**	**(12,469)**
	19,295	**19,454**
	21,250	**21,409**

The accompanying notes are an integral part of these condensed interim financial statements.

Approved on behalf of the Board:

(signed) "Larry J. Parks"
Director

(signed) "Gerry C. Quinn"
Director

IRONHORSE OIL & GAS INC.
Condensed Interim Statements of Loss
(Unaudited)
(In thousands of Canadian dollars except per share amounts)

For the three months ended March 31	2015	2014
REVENUES		
Petroleum and natural gas revenues, gross	248	134
Royalties	(101)	(28)
	147	106
EXPENSES		
Operating and transportation	122	30
General and administrative expense	97	120
Share-based compensation (note 5)	-	(3)
Finance (income) expense (note 6)	(3)	(3)
Depletion and amortization (note 3)	142	38
Impairment (note 3)	1	2
Loss on disposition of properties	-	5
	359	189
Loss before income taxes	(212)	(83)
Deferred income tax recovery	(53)	(1)
Loss and comprehensive loss	(159)	(82)
Deficit, beginning of the year	(12,469)	(12,248)
Deficit, end of the period	(12,628)	(12,330)
Loss per share (note 5)		
Basic and diluted	(0.01)	-

The accompanying notes are an integral part of these condensed interim financial statements.

IRONHORSE OIL & GAS INC.
Condensed Interim Statement of Changes in Equity
(Unaudited)
(In thousands of Canadian dollars)

	Shareholders' Capital	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance as at December 31, 2013	29,869	2,051	(12,248)	19,672
Share-based compensation	-	(1)	-	(1)
Share issuance	6	(2)	-	4
Net loss	-	-	(221)	(221)
Balance as at December 31, 2014	29,875	2,048	(12,469)	19,454
Net loss	-	-	(159)	(159)
Balance as at March 31, 2015	29,875	2,048	(12,628)	19,295

The accompanying notes are an integral part of these condensed interim financial statements.

IRONHORSE OIL & GAS INC.
Condensed Interim Statement of Cash Flows
(Unaudited)
(In thousands of Canadian dollars)

For the three months ended March 31	2015	2014
Cash flows from operating activities		
Net (loss)	**(159)**	**(82)**
Items not affecting cash:		
Depletion and amortization (note 3)	**142**	**38**
Impairments (note 3)	**1**	**2**
Accretion of decommissioning liabilities (note 4)	**1**	**2**
Share-based compensation (note 5)	**-**	**(3)**
Deferred income tax recovery	**(53)**	**(1)**
Net change in decommissioning liabilities (note 4)	**-**	**(2)**
Change in non-cash working capital (note 9)	**258**	**166**
Net change in cash flows from operating activities	**190**	**120**
Cash flows from financing activities		
Cash received on the exercise of stock options	**-**	**4**
Net change in cash flows from financing activities	**-**	**4**
Cash flows from investing activities		
Property, plant and equipment expenditures (note 3)	**(20)**	**(636)**
Changes in non-cash working capital (note 9)	**12**	**772**
Net change in cash flows from investing activities	**(8)**	**136**
Increase in cash	**182**	**260**
Cash, beginning of the year	**2,469**	**3,660**
Cash, end of the period	**2,651**	**3,920**
Supplemental cash information:		
Interest expense (received) paid	**(4)**	**(5)**

The accompanying notes are an integral part of these condensed interim financial statements.

1. REPORTING ENTITY

Ironhorse Oil & Gas Inc. ("Ironhorse" or the "Company") is incorporated under the Business Corporations Act of Alberta with its principal place of business at 1000, 324-8th Avenue SW, Calgary, Alberta. The Company's shares are listed on the TSX Venture Exchange under the symbol IOG-V. Ironhorse is engaged in the exploration for, development and production of petroleum and natural gas reserves in western Canada.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

The condensed financial statements (the "financial statements") have been prepared in accordance with IAS 34, "*Interim Financial Reporting"* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's significant accounting policies are the same as those disclosed in Note 3 of the Company's audited financial statements as at and for the years ended December 31, 2014 and 2013. These condensed interim financial statements do not include all of the information required for full annual financial statements.

These financial statements were authorized for issuance in accordance with a resolution of the Board of Directors on May 28, 2015.

(b) New Accounting Standards

As of January 1, 2014, Ironhorse adopted the following standards and amendments issued by the IASB. The adoption of these standards did not have any material impact on the Company's financial statements.

- IAS 36 "Impairment of Assets" which reduce the circumstances in which the recoverable amount of CGUs is required to be disclosed and clarify the disclosures required when an impairment loss has been recognized or reversed in the period.

- IFRIC 21 "Levies," which was developed by the IFRS Interpretations Committee ("IFRIC"). IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that no liability should be recognized before the specified minimum threshold to trigger that levy is reached.

IFRS 9- Financial Instruments

The IASB intends to replace International Accounting Standards ("IAS") 39, "Financial Instruments: Recognition and Measurement" with IFRS 9, "Financial Instruments". For financial assets, IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, and replaces the multiple rules in IAS 39. Portions of the standard remain in development and the full impact of the standard on the Company's financial statements is tentatively required to be adopted for fiscal years beginning January 1, 2018.

IFRS 11- Joint Arrangements

IFRS 11 Joint arrangements has been amended to require that the relevant principles from IFRS 3 Business combinations be applied when an organization acquires an initial or additional interest in a joint operation and the activities of the joint operation constitute a business as defined in IFRS 3. IFRS 1 is effective for annual periods beginning on or after January 1, 2016.

3. PROPERTY, PLANT AND EQUIPMENT ("PP&E")

PP&E – Cost	
Balance, December 31, 2013	22,955
Additions	666
Changes in decommissioning liabilities	9
Balance, December 31, 2014	23,630
Additions	20
Changes in decommissioning liabilities	6
Balance, March 31, 2015	**23,656**

Accumulated depletion and amortization	
Balance, December 31, 2013	(4,419)
Depletion and amortization expense	(473)
Impairment	(356)
Balance, December 31, 2014	(5,248)
Depletion and amortization expense	(142)
Impairment	(1)
Balance, March 31, 2015	(5,391)

Carrying value	
As at December 31, 2014	18,382
As at March 31, 2015	18,265

4. DECOMMISSIONING LIABILITIES

	March 31, 2015	December 31, 2014
Balance, beginning of period	**331**	322
Liabilities disposed	**-**	-
Change in estimates and discount rate	**6**	9
Settlement of decommissioning liabilities	**-**	(2)
Accretion expense	**1**	2
Balance, end of period	**338**	331

5. SHAREHOLDERS' CAPITAL

The Company has authorized an unlimited number of common shares and first preferred shares. The outstanding shareholders' capital is as follows:

(a) Issued

	Number of shares	Amount
Balance, December 31, 2014 and March 31, 2015	27,885,824	29,875

(b) Share based compensation

During the three months ended March 31, 2015 there were no option grants and 186,000 options that expired. As at March 31, 2015 there were 555,000 options outstanding with a weighted average strike price of $0.32. During the three month period in 2014 there were 25,000 options exercised at a price of $0.17 per option.

(c) Per Share Amounts

For three months ended March 31	**2015**	2014
Basic and Diluted :		
Loss per share	**(0.01)**	-
Weighted average common shares – basic	**27,885,824**	27,885,824
Weighted average common shares – diluted	**27,885,824**	27,885,824

6. FINANCE (INCOME) EXPENSE

For three months ended March 31	**2015**	2014
Interest expense and finance charges	**(4)**	(5)
Accretion and decommissioning liabilities (note 4)	**1**	2
	(3)	(3)

7. CAPITAL MANAGEMENT

The Company's shareholders' capital is not subject to external restrictions. The Company does not have any credit facilities and there were no changes in the Company's approach to capital management during the period. The Company's net working capital is as follows.

As at	**March 31, 2015**	December 31, 2014
Current assets	**2,985**	3,027
Current liabilities	**(342)**	(296)
Net working capital	**2,643**	2,731

8. RELATED PARTY TRANSACTIONS

The Company, Grizzly Resources Ltd. ("GRL") and Copper Island Resources Ltd. ("CIRL") are considered related by virtue of common management. The Company and GRL are also significant joint venture partners in Ironhorse's operating areas. The Company has entered into a management contract with GRL to provide technical and administrative services. Effective Jan 1, 2015 management fees were reduced from $25,000 per month to $15,000 per month. The management agreement is reviewed annually to account for changes in the Company's operating assets.

A summary of related party transactions included in the financial statements are as follows:

For the three months ended March 31	**2015**	2014
Capital expenditures	**19**	1,601
Operating expenses	**(1)**	4
Petroleum and natural gas revenues	**220**	53
Loss on disposition of properties	**81**	5
General and Administrative – Management Fees	**45**	**75**

The inter-company net receivable (payable) balances due from (to) related parties were as follows:

As at March 31	**2015**	2014
Grizzly Resources Ltd.	**21**	(1,542)

The amounts outstanding at March 31, 2015 were settled by May 8, 2015.

9. SUPPLEMENTAL DISCLOSURES

For the three months ended March 31	**2015**	2014
Changes in non-cash working capital:		
Accounts receivable	**219**	450
Prepaid expenses	**5**	8
Accounts payable and accrued liabilities	**46**	480
	270	938
Relating to:		
Operating activities	**258**	166
Investing activities	**12**	772
	270	938