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 November 26, 2015, should be read in conjunction with the condensed financial statements for the three and nine months ended September 30, 2015 and September 30, 2014 and the audited financial statements for the years ended December 31, 2014 and December 31, 2013.

The interim condensed financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") which comprises International Financial Reporting Standards ("IFRS") as applicable for the interim financial statements, including International Accounting Standards ("IAS") 34, "Interim Financial Reporting".

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.

The Company's working capital position has remained unchanged at $3.0 million at September 30, 2015, compared to June 30, 2015. Q3 2015 revenues decreased 26% impacted by an 11% reduction in Pembina production and 16% lower realized oil sales prices compared to Q2 2015 reducing quarterly funds from operations to $0.04 million, a 90% decrease from $0.4 million in Q2 2015. Lower Pembina production during the current quarter was mainly attributable to a scheduled third party Keyera gas plant turnaround which required shut-in of the two Pembina producing wells for 20 days in September. Production run times, excluding the September facility turnaround, were 87%.

Operating netbacks for Q3 2015 decreased 73% to $6.08/boe compared to $22.19/boe for Q2 2015 impacted by higher royalties and operating costs, along with lower revenues due to the Keyera plant turnaround. In August, production reached a daily milestone peak of 2,550 boe/d (gross).

The Company realized a net loss of $2.8 million for the third quarter primarily resulting from a $3.5 million impairment charge at Pembina due to continued low commodity prices as compared to the 2014 year end reserve report forecast, offset by $1.0 million non-cash deferred tax recovery.

The Company formed a Special Committee of independent members of the Board of Directors to review options available to the Company to maximize shareholder value. The Special Committee has been working with the Company's management, directors and advisors to evaluate a range of strategic alternatives.

OUTLOOK

During the third quarter, gross production from the Pembina L2L pool averaged 1,472 boe/d. Production from the L2L pool has been restricted in Q4 2015 due to TransCanada ("TCPL") pipeline curtailments limiting the handling capacity of gas. Production will continue to be affected due to ongoing TCPL restrictions associated with pipeline maintenance and integrity work.

UNSOLICITED TAKE-OVER BID

On November 4, 2015, an unsolicited all cash take-over bid (the "Offer") was commenced by 1927297 Alberta Ltd. (the "Offeror"), a corporation wholly-owned by Timmerman Trust, to acquire the outstanding common shares of Ironhorse for $0.17 per share.

The Board of Directors has carefully reviewed and considered the Offer, with the benefit of advice from Ironhorse's financial and legal advisors and unanimously recommends that Ironhorse shareholders reject the Offer.

The following is a summary of the principal reasons for the unanimous recommendation of the Board of Directors to Shareholders that they reject and not tender to the Offer;

- The Offer is not supported by Ironhorse's largest shareholders or its directors and officers holding approximately 45% of the outstanding Ironhorse common shares.
- The Offer is highly conditional and has substantial completion risk.
- The Offer significantly undervalues Ironhorse's assets and growth potential.
- The Offer is predatory and opportunistic.
- Superior proposals or other alternatives may emerge.
- Ironhorse's financial advisor has delivered a written opinion to the Board of Directors that the consideration offered under the Offer is inadequate, from a financial point of view, to shareholders.
- The Offer provides insufficient time to properly consider any take-over bid made for Ironhorse.

Additional information can be found in the Ironhorse Directors' Circular dated November 19, 2015, which has been sent to all Ironhorse shareholders.

If shareholders of Ironhorse have any questions or require more information, they are encouraged to contact D.F. King Canada ("D.F. King"), a division of CST Investor Services Inc., the information agent retained by Ironhorse, by telephone at 1-800-294-3174 (Toll Free in North America) or 1-201-806-7301 (Banks, Brokers and Collect Calls), or by email at inquiries@dfking.com.

SELECTED QUARTERLY INFORMATION

	For the three months ended		
($ thousands except per share amounts)	**September 30 2015**	June 30 2015	September 30 2014
Petroleum and natural gas revenues[1]	**941**	1,262	593
Funds from operations[2]	**39**	401	358
Net income (loss)	**(2,850)**	(634)	141
Net income (loss) per share-basic & diluted	**(0.10)**	(0.02)	0.01
Capital expenditures[3]	**21**	3	18
Total assets	**17,276**	20,966	21,748
Net working capital	**3,059**	3,041	2,620

(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 September 30			Nine Months Ended September 30		
	2015	2014	% Change	**2015**	2014	% Change
Light oil & NGL(bbl/d)	**189**	64	195	**152**	28	443
Natural gas (mcf/d)	**162**	130	25	**189**	122	55
Total (boe/d)	**216**	86	151	**184**	48	283
Volumes by product						
Oil & NGL	**88%**	74%	19	**83%**	58%	43
Natural gas	**12%**	26%	(54)	**17%**	42%	(60)

For the three months and nine months ended September 30, 2015 Ironhorse's average daily light oil and natural gas liquids ("NGL") sales volumes were 189 bbls/d and 152 bbls/d, respectively. This represents an increase of 195% and 443% compared to an average sales volume of 64 bbls/d and 28 bbls/d for the same periods of 2014

The increase in average daily sales volumes is due to the Company's Pembina Nisku light oil property producing at high rates as the Sinopec 13-2 battery expansion was completed in mid-March 2015 enabling the facility to ramp up production. Sales volumes from the two Pembina wells averaged 1,344 boe/d gross (210 boe/d net) during Q3 2015. Production was expected to be higher during Q3 2015; however TCPL restrictions and the Keyera Minnehik Buck Lake (MBL) planned facility turnaround lasted 10-days longer than anticipated due to unexpected repairs being required and as a result, September Pembina net sales averaged 79 boe/d. The Company is continuing to work with partners to optimize the Nisku pool production by managing the water injection scheme and the blend gas stream with new blend sources to increase production capabilities and improve operating netbacks. Based on continued TCPL forecasted service restrictions, production at Pembina will be reduced due to pipeline curtailments for the remainder of 2015.

Natural gas sales volumes for the three and nine months ended September 30, 2015, were 162 mcf/d and 189 mcf/d respectively representing an increase of 25% and 55% compared to an average sales volume of 130 mcf/d and 122 mcf/d for the same periods of 2014. This three and nine month to date variance is due to the Company's increased Pembina production as discussed above, offset by reduced production from the natural gas well at Balsam, Alberta. 2015 gas production is comprised of 62% from Pembina and 38% from Balsam.

Commodity Prices

	Three Months Ended September 30			Nine Months Ended September 30		
	2015	2014	% Change	**2015**	2014	% Change
Average benchmark prices:						
WTI (US$/bbl)	**46.43**	97.17	(52)	**51.00**	99.61	(49)
Canadian Light Sweet ($/bbl)	**55.09**	97.71	(44)	**59.09**	100.53	(41)
AECO natural gas ($/mcf)[(1)]	**2.91**	4.03	(28)	**2.78**	4.78	(42)
Realized prices:						
Light oil & NGL ($/bbl)	**51.80**	91.29	(43)	**55.74**	93.60	(40)
Natural gas ($/mcf)	**2.70**	4.18	(35)	**2.56**	5.04	(49)
Total ($/boe)	**47.37**	74.65	(37)	**48.84**	66.96	(27)

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

Revenues

($ thousands)	Three Months Ended September 30			Nine Months Ended September 30		
	2015	2014	% Change	**2015**	2014	% Change
Light oil & NGL	**901**	543	66	**2,319**	716	224
Natural gas	**40**	50	(20)	**132**	168	(21)
Total	**941**	593	59	**2,451**	884	177

Revenues and Commodity Prices

The Company's realized light oil and NGL price/bbl for the three and nine months ended September 30, 2015, was 43% and 40% lower respectively compared to the same periods in 2014 and on par with the benchmark Canadian Light Sweet price percentage decreases. Oil prices continued a downward trend in Q3 as benchmark oil prices decreased 20% compared to Q2 2015. The Company's realized light oil and NGL price decreased 16% from $61.80/bbl in Q2 to $51.80/bbl in Q3 2015. Subsequent to September 30, 2015, the Canadian Light Sweet average oil benchmark price for October 2015 increased moderately at 4.9% to $57.77/bbl.

The Company's realized natural gas price/mcf for the three months and nine months ended September 30, 2015 was 35% and 49% lower respectively compared to the same periods in 2014. The benchmark natural gas price decreased 28% and 42% for the three months and nine months ended September 30, 2015 compared to the same periods in 2014. The Company's realized natural gas and oil prices vary from benchmark prices due to transportation and location differentials.

Total sales revenue for the three months ended September 30, 2015 was $941,000 a 59% increase from the $593,000 for the three months ended September 30, 2014. Revenues for the nine months ended September 30, 2015 increased by 177% from $884,000 to $2,451,000. The increase in sales revenue for both the three months and nine month periods in 2015 was a result of higher sales volumes from the Pembina Nisku wells and partially reduced by declining commodity prices as compared to 2014 that had restricted production due to insufficient blend gas being available when the Nisku wells were brought on stream in March of 2014.

Royalties

($ thousands except per boe)	Three Months Ended September 30			Nine Months Ended September 30		
	2015	2014	% Change	**2015**	2014	% Change
Oil & NGL	**397**	52	663	**845**	80	956
Natural gas	**7**	(12)	(158)	**31**	(22)	(241)
Royalties	**404**	40	910	**876**	58	1,410
Royalties %	**43**	7	514	**36**	7	414
Royalties per boe	**20.34**	5.03	304	**17.45**	4.38	298

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 September 30, 2015, royalties increased 910% from $40,000 in the comparable period in 2014 to $404,000. Royalties as a percentage of revenues increased to 43% for the three months ended September 30, 2015 compared to 7% in the comparable period in 2014.

Royalties as a percentage of revenues increased 414% to 36% for the nine months ended September 30, 2015 compared to the same period in 2014. This increase is primarily a result of the Pembina 14-5's crown oil royalty rate increasing to a sliding scale maximum of 40% from 5% during Q2 2015. 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 crown royalty rate reverts to a maximum of 40%, based on monthly price and production volumes. Both wells have now exceeded the minimum royalty rate production qualification.

Operating Expenses

	Three Months Ended September 30			Nine Months Ended September 30		
($ thousands except per boe)	**2015**	2014	% Change	**2015**	2014	% Change
Operating expenses	**417**	104	301	**919**	165	457
Operating expenses ($/boe)	**20.99**	13.11	60	**18.31**	12.49	47

Operating expenses were $417,000 or $20.99/boe for the three months ended September 30, 2015 compared to $104,000 or $13.11/boe for the comparable period in 2014 representing an increase of 301% and 60% respectively. For the nine months ended September 30, 2015 operating costs increased by 457% to $919,000 or $18.31/boe compared to $165,000 or $12.49/boe compared to the same period in 2014.

The increase in operating expenses is due to higher Pembina production levels in 2015 compared to 2014. Once the upgrade of the Sinopec 13-2 battery was completed in March 2015, the Pembina wells were able to produce at much higher rates. These higher rates require higher amounts of blend gas volumes to sweeten the solution gas produced from Pembina wells to meet licensed pipeline specifications due to the high hydrogen sulphide (H2S) content. The associated blend gas costs account for over 57% of total 2015 operating costs.

In late September 2015, the Company and its partners completed facility enhancement work downstream of the Sinopec 13-2 battery to partially reduce blend gas requirements and transportation fees. This new blend facility provides a secondary source of blend gas at no cost to the Company and will reduce production downtime issues, improve treating capacity at the Sinopec 13-2 battery, and is projected to reduce operating costs by $1.50 to $2.50 per boe commencing in Q4 2015. The Company is continuing to actively work with its partners to identify other opportunities to reduce Pembina blend gas requirements to both reduce operating costs and improve oil throughput capacity.

Operating Netbacks

	Three Months Ended September 30			Nine Months Ended September 30		
	2015	2014	% Change	**2015**	2014	% Change
Oil & NGL ($/bbl)	**51.80**	91.29	(43)	**55.74**	93.60	(40)
Natural gas ($/mcf)	**2.70**	4.18	(35)	**2.56**	5.04	(49)
Revenues ($/boe)	**47.37**	74.65	(37)	**48.84**	66.96	(27)
Royalties ($/boe)	**(20.34)**	(5.03)	304	**(17.45)**	(4.38)	298
Operating expenses ($/boe)	**(20.99)**	(13.11)	60	**(18.31)**	(12.49)	47
Operating netback ($/boe)	**6.04**	56.51	(89)	**13.08**	50.09	(74)

Ironhorse's operating netback per boe for the three months ended September 30, 2015 decreased by 89% from the three months ended September 30, 2014. For the nine months ended September 30, 2015, operating netback was $13.08/boe compared to $50.09/boe in the same period in 2014 representing a 74% decrease. Realized oil

and liquids prices decreased 43% and 40% for the three and nine months ended September 30, 2015 respectively as a result of commodity price declines.

The decreased netback in 2015 is the result of higher operating costs, increased crown royalties and lower commodity prices as compared with 2014. The higher 2015 production weighted to oil compared to 2014, reduced the impact of declining commodity prices on a revenue per boe basis. Operating costs increased 60% and 47% for the three and nine months ended September 30, 2015 as higher operating costs attributed primarily to the Pembina associated blend gas costs as oil production ramped up over 443% in comparison to 2014. The royalty rate increase is a result of the initial minimum royalty rates for Pembina reverting to higher rates, as well as increased production as previously discussed.

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

	Three Months Ended September 30			Nine Months Ended September 30		
($ thousands except per boe)	**2015**	2014	% Change	**2015**	2014	% Change
G&A expense	**85**	93	(9)	**296**	373	(21)
Stock-based compensation	**-**	-	-	**-**	(2)	(100)
G&A expense ($/boe)	**4.29**	11.80	(64)	**5.90**	28.27	(79)
Stock-based comp ($/boe)	**-**	-	-	**-**	(0.13)	(100)

G&A expense for the three months ended September 30, 2015 decreased 9% to $85,000 from $93,000 for the three months ended September 30, 2014. G&A expenses for the nine months ended September 30, 2015 decreased 21% to $296,000 from $373,000 for the same period in 2014. This decrease in both periods is 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 and reduced consulting fees recorded in 2015 that helped to partially offset newly approved director and committee fees incurred in 2015.

The Directors of the Company approved director fees and special committee fee compensation for non-management board members commencing with the first quarter of 2015. Quarterly director fee compensation is $2,500 per board member. Members of the Special Committee, formed in 2015 to review strategic alternatives, will receive fees of $10,000, with the Committee chair receiving $15,000. Total director and special committee fees of $56,250 have been included in G&A expense for 2015, $7,500 of which is owed to a related party who is also a director of Grizzly Resources Ltd.

G&A expense per boe for the three and nine months ended September 30, 2015 decreased 64% to $4.29/boe and 79% to $5.90/boe compared to $11.80/boe and $28.27/boe for the 2014 comparable periods. The substantial decrease is due to higher production in 2015 compared to 2014.

Share-based compensation was $nil for the three and nine months ended September 30, 2015 compared to $nil and a recovery of $2,000 for the comparative 2014 periods as a result of no stock options being granted in the past two years and the expiration and forfeiture of options during 2014.

Finance (Income) and Expense

	Three Months Ended September 30			Nine Months Ended September 30		
($ thousands except per boe)	**2015**	2014	% Change	**2015**	2014	% Change
Interest (income) expense	**(4)**	(2)	100	**(12)**	(12)	-
Accretion	**1**	(1)	(200)	**3**	2	50
Financing (income) expense	**(3)**	(3)	-	**(9)**	(10)	(10)
Financing (income) expense ($/boe)	**(0.15)**	(0.56)	(74)	**(0.18)**	(0.76)	(76)

For the three and nine months ended September 30, 2015 the Company received $4,000 and $12,000 in interest income compared to $2,000 and $12,000 in the comparative 2014 periods. Interest income is dependent on the level of funds held on deposit. During the first nine months in both 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 2.1%.

Depreciation and Amortization ("DD&A")

	Three Months Ended September 30			Nine Months Ended September 30		
($ thousands except per boe)	**2015**	2014	% Change	**2015**	2014	% Change
Depletion, depreciation and amortization	**443**	180	146	**1,106**	262	322
Depletion, depreciation and amortization ($/boe)	**22.28**	22.64	(2)	**22.04**	19.84	11

Depletion and amortization expense was $443,000 or $22.28/boe for the three months ended September 30, 2015 as compared to $180,000 or $22.64/boe in the same period in 2014 and $1,106,000 or $22.04/boe for the nine months ended September 30, 2015 compared to $262,000 or $19.84/boe in same period of 2014. In both cases, the increase in depletion is due to significantly higher production in 2015 as compared to 2014 from the Company's Pembina area, offset by less production at Balsam.

Impairment

	Three Months Ended September 30			Nine Months Ended September 30		
($ thousands except per boe)	**2015**	2014	% Change	**2015**	2014	% Change
Impairment	**3,499**	1	349,800	**4,108**	4	102,600
Impairment ($/boe)	**175.99**	0.09	195,444	**81.86**	0.27	30,219

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.

For the three months and nine months ended September 30, 2015 the Company recognized an impairment charge of $3,499,000 and $4,108,000 to its Pembina area cash generating unit ("CGU") respectively. Pembina area impairments were the result of lower commodity prices and higher than anticipated operating costs as compared to the 2014 yearend reserve report forecast. The higher operating costs are mainly attributed to the blending fees and handling costs related to the high H2S content of the solution gas produced. During the comparative periods for 2014, nominal impairments were recorded against the Company's minor areas.

Income Taxes

During the second quarter of 2015, the Alberta government enacted legislation increasing the provincial corporate income tax rate from 10% to 12% effective July 1, 2015. The effect of the income tax rate increase on the Company's 2015 deferred income tax liability was neutralized due to the impact of the third quarter impairment charges recorded.

Capital Expenditures

($ thousands)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	**2015**	2014
Drilling and completions	**2**	16	**20**	413
Facilities	**19**	2	**24**	241
Capital expenditures	**21**	18	**44**	654

Capital expenditures totalled $44,000 for the nine months ended September 30, 2015 compared to $654,000 for nine months ended September 30, 2014. Capital expenditures for the current period are related to facility costs for blend gas enhancements downstream from the 7-5 pad site and recompletion costs related to the Pembina Nisku production and injection wells. Capital expenditures for the 2014 comparative period included $330,000 of drilling and down hole abandonment costs for the Pembina Nisku 1-8 well; $241,000 of facility costs related to the Pembina Nisku production and injection wells; and $83,000 in completion costs related to the Pembina Nisku production wells

Financial Resources and Liquidity

Ironhorse's strategy is to maintain a capital structure which will sustain the Company while determining strategic alternatives available to maximize value for the shareholders. This strategy may consider future investments and acquisition opportunities, the amount of credit that may be obtainable from a lender, 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 currently have any credit facilities. The Company's net working capital is as follows:

As at	**September 30, 2015**	December 31, 2014
Current assets	**4,065**	3,027
Current liabilities	**(1,006)**	(296)
Net working capital	**3,059**	2,731

Shareholders' Equity

At September 30, 2015 the number of common shares issued and outstanding was 27,885,824 (December 31, 2014 – 27,885,824). As at November 26, 2015, the Company had 27,885,824 common shares and 125,000 stock options issued and outstanding under its stock option plan.

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 nine months ended September 30, 2015 was $15,000 per month (September 30, 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

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 Company'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 property, plant and equipment ("PP&E") and exploration and evaluation 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. 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.

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)	**Q3 2015**	Q2 2015	Q1 2015
Cash flow from operating activities	**778**	200	190
Changes in non-cash working capital	**(739)**	201	(258)
Funds from operations	**39**	401	(68)

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

Statements in this MD&A that are not historical facts may be considered to be "forward looking statements." These forward looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company's objectives, goals, or future plans, including management's assessment of future plans and operations, drilling plans and timing thereof, expected production rates and additions, future operating costs and the expected levels of activities may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, volatility of commodity prices, imprecision of reserve estimates, environmental risks, competition from other producers, incorrect assessment of the value of acquisitions, failure to complete and/or realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources and changes in the regulatory and taxation environment. As a consequence, the Company's actual results may differ materially from those expressed in, or implied by, the forward-looking statements. Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: the ability of the Company to obtain equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manor; pipeline restrictions; and field production rates and decline rates. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included elsewhere herein and in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). Furthermore, the forward-looking statements contained in this MD&A are made as at the date of this MD&A and Ironhorse assumes no obligation to update or revise any forward-looking statements 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.

(in thousands except per unit data)	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Volumes								
Natural gas (mcf/d)	162	233	171	150	130	112	124	159
Oil & NGL (bbl/d)	189	215	52	77	64	11	8	9
Total (boe/d)	216	254	81	102	86	30	28	36
Revenues [1]	941	1,262	248	545	593	157	134	130
Funds from operations[2]	39	401	(68)	123	358	98	(44)	(73)
Per share-basic and diluted	-	0.01	-	0.01	0.01	-	-	-
Net income (loss)	(2,850)	(634)	(159)	(331)	141	51	(82)	(277)
Per share-basic and diluted	(0.10)	(0.02)	(0.01)	(0.01)	0.01	-	-	(0.01)
Weight average shares								
Basic and diluted	27,886	27,886	27,886	27,886	27,886	27,886	27,886	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 AND NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

MANAGEMENT'S REPORT

The accompanying unaudited interim condensed financial statements of Ironhorse Oil & Gas Inc. (the "Company") for the three and nine months ended September 30, 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.

Dated November 26, 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)

	September 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash	**3,603**	2,469
Accounts receivable	**148**	278
Prepaid expenses and deposits	**314**	280
	4,065	3,027
Property, plant and equipment (note 3)	**13,211**	18,382
	17,276	21,409
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**1,006**	296
Decommissioning liabilities (note 4)	**333**	331
Deferred income taxes	**126**	1,328
	1,465	1,955
SHAREHOLDERS' EQUITY		
Shareholders' capital (note 5)	**29,875**	29,875
Contributed surplus	**2,048**	2,048
Deficit	**(16,112)**	(12,469)
	15,811	19,454
	17,276	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 Income (Loss)
(Unaudited)
(In thousands of Canadian dollars except per share amounts)

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
REVENUES				
Petroleum and natural gas revenues, gross	**941**	593	**2,451**	884
Royalties	**(404)**	(40)	**(876)**	(58)
	537	553	**1,575**	826
EXPENSES				
Operating and transportation	**417**	104	**919**	165
General and administrative expense	**85**	93	**296**	373
Share-based compensation (note 5)	**-**	-	**-**	(2)
Finance (income) expense (note 6)	**(3)**	(3)	**(9)**	(10)
Depletion and amortization (note 3)	**443**	180	**1,106**	262
Impairment (note 3)	**3,499**	1	**4,108**	4
Gain on disposition of properties (note 3)	**-**	-	**-**	(114)
	4,441	375	**6,420**	678
Net income (loss) before income taxes	**(3,904)**	178	**(4,845)**	148
Income taxes	**-**	-	**-**	2
Deferred income tax expense (recovery) (note 9)	**(1,054)**	37	**(1,202)**	36
Net income (loss) and comprehensive income (loss)	**(2,850)**	141	**(3,643)**	110
Deficit, beginning of the period	**(13,262)**	(12,279)	**(12,469)**	(12,248)
Deficit, end of the period	**(16,112)**	(12,138)	**(16,112)**	(12,138)
Net income (loss) per share (note 5)				
Basic and diluted	**(0.10)**	0.01	**(0.13)**	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 Equity
Balance as at December 31, 2013	29,869	2,051	(12,248)	19,672
Share-based compensation	-	(2)	-	(2)
Share Insurance	6	(2)	-	4
Net Income	-	-	110	110
Balance as at September 30, 2014	29,875	2,047	(12,138)	19,784
Balance as at December 31, 2014	29,875	2,048	(12,469)	19,454
Net Loss	-	-	(3,643)	(3,643)
Balance as at September 30, 2015	29,875	2,048	(16,112)	15,811

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)

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
Cash flows from operating activities				
Net income (loss)	**(2,850)**	141	**(3,643)**	110
Items not affecting cash:				
Depletion and amortization (note 3)	**443**	180	**1,106**	262
Impairments (note 3)	**3,499**	1	**4,108**	4
Accretion of decommissioning liabilities (note 4)	**1**	(1)	**3**	2
Share-based compensation (note 5)	**-**	-	**-**	(2)
Deferred income tax expense (recovery)	**(1,054)**	37	**(1,202)**	36
Net change in decommissioning liabilities (note 4)	**-**	-	**-**	(2)
Change in non-cash working capital (note 10)	**739**	(86)	**796**	(187)
Net cash flows from operating activities	**778**	272	**1,168**	223
Cash flows from financing activities				
Cash received on the exercise of stock options	**-**	**-**	**-**	4
Net Cash flows from financing activities	**-**	-	**-**	4
Cash flows from investing activities				
Property, plant and equipment expenditures (note 3)	**(21)**	(18)	**(44)**	(654)
Changes in non-cash working capital (note 10)	**18**	(20)	**10**	(841)
Net cash flows from investing activities	**(3)**	(38)	**(34)**	(1,495)
Increase (decrease) in cash	**775**	234	**1,134**	(1,268)
Cash, beginning of the period	**2,828**	2,158	**2,469**	3,660
Cash, end of the period	**3,603**	2,392	**3,603**	2,392
Supplemental cash information:				
Interest expense paid (received)	**(4)**	(3)	**(12)**	(12)
Income taxes paid	**-**	-	**-**	-

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 November 26, 2015.

(b) New Accounting Standards

As of January 1, 2014, the Corporation 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

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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	
Additions	22,955
Changes in decommissioning liabilities	666
Dispositions, net	9
Balance, December 31, 2014	23,630
Additions	44
Changes in decommissioning liabilities	(1)
Balance, September 30, 2015	**23,673**

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	(1,106)
Impairment	(4,108)
Balance, September 30, 2015	**(10,462)**
Carrying value	
As at December 31, 2014	18,382
As at September 30, 2015	**13,211**

During the nine months ended September 30, 2014 the Company realized a gain for its share of a recovery of operating expenses related to its Shackleton property that was sold in a prior period and post-closing cost adjustments related to the Leon Lake property.

Impairment

For the nine month period ended September 30, 2015 the Company recorded an impairment loss of $4,108,000 against PP&E related to its Pembina CGU (2014 - $4,000 other CGU). The impairment loss was due to a decrease in the value-in-use triggered primarily as a result of declining crude oil and natural gas forward commodity prices and an increase in operating costs, as compared to the December 31, 2014 external reserve report forecast.

The recoverable amount for the Pembina CGU value-in-use of $13.2 million was determined by estimating the net present value of the before tax cash flows from oil, natural gas and liquids proved plus probable reserves using current forecast prices, discounted at a rate of 10%.

4. DECOMMISSIONING LIABILITIES

	September 30, 2015	December 31, 2014
Balance, beginning of period	**331**	322
Change in estimates and discount rate	**(1)**	9
Settlement of decommissioning liabilities	**-**	(2)
Accretion expense	**3**	2
Balance, end of period	**333**	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 September 30, 2015	27,885,824	29,875

(b) Share based compensation

During the nine months ended September 30, 2015 no options were granted, 186,000 options expired, and 65,000 options were forfeited. As at September 30, 2015 there were 490,000 options outstanding with a weighted average strike price of $0.34.

(c) Per Share Amounts

For nine months ended September 30	**2015**	2014
Basic and Diluted :		
Income (loss) per share	**(0.10)**	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 nine months ended September 30	**2015**	2014
Interest (income) expense and finance charges	**(12)**	(12)
Accretion and decommissioning liabilities (note 4)	**3**	2
	(9)	(10)

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	**September 30, 2015**	December 31, 2014
Current assets	**4,065**	3,027
Current liabilities	**(1,006)**	(296)
Net working capital	**3,059**	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.

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

For the nine months ended September 30	**2015**	2014
Capital expenditures	**27**	1,546
Operating expenses	**147**	58
Petroleum and natural gas revenues	**2,387**	701
Royalties	**829**	63
Net gain on disposition of properties	**-**	111
General and administrative – management fees	**135**	225

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

As at September 30	**2015**	2014
Grizzly Resources Ltd.	**82**	311

The amounts outstanding at September 30, 2015 were settled by October 29, 2015.

Director fees

During the second quarter of 2015, the Directors of the Company authorized director fees and special committee fee compensation for non-management board members, commencing with the first quarter of 2015. Director fees of $7,500 have been recorded during the first nine months of 2015 related to a member of the Board of Directors who is also a director of Grizzly Resources Ltd.

9. INCOME TAXES

During the second quarter of 2015, the Alberta government enacted legislation increasing the provincial corporate income tax rate from 10% to 12% effective July 1, 2015. The effect of the income tax rate increase on the Company's 2015 deferred income tax liability was neutralized due to the impact of the third quarter impairment charges recorded.

10. SUPPLEMENTAL DISCLOSURES

For the nine months ended September 30	**2015**	2014
Changes in non-cash working capital:		
Accounts receivable	**130**	145
Prepaid expenses	**(34)**	10
Accounts payable and accrued liabilities	**710**	(1,183)
	806	(1,028)
Relating to:		
Operating activities	**796**	(187)
Investing activities	**10**	(841)
	806	(1,028)

11. SUBSEQUENT EVENT

Subsequent to September 30, 2015, the Shareholders of the Company received an unsolicited all cash take-over bid offer (Offer) to acquire the outstanding shares of Ironhorse by 1927297 Alberta Ltd. (the "Offeror"), a corporation wholly-owned by Timmerman Trust, commencing on November 4, 2015 at $0.17 per share.

On November 9, 2015 the Board of Directors adopted a Shareholder Rights Plan. In order to be a Permitted Bid under the Shareholder Rights Plan, the Offer must remain open for acceptance for not less than 120 days. As the Offer is only open for acceptance until December 18, 2015 (unless extended or withdrawn by the Offeror), it would not be a Permitted Bid under the Shareholder Rights Plan; however, the Shareholder Rights Plan does not preclude the Offeror from extending the Offer such that it remains open for acceptance for at least 120 days in order to qualify as a Permitted Bid under the Shareholder Rights Plan.

The Shareholder Rights Plan was adopted to ensure that Shareholders and the Board have adequate time to, among other things, review, consider and evaluate the Offer and any other unsolicited take-over bid and that all Shareholders are treated fairly and have equal opportunity to participate in a take-over bid. The Shareholder Rights Plan would also provide adequate time for the Board to review, consider and evaluate potential value-enhancing and strategic alternatives which could be pursued by the Corporation. The 120 day period that a Permitted Bid must remain open for acceptance is also the same period of time that the Canadian securities regulators have proposed will be the minimum period of time that a take-over bid must remain open in their proposed amendments to the Canadian take-over bid regime as published in March 2015.

On November 19, 2015, the Company's Board of Directors filed a Directors Circular, and unanimously recommended that Ironhorse shareholders reject the unsolicited offer from 1927297 Alberta Ltd.as the bid is financially inadequate and opportunistic.