INTERMAP®

Intermap Technologies Corporation
First Quarter Ended March 31, 2013

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Intermap Technologies Reports
2013 First Quarter Financial Results

Year-over-year consolidated revenue increases 21% to $5.1M
Year-over-year operating costs decrease by 27%
Adjusted EBITDA near breakeven at ($0.1M)
$12.3 million of backlog for delivery in 2013

Intermap Technologies Corporation ("Intermap" or the "Company") reported financial results for the first quarter ended March 31, 2013. All amounts in this news release are in United States dollars unless otherwise noted.

Intermap reported total revenue of $5.1 million for the first quarter of 2013, a 21% increase from $4.2 million recorded in the same period of 2012. Net loss for the first quarter of 2013 was $2.0 million, or ($0.03) per share, compared to a net loss of $5.1 million, or ($0.06) per share, for the first quarter of 2012. First quarter adjusted EBITDA, a non IFRS financial measure, was a loss of $0.1 million, a significant improvement from an adjusted EBITDA loss of $2.9 million for the same period in 2012. Adjusted EBITDA excludes restructuring costs, share-based compensation, gain or loss on the disposal of equipment, and gain or loss on foreign currency translation.

"We showed a significant improvement in our year-over-year first quarter results, even though historically this quarter is a low revenue quarter for Intermap," said Todd Oseth, President & CEO of Intermap. "Our restructuring efforts over the past two years have resulted in significantly lower operating costs, creating a lower threshold for Intermap to achieve positive adjusted EBITDA."

Mr. Oseth added, "By providing solutions to our customers' that require unique geospatial knowledge, we create increased opportunities as seen in our recent contract wins. Our 3D business intelligence (3DBI) applications, coupled with our multi-sensor approach (i.e. radar, LiDAR, satellite, photo, etc.) provides the optimum solution for our customers. Our easy to use cloud-based software applications, combined with our industry leading data aggregation capabilities, gives us a distinct advantage in the marketplace. Our "Pro" series of software applications continue to expand in functionality and ease of use. The number of customers using these fee based applications continues to grow and we are expecting improved and more consistent finanicial results in the future."

Financial Review

Contract services revenue in the first quarter increased 20% to $4.0 million, from $3.3 million last year. Data licensing revenue increased 23% to $1.1 million, from $0.9 million last year. As of March 31, 2013, the Company's contract backlog of $12.3 million consisted of $11.4 million in contract services, and $0.9 million in data licensing revenue.

For the first quarter 2013, personnel expense was $3.3 million, a 4% decrease from $3.5 million last year. The decrease was primarily due to attrition, partially offset by an increase in commission expense consistent with increased revenue recognized on a year-over-year basis.

For the first quarter 2013, purchased services and materials expense was $1.0 million, a 65% decrease from $3.0 million last year. The decrease in this category of expense is primarily related to a decrease in job and subcontractor expenses associated with the Company's airborne radar data collection activities that were performed during the respective periods. The stage of progress on each radar data collection contract and the individual requirements and logistics associated with radar collection efforts can create expense variations between reporting periods. Purchased services and materials includes (i) aircraft related costs (ii) professional and consulting costs (iii) third-party support services related to the collection, processing and editing of the Company's airborne data collection activities, and (iv) software expenses (including maintenance and support).

The cash position of the Company at March 31, 2013 (cash and cash equivalents) was $2.7 million, compared to $2.1 million at December 31, 2012. Amounts receivable and unbilled revenue at March 31, 2013 was $7.0 million, compared to $8.4 million at December 31, 2012. Working capital declined to $0.9 million at March 31, 2013, compared to $1.9 million at December 31, 2012 (see "Intermap Reader Advisory" below).

Detailed financial results and management's discussion and analysis can be found on SEDAR at: www.sedar.com.

First Quarter Business Highlights

- At the beginning of the first quarter Intermap announced a $14.5 million mapping services contract to provide digital 3D elevation models and imagery for areas in Southeast Asia using Intermap's proprietary airborne radar technology. These geospatial solutions will become the foundation data layer for an updated national spatial data infrastructure (SDI). The new dataset will be used for improved disaster planning, resource management, national security interests, infrastructure planning, and the provisioning of new 3D geospatial information applications, such as Intermap's RiskPro™ and WaterPro™ products. The airborne data acquisition portion of the project commenced during the first quarter of 2013 and the entire project is expected to be complete prior to year-end 2013.
- Also in the first quarter, Intermap announced a $488 thousand contract from a partner focused on South America data acquisition. The contract will be substantially fullfiled during the current year, with a small portion of deliverables expected to occur in the subsequent two year period.

- Intermap announced a $410 thousand NEXTMap® RiskPro licensing sale in Southeast Asia. The contract is an initial phase of a RiskPro 3DBI solutions sale that includes the delivery of NEXTMap data, Intermap's RiskPro risk management software application, and the related web services. The customer intends to use the data for natural disaster planning, natural resource management, national security interests, infrastructure planning, and 3D location based information planning. The data was immediately delivered from the Company's NEXTMap data library. Contract(s) for subsequent phase(s) that further utitlize the Company's 3DBI solutions are expected prior to year-end.
- The Company announced a $750 thousand task order from Dewberry Consultants LLC for the fourth phase expansion of its previously announced airborne radar mapping services project in Alaska. Using its proprietary Interferometric Synthetic Aperture Radar (IFSAR) technology, Intermap is collecting orthorectified radar imagery and high resolution elevation data for an area of Alaska never mapped to this accuracy. The elevation data and imagery collected by Intermap will be used in economic development, infrastructure development and homeland security applications. Additional contract funding for this project may occur at future dates.

As of May 13, 2013, there were 79,414,013 common shares outstanding.

Important factors, including those discussed in the Company's regulatory filings (www.sedar.com) could cause actual results to differ from the company's expectations and those differences may be material. Detailed financial results and management's discussion and analysis can be found on SEDAR at: www.sedar.com.

Intermap Reader Advisory

Certain information provided in this news release constitutes forward-looking statements. The words "anticipate", "expect", "project", "estimate", "forecast" and similar expressions are intended to identify such forward-looking statements. Although Intermap believes that these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of known and unknown risks and uncertainties. You can find a discussion of such risks and uncertainties in our Annual Information Form and other securities filings. While the Company makes these forward-looking statements in good faith, should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected. Accordingly, no assurances 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 benefits that the Company will derive therefrom. All subsequent forward-looking statements, whether written or oral, attributable to Intermap or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. The forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements made herein, whether as a result of new information, future events or otherwise, except as may be required by applicable securities law.

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Management's Discussion and Analysis

For the quarter ended March 31, 2013

For purposes of this discussion, "Intermap®" or the "Company" refers to Intermap Technologies® Corporation and its subsidiaries.

This management's discussion and analysis (MD&A) is provided as of May 9, 2013, and should be read together with the Company's unaudited Condensed Consolidated Interim Financial Statements and the accompanying notes for the three months ended March 31, 2013, and the audited Consolidated Financial Statements for the years ended December 31, 2012 and 2011, together with accompanying notes. The results reported herein have been prepared in accordance with International Financial Reporting Standards (IFRS) and, unless otherwise noted, are expressed in United States dollars.

Additional information relating to the Company, including the Company's Annual Information Form (AIF), can be found on the Company's Web site at www.intermap.com and on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

In the interest of providing the shareholders and potential investors of Intermap with information about the Company and its subsidiaries, including Management's assessment of Intermap's future plans and operations, certain information provided in this MD&A constitutes forward-looking statements or information (collectively, "forward-looking statements"). Forward-looking statements are typically identified by words such as "may," "will," "should," "could," "anticipate," "expect," "project," "estimate," "forecast," "plan," "intend," "target," "believe," and similar words suggesting future outcomes or statements regarding an outlook. Although Intermap believes that these forward-looking statements are based upon assumptions that Intermap believes to be reasonable based on the information available on the date such statements are made, such statements are not guarantees of future performance, and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those expressed or implied by such statements. The forward-looking information contained in this MD&A is based on certain assumptions and analysis by management of the Company in light of its experience and perception of historical trends, current conditions, and expected future developments and other factors that it believes are appropriate.

The material factors and assumptions used to develop the forward-looking statements herein include, but are not limited to, the following: (i) there will be adequate liquidity available to the Company to carry out its operations; (ii) the Company will continue to maintain sufficient and effective production capabilities to compete on the cost of its products; (iii) there will be no significant reduction in the availability of qualified and cost-effective human resources; (iv) the continued sales success of Intermap's products and services; (v) the continued success of business development activities; (vi) the continued existence and productivity of subsidiary operations; (vii) there will be no significant delays in the development and commercialization of the Company's products; (viii) new products and services will continue to be added to the Company's portfolio; (ix) demand for geospatial products and services will continue to grow in the foreseeable future; (x) there will be no significant barriers to the integration of the Company's products and services into customers' applications; and (xi) the Company will be able to maintain compliance with applicable contractual and regulatory obligations and requirements, and (xii) superior geospatial technologies / products do not develop that would render the Company's current product offerings obsolete.

Intermap's forward-looking statements are subject to risks and uncertainties pertaining to, among other things, cash available to fund operations, availability of capital, revenue fluctuations, nature of government contracts, economic conditions, loss of key customers, retention and availability of executive talent, competing technologies, common share price volatility, loss of proprietary information, information technology security, breakdown of strategic alliances, and international and political considerations, including but not limited to those risks and uncertainties discussed under the heading "Risk Factors" in this MD&A, the Company's most recently filed AIF and the Company's other filings with securities regulators. The impact of any one risk, uncertainty, or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent, and the Company's future course of action depends on Management's assessment of all information available at the relevant time. Except to the extent required by law, the Company assumes no obligation to publicly update or revise any forward-looking statements made in this MD&A, whether as a result of new information, future events, or otherwise. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on the Company's behalf, are expressly qualified in their entirety by these cautionary statements.

BUSINESS OVERVIEW

Intermap is a global location-based information company, creating a wide variety of geospatial solutions and analytics from its NEXTMap® database. The Company uses its NEXTMap 3D digital models, together with aggregated third party data, to create geospatial solutions for its customers. These geospatial solutions can be used in a wide range of applications including, but not limited to, location-based information, geographic information systems (GIS), engineering, utilities, global positioning systems (GPS) maps, geospatial risk assessment, oil and gas, renewable energy, hydrology, environmental planning, wireless communications, transportation, advertising, and 3D visualization. The NEXTMap data can also be used to improve the positional accuracy of airborne and satellite images.

Intermap has the ability to create its own 3D geospatial map products using its proprietary IFSAR radar technology mounted in a Learjet aircraft. The Company has two IFSAR-equipped aircraft, which provide operational flexibility related to geographical location of data collection. Intermap's radar-based technology allows it to collect data at any time of the day, including under conditions such as cloud cover or darkness, which are conditions that limit most competitive technologies. The IFSAR radar technology also enables data to be collected over larger areas, at higher collection speeds, and at accuracy levels that are difficult to achieve with competitive systems. Once the raw digital map data is collected, it is then processed to create three different geospatial datasets: digital surface models, digital terrain models, and orthorectified radar images. These datasets can then be further processed and/or augmented with additional data to create value-added products.

The Company has been actively transitioning its NEXTMap program from primarily an internally created IFSAR radar-only dataset to an aggregated dataset of IFSAR-derived data and third-party data collected by multiple sensor technologies, including light detection and ranging (LiDAR), photogrammetry, satellite, and other available sources. The NEXTMap database also includes information such as 3D city models, census data, real-time traffic, outdoor advertising assets, weather related hazards, points of interest, and cellular towers. The Company has many years of experience aggregating data derived from a number of different sensor technologies and data sources. In addition, the Company is combining its mapping services capability and NEXTMap database, together with its software application development capability and system integration expertise, to create entire spatial data infrastructure (SDI) environments for its customers.

The Company believes the value of its NEXTMap data lies primarily in web-based application solutions for specific vertical markets, and not solely in the data as a standalone product. These web services offer a suite of hosted tools that gives even those unfamiliar with GIS the ability to quickly and easily perform terrain analysis based on an area of interest such as a land development site, county, or an entire state. Subscribers to the Company's web-services can access NEXTMap information using their current web browsers and through popular desktop GIS software applications.

Unlike other geospatial companies, Intermap typically retains ownership of its data and licenses the use of its products and services to its customers. Intermap currently has 3D geospatial data commercially available for 17 countries in Western Europe, the contiguous United States and Hawaii, portions of Alaska, and significant areas in Southeast Asia. Intermap also has a 30-meter product of the entire world, called NEXTMap World 30™.

NEXTMap

The NEXTMap database is included in the Company's data library, which was built from the acquisition, processing and aggregation of elevation data, geometric images and other geospatial information. The NEXTMap database includes terrain, elevation and imagery data, as well as other geospatial related information such as demographics, view sheds, outdoor advertising artifacts, and flood models, to name a few. The Company uses these diversified geospatial elements to enhance the value of the NEXTMap database.

The data library amounts shown on the Company's consolidated balance sheet include only elevation related data and imagery from the Company's original NEXTMap USA and NEXTMap Europe radar mapping programs. All other geospatial data and information included in the NEXTMap database is expensed as acquired.

The original NEXTMap USA dataset covered an area of nearly 8.0 million square kilometers of the contiguous United States and Hawaii. The original NEXTMap Europe dataset represents 2.5 million square kilometers of area and includes the 17 countries of Austria, Belgium, Czech Republic, Denmark, England, France, Germany, Irish Republic, Italy, Luxembourg, Netherlands, Northern Ireland, Portugal, Spain, Scotland, Switzerland, and Wales.

As of March 31, 2013, the net book values of the original NEXTMap USA and NEXTMap Europe datasets were $7.1 million (year ended December 31, 2012 - $7.8 million) and $5.6 million (year ended December 31, 2012 - $6.0 million), respectively.

FINANCIAL INFORMATION

The following table sets forth selected financial information for the periods indicated.

Selected Annual Information

U.S. $ millions, except per share data		**March 31, 2013**		March 31, 2012
Revenue:				
Contract services	**$**	**4.0**	$	3.3
Data licenses		**1.1**		0.9
Total revenue	**$**	**5.1**	$	4.2
Net loss	**$**	**(2.0)**	$	(5.1)
EPS basic and diluted	**$**	**(0.03)**	$	(0.06)
Adjusted EBITDA	**$**	**(0.1)**	$	(2.9)
Assets:				
Data library	**$**	**12.7**	$	17.3
Total assets	**$**	**27.0**	$	26.9
Total long-term liabilities (including finance lease obligations)	**$**	**1.0**	$	2.2

Revenue

Consolidated revenue for the quarter ended March 31, 2013 totaled $5.1 million, compared to $4.2 million for the same period in 2012, representing an increase of 21%. As of March 31, 2013, there remained $12.3 million in revenue from existing contracts ($11.4 million in contract services and $0.9 million in data licensing contracts) to be recognized in future periods.

Contract services revenue for the quarter ended March 31, 2013, totaled $4.0 million, compared to $3.3 million for the same period in 2012, representing an increase of 21%. During the first quarter of 2013, the Company recognized revenue primarily from two contracts, one in Southeast Asia and one in North America in the amounts of $2.9 million and $1.1 million, respectively. For the same period in 2012, revenue was recognized primarily from two contracts, one in Southeast Asia and one in North America in the amounts of $2.9 million and $0.3 million, respectively. The revenue recognized in Southeast Asia during the first quarter of 2013 pertained to a contract announced on January 15, 2013, in the amount $14.5 million for the provision of defined geospatial solutions to an international customer. As of March 31, 2013, there remained approximately $10.9 million of revenue to be recognized on this contract in future periods.

Data licenses revenue for the quarter ended March 31, 2013, totaled $1.1 million, compared to $0.9 million for the same period in 2012, representing an increase of 22%. The increase was primarily the result of increased sales from the Company's NEXTMap Asia and NEXTMap Europe datasets during the first quarter of 2013.

The Company believes that users of geospatial information in Southeast Asia do not have access to as large a selection of high quality geospatial information that is available in the USA and Western Europe. As a result, the Company believes the immediate opportunity to sell its products and services in Southeast Asia and other underdeveloped regions are greater than in the USA and Western Europe. The Company is, however, currently developing new products and services that are expected to exploit the underlying value of the NEXTMap USA and Europe datasets and increase future revenue opportunities. Additionally, the Company is developing new low cost, market-specific applications that utilize the entire NEXTMap dataset to address customer specific geospatial needs.

Classification of Operating Costs

The composition of the operating costs classification on the Condensed Consolidated Interim Statements of Profit or Loss and Other Comprehensive Income is as follows:

U.S. $ thousands		**Three months ended March 31, 2013**		Three months ended March 31, 2012
Personnel	**$**	**3,323**	$	3,458
Purchased services & materials		**1,039**		2,975
Travel		**376**		455
Facilities and other expenses		**583**		443
	$	**5,321**	$	7,331

Personnel

Personnel expense includes direct labor, employee compensation, employee benefits, and commissions.

Personnel expense for the quarters ended March 31, 2013 and 2012, totaled $3.3 million and $3.5 million, respectively. The 6% year-over-year decrease is primarily due to natural personnel attrition and is partially offset by an increase in commission expense consistent with increased revenue recognized on a year-over-year basis.

Consolidated active employee headcount was 193 at March 31, 2013 (including 94 in Jakarta, Indonesia), an 18% decrease from 236 at March 31, 2012 (including 125 in Jakarta, Indonesia). The decrease in personnel was the result of reductions in the following functional areas: operations 25%, or 28 personnel; sales and marketing 18%, or 6 personnel; engineering, research and development 6%, or 3 personnel; and administrative 17%, or 6 personnel.

Non-cash compensation expense is included in operating costs and relates to share options and shares granted to employees and non-employees. Non-cash share-based compensation for the quarters ended March 31, 2013 and 2012, totaled $0.1 million and $0.3 million, respectively. The year-over-year decrease of $0.2 million was primarily due to (i) the expiration, forfeiture and full vesting of share options issued in prior periods; and (ii) Board of Directors compensation which will be paid in cash during the current year where such compensation was paid in common shares during the prior year.

Purchased Services and Materials

Purchased services and materials (PS&M) includes (i) aircraft and radar related costs; (ii) professional and consulting costs; (iii) third-party support services related to the collection, processing and editing of the Company's airborne radar data collection activities; and (iv) software expenses (including maintenance and support).

For the quarters ended March 31, 2013 and 2012, PS&M expense was $1.0 million and $3.0 million, respectively. The decrease in this category of expense is primarily related to a decrease in job and subcontractor expenses associated with the Company's airborne radar data collection activities that were performed during the respective periods. The stage of progress on each radar data collection contract and the individual requirements and logistics associated with radar collection efforts can create expense variations between reporting periods.

Travel

For the quarters ended March 31, 2013 and 2012, travel expense was $0.4 million and $0.5 million, respectively. A decrease in operations personnel travel associated with the Company's mapping services contracts in Southeast Asia was the primary reason for the year-over-year decrease in travel expense. This decrease was partially offset by an increase in travel for sales and marketing related personnel during the first quarter of 2013, compared to the same period in 2012.

Facilities and Other Expenses

For the quarters ended March 31, 2013 and 2012, facilities and other expenses were $0.6 million and $0.4 million, respectively. The year-over-year increase is primarily due to a $0.1 million lease recovery adjustment made in the first quarter of 2012 associated with a sublease of the Company's Munich, Germany facility in 2012.

Adjusted EBITDA

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is not a recognized performance measure under IFRS. The term EBITDA consists of net income (loss) and excludes interest, taxes, depreciation and amortization. Adjusted EBITDA also excludes restructuring costs, share-based compensation, gain or loss on the disposal of equipment, and gain or loss on foreign currency translation. Adjusted EBITDA is included as a supplemental disclosure because Management believes that such measurement provides a better assessment of the Company's operations on a continuing basis by eliminating certain non-cash charges and charges or gains that are nonrecurring. The most directly comparable measure to adjusted EBITDA calculated in accordance with IFRS is net income (loss). The following is a reconciliation of the Company's net loss to adjusted EBITDA.

U.S. $ millions		**Three months ended March 31, 2013**		Three months ended March 31, 2012
Net loss	**$**	**(2.0)**	$	(5.1)
Interest expense		**0.2**		-
Depreciation of property and equipment		**0.4**		0.6
Amortization of data library		**1.2**		1.2
Amortization of intangible assets		**-**		0.1
EBITDA	**$**	**(0.2)**	$	(3.2)
Restructuring costs (recovery)		**-**		(0.1)
Share-based compensation		**0.1**		0.3
Loss on foreign currency translation		**-**		0.1
Adjusted EBITDA	**$**	**(0.1)**	$	(2.9)

Adjusted EBITDA for the quarter ended March 31, 2013, was negative $0.1 million, compared to negative $2.9 million for the same period in 2012. The improvement in the adjusted EBITDA loss on a year-over-year basis is primarily attributable to an increase in revenue of $0.9 million, and a reduction in operating expenses of $2.0 million.

Depreciation of Property and Equipment

Depreciation expense for the quarter ended March 31, 2013, totaled $0.4 million, compared to $0.6 million for the same period in 2012. The decrease in depreciation expense is primarily the result of certain assets dedicated to the Company's NEXTMap database development reaching the end of their useful lives, without the addition of comparable replacement assets.

Amortization of Data Library

For the quarters ended March 31, 2013 and 2012, amortization expense relating to the data library was $1.2 million for both periods. The asset is amortized on a straight-line basis, and no additions or adjustments were made to the asset during the periods presented.

Financing Costs

Financing costs for the quarter ended March 31, 2013, totaled $222 thousand, compared to $49 thousand for the same period in 2012. The increase in financing costs is attributable to interest on a convertible note issued in June 2012. These financing costs were partially offset by the reduction of principal resulting from recurring payments on long-term debt.

Gain (Loss) on Foreign Currency Translation

The Company continuously monitors the level of foreign currency assets and liabilities carried on its consolidated balance sheet in an effort to minimize as much of the foreign currency translation exposure as possible. Steps taken to minimize translation effects have included the movement of cash and cash equivalents between Canadian dollar, Euro and United States dollar currencies. The result is a partial natural currency hedge for the Company.

During the quarter ended March 31, 2013, a foreign currency translation gain of $33 thousand was recorded, compared to a loss of $117 thousand for the same period in 2012. The fluctuation between the periods is primarily the result of realized gains and losses on the accounts payable and accounts receivable balances held in foreign currencies.

Income Tax

Current income tax expense of $47 thousand was incurred during the quarter ended March 31, 2013, compared to an expense of $38 thousand during the same period in 2012. This expense relates to taxable income generated from the Company's Czech Republic subsidiary.

During the quarter ended March 31, 2013, a deferred income tax recovery of $Nil, compared to a recovery of $13 thousand for the same period in 2012 was recorded. The 2012 recovery resulted from the amortization of intangible assets held in the Czech Republic subsidiary, which had no tax basis.

Amounts Receivable and Unbilled Revenue

Work is performed on contracts that provide invoicing upon the completion of identified contract milestones. Revenue on certain of these contracts is recognized using the percentage-of-completion method of accounting based on the ratio of costs incurred to date over the estimated total costs to complete the contract. While an effort is made to schedule payments on contracts in accordance with work performed, the completion of milestones does not always coincide with the costs incurred on a contract, resulting in revenue being recognized in excess of billings. These amounts are recorded in the consolidated balance sheet as unbilled revenue.

Amounts receivable and unbilled revenue decreased from $8.4 million at December 31, 2012, to $7.0 million at March 31, 2013. The decrease was primarily due to timing of collections, as well as decreased revenue for the three months ended March 31, 2013, compared to the prior quarter. These amounts represent 80 days' sales at March 31, 2013, compared to 42 days sales at December 31, 2012, and reflect specific project billing milestones on current contracts that were in progress on those dates.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities generally include trade payables, project-related accruals and personnel-related costs. Accounts payable and accrued liabilities increased from $4.7 million at December 31, 2012, to $4.9 million at March 31, 2013. This increase is due primarily to increases in personal related accruals during the first quarter of the year.

U.S. $ thousands		**March 31, 2013**		December 31, 2012
Accounts payable	$	2,197	$	2,152
Accrued liablities		2,722		2,572
Other taxes payable		-		23
	$	4,919	$	4,747

Provisions

Provisions remained the same at $0.7 million at March 31, 2013, and December 31, 2012. There were no payments made against the provisions during the quarter ended March 31, 2013.

Notes Payable

The notes payable balance decreased from $1.8 million at December 31, 2012, to $1.6 million at March 31, 2013. The decrease is due to payments on a promissory note to a service provider for an outstanding balance. The balance at March 31, 2013, is $1.5 million. Payment of the principal began in December 2012 and the promissory note matures in November 2014.

The remaining $0.1 million balance at March 31, 2013, relates to reimbursable project development funds from the Canadian government received by the Company. Such funds are repayable upon the completion of development efforts on specifically identified technology and the first sale of the resulting developed products. The repayment of the note is scheduled to begin during the second quarter of 2013.

Convertible Note

The convertible note balance of $2.4 million at March 31, 2013, is due to a private placement convertible debt financing that closed June 27, 2012. The principal balance of the note is $2.5 million, and the discount of $0.2 million will be recognized over the twelve month term of the note using the effective interest method. Simple interest is payable at maturity at an annual rate of 21%. Under the terms of the note, the accrued interest payable on any converted principal balance will be waived at the time of conversion. The note is convertible into common shares of the Company, at any time, at the option of the holder, at a per share price of C$0.21. Any unconverted balance is payable at maturity, on June 26, 2013.

Unearned Revenue and Deposits

The unearned revenue balance at March 31, 2013, increased to $0.3 million from $0.1 million at December 31, 2012. This balance consists of payments received from customers on revenue contracts for which the Company has not yet fulfilled its obligations, or which the necessary revenue recognition criteria has not been met. The increase from December 31, 2012, is primarily due to deposits received for pending aircraft related radar and transmitter sales to a third party.

Finance Lease Obligations

Finance lease obligations at March 31, 2013, decreased to $0.2 million from $0.3 million at December 31, 2012, due to recurring payments on an outstanding finance lease obligation.

QUARTERLY FINANCIAL INFORMATION

Selected Quarterly Information

The following table sets forth selected quarterly financial information for Intermap's eight most recent fiscal quarters. This information is unaudited, but reflects all adjustments of a normal, recurring nature that are, in the opinion of Management, necessary to present a fair statement of Intermap's consolidated results of operations for the periods presented. Quarter-to-quarter comparisons of Intermap's financial results are not necessarily meaningful and should not be relied on as an indication of future performance.

U.S. $ millions, except per share data	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	**Q1 2013**
Revenue:								
Contract services	$ 2.4	$ 3.2	$ 2.3	$ 3.3	$ 1.6	$ 4.1	$ 2.9	**$ 4.0**
Data licenses	2.0	4.9	2.5	0.9	6.4	3.9	4.7	**1.1**
Total revenue	$ 4.4	$ 8.1	$ 4.8	$ 4.2	$ 8.0	$ 8.0	$ 7.6	**$ 5.1**
Depreciation and amortization	$ 2.1	$ 2.0	$ 1.8	$ 1.8	$ 1.6	$ 1.6	$ 1.6	**$ 1.6**
Net income (loss)	$ (3.4)	$ (0.8)	$ (4.5)	$ (5.1)	$ 0.8	$ 0.4	$ 1.0	**$ (2.0)**
Net income (loss) per share - basic and diluted	$ (0.05)	$ (0.01)	$ (0.06)	$ (0.06)	$ 0.01	$ 0.01	$ 0.01	**$ (0.03)**
Adjusted EBITDA	$ (2.9)	$ 1.5	$ (2.0)	$ (2.9)	$ 2.7	$ 2.5	$ 2.7	**$ (0.1)**

LIQUIDITY AND CAPITAL RESOURCES

Management continually assesses liquidity in terms of the ability to generate sufficient cash flow to fund the business. Net cash flow is affected by the following items: (i) operating activities, including the level of amounts receivable, unbilled receivables, accounts payable, accrued liabilities and unearned revenue; (ii) investing activities, including the purchase of property and equipment; and (iii) financing activities, including debt financing and the issuance of capital stock.

Cash generated from operations during the quarter ended March 31, 2013, totaled $1.2 million, compared to cash generated from operations of $0.2 million during the same period in 2012. The year-over-year improvement of $1.0 million is due primarily to increased revenues of $0.9 million and decreased operating costs of $2.0 million during the first quarter of 2013. These amounts were partially offset by the change in balances for the related amounts receivable, unbilled revenue, accounts payable and accrued liabilities.

Net cash used in investing activities totaled $0.2 million for the quarter ended March 31, 2013, compared to $0.1 million during the same period in 2012. Cash used in investing activities during the quarter ended March 31, 2013, included the purchase of aircraft related equipment of $40 thousand, computer related equipment of $182 thousand, and leasehold improvements in the Company's Jakarta, Indonesia office of $26 thousand. Cash used in investing activities during the same period in 2012 was for the development of intangible assets (the Company's NEXTMap WebStore™) of $83 thousand, offset by proceeds from the sale of property and equipment of $27 thousand.

Net cash used in financing activities totaled $0.2 million during the quarters ended March 31, 2013, and 2012. The net cash used in financing activities during the quarter ended March 31, 2013, was due to the repayment of a promissory note and capital leases of $227 thousand. The net cash used in financing activities during the same period in 2012 was due to repayment of long-term debt and capital leases of $214 thousand.

The cash position of the Company at March 31, 2013, (cash and cash equivalents) was $2.7 million, compared to $2.1 million at December 31, 2012. Working capital decreased to $0.9 million as of March 31, 2013, from $1.9 million as of December 31, 2012, due to a decrease in amounts receivable and unbilled revenue of $1.4 million, and an increase in accounts payable, accrued liabilities and unearned revenue of $0.4 million. These amounts were partially offset by the increased cash balance of $0.7 million.

During the quarter ended March 31, 2013, the Company incurred a net loss of $2.0 million, had negative adjusted EBITDA of $0.1 million, and positive cash flow from operations of $1.2 million. In addition, the Company has an accumulated deficit of $188.2 million. Although the Company has made significant financial progress during its most recent fiscal year, its continuing operations are dependent on its ability to continue to produce future profitable operations and generate positive cash flows from operations. The Company is also considering the selling of excess capacity assets to improve its cash position. If these activities are not adequate to fund the Company's ongoing operations, the Company may be required to explore additional financing alternatives, if available. Failure to achieve one or more of these requirements could have a material adverse effect on the Company's financial condition and / or results of operations in future periods.

The above factors raise significant doubt about the Company's ability to continue as a going concern. Management has taken actions to address these issues including reduction of operating costs, the introduction of new products and services, a revised approach to pricing and selling of the Company's products and services, and has obtained additional financing. These actions have begun to make a positive impact on the performance of the Company, however, the Company cannot be certain that its future cash generated from operations will be sufficient to satisfy its liquidity requirements on a go forward basis.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Revenue Recognition

Revenue is recognized when (i) persuasive evidence of an arrangement exists; (ii) the significant risks and rewards of ownership, including managerial involvement, have been transferred to the buyer; (iii) the amount of revenue can be measured reliably; and (iv) costs incurred or to be incurred can be measured reliably. Billings in excess of revenue are recorded as unearned revenue. Revenue recognized in excess of billings is recorded as unbilled revenue.

Goods Sold

Revenue from the sale of data licenses in the ordinary course is measured at the fair value of the consideration received or receivable.

Subscriptions

Revenue from data sold on a subscription basis is recognized straight-line over the term of the agreement.

Fixed-price Contracts

Revenue from fixed-price contracts is recognized using the percentage-of-completion method, based on the ratio of costs incurred to estimated final contract costs. The use of the percentage of completion method requires estimates to determine the cost to complete each contract. These estimates are reviewed monthly and adjusted as necessary. Provisions for estimated losses, if any, are recognized in the period in which the loss is determined. Contract losses are measured in the amount by which the estimated costs of the related project exceed the estimated total revenue for the project.

Multiple Component Arrangements

When a single sales transaction requires the delivery of more than one product or service (multiple components), the revenue recognition criteria are applied separately to identifiable components. A component is considered to be separately identifiable if the product or service delivered has stand-alone value to that customer and the fair value associated with the product or service can be measured reliably. The amount recognized as revenue for each component is the fair value of the element in relation to the fair value of the arrangement as a whole.

Data Library (NEXTMap)

The Company maintains a data library, which results from the acquisition and processing of digital map data. Ownership rights to this data are retained by the Company and the data is licensed to customers. The direct costs of acquiring and processing the data are capitalized as an investment in the data library when it can be shown that such costs create material future value to the Company. Capitalized costs include direct overhead associated with the acquisition and processing of the data and the depreciation of the property and equipment used in the production of the data.

The data library balance is being amortized on a monthly basis using the straight-line amortization method over 60 months.

The carrying value of the data library is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company has determined that the original NEXTMap USA and NEXTMap Europe datasets represent separate cash generating units for impairment testing purposes. The Company has identified addressable markets for each of these datasets and has estimated future data library licenses and cash flows within these addressable markets. The forecasts of estimated data library cash flows are reviewed each quarter taking into account economic and market trends, technical advances, competitive developments, and actual sales versus forecasts.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Company adopted the following new accounting standards and amendments which are effective for the Company's interim and annual consolidated financial statements commencing January 1, 2013.

- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosure of Interest in Other Entities
- IFRS 13, Fair Value Measurement
- IAS 1, Presentation of Items of Other Comprehensive Income

On January 1, 2013, the Company adopted IFRS 13, which provides a single source of guidance on how fair value is measured, replacing the fair value measurement guidance contained in individual IFRSs. The standard defines fair value and establishes a framework for measuring fair value. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. Disclosures required under IFRS 13 for condensed consolidated interim financial statements have been included in Note 17 of the condensed consolidated interim financial statements for the first quarter ended March 31, 2013.

OUTSTANDING SHARE DATA

The Company's authorized capital consists of an unlimited number of Class A common shares without par value and an unlimited number of Class A participating preferred shares without par value. At the close of business on May 9, 2013, 79,414,013 Class A common shares were issued and outstanding. There are no preferred shares currently issued and outstanding.

As of May 9, 2013, potential dilutive securities include (i) 5,839,470 outstanding share options in the Company's share option plan with a weighted average exercise price of C$0.58; (ii) 19,050,00 warrants outstanding with a weighted average exercise price of C$0.46 and each warrant entitles the holder to purchase one Class A common share; and (iii) 12,090,963 conversion shares resulting from the full conversion of an outstanding convertible note payable.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS

Disclosure Control Risks

Disclosure controls and procedures have been designed to provide reasonable assurance that information required to be disclosed is accumulated and communicated to Management as appropriate to allow timely decisions regarding required disclosure. Pursuant to Multilateral Instrument 52-109, the Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the effectiveness of the disclosure controls and procedures as at March 31, 2013, that disclosure controls and procedures provide reasonable assurance that material information is made known to them by others within the Company.

Internal Control Risks

Internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting. Management, including the Chief Executive Officer and Chief Financial Officer, reviewed and evaluated the design and operating effectiveness of the internal controls over financial reporting (as defined by Multilateral Instrument 52-109) and concluded that sufficient controls exist at March 31, 2013, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There have been no significant changes in the design of internal controls over financial reporting that occurred during the quarter ended March 31, 2013, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS AND UNCERTAINTIES

The risks and uncertainties described in the Management's Discussion and Analysis presented in the 2012 Annual Report and the Annual Information Form of the Company have not changed materially.

Condensed Consolidated Interim Balance Sheets

(In thousands of United States dollars)

		March 31, 2013		December 31, 2012
Assets				
Current assets:				
Cash and cash equivalents	$	**2,718**	$	2,055
Amounts receivable		**4,645**		5,735
Unbilled revenue		**2,393**		2,709
Work in process		**5**		10
Prepaid expenses		**792**		625
		10,553		11,134
Property and equipment (Note 5)		**3,592**		3,703
Data library (Note 6)		**12,677**		13,829
Intangible assets		**206**		235
	$	**27,028**	$	28,901
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities (Note 7)	$	**4,919**	$	4,747
Convertible note (Note 9)		**2,420**		2,357
Current portion of provisions (Note 14)		**720**		720
Current portion of notes payable (Note 8)		**933**		892
Current portion of deferred lease inducements		**99**		97
Unearned revenue and deposits		**314**		145
Income taxes payable		**37**		10
Current portion of obligations under finance leases (Note 10)		**174**		262
		9,616		9,230
Long-term notes payable (Note 8)		**671**		923
Deferred lease inducements		**343**		390
		10,630		10,543
Shareholders' equity:				
Share capital (Note 12(a))		**194,144**		194,144
Accumulated other comprehensive income		**21**		58
Contributed surplus (Note 12(c))		**10,431**		10,354
Deficit		**(188,198)**		(186,198)
		16,398		18,358
Going concern (Note 2(a))				
Commitments (Note 13)				
	$	**27,028**	$	28,901

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Profit or Loss and Other Comprehensive Income

(In thousands of United States dollars, except per share information)

For the three months ended March 31,		**2013**		2012
Revenue:				
Contract services	**$**	**4,018**	$	3,353
Data licenses		**1,075**		872
		5,093		4,225
Expenses:				
Operating costs (Note 11)		**5,321**		7,331
Depreciation of property and equipment		**359**		602
Amortization of data library		**1,152**		1,152
Amortization of intangible assets		**29**		79
		6,861		9,164
Operating loss		**(1,768)**		(4,939)
Gain on disposal of equipment		**4**		20
Financing costs, net		**(222)**		(49)
Gain (loss) on foreign currency translation		**33**		(117)
Loss before income taxes		**(1,953)**		(5,085)
Income tax (expense) recovery:				
Current		**(47)**		(38)
Deferred		**-**		13
		(47)		(25)
Net loss for the period	**$**	**(2,000)**	$	(5,110)
Other comprehensive loss:				
Foreign currency translation differences		**(37)**		31
Total comprehensive loss for the period	**$**	**(2,037)**	$	(5,079)
Basic and diluted loss per share	**$**	**(0.03)**	$	(0.06)
Weighted average number of Class A common shares - basic and diluted (Note 12(d))		**78,887,915**		78,521,794

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Equity

(In thousands of United States dollars)

	Share Capital	Contributed Surplus	Cumulative Translation Adjustments	Deficit	Total
Balance at January 1, 2012	$ 193,992	$ 9,663	$ 46	$ (183,272)	$ 20,429
Comprehensive loss for the period	-	-	31	(5,110)	(5,079)
Share-based compensation	57	243	-	-	300
Balance at March 31, 2012	$ 194,049	$ 9,906	$ 77	$ (188,382)	$ 15,650
Comprehensive profit for the period	-	-	(19)	2,184	2,165
Share-based compensation	81	349	-	-	430
Warrant component of convertible note	19	-	-	-	19
Conversion option of convertible note	-	136	-	-	136
Issuance costs	(1)	(4)	-	-	(5)
Deferred tax effect of convertible note	(4)	(33)	-	-	(37)
Balance at December 31, 2012	$ 194,144	$ 10,354	$ 58	$ (186,198)	$ 18,358
Comprehensive loss for the period	-	-	(37)	(2,000)	(2,037)
Share-based compensation	-	77	-	-	77
Balance at March 31, 2013	$ 194,144	$ 10,431	$ 21	$ (188,198)	$ 16,398

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

(In thousands of United States dollars)

For the Three Months Ended March 31,	**2013**	2012
Cash flows provided by:		
Operating activities:		
Net loss for the period	**$ (2,000)**	$ (5,110)
Adjusted for the following non-cash items:		
Depreciation of property and equipment	**359**	602
Amortization of data library	**1,152**	1,152
Amortization of intangible assets	**29**	79
Share-based compensation expense	**77**	275
Gain on disposal of equipment	**(4)**	(20)
Amortization of deferred lease inducements	**(29)**	77
Deferred taxes	**-**	(13)
Net financing costs	**222**	49
Current income tax expense	**47**	38
Interest paid	**(27)**	(28)
Income tax paid	**(13)**	(15)
Changes in working capital, net of investing activities:		
Amounts receivable, net	**1,090**	2,785
Work in process and other assets	**154**	32
Accounts payable	**181**	1,155
Accrued liabilities	**(148)**	226
Unearned revenue and deposits	**169**	(1,131)
Loss on foreign currency translation	**(37)**	(2)
	1,222	151
Investing activities:		
Purchase of property and equipment	**(248)**	-
Investment in intangible assets	**-**	(83)
Proceeds from sale of equipment	**4**	27
	(244)	(56)
Financing activities:		
Repayment of obligations under finance lease	**(88)**	(77)
Repayment of long-term debt	**-**	(137)
Repayment of notes payable	**(208)**	-
	(296)	(214)
Effect of foreign exchange on cash	**(19)**	7
Increase/(decrease) in cash and cash equivalents	**663**	(112)
Cash and cash equivalents, beginning of period	**2,055**	597
Cash and cash equivalents, end of period	**$ 2,718**	$ 485

See accompanying notes to condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2013
(In thousands of United States dollars, except per share information)

1. Reporting entity:

Intermap Technologies® Corporation (the Company) is incorporated under the laws of Alberta, Canada. The head office of Intermap is located at 8310 South Valley Highway, Suite 400, Englewood, Colorado, USA 80112. Its registered office is located at 1400, 700 – 2nd Street SW, Calgary, Alberta, Canada, T2P 4V5.

The Company is a provider of location-based information (LBI) solutions created from its uniform, high-resolution 3D digital models of the earth's surface. Using a combination of the Company's proprietary airborne interferometric synthetic aperture radar (IFSAR) data collection technology, third party sensors, and other available geospatial related information, the Company is aggregating this information and creating a database of elevation data, geometric images, and location-based information called NEXTMap®. This NEXTMap database is the foundation for the Company's 3D business intelligence solutions created to help solve the geospatial-related challenges of its customers.

2. Basis of preparation:

a. Going concern:

These financial statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. During the three months ended March 31, 2013, the Company incurred a net loss of $2,000 and positive cash flow from operations of $1,222. In addition, the Company has an accumulated deficit of $188,198.

The above factors in the aggregate raise significant doubt about the Company's ability to continue as a going concern. Management has taken actions to address these issues including a company-wide cost reduction program, the introduction of new products and services, a revised approach to pricing and selling of the Company's products and services, and has obtained additional financing. The Company's ability to continue as a going concern is dependent on management's ability to successfully generate a profit from operations, sell assets, or obtain additional financing, if required. Failure to achieve one or more of these requirements could have a material adverse effect on the Company's financial condition and / or results of operations.

The Company cannot be certain that cash generated from its operations will be sufficient to satisfy its liquidity requirements, and it may need to continue to raise capital by selling additional equity and / or by securing credit facilities. The Company's future capital requirements will depend on many factors, including, but not limited to, the market acceptance of its products and services. No assurance can be given that any such additional funding will be available or that, if available, it can be obtained on terms favorable to the Company.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used.

b. Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board (IASB).

The notes presented in these unaudited condensed consolidated interim financial statements include in general only significant changes and transactions occurring since the Company's last year-end, and are not fully inclusive of all disclosures required by IFRS for annual financial statements. These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual audited consolidated financial statements, including the notes thereto, for the year ended December 31, 2012 (the "2012 annual consolidated financial statements").

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and effective as of May 9, 2013, the date the Board of Directors approved the condensed consolidated interim financial statements.

c. Measurement basis:

The financial statements have been prepared mainly on the historical costs basis. Other measurement bases used are described in the applicable notes.

3. Summary of significant accounting policies:

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods that were used to prepare the Company's 2012 annual consolidated financial statements with the exception of those new accounting policies that were adopted on January 1, 2013, as more fully described in Note 4.

4. New standards and interpretations:

The Company adopted the following new accounting standards and amendments which are effective for the Company's interim and annual consolidated financial statements commencing January 1, 2013.

- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosure of Interest in Other Entities
- IFRS 13, Fair Value Measurement
- IAS 1, Presentation of Items of Other Comprehensive Income

On January 1, 2013, the Company adopted IFRS 13, which provides a single source of guidance on how fair value is measured, replacing the fair value measurement guidance contained in individual IFRSs. The standard defines fair value and establishes a framework for measuring fair value. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. Disclosures required under IFRS 13 for condensed consolidated interim financial statements have been included in Note 17.

5. Property and equipment:

Property and equipment	Aircraft	Mapping equipment	Furniture, fixtures & auto	Leases	Under construction	Total
Balance at January 1, 2012	$ 2,968	$ 1,984	$ 31	$ 290	$ -	$ 5,273
Additions	217	51	-	-	20	288
Disposals	-	-	(7)	-	-	(7)
Depreciation	(568)	(1,162)	(18)	(103)	-	(1,851)
Balance at December 31, 2012	2,617	873	6	187	20	3,703
Additions	39	183	-	26	-	248
Depreciation	(190)	(141)	(2)	(26)	-	(359)
Balance at March 31, 2013	$ 2,466	$ 915	$ 4	$ 187	$ 20	$ 3,592

The gross amount of property and equipment at March 31, 2013, was $40,362 (December 31, 2012 – $40,669). The accumulated depreciation at March 31, 2013, was $36,770 (December 31, 2012 – $36,966). During the quarter ended March 31, 2013, the Company disposed of fully depreciated assets of $555.

During the quarter ended March 31, 2013, the Company agreed to sell certain excess capacity assets with net book values at March 31, 2013 of $Nil. Included in unearned revenue and deposits at March 31, 2013, are deposits of $204 towards the purchase of these assets. The assets are expected to be delivered during the second quarter of 2013.

6. Data library:

Data library		
Balance at January 1, 2012	$	18,439
Amortization		(4,610)
Balance at December 31, 2012		13,829
Amortization		(1,152)
Balance at March 31, 2013	$	12,677

The gross amount of data library at March 31, 2013, and December 31, 2012, was $120,330. In December 2010, an asset impairment charge of $55,362 was recorded. The accumulated amortization at March 31, 2013, was $52,291 (December 31, 2012 - $51,139).

7. Accounts payable and accrued liabilities:

		March 31, 2013		December 31, 2012
Accounts payable	$	2,197	$	2,152
Accrued liablities		2,722		2,572
Other taxes payable		-		23
	$	4,919	$	4,747

8. Notes payable:

Notes payable includes a promissory note with a service provider that defines the payment terms of an outstanding balance. The note bears interest at 5% per annum and is secured by a second priority lien in an aircraft owned by the Company. The repayment terms of the note payable are thirty-six months ending November 2014. The balance of the promissory note at March 31, 2013, was $1,455 (December 31, 2012 – $1,664).

Additionally, at March 31, 2013, the notes payable balance includes reimbursable project development funds provided by a corporation designed to enable the development and commercialization of geomatics solutions in Canada. The funding is repayable upon the completion of development and the first sale of any developed product(s). Repayment is to be made in quarterly installments equal to 25% of the prior quarter sales. The Company estimates the repayment will begin in the second quarter of 2013.

		March 31, 2013		December 31, 2012
Promissory note payable	**$**	**1,455**	$	1,664
Reimbursable project funding		**149**		151
		1,604		1,815
Less current portion		**(933)**		(892)
	$	**671**	$	923

9. Convertible note:

On June 27, 2012, the Company issued a convertible promissory note for $2,500. Simple interest is payable at maturity at an annual rate of 21%. The note is convertible into common shares of the Company, at any time at the option of the holder, at a per share price of C$0.21. Under the terms of the note, the accrued interest payable on any converted principal balances will be waived at the time of conversion. The note also includes 1,700,000 warrants to purchase Class A common shares at a per share price of C$0.31 that expire on June 26, 2015. The note is secured by a general security interest in all the assets of the Company. Any unconverted principal and accrued interest balance is payable at maturity, on June 26, 2013.

Proceeds from convertible note	**$**	**2,500**
Transaction costs		**(75)**
Net proceeds		**2,425**
Amounts classified as equity:		
Conversion option		**(132)**
Warrants		**(18)**
Effective interest incurred on note discount		**145**
Carrying amount of convertible note at March 31, 2013	**$**	**2,420**

The Company has the option, after nine months from the closing date of the note and upon sixty days notice, to repay the note at 121% of the outstanding principal balance. The fair value of the prepayment option at March 31, 2013, was $Nil. At March 31, 2013, $399 of accrued interest is included in accrued liabilities.

10. Finance lease liabilities:

Finance lease liabilities are payable as follows:

	March 31, 2013			December 31, 2012		
	Future minimum lease payments	**Interest (1)**	**Present value of minimum lease payments**	Future minimum lease payments	Interest (1)	Present value of minimum lease payments
Less than one year (current portion)	**$ 180**	**$ 6**	**$ 174**	$ 276	$ 14	$ 262
Between one and five years (long-term portion)	**-**	**-**	**-**	-	-	-
	$ 180	**$ 6**	**$ 174**	$ 276	$ 14	$ 262

1) Interest rates ranging from 12.93% to 16.97%.

11. Operating costs:

For the three months ended March 31,	**2013**	2012
Personnel	**$ 3,323**	$ 3,458
Purchased services & materials (1)	**1,039**	2,975
Travel	**376**	455
Facilities and other expenses (2)	**583**	443
	$ 5,321	$ 7,331

(1) Purchased services and materials include aircraft costs, project costs, professional and consulting fees, and selling and marketing costs.

(2) Includes a facility closure recovery expense reversal of $90 during the quarter ended March 31, 2012.

12. Share capital:

a. Authorized:

The authorized share capital of the Company consists of an unlimited number of Class A common shares and an unlimited number of Class A participating preferred shares. There are no Class A participating preferred shares outstanding.

b. Issued:

	March 31, 2013			December 31, 2012		
Class A common shares	Number of Shares		Amount	Number of Shares		Amount
Balance, beginning of period:						
Unrestricted shares	**78,887,915**		**194,144**	78,405,534	$	193,992
Restricted shares held in escrow	**526,098**		**-**	582,700		-
Share-based compensation	**-**		**-**	482,381		138
Restricted shares issued into (released from) escrow	**-**		**-**	(56,602)		-
Warrant component of convertible note	**-**		**-**	-		19
Convertible note Issuance costs	**-**		**-**	-		(1)
Deferred tax effect of convertible note	**-**		**-**	-		(4)
Balance, end of period:						
Unrestricted shares	**78,887,915**	**$**	**194,144**	78,887,915	$	194,144
Restricted shares held in escrow	**526,098**	**$**	**-**	526,098	$	-

On June 26, 2012, the Company received proceeds from a convertible promissory note. The value attributable to the warrants and included in share capital at inception of the note was $14, net of issuance costs of $1 and future tax benefit of $4 (see Note 9).

On June 25, 2012, 349,680 Class A common shares were issued to directors of the Company as compensation for services. Compensation expense of $81 for these Class A common shares is included in operating costs (see Note 12(e)).

On March 28, 2012, 61,005 Class A common shares were issued to directors of the Company as compensation for services. Compensation expense of $27 for these Class A common shares is included in operating costs (see Note 12(e)).

On January 17, 2012, 71,696 Class A common shares, of which 56,602 were released from escrow, were issued to employees of the Company as compensation for services. Compensation expense of $30 for these Class A common shares is included in operating costs (see Note 12(f)).

c. **Contributed surplus:**

		March 31, 2013		December 31, 2012
Balance, beginning of period	$	**10,354**	$	9,663
Share-based compensation		**77**		592
Conversion option of convertible note		**-**		136
Issuance costs of convertible note		**-**		(4)
Deferred tax effect of convertible note		**-**		(33)
Balance, end of period	$	**10,431**	$	10,354

d. **Loss per share:**

The calculation of loss per share is based on the weighted average number of Class A common shares outstanding. Where the impact of the exercise of options or warrants is anti-dilutive, they are not included in the calculation of diluted loss per share. The Company has incurred a net loss for each period presented and the inclusion of outstanding options and warrants in the loss per share calculation are considered to be anti-dilutive and are therefore not included in the calculation.

The underlying Class A common shares pertaining to (i) 5,953,120 outstanding share options, (ii) 19,050,000 outstanding warrants, and (iii) 12,090,963 conversion shares (based on the exchange rate at March 31, 2013) resulting from the full conversion of an outstanding convertible note payable (see Note 9) could potentially dilute earnings.

e. **Director's share compensation plan:**

The Company has a director's share compensation plan which originally allowed for the issuance of up to 400,000 shares of the Company's Class A common shares to non-employee directors of the Company as part of their annual compensation and was amended in 2011 to 1,400,000 shares. At the Annual General and Special Meeting of the Shareholders on August 9, 2012, an amendment to the share compensation plan was approved to increase the maximum number of Class A common shares of the Corporation issuable thereunder from 1,400,000 to 2,400,000. As of March 31, 2013, 1,106,413 Class A common shares remain available under the plan. Compensation expense for issued shares is included in operating costs.

f. **Employee share compensation plan:**

The Company established an employee share compensation plan to compensate employees for services performed. The plan was approved by the shareholders of the Company at the Annual General Meeting on May 12, 2009. The plan originally allowed for the issuance of up to 1,500,000 shares of the Company's Class A common shares to employees. At the Annual General and Special Meeting of the Shareholders on August 3, 2011, an amendment to the share compensation plan was approved to increase the maximum number of Class A common shares of the Corporation issuable thereunder from 1,500,000 to 4,000,000. As of March 31, 2013, 2,794,812 Class A common shares remain available for issuance under the plan. Compensation expense for issued shares is included in operating costs.

g. Share option plan:

The Company established a share option plan to provide long-term incentives to attract, motivate, and retain certain key employees, officers, directors, and consultants providing services to the Company. The plan permits the granting of options to purchase up to 10% of the outstanding Class A common shares of the Company. As of March 31, 2013, 7,941,401 Class A common shares were authorized under the plan, of which 5,953,120 share options are issued and outstanding and 1,988,281 options remain available for future issuance. Under the plan, no one individual shall be granted an option which exceeds 5% of the issued and outstanding Class A common shares of the Company. In addition, the exercise price of each option shall not be less than the market price of the Company's Class A common shares on the date of grant. The options are exercisable for a period of not greater than six years, and generally vest over a period of one to four years. Options granted to directors generally vest on the date of the grant and expire on the fifth anniversary of the date of such grant.

The following table summarizes information regarding share options outstanding:

	March 31, 2013		December 31, 2012	
	Number of shares under option	**Weighted average exercise price (CDN)**	Number of shares under option	Weighted average exercise price (CDN)
Options outstanding, beginning of period	**4,846,320**	**$ 0.82**	5,489,220	$ 1.49
Granted	**1,290,000**	**0.44**	345,000	0.43
Expired	**(149,975)**	**5.45**	(845,550)	5.08
Forfeitures	**(33,225)**	**0.56**	(142,350)	0.50
Options outstanding, end of period	**5,953,120**	**$ 0.62**	4,846,320	$ 0.82
Options exercisable, end of period	**3,285,997**	**$ 0.72**	2,917,362	$ 1.01

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.25	20,000	4.44 years	5,000
0.27	20,000	5.12 years	-
0.33	200,000	3.38 years	200,000
0.43	1,363,440	4.00 years	1,337,840
0.44	1,615,000	5.55 years	325,000
0.46	938,980	4.71 years	239,432
0.48	450,000	3.76 years	225,000
0.50	450,000	3.69 years	225,000
0.66	300,000	3.56 years	187,500
1.49	119,000	1.70 years	119,000
1.60	76,000	2.80 years	59,500
1.84	308,700	2.75 years	270,725
2.98	12,000	1.45 years	12,000
4.16	80,000	1.32 years	80,000
	5,953,120	4.29 years	3,285,997

During the three months ended March 31, 2013, 1,290,000 options were granted at a weighted-average fair value of C$0.34 per share, determined using the Black-Scholes option pricing model on the date of grant with the following assumptions: expected dividend yield 0%, risk-free interest rate 1.61%, volatilities 94.6%, and expected life of six years. The estimated forfeiture rate was 5.43%.

h. Share-based compensation expense:

Non-cash compensation expense has been included in operating costs with respect to share options and shares granted to employees and non-employees as follows:

Three months ended March 31,		**2013**		2012
Employees	**$**	**77**	$	148
Non-employees		**-**		127
Non-cash compensation	**$**	**77**	$	275

i. Class A common share purchase warrants:

A summary of the status of Class A common share purchase warrants is as follows:

	March 31, 2013	December 31, 2012
Balance, beginning of period	**19,050,000**	17,375,000
Issued	**-**	1,700,000
Expired	**-**	(25,000)
Balance, end of period	**19,050,000**	19,050,000

Each warrant entitles its holder to one Class A common share upon payment of an exercise price ranging from C$0.31 to C$0.48, with a weighted average exercise price of C$0.46. Of the warrants outstanding at the beginning of the period, 17,350,000 expire on April 28, 2014. The 1,700,000 warrants issued in connection with a convertible note (see Note 9) expire on June 26, 2015.

j. Restricted shares:

In connection with the three year employment agreement dated December 3, 2010, entered into with the Company's CEO, the Company issued 450,000 Class A common shares to him during the quarter ended June 30, 2011, and such shares are held by a third party agent pursuant to an Escrow Agreement. The Escrow Agreement provides that up to 450,000 shares are to be released only upon the achievement of certain market performance conditions based on the performance of the Company's share price. The grant date fair value of the restricted shares was $118 and will be charged to non-cash compensation expense over the vesting period, which was determined to be 28 months. The Board of Directors believes that this arrangement is effective in aligning the interests of the CEO with the long-term interests of the shareholders of the Company.

13. Commitments:

The Company has commitments related to operating leases for office space and equipment which require the following payments for each year ending March 31:

2014	$	994
2015		706
2016		550
2017		231
	$	2,481

During the quarter ended March 31, 2013, the Company recognized $265 (December 31, 2012 - $976) in operating lease expense for office space.

14. Restructuring:

In January 2011, the Company announced and completed an organizational restructuring. Total employee headcount was decreased by 30% in the Company's North American and European offices and 42% in its Indonesian office.

In June 2011, in an effort to continue to transform into a sales- and marketing-driven organization, the Company announced the closure and liquidation of its Munich, Germany operations. The closure allows the Company to increase its sales agility on a distributed basis throughout Europe in the short-term while reducing fixed operating costs for the long-term.

A summary of the cost related to the restructuring events is as follows:

		Workforce Reduction		Excess Facility		Total
Amounts recorded for the twelve months ended December 31, 2012	$	-	$	(90)	$	(90)
Amounts recorded for the three months ended March 31, 2013		-		-		-
Total	$	-	$	(90)	$	(90)

At March 31, 2013, the provision associated with the restructuring and other related charges consisted of the following:

		Workforce Reduction		Excess Facility		Total
Balance at January 1, 2012	$	179	$	932	$	1,111
2012 adjustments		-		(90)		(90)
Payments		(179)		(122)		(301)
Balance at December 31, 2012		-		720		720
2013 adjustments		-		-		-
Payments		-		-		-
Balance at March 31, 2013		-		720		720
Current portion of provisions		-		720		720
Long-term provisions		-		-		-
	$	-	$	720	$	720

The excess facility accrual of $720 is scheduled to be relieved by November 2013, the lease termination date of one of the Company's Canadian facilities.

15. Segmented information:

The operations of the Company are in one industry segment: digital mapping and related services.

Geographic segments of revenue are as follows:

	Contract Services 3 months ended March 31, 2013	Data Licenses 3 months ended March 31, 2013	Contract Services 3 months ended March 31, 2012	Data Licenses 3 months ended March 31, 2012
United States	$ 1,073	$ 275	$ 428	$ 397
Asia/Pacific	2,945	499	2,925	92
Europe	-	301	-	383
	$ 4,018	$ 1,075	$ 3,353	$ 872

Property and equipment of the Company are located as follows:

	March 31, 2013	December 31, 2012
Canada	$ 149	$ 168
United States	3,354	3,447
Asia/Pacific	86	83
Europe	3	5
	$ 3,592	$ 3,703

The data library is located in the United States; the intangible assets are located in the Czech Republic and United States.

A summary of sales to major customers that exceeded 10% of total sales during each period are as follows:

Three months ended March 31,	2013	2012
Customer A	$ 2,937	$ 6
Customer B	1,058	29
Customer C	22	3,013
	$ 4,017	$ 3,048

16. Financial risk management:

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk, liquidity risk, and capital risk. Management, the Board of Directors, and the Audit Committee monitor risk management activities and review the adequacy of such activities. There have been no significant changes to the Company's risk management strategies since December 31, 2012.

Amounts receivable as of March 31, 2013, and December 31, 2012, consist of:

		March 31, 2013		December 31, 2012
Trade amounts receivable	$	**4,510**	$	5,487
Employee receivables		**15**		16
Other miscellaneous receivables		**120**		232
	$	**4,645**	$	5,735

Trade amounts receivable by geography consist of:

		March 31, 2013		December 31, 2012
United States	$	**1,009**	$	1,795
Canada		**15**		15
Asia/Pacific		**3,211**		3,286
Europe		**275**		391
	$	**4,510**	$	5,487

An aging of the Company's trade amounts receivable are as follows:

		March 31, 2013		December 31, 2012
Current	$	**1,606**	$	4,253
31-60 days		**139**		870
61-90 days		**2,660**		130
Over 91 days		**105**		234
	$	**4,510**	$	5,487

As of March 31, 2013, $132 of trade amounts receivable (December 31, 2012 - $364) were past due. The balance of the past due amounts relate to recurring, and historically slow paying customers and are considered collectible.

17. Fair values:

The carrying values of cash and cash equivalents, amounts receivable, unbilled revenue, accounts payable, accrued liabilities, obligations under finance leases, convertible note and other long-term liabilities approximate their fair value given their relatively short period to maturity. The carrying value of long-term notes payable and obligations under finance leases approximates their fair value, as current market rates available to the Company are similar to those on the long-term notes payable and obligations under finance leases.

Financial instruments recorded at fair value on the Consolidated Balance Sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

There are no financial instruments measured at fair value. During the quarter, there have been no transfers of amounts between any categories. There are no items classified in Level 2 or Level 3 as of March 31, 2013.

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