Intermap Technologies Corporation
Third Quarter Ended September 30, 2011

Intermap Technologies 2011 Third Quarter Results Summary

Q3 REVENUE INCREASES 4X YEAR-OVER-YEAR TO $8.1MILLION
Q3 ADJUSTED EBITDA POSITIVE $1.5 MILLION

The financial information presented herein has been prepared on the basis of International Financial Reporting Standards (IFRS) for interim financial reporting and is expressed in United States dollars, unless otherwise noted. The amounts in this earnings release, including the interim financial statements for the three and nine months ended September 30, 2010, have been restated to reflect the adoption of IFRS, with effect from January 1, 2010.

Revenue for the third quarter of 2011 was $8.1 million, a 419% increase from $1.6 million recorded in the same period of 2010. $3.2 million was attributable to the Company's contract services business and $4.9 million was attributable to the licensing of the Company's NEXTMap® database, which now includes data from LiDAR, satellite imagery, and 3D city models. As of September 30, 2011, there remained $16.8 million in revenue from existing contracts ($6.3 million in contract services and $10.5 million in data licenses contracts) to be recognized beginning in the fourth quarter of 2011, but primarily during the first three quarters of 2012. Subsequent to the close of the third quarter, Intermap announced the receipt of additional contracts for NEXTMap data and related services totaling more than $2.0 million. Revenue will be recognized on these contracts beginning in the fourth quarter of this year and subsequent deliveries are scheduled to occur throughout 2012.

"We've now achieved more revenue in 2011 than the Company did in all of 2010, and we will enter 2012 with a significant amount of revenue from existing contracts yet to be recognized in future periods," stated Todd Oseth, Intermap's president and CEO. "A new Intermap is beginning to emerge and we believe we are turning the business around by driving three primary revenue streams for the Company: NEXTMap data licensing, 3D business intelligence applications (3D-BI) and mapping services. Our proposal flow continues to grow in these three areas and we believe a meaningful amount of new sales will be the result in future periods."

During the third quarter, Intermap also launched its Web-based subscription service for NEXTMap 3D terrain products, accessible through Web browsers and popular desktop geographic information systems (GIS) software applications. Delivered via cloud-computing, Web Services offers a suite of hosted tools that simplifies the ability for users to quickly and easily perform terrain analysis based on an area of interest such as a county or an entire state.

Additionally, the Company is developing new low cost, market specific applications that will integrate the NEXTMap database with third party geospatial information including LiDAR, satellite imagery, aerial photography and census data. This will allow the Company to expand existing markets and enter new markets including insurance risk assessment, mobile data services and advertising.

“Earlier this year we modified our marketing approach, our product offerings, and our pricing structure to make the purchase of our NEXTMap information more affordable to a wider array of potential users,” said Mr. Oseth. “We now have a simplified suite of products that our customers can easily understand and our partners can easily sell. These simplified products, coupled with our new market specific applications, create valuable location based information (LBI) that supports our 3D-BI geospatial focus. The success of these changes is beginning to take hold and is a contributing reason for the four-fold increase in our third quarter revenues over last year.”

Total operating costs in the third quarter were $6.9 million, a 20% decrease compared to $8.6 million for the third quarter of 2010. The Company has made significant workforce reductions in 2011 to help reduce its overall operating costs. Consolidated active employee headcount was 261 at September 30, 2011 (including 148 in the Company’s low-cost edit facility in Jakarta, Indonesia). This is a 54% decrease from 568 people at September 30, 2010, which included 378 in the Company’s Jakarta facility. The net impact on total expenses (after severance and termination related costs) of the workforce reductions made during the nine-month period ending September 30, 2011, is approximately $6.8 million on an annualized basis.

Adjusted EBITDA for the third quarter of 2011, a term not defined under IFRS, was positive $1.5 million, an improvement over the third quarter of 2010, which was negative $5.8 million. This quarter is the first quarter of positive adjusted EBITDA for the Company since the third quarter of 2009. The Company reported a third quarter 2011 net loss of $0.8 million, or $(0.01) per share, compared to a net loss of $51.1 million, or ($0.85) per share for the third quarter of 2010, which included an asset impairment charge of $39.1 million.

For the nine months ended September 30, 2011, Intermap reported an 88% increase in revenues to $19.4 million, from $10.3 million for the same period in 2010. Contract services revenue for this period was $8.6 million, a 148% increase from $3.5 million in the same period in 2010, and NEXTMap licensing revenue was $10.7 million, an increase of 57% from $6.8 million for the same period in 2010.

Adjusted EBITDA for the nine month period ended September 30, 2011 was negative $2.4 million, compared to negative $14.5 million for the same period in 2010. For the first nine months of 2011, Intermap reported a net loss of $9.1 million, or ($0.13) per share, compared to a net loss of $70.8 million, or ($1.29) per share for the same period in 2010. The nine month period ended September 30, 2011 includes an asset impairment charge of $39.1 million.

At September 30, 2011, Intermap held cash and cash equivalents of $2.2 million and positive working capital of $0.2 million. This marks a recovery to positive working capital which was last reported at the end of the third quarter of 2010.

The Company believes it has reasonable near-term visibility to meaningful sales opportunities during the remainder of 2011 and into 2012 for mobile data services in North America and Europe, additional mapping services contracts domestically and internationally, risk management applications in Europe, as well as opportunities in several other market segments. The Company will support these opportunities through new product development, improved marketing programs and expanded pricing plans. New location based services product offerings will provide a growing catalog of data layer options, including the integration of third-party data such as LiDAR, satellite imagery, aerial imaging, 3D city models and census information. Additionally, management has refocused the Company's marketing and sales disciplines and believes that the value of the Company's data lies in application solutions for specific vertical markets, and not solely in the data as a standalone product. Please visit the Company's web site at www.intermap.com for additional information about the Company.

As of September 30, 2011, there were 78,959,883 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.

Adjusted EBITDA is not a recognized performance measure under GAAP and does not have a standardized meaning prescribed by IFRS. The term EBITDA consists of net income (loss) and excludes interest, taxes, depreciation, and amortization. Adjusted EBITDA also excludes restructuring costs, stock-based compensation, 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 that are nonrecurring. The most directly comparable measure to adjusted EBITDA calculated in accordance with IFRS is net income (loss).

Intermap Reader Advisory

Certain information provided herein 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.

Reference is made to the Company's audited Consolidated Financial Statements for the year ended December 31, 2010, together with the accompanying notes, which includes a going concern disclosure (Note 1) and such disclosure remains applicable as of the date of the financial statements included herein.

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Management's Discussion and Analysis

For the quarter ended September 30, 2011

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 November 8, 2011, and should be read together with the Company's unaudited Consolidated Interim Financial Statements and the accompanying notes for the three and nine months ended September 30, 2011, and the audited Consolidated Financial Statements for the years ended December 31, 2010, and 2009, together with the accompanying notes, prepared under previous Canadian generally accepted accounting principles (GAAP).

As of January 1, 2010, the Company adopted International Financial Reporting Standards (IFRS). The results reported herein have been prepared in accordance with International Standard 34, Interim Financial Reporting (IAS 34), and using policies consistent with IFRS and, unless otherwise noted, are expressed in United States dollars. See "Change in Accounting Policies" for a discussion of IFRS and its impact on the Company's financial statement presentation.

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 and its subsidiaries' 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) the Company will continue to maintain sufficient and effective production capabilities with respect to the cost to produce its products; (ii) there will be no significant reduction in the availability of qualified and cost-effective human resources; (iii) the continued sales success of Intermap's products and services; (iv) the continued success of business development activities; (v) the continued existence and productivity of subsidiary operations; (vi) there will be no significant delays in the development and commercialization of the Company's products; (vii) new products and services will continue to be added to the Company's portfolio; (viii) demand for 3D geospatial products and services will continue to grow in the foreseeable future; (ix) there will be no significant barriers to the integration of the Company's products and services into customers' applications; and (x) superior 3D 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, revenue fluctuations, loss of key customers, nature of government contracts, breakdown of strategic alliances, economic conditions, common share price volatility, availability of capital, information technology security, loss of proprietary information, competing technologies, and international and political considerations, including but not limited to those risks and uncertainties discussed under the heading "Risk Factors" in the 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 location-based information (LBI) company creating geospatial solutions from uniform, high-resolution 3D digital models of the earth's surface called NEXTMap®. The Company uses these 3D digital models to create geospatial solutions for its customers through the integration of third party data. The NEXTMap database consists of elevation data and geometric images with high accuracy. These geospatial solutions are used in a wide range of applications, including, but not limited to location-based information, geographic information systems (GIS), engineering, GPS maps, insurance risk assessment, oil and gas, renewable energy, hydrology, environmental planning, wireless communications, transportation, and 3D visualization. The products are also used to improve the positional accuracy of airborne and satellite images. Working for private industry, governments, and individual consumers worldwide, Intermap employs its proprietary interferometric synthetic aperture radar (IFSAR) mapping technology, which provides the ability to digitally map large areas accurately and quickly, and acquire data at any time of the day including overcast and dark conditions. The Company also aggregates data into its NEXTMap dataset from other mapping sensor types such as light detection and ranging (LiDAR), aerial photography, and satellite.

The Company has refocused its sales and marketing disciplines and believes the value of the NEXTMap data lies in application solutions for specific vertical markets, and not solely in the data as a standalone product.

As a part of this refocus, the Company changed its pricing strategy and product offerings to include low-cost subscriptions making the purchase of its data more affordable to a wider array of potential users. To help facilitate these changes, a Web-based subscription service has been created and launched for NEXTMap 3D terrain products and related location-based information accessible via cloud-computing. The Web Services offers 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 county or entire state. Subscribers to the Company's Web Services can access the Company's 3D terrain information using their current Web browsers and through popular desktop GIS software applications.

NEXTMap

The NEXTMap datasets are included in the Company's data library, which was built from the acquisition, processing and aggregation of elevation data and geometric images. The NEXTMap datasets include terrain elevation and imagery data. The Company maintains all ownership rights to the data, and sells licenses to the data on a non-transferable basis. The data library includes data from the NEXTMap USA and NEXTMap Europe programs.

NEXTMap USA, the largest NEXTMap program to date, was completed during the second quarter of 2010. The program covers an area of nearly 8.0 million square kilometers of the contiguous United States and Hawaii.

The NEXTMap Europe dataset was completed in 2009, and 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 September 30, 2011, the net book values of the NEXTMap USA and NEXTMap Europe datasets were $11.0 million and $8.6 million, respectively. The net book values of the NEXTMap USA and NEXTMap Europe datasets at December 31, 2010, were $12.9 million and $10.1 million, respectively.

FINANCIAL INFORMATION

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

Selected Quarterly Information

	Three months ended September 30,		Nine months ended September 30,	
U.S. $ millions, except per share data	**2011**	2010(1)	**2011**	2010(1)
Revenue:				
Contract services	**$ 3.2**	$ 0.7	**$ 8.6**	$ 3.5
Data licenses	**4.9**	0.9	**10.8**	6.8
Total revenue	**$ 8.1**	$ 1.6	**$ 19.4**	$ 10.3
Net loss	**$ (0.8)**	$ (51.1)	**$ (9.1)**	$ (70.8)
EPS basic and diluted	**$ (0.01)**	$ (0.85)	**$ (0.13)**	$ (1.29)
Adjusted EBITDA	**$ 1.5**	$ (5.8)	**$ (2.4)**	$ (14.5)

(1) Amounts presented for the three and nine months 2010 have been restated for IFRS.

Revenue

Consolidated revenue for the third quarter of 2011 totaled $8.1 million compared to $1.6 million for the same period in 2010, representing a 419% increase. As of September 30, 2011, there remained $16.8 million in revenue from existing contracts ($6.3 million in contract services and $10.5 million in data licenses contracts) to be recognized in future periods.

Contract services revenue for the third quarter of 2011 increased to $3.2 million from $0.7 million for the same period in 2010, representing a 349% increase. The increase was primarily the result of revenue recognized on a previously announced mapping services project in Southeast Asia of $2.6 million during the third quarter of 2011. Contract services revenue of $0.7 million recognized during the third quarter of 2010 related primarily to a mapping services project in North America, which totaled $0.4 million during the period.

Data licenses revenue for the third quarter of 2011 totaled $4.9 million, compared to $0.9 million for the same period in 2010, representing a 478% increase. The increase was primarily the result of the recognition of revenue on an increase in the quantity and size of licenses sold during the third quarter of 2011 for NEXTMap data in the United States, Europe and Southeast Asia. Data licenses revenue recognized during the third quarter of 2010 resulted from several small contracts.

On a year-to-date basis, consolidated revenue increased by 88% from $10.3 million during the nine months ended September 30, 2010, to $19.4 million during the same period in 2011.

Contract services revenue for the nine-month period ended September 30, 2011 was $8.6 million, a 148% increase over the $3.5 million that was recorded during the same period in 2010. The increase was primarily the result of an increase in revenue from a mapping services project in Southeast Asia for which the Company recognized $7.4 million in revenue for the nine months ended September 30, 2011. The contract services revenue recognized on a year-to-date basis in 2010 included contract services projects in North America totaling $1.7 million and $0.8 million from contract services work performed in relation to risk management initiatives in Europe.

Data licenses revenue for the nine-month period ended September 30, 2011 was $10.8 million, an increase of 57% over the same period in 2010, which totaled $6.8 million. The increase was primarily the result of the recognition of revenue on five significant contracts for NEXTMap data in the United States during the nine-month period in 2011, which generated $4.6 million in revenue. Contracts for NEXTMap data in Europe and Southeast Asia accounted for the majority of the remaining revenue recognized during the nine-month period in 2011. The data licenses revenue recognized during the nine-month period in 2010 was primarily the result of three significant sales of NEXTMap data in Europe and Southeast Asia.

The Company believes that world economic difficulties have continued to affect its revenues during 2011. Existing and potential customers appear to be maintaining a cautious approach to their businesses, conserving cash by deferring previously planned projects and re-evaluating their short-term operating budgets. To address the continued economic difficulties, the Company has modified its pricing strategy and product offerings to include low-cost subscriptions to make the purchase of data more affordable to a wider array of potential users. Additionally, the Company is developing new low cost, market specific applications that utilize its NEXTMap data to address customers' specific geospatial needs.

Classification of Operating Costs

In connection with the transition to IFRS during the first quarter of 2011, the Company changed the classification of its operating costs on the Condensed Consolidated Interim Statements of Comprehensive Income. The composition of the operating costs classification is as follows:

U.S. $ millions	For the three months ended September 30, 2011	For the three months ended September 30, 2010(1)	For the nine months ended September 30, 2011	For the nine months ended September 30, 2010(1)
Personnel	**$ 3,487**	$ 5,778	**$ 13,293**	$ 16,432
Purchased services & materials	**2,472**	1,540	**7,735**	6,614
Travel	**410**	301	**1,241**	1,351
Facilities and other expenses	**511**	1,012	**2,104**	2,656
	$ 6,880	$ 8,631	**$ 24,373**	$ 27,053

(1)Amounts presented for the three and nine months in 2010 have been restated for IFRS.

Personnel

Personnel expense includes direct labor, employee compensation, employee benefits, and commissions. For the three-month periods ended September 30, 2011 and 2010, personnel expense was $3.5 million and $5.8 million, respectively. The 40% decrease in the three-month period ended September 30, 2011 from the same period in 2010, is primarily due to workforce reductions associated with the Company's restructuring activities over the prior twelve-month period. The amount shown for the three-month period ended September 30, 2011 includes $17 thousand of severance and termination costs compared to $1.1 million of these costs during the same period in 2010.

For the nine-month periods ended September 30, 2011 and 2010, personnel expense was $13.3 million and $16.4 million, respectively. The 23% decrease for the nine-month period in 2011 compared with the same period in 2010 is primarily due to workforce reductions associated with Company's restructuring activities over the prior twelve-month period.

Consolidated active employee headcount was 261 at September 30, 2011, (including 148 in Jakarta, Indonesia), a 54% decrease from 568 at September 30, 2010 (including 378 in Jakarta, Indonesia). The decrease in personnel count was driven by a decrease in the following functional areas: operations 64%, or 238 personnel; sales and marketing 42%, or 24 personnel; engineering, research and development 30%, or 24 personnel; and administrative 37%, or 21 personnel. On an annualized basis, the net impact on total expenses (after severance and termination related costs) of the workforce reductions made during the nine-month period ending September 30, 2011, is approximately $6.8 million.

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 three-month periods ended September 30, 2011 and 2010, totaled $0.3 million and $0.2 million, respectively. Non-cash share-based compensation for the nine-month periods ended September 30, 2011 and 2010, totaled $1.1 million and $0.8 million, respectively. The increase of $0.3 million in the nine-month period ended September 30, 2011 was primarily due to (i) share-based compensation issued to the Company's new Chief Executive Officer pursuant to his employment agreement, (ii) Board of Directors compensation, and (iii) the issuance of employee share options in March 2011. These increases were partially offset by the expiration, forfeiture and full vesting of share options that were granted in earlier periods and therefore incurred no additional expense during the current periods shown in 2011.

Purchased Services and Materials

Purchased services and materials (PS&M) 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). For the three-month periods ended September 30, 2011 and 2010, PS&M expense was $2.5 million and $1.5 million, respectively. The increase in this category of expense is primarily related to an increase in aircraft fuel and maintenance expenses associated with a large mapping services contract in Southeast Asia. These increases were partially offset by reductions in the majority of individual cost categories within this expense grouping as a result of significant cost cutting measures initiated during the second half of 2010 and carried through during the first nine months of 2011. The cost cutting measures focused on the reduction of non-critical consulting services, purchased materials and other service related expenses.

For the nine-month periods ended September 30, 2011 and 2010, PS&M expense was $7.7 million and $6.6 million, respectively. The increase in this category of expense is primarily related to increased job and sub-contractor expenses associated with a large mapping services contract in Southeast Asia. This increase was partially offset by reductions in the majority of individual cost categories within the PS&M expense grouping as a result of major cost cutting measures initiated during the second half of 2010 and carried forward through the first nine months of 2011.

Travel

For the three-month periods ended September 30, 2011 and 2010, travel expense was $0.4 million and $0.3 million, respectively. The increase during the three-month period ended September 30, 2011 compared to the same period in 2010 is primarily the result of increased travel by operations personnel associated with a large mapping services contract underway in Southeast Asia.

For the nine-month periods ended September 30, 2011 and 2010, travel expense was $1.2 million and $1.4 million, respectively. The decrease during the nine-month period ended September 30, 2011 compared to the same period in 2010 is primarily the result of decreased travel for sales and marketing personnel resulting from the Company's cost cutting measures. This decrease was partially offset by increases in operations personnel travel associated with a large mapping services contract underway in Southeast Asia.

Facilities and Other Expenses

For the three-month periods ended September 30, 2011 and 2010, facilities and other expenses were $0.5 million and $1.0 million, respectively. The decrease for the three-month period ended September 30, 2011 compared to the same period in 2010 is primarily the result of bad debt totaling $0.3 million that was expensed during the three-month period ended September 30, 2010.

For the nine-month periods ended September 30, 2011 and 2010, facilities and other expenses were $2.1 million and $2.7 million, respectively. The decrease for the nine-month period ended September 30, 2011 compared to the same period in 2010 is primarily due to cash conservation efforts to reduce other facility related costs, as well as a bad debt expense in 2010 totaling $0.3 million. The reduction in 2011 expenses were partially offset by $0.3 million of facility costs associated with the closure of the Company's Munich, Germany facility during the nine-month period ended September 30, 2011. The facility closure costs include all net future lease payments associated with the respective facility leases through the lease termination dates. Accordingly, facility expenses have decreased in the periods subsequent to the closure dates by the amounts that would have been recorded in such periods if the facility closures had not occurred (see "Provisions" below).

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 September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
Net loss	**$ (0.8)**	$ (51.1)	**$ (9.1)**	$ (70.8)
Depreciation of property and equipment	**0.8**	1.2	**2.7**	3.6
Amortization of data library	**1.2**	3.7	**3.5**	10.5
Impairment of data library	**-**	39.1	**-**	39.1
Amortization of intangible assets	**0.1**	0.1	**0.3**	0.3
Restructuring costs	**-**	1.1	**1.5**	1.6
Stock-based compensation	**0.3**	0.2	**1.1**	0.8
Interest expense	**0.1**	-	**0.1**	-
Loss (gain) on disposal of equipment	**-**	-	**(2.5)**	0.1
Loss (gain) on foreign currency translation	**(0.2)**	(0.1)	**-**	0.3
Adjusted EBITDA	**$ 1.5**	$ (5.8)	**$ (2.4)**	$ (14.5)

Adjusted EBITDA for the three-month period ended September 30, 2011 was a positive $1.5 million, compared to a negative $5.8 million for the same period in 2010. The improvement in adjusted EBITDA resulted from a reduction in operating costs of $0.7 million (net of restructuring costs) and an increase in revenue of

$6.5 million during the three-month period ended September 30, 2011, as compared to the same period in 2010.

Adjusted EBITDA for the nine-month period ended September 30, 2011 was negative $2.4 million, compared to a negative $14.5 million for the same period in 2010. The improvement in the adjusted EBITDA loss is primarily attributable to an increase in revenue of $9.0 million, and a reduction of operating expenses (net of restructuring costs) of $3.1 million for the nine-month period ended September 30, 2011, as compared to the same period in 2010.

Depreciation of Property and Equipment

Depreciation expense for the three-month period ended September 30, 2011 totaled $0.8 million (nine-month period $2.7 million), compared to $1.2 million (nine-month period $3.6 million) for the same period in 2010. The decrease in depreciation expense is primarily the result of certain NEXTMap dedicated assets reaching the end of their useful lives.

Amortization of Data Library

Amortization expense relating to the data library for the three-month period ended September 30, 2011, decreased to $1.2 million from $3.5 million for the same period in 2010. For the nine-month periods ended September 30, 2011 and 2010, amortization expense relating to the data library was $3.5 million and $10.5 million, respectively. The decrease in data library amortization expense was due to the impairment charge of the data library asset recorded during the last half of 2010.

Loss (Gain) on the Disposal of Equipment

During 2010, the Company committed to sell one of its IFSAR enabled aircraft, which was no longer required subsequent to the completion of the NEXTMap USA and NEXTMap Europe datasets. The aircraft and IFSAR radar equipment (including associated processing technology and software tools) had a net book value of $1.2 million and $0.3 million, respectively, at the end of June 2011 when the ownership of the aircraft and radar system passed to the purchaser. The Company received full proceeds from the purchaser for the sale of the assets totaling $4.0 million in December 2010. The gain recognized from the sale of these assets in the nine-month period ended September 30, 2011 was $2.5 million.

Financing Costs

Financing income is generated from the investment of cash in low-yield government-backed securities (see “Liquidity and Capital Resources”). The investment of these funds earned the Company a minimal amount in financing income during the three-month period ended September 30, 2011, compared to $6 thousand during the same period in 2010. During the nine-month periods ended September 30, 2011 and 2010, financing income was $2 thousand and $7 thousand, respectively.

Financing expense for the three-month period ended September 30, 2011 totaled $48 thousand (nine-month period $114 thousand), compared to $38 thousand (nine-month period $122 thousand) for the same period in 2010. The increase in financing expense in the three-month period ending September 30, 2011 compared to the same period in 2010 is due to interest on an outstanding promissory note. The decrease in financing costs in the nine-month period ended September 30, 2011 compared to the same period in 2010 is due to the reduction of principal resulting from recurring payments on long-term debt and a term loan reaching maturity and final payments made on August 9, 2010, offset by interest on an outstanding promissory note.

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, Australian dollar, Euro and United States dollar currencies. The result is a partial natural currency hedge for the Company.

During the three-month period ended September 30, 2011, a foreign currency translation gain of $192 thousand was recorded compared to a gain of $130 thousand for the same period in 2010. During the nine-month period ended September 30, 2011, a foreign currency translation gain of $40 thousand was recorded compared to a loss of $261 thousand for the same period in 2010. The gains for 2011 were primarily the result of gains on the accounts payable balances held in foreign currencies.

Income Tax

Current income tax expense of $47 thousand (nine-month period expense of $127 thousand) was incurred during the three-month period ended September 30, 2011, compared to an expense of $15 thousand (nine-month period expense of $44 thousand) during the same period in 2010. This expense relates to taxable income generated from the Company's Indonesian, Slovak Republic, United Kingdom, Czech Republic and Australian subsidiaries.

During the three-month period ended September 30, 2011, a deferred income tax recovery of $20 thousand (nine-month period recovery of $60 thousand), compared to a recovery of $19 thousand (nine-month period recovery of $10 thousand) for the same period in 2010 was recorded. The changes were the result of a deferred income tax recovery resulting from the amortization of intangible assets held in the Czech Republic subsidiary, which have no tax basis. The Company did not recognize any income tax expense on any other operations during the three and nine-month periods ended September 30, 2011 and 2010, due to losses incurred in the United States and Canada.

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 increased slightly from $5.2 million at December 31, 2010 to $5.3 million at September 30, 2011. The increase was primarily due to increased revenue on a contract services project, offset by the timing of collections. These amounts represent 57 days' sales at September 30, 2011, compared to 120 days sales at December 31, 2010, and reflect specific project billing milestones on current contracts that were in progress on those dates.

Non-Current Assets Held for Sale and Deposit for Sale of Assets

During 2010, the Company committed to sell one of its IFSAR enabled aircraft, which was no longer required subsequent to the completion of the NEXTMap USA and NEXTMap Europe datasets. The aircraft and IFSAR radar equipment (including associated processing technology and software tools) had a net book value of $1.2 million and $0.3 million, respectively, at the time the ownership passed to the purchaser on the assets at the end of June 2011.

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 $4.8 million at December 31, 2010, to $5.9 million at September 30, 2011. This increase is due to the timing of payments against the Company's trade payables. Accounts payable at December 31, 2010, and at September 30, 2011, includes $1.6 million that was converted to a promissory note during 2010 defining the payment terms of an outstanding accounts payable balance. The promissory note is payable beginning in the last quarter of 2011, subject to available cash resources within the Company.

Provisions

Provisions decreased to $1.3 million at September 30, 2011, compared to $1.6 million at December 31, 2010. At the end of 2009, the Company announced its decision to close its facility in Ottawa, Canada, resulting in the recognition of a liability for future lease payments of $0.7 million. Of this total obligation, $0.3 million was recorded as long-term provisions and $0.4 million was included in current portion of provisions as of September 30, 2011. In June 2011, the Company began the closure process of its facility in Munich, Germany, resulting in the recognition of a liability for future lease payments of $0.3 million. This amount was included in current portion of provisions as of September 30, 2011.

The balance in current portion of provisions at September 30, 2011, includes $0.3 million of expenses related to reductions in workforce that occurred in January and June of 2011. At December 31, 2010, current portion of provisions include $0.8 million of expenses related to a reduction in workforce that occurred in the third quarter of 2010 and $0.3 million related to the closure of the Company's Ottawa, Canada office during 2010.

Unearned Revenue

The unearned revenue balance at September 30, 2011 decreased to $0.2 million from $4.9 million at December 31, 2010. 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 decrease from December 31, 2010 is primarily due to work performed on a contract services project during the first nine months of 2011 for which advance payments were made by the customer in 2010.

Finance Lease Obligations and Long-Term Debt

Finance lease obligations and long-term debt totaled $1.4 million at September 30, 2011, and December 31, 2010. Recurring payments on outstanding finance lease obligations and long-term bank loan obligations existing at December 31, 2010 were offset by the purchase via finance lease of $0.6 million of data storage equipment and software in September 2011.

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	Q4 2009	Q1 2010 (1)	Q2 2010 (1)	Q3 2010 (1)	Q4 2010 (1)	Q1 2011	Q2 2011	**Q3 2011**
Revenue:								
Contract services	$ 4.9	$ 1.2	$ 1.6	$ 0.7	$ 0.8	$ 2.9	$ 2.4	**$ 3.2**
Multi-client data licenses	3.3	2.3	3.7	0.9	2.8	3.9	2.0	**4.9**
Total revenue	$ 8.2	$ 3.5	$ 5.3	$ 1.6	$ 3.6	$ 6.8	$ 4.4	**$ 8.1**
Depreciation and amortization	$ 4.9	$ 4.5	$ 5.0	$ 4.9	$ 4.9	$ 2.1	$ 2.1	**$ 2.0**
Impairment of data library	$ -	$ -	$ -	$ 39.1	$ 13.7	$ -	$ -	**$ -**
Net loss	$ (7.6)	$ (10.5)	$ (9.2)	$ (51.1)	$ (27.0)	$ (4.9)	$ (3.4)	**$ (0.8)**
Net loss per share basic and diluted	$ (0.15)	$ (0.20)	$ (0.18)	$ (0.85)	$ (0.48)	$ (0.08)	$ (0.05)	**$ (0.01)**

(1) Amounts presented for 2010 have been restated for IFRS, and the amounts presented for Q4 2009 have not been restated and are the originally disclosed amounts under GAAP.

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 and deferred revenue, (ii) investing activities, including the investment in the data library and the purchase of property and equipment, and (iii) financing activities, including debt financing and the issuance of capital stock.

Cash used in operations during the three-month period ended September 30, 2011 totaled $1.1 million (nine-month period $7.8 million), compared to cash used by operations of $4.6 million (nine-month period $7.1 million) during the same period in 2010. The lower cash used in operations during the three-month period ended September 30, 2011 compared to the same period in 2010, resulted primarily from lower net loss during the period. In the nine-month period ended September 30, 2011 compared to the same period in 2010, cash used in operations increased by $0.7 million due primarily to negative changes in non-cash operating working capital, which was offset by an improvement in net loss.

Net cash used in investing activities totaled $0.1 million (nine-month period $0.3 million) for the three months ended September 30, 2011, compared to $1.2 million (nine-month period $4.7 million) during the same period in 2010. Cash used in investing activities during the three-month period ended September 30, 2011 was primarily for the development of intangible assets of $0.1 million (nine-month period $0.2 million), and the purchase of computer related equipment of $Nil (nine-month period of $0.1 million) compared to investment in the data library of $1.0 million (nine-month period $3.9 million), and the purchase of property and equipment of $0.2 million (nine-month period $0.8 million) during the same period in 2010. For the nine months ended September 30, 2011 compared to the same period in 2010, there was no investment in the data library as the NEXTMap USA dataset was completed in 2010.

Net cash used for financing activities totaled $0.2 million during the three months ended September 30, 2011, compared $4.7 million of cash provided by financing activities during the same period in 2010. The net cash used for financing activities during the three months ended September 30, 2011 includes the repayment of long-term debt and capital leases of $0.2 million (nine-month period $0.6 million). The net cash provided from financing activities for the three months ended September 30, 2010 includes $0.8 million (nine-month period $1.4 million) of repayments on long-term debt and capital leases. The net cash generated from financing activities during the three months ended September 30, 2010 was due to a share issuance of 8,125,000 Class A common shares for a total gross consideration of $6.2 million, offset by $0.7 million of securities issuance costs. The net cash generated from financing activities during the nine months ended September 30, 2011 was due to the completion of a share issuance of 16,125,000 units (each unit consist of one Class A common share of the Company and one common share purchase warrant) for total gross consideration of $6.8 million, offset by $0.4 million of securities issuance costs.

The cash position of the Company at September 30, 2011 (cash and cash equivalents) was $2.2 million, compared to $4.4 million at December 31, 2010. Working capital improved to a positive $0.2 million as of September 30, 2011, from a negative $3.5 million as of December 31, 2010. The positive working capital position at September 30, 2011 is primarily driven by a decreased balance in unearned revenue and materially unchanged levels of accounts payable and accounts receivable balances.

During the three-month period ended September 30, 2011, the Company incurred a loss of $0.8 million (nine-month period $9.1 million) and had negative cash flow from operations of $1.1 million (nine-month period negative $7.8 million). In addition, the Company has an accumulated deficit of $178.8 million. The Company's continuing operations are dependent on its ability to obtain 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 several organizational restructurings, new senior management, the sale of excess capacity assets, a company-wide cost-reduction program, adjustments to the sales and marketing functions, changes to the pricing structure of its products and services, and the raising of additional capital. These actions have begun to make a positive impact on the performance of the Company as is evidenced by the reduced net loss and the positive $1.4 million of adjusted EBITDA recorded during the third quarter of 2011. 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.

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 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 sales 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.

During December 2010, a strategic review of the Company's approach to selling the NEXTMap datasets in the United States and Europe was undertaken by the new executive management of the Company. Upon completion of this review, it was determined that the historical pricing strategy of the NEXTMap datasets required downward adjustment and the Company could no longer afford to invest the resources necessary to exploit certain target markets previously identified. These changes, coupled with the Company's history of losses, led the Company to perform an asset impairment review to determine if the carrying value of the NEXTMap USA and NEXTMap Europe cash generating units were recoverable. The Company determined that the future expected cash flows of the datasets were insufficient to recover the carrying value of the assets, resulting in an impairment charge being taken. For IFRS reporting purposes, the impairment charge was recorded during the three-month periods ended September 30, 2010 and December 31, 2010 in the amounts of $39.1 million and $13.7 million, respectively. Subsequent to the combined impairment charges, the net book value of the NEXTMap USA and NEXTMap Europe datasets at December 31, 2010 were $12.9 million and $10.1 million, respectively.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company prepared its condensed consolidated interim financial statements in accordance with IAS34 as issued by the International Accounting Standards Board (IASB) and using the accounting policies the Company expects to adopt in its consolidated financial statements as at and for the year ending December 31, 2011.

These condensed consolidated interim financial statements are subsequent to the Company's transition to IFRS, effective as of January 1, 2010 (the Transition Date), and the Company's first reporting period under IFRS was the three months ended March 31, 2011. Full disclosure of the impact of the Company's transition to IFRS can be found in notes 2, 3 and 16 to the Company's financial statements for the first quarter ended March 31, 2011, and within the Company's MD&A for the first quarter ended March 31, 2011.

IFRS Transition

In preparing its opening IFRS condensed consolidated interim balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. The following table outlines the adjustments to shareholders' equity at September 30, 2010.

		September 30, 2010
Shareholders' equity under GAAP	$	89,887
Non-current assets held for sale		(212)
Property and equipment		142
Data library		(36,687)
Intangible assets		108
Shareholders' equity under IFRS	**$**	**53,238**

A reconciliation of comprehensive income under GAAP and IFRS for the three and nine months ended September 30, 2010, is as follows:

		Three Months Ended **September 30, 2010**		Nine Months Ended **September 30, 2010**
Comprehensive loss under GAAP	$	11,834	$	33,077
Net loss adjustments:				
Operating costs		(40)		(1,230)
Depreciation of property and equipment		(3)		(10)
Amortization of data library		224		(212)
Amortization of intangible assets		12		33
Impairment of data library		39,143		39,143
Loss on foreign currency translation		(61)		21
Total net loss adjustments		39,275		37,745
Comprehensive loss adjustments:				
Foreign currency translation differences		(41)		(15)
Comprehensive loss under IFRS	**$**	**51,068**	**$**	**70,807**

Note 19 to the Company's financial statements for the third quarter ended September 30, 2011 includes further details on the transition adjustments between GAAP and IFRS.

Post implementation

The post-implementation phase will involve continuous monitoring of changes in IFRS in future periods. It is noted that the standard-setting bodies that determine IFRS have significant ongoing projects that could impact the IFRS accounting policies that have been selected. In particular, it is expected that there may be additional new or revised IFRS standards or International Financial Reporting Interpretations Committee (IFRIC) interpretations in relation to consolidation, financial instruments, leases and revenue recognition. Processes are in place to ensure that potential changes are monitored and evaluated. The impact of any new IFRS standards and IFRIC interpretations will be evaluated as they are drafted and published.

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 November 4, 2011, 78,959,883 Class A common shares were issued and outstanding. There are no preferred shares currently issued and outstanding.

As of November 4, 2011, 4,977,915 share options are outstanding in the Company's share option plan with a weighted average exercise price of C$2.01. In addition, there are 17,375,000 warrants outstanding that are exercisable with a weighted average exercise price of C$0.48, and each warrant entitles the holder to purchase one Class A common share.

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 September 30, 2011, 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 September 30, 2011, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Other than changes related to the Company's IFRS transition plan, there have been no changes in the design of internal controls over financial reporting that occurred during the quarter ended September 30, 2011, 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 Management's Discussion and Analysis presented in the 2010 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)
(Unaudited)

	September 30, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	$ 2,188	$ 4,356
Amounts receivable	3,821	4,156
Unbilled revenue	1,445	1,016
Work in process	26	59
Prepaid expenses	831	1,039
Non-current assets held for sale (Note 4)	-	1,488
	8,311	12,114
Property and equipment (Note 5)	5,972	7,908
Data library (Note 6)	19,592	23,049
Intangible assets (Note 7)	354	551
Deferred tax assets	5	5
	$ 34,234	$ 43,627
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (Note 8)	$ 5,890	$ 4,780
Current portion of provisions (Note 14)	1,012	1,109
Current portion of deferred lease inducements	94	123
Unearned revenue	239	4,873
Deposit for sale of assets (Note 4)	-	4,000
Income taxes payable	72	50
Current portion of obligations under finance lease (Note 9)	313	151
Current portion of long-term debt (Note 10)	524	527
	8,144	15,613
Deferred lease inducements	355	286
Long-term provisions (Note 14)	280	531
Obligations under finance lease (Note 9)	347	41
Long-term debt (Note 10)	228	658
Deferred tax liabilities	33	93
	9,387	17,222
Shareholders' equity:		
Share capital (Note 12)	193,986	187,253
Accumulated other comprehensive income	82	128
Contributed surplus (Note 12(c))	9,553	8,700
Deficit	(178,774)	(169,676)
	24,847	26,405
Going concern (Note 2(a))		
Commitments (Note 13)		
	$ 34,234	$ 43,627

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Comprehensive Income

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

(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2011	2010	**2011**	2010
Revenue:				
Contract services	**$ 3,198**	$ 713	**$ 8,618**	$ 3,473
Data licenses	**4,886**	845	**10,733**	6,832
	8,084	1,558	**19,351**	10,305
Expenses:				
Operating costs (Note 11)	**6,880**	8,631	**24,373**	27,053
Depreciation of property and equipment	**797**	1,156	**2,636**	3,541
Amortization of data library	**1,152**	3,721	**3,457**	10,559
Impairment of data library	**-**	39,143	**-**	39,143
Amortization of intangible assets	**136**	118	**363**	348
	8,965	52,769	**30,829**	80,644
Operating loss	**(881)**	(51,211)	**(11,478)**	(70,339)
Gain (loss) on disposal of equipment	**1**	-	**2,514**	(72)
Financing costs	**(46)**	(32)	**(107)**	(116)
Gain (loss) on foreign currency translation	**192**	130	**40**	(261)
Loss before income taxes	**(734)**	(51,113)	**(9,031)**	(70,788)
Income tax (expense) recovery:				
Current	**(47)**	(15)	**(127)**	(44)
Deferred	**20**	19	**60**	10
	(27)	4	**(67)**	(34)
Net loss for the period	**$ (761)**	$ (51,109)	**$ (9,098)**	$ (70,822)
Other comprehensive (loss) income:				
Foreign currency translation differences	**(55)**	41	**(46)**	15
Total comprehensive loss for the period	**$ (816)**	$ (51,068)	**$ (9,144)**	$ (70,807)
Basic and diluted loss per share	**$ (0.01)**	$ (0.85)	**$ (0.13)**	$ (1.29)
Weighted average number of Class A common shares - basic and diluted (Note 12(d))	**78,692,914**	60,218,161	**70,616,344**	55,056,308

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Equity

(In thousands of United States dollars)
(Unaudited)

	Share Capital	Contributed Surplus	Cumulative Translation Adjustments	Deficit	Total
Balance at January 1, 2010	$ 181,623	$ 7,858	$ 147	$ (71,835)	$ 117,793
Comprehensive loss for the period	-	-	15	(70,822)	(70,807)
Share-based compensation	100	573	-	-	673
Issuance of shares	6,157	-	-	-	6,157
Issuance costs	(688)	-	-	-	(688)
Compension options isued to agent	-	110	-	-	110
Balance at September 30, 2010	187,192	8,541	162	(142,657)	53,238
Comprehensive loss for the period	-	-	(34)	(27,019)	(27,053)
Share-based compensation	98	159	-	-	257
Issuance costs	(37)	-	-	-	(37)
Balance at December 31, 2010	187,253	8,700	128	(169,676)	26,405
Comprehensive loss for the period	-	-	(46)	(9,098)	(9,144)
Share-based compensation	591	588	-	-	1,179
Issuance of shares	6,791	-	-	-	6,791
Issuance costs	(384)	-	-	-	(384)
Compension options issued to agent	(265)	265	-	-	-
Balance at September 30, 2011	$ 193,986	$ 9,553	$ 82	$ (178,774)	$ 24,847

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

(In thousands of United States dollars)
(Unaudited)

	For the nine months ended September 30, **2011**	2010
Cash flows (used in) provided by:		
Operating activities:		
Net loss for the period	**$ (9,098)**	$ (70,822)
Adjusted for the following non-cash items:		
Depreciation of property and equipment	**2,636**	3,541
Amortization of data library	**3,457**	10,559
Impairment of data library	**-**	39,143
Amortization of intangible assets	**363**	348
Share-based compensation expense	**1,179**	810
(Gain) loss on disposal of equipment	**(2,514)**	72
Amortization of deferred lease inducements	**81**	(222)
Deferred taxes	**(60)**	(10)
Financing costs	**107**	116
Current income tax expense	**127**	44
Interest paid	**(66)**	(117)
Income tax paid	**(86)**	(111)
Change in non-cash operating working capital	**(3,889)**	9,564
	(7,763)	(7,085)
Investing activities:		
Purchase of property and equipment	**(102)**	(860)
Investment in intangible assets	**(167)**	-
Investment in data library	**-**	(3,879)
Proceeds from sale of equipment	**1**	19
	(268)	(4,720)
Financing activities:		
Proceeds from issuance of common shares	**6,791**	6,157
Securities issuance costs	**(384)**	(688)
Repayment of obligations under finance lease	**(164)**	(119)
Repayment of long-term debt	**(398)**	(1,266)
	5,845	4,084
Effect of foreign exchange on cash	**18**	(127)
Decrease in cash and cash equivalents	**(2,168)**	(7,848)
Cash and cash equivalents, beginning of period	**4,356**	10,355
Cash and cash equivalents, end of period	**$ 2,188**	$ 2,507

See accompanying notes to condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

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

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 1250 Standard Life Building, 639 – 5th Avenue S.W., Calgary, Alberta, T2P 0M9.

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 nine months ended September 30, 2011, the Company incurred a loss of $9,098 and negative cash flow from operations of $7,763. In addition, the Company has an accumulated deficit of $178,774 and its continuing operations are dependent on its ability to generate future profitable operations, sell excess capacity assets, and / or obtain additional financing to fund future operations, and ultimately, to generate positive cash flows from operations.

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 an organizational restructuring, sale of excess capacity assets, a company-wide cost reduction program, 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), and using the accounting policies the Company expects to adopt in its consolidated financial statements for the year ending December 31, 2011. These accounting policies are disclosed in Note 3 of the Company's 2011 first quarter condensed consolidated interim financial statements.

These are the Company's third quarterly condensed consolidated interim financial statements subsequent to the Company's transition to International Financial Reporting Standards (IFRS), effective as of January 1, 2010 (the Transition Date). IFRS 1, First-time adoption of IFRS (IFRS 1), has been applied. An explanation of how the transition to IFRS has affected these interim consolidated financial statements is included in Note 18. As these quarterly condensed consolidated financial statements are prepared using IFRS, certain disclosures required to be included in the annual consolidated financial statements prepared in accordance with IFRS were included in Notes 16 and 17 of the Company's 2011 first quarter condensed consolidated interim financial statements.

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of November 4, 2011, the date the Board of Directors approved the condensed consolidated interim financial statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2011, could result in restatement of these condensed consolidated interim financial statements, including the transition adjustments recognized on change-over to IFRS.

These condensed consolidated interim financial statements should be read in conjunction with the Company's 2010 annual consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles (GAAP) and with the IFRS accounting policies, transition disclosures and selected annual disclosures in Notes 1, 3, 16, and 17 of the Company's 2011 first quarter 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 interim consolidated financial statements have been prepared using the same accounting policies and methods as were used to prepare the Company's 2011 first and second quarter condensed consolidated interim financial statements.

4. Non-current assets held for sale:

During 2010, the Company committed to sell one of its interferometric synthetic aperture radar (IFSAR)-enabled aircraft, which is no longer required subsequent to the completion of the NEXTMap USA and NEXTMap Europe datasets. The aircraft and IFSAR-enabled equipment had a carrying value of $1,142 and $346, respectively. The aircraft and associated IFSAR-enabled equipment were presented within current assets as non-current assets held for sale on the December 31, 2010, condensed consolidated balance sheet. The Company received a payment of $4,000 from the purchaser in December 2010, and such payment was presented in the December 31, 2010, condensed consolidated balance sheet within current liabilities as deposit for sale of assets, pending delivery of the aircraft and associated radar equipment to the customer, and also the receipt of certain governmental approvals associated with the sale and usage of the radar equipment. The aircraft ownership and associated IFSAR-enabled equipment were transferred to the buyer in June 2011, subsequent to the receipt of the necessary governmental approvals, and the Company recorded a gain on the sale of $2,513.

5. Property and equipment:

Property and equipment	Aircraft	Mapping equipment	Furniture, fixtures & auto	Leases	Under construction	Total
Balance at January 1, 2010	$ 6,180	$ 6,278	$ 143	$ 310	$ 391	$ 13,302
Additions	-	142	-	370	873	1,385
Disposals	-	(8)	-	(84)	-	(92)
Depreciation	(1,063)	(3,242)	(66)	(196)	-	(4,567)
Capitalized depreciation (Note 6)	-	(632)	-	-	-	(632)
Transfer from under construction	-	1,233	-	-	(1,233)	-
Transfer to held for sale	(1,488)	-	-	-	-	(1,488)
Balance at December 31, 2010	3,629	3,771	77	400	31	7,908
Additions	-	67	-	-	-	67
Disposals	-	-	-	-	-	-
Depreciation	(159)	(741)	(14)	(42)	-	(956)
Transfer from under construction	-	30	-	-	(30)	-
Balance at March 31, 2011	3,470	3,127	63	358	1	7,019

Additions	-	28	-	-	-	28
Disposals	-	-	-	-	-	-
Depreciation	(166)	(662)	(12)	(43)	-	(883)
Transfer from under construction	-	1	-	-	(1)	-
Balance at June 30, 2011	3,304	2,494	51	315	-	6,164
Additions	-	7	-	-	-	7
Finance Lease	-	614	-	-	-	614
Disposals	-	(16)	-	-	-	(16)
Depreciation	(167)	(575)	(14)	(41)	-	(797)
Transfer from under construction	-	-	-	-	-	-
Balance at September 30, 2011	$ 3,137	$ 2,524	$ 37	$ 274	$ -	$ 5,972

The gross amount of property and equipment at September 30, 2011, was $41,165 (year ended December 31, 2010 – $40,507). The accumulated depreciation at September 30, 2011, was $35,193 (year ended December 31, 2010 – $32,599).

6. Data library:

Data library	
Balance at January 1, 2010	$ 87,520
Direct costs and overhead	3,878
Capitalized depreciation (Note 5)	580
Amortization and impairment charge	(49,702)
Balance at September 30, 2010	42,276
Direct costs and overhead	727
Capitalized depreciation (Note 5)	52
Amortization and impairment charge	(20,006)
Balance at December 31, 2010	23,049
Amortization	(1,152)
Balance at March 31, 2011	21,897
Amortization	(1,153)
Balance at June 30, 2011	20,744
Amortization	(1,152)
Balance at September 30, 2011	$ 19,592

The following table outlines the charges associated with the impairment for the quarter ended September 30, 2010 and the year ended December 31, 2010:

	September 30, 2010		December 31, 2010	
	NEXTMap USA	NEXTMap Europe	NEXTMap USA	NEXTMap Europe
Historical Cost	$ 80,997	$ 38,554	$ 81,064	$ 39,266
Impairment and Accumulated Amortization	(58,467)	(18,809)	(68,119)	(29,162)
	$ 22,530	$ 19,745	$ 12,945	$ 10,104

In connection with the conversion to IFRS, the Company assessed the data library for impairment using a single step approach. Under GAAP, a two step approach is followed. In the first step the discounted cash flows are compared to the carrying value of the asset group to determine if there is any impairment. If the undiscounted cash flows exceed the carrying value then no second step is performed. If the undiscounted cash flows do not exceed the carrying value of the asset group then the fair value of the asset group is determined in order to assess the impairment charge. IFRS uses a single step approach and the fair value of cash generating units is determined in order to assess any impairment charge.

When performing the IFRS impairment test at September 30, 2010, the fair value of the cash generating units were determined using the same estimated future cash flows as originally evaluated under GAAP and were discounted using a rate commensurate with the risk associated with the estimated future cash flows and assets at that time. The Company determined the fair value of the datasets were insufficient to recover the carrying value of the assets, resulting in an impairment charge at September 30, 2010 of $39,143.

In December of 2010, a strategic review of the Company's approach to selling the NEXTMap datasets in the United States and Europe was undertaken by the new executive management of the Company. Upon completion of this review, it was determined that the historical pricing strategy of the NEXTMap datasets required downward adjustment, and the Company could no longer afford to invest the resources necessary to exploit certain target markets previously identified. As a result, an impairment test was triggered and a review was performed during the fourth quarter of 2010 to determine if the carrying value of the NEXTMap USA and NEXTMap Europe asset groups were recoverable.

The Company reviewed its cash-generating units which represent the smallest group of assets that generate cash in-flows from continuing use that are largely independent of the cash flows of other assets. The Company determined that an impairment test was required for its NEXTMap Europe, NEXTMap USA, and contract services cash-generating units.

The recoverable amount of the NEXTMap datasets was determined using the value in use of each of the cash-generating units. Value in use was determined by discounting the future cash flows generated from continuing use of the unit. The calculation of value in use was based on the following key assumptions for all units:

- Cash flows were projected based on past experience, actual operating results, and the business plans of the Company.

- Cash flows were projected for a period of five years being the minimum expected useful life of each unit. Five years was used as this period coincided with the Company's business plans and the expected minimum useful life of the assets. The assets were recently completed or completion is in progress, and a steady rate of growth has not been achieved.
- The revenues were based on specific opportunities identified, historical experience, and market studies.
- Costs have been estimated based on the Company's strategic plans and estimated effort involved in achieving the forecasted revenues.
- A pre-tax discount rate of 9% was applied in determining the recoverable amount. The discount rate was estimated based on past experience, current rates of interest, the current market place, current offers received for capital.

The values assigned to the key assumptions represent management's assessment of future trends in the mapping industry, and are based on external and internal sources.

The Company determined the future expected cash flows generated by the datasets were insufficient to recover the carrying value of the assets, resulting in an impairment charge during the year ended December 31, 2010. The impairment charge was included in net loss for the year ended December 31, 2010.

7. Intangible assets:

Intangible Assets	Acquired	Internally developed	Total
Balance at January 1, 2010	$ 1,056	-	$ 1,056
Amortization	(471)	-	(471)
Effect of movements in exchange rates	(34)	-	(34)
Balance at December 31, 2010	551	-	551
Amortization	(104)	-	(104)
Effect of movements in exchange rates	15	-	15
Balance at March 31, 2011	462	-	462
Additions	-	74	74
Amortization	(123)	-	(123)
Effect of movements in exchange rates	5	-	5
Balance at June 30, 2011	344	74	418
Additions	-	93	93
Amortization	(132)	(4)	(136)
Effect of movements in exchange rates	(21)	-	(21)
Balance at September 30, 2011	$ 191	$ 163	$ 354

The intangible assets internally developed represent Web site development costs incurred by the Company, and will be amortized on a straight-line basis, based on their estimated useful life of three years.

The gross amount of intangible assets at September 30, 2011, was $2,273 (year ended December 31, 2010 – $2,106). The accumulated amortization at September 30, 2011, was $1,884 (year ended December 31, 2010 – $1,521).

8. Accounts payable and accrued liabilities:

		September 30, 2011		December 31, 2010
Accounts payable	$	3,385	$	2,355
Accrued liablities		2,480		2,410
Other taxes payable		25		15
	$	5,890	$	4,780

At September 30, 2011, accounts payable and accrued liabilities include a promissory note with a service provider that defines the payment terms of an outstanding accounts payable balance. The note bears interest at 4% per annum and is secured by an aircraft owned by the Company. The payment terms of the note are designated as a percentage of the proceeds received under a specified mapping services contract during 2011. The principal balance of the promissory note at September 30, 2011, was $1,680, of which $50 is interest (year ended December 31, 2010 – $1,639).

9. Finance lease liabilities:

Finance lease liabilities are payable as follows:

	September 30, 2011			December 31, 2010		
	Future minimum lease payments	**Interest (1)**	**Present value of minimum lease payments**	Future minimum lease payments	Interest (2)	Present value of minimum lease payments
Less than one year (current portion)	**$ 381**	**$ 68**	**$ 313**	$ 162	$ 11	$ 151
Between one and five years (long-term portion)	**371**	**24**	**347**	45	4	41
	$ 752	**$ 92**	**$ 660**	$ 207	$ 15	$ 192

(1) Interest rates ranging from 12.93% to 17.0%.

(2) Interest rates ranging from 3.3% to 17.0%.

In September 2011, the Company entered into a finance lease to purchase $614 of data storage equipment and software. The lease bears interest at an implicit rate of 12.93% and is secured by the underlying asset. The lease matures in September 2013.

10. Long-term debt:

		September 30, 2011		December 31, 2010
Bank term loan	$	**752**	$	1,185
		752		1,185
Less current portion		**(524)**		(527)
	$	**228**	$	658

In December 2007, the Company obtained a term loan from a Canadian bank in the amount of $2,522 ($2,500 CDN). The loan is repayable in monthly installments of $42 ($40 CDN) over a term of 60 months maturing on February 28, 2013. The loan bears interest at 6.25% and is secured by a general security agreement. An aircraft owned by the Company is listed as the primary collateral under the general security agreement.

Principal repayments of long-term debt are as follows:

Twelve months ended September 30,		
2012	$	524
2013		228
	$	752

11. Operating costs:

	For the three months ended September 30,				For the nine months ended September 30,			
		2011		2010		**2011**		2010
Personnel (1)	$	**3,487**	$	5,778	$	**13,293**	$	16,432
Purchased services & materials (2)		**2,472**		1,540		**7,735**		6,614
Travel		**410**		301		**1,241**		1,351
Facilities and other expenses (3)		**511**		1,012		**2,104**		2,656
	$	**6,880**	$	8,631	$	**24,373**	$	27,053

(1) Includes $17 and $1,131 of separation costs during the quarters ended September 30, 2011 and 2010, respectively, and $1,187 and $1,421 of separation costs during the nine months ended September 30, 2011 and 2010, respectively.

(2) Purchased services and materials include aircraft costs, project costs, professional and consulting fees, and selling and marketing costs.
(3) Includes $Nil and $48 of facility closure costs during the quarters ended September 30, 2011 and 2010, respectively and $349 and $48 of facility closure costs during the nine months ended September 30, 2011 and 2010, respectively.

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:

	September 30, 2011			December 31, 2010		
Class A common shares	**Number of Shares**		**Amount**	Number of Shares		Amount
Balance, beginning of period	**60,796,507**	**$**	**187,253**	52,432,037	$	181,623
Stock-based compensation	**1,411,596**		**591**	239,470		198
Restricted shares held in escrow	**626,780**		**-**	-		-
Issuance of shares	**16,125,000**		**6,791**	8,125,000		6,157
Compensation warrants issued to agent	**-**		**(265)**	-		-
Issuance costs	**-**		**(384)**	-		(725)
Balance, end of period	**78,959,883**	**$**	**193,986**	60,796,507	$	187,253

On August 23, 2011, 498,429 Class A common shares were issued to directors of the Company as compensation for services. Compensation expense of $171 for these Class A common shares is included in operating costs (see Note 12(e)).

On June 2, 2011, the Company issued 450,000 Class A common shares pursuant to a three-year employment agreement with the Company's Chief Executive Officer (CEO). The shares are held by a third party escrow agent pursuant to an Escrow Agreement (see Note 12 (j)) and can be released from escrow upon the achievement of certain market performance conditions.

On June 2, 2011, the Company issued 384,615 Class A common shares to be issued in exchange for compensation for employment services provided during the first year of the three year employment agreement with the Company's Chief Executive Officer. The shares are held by a third party escrow agent pursuant to an Escrow Agreement (see Note 12(j)), and are released in quarterly installments equivalent to $37.5. As of September 30, 2011, 207,835 shares have been released for services rendered.

On June 2, 2011, 20,656 Class A common shares were issued to a director of the Company as compensation for services. Compensation expense of $8 for these Class A common shares is included in operating costs (see Note 12(e)).

On April 29, 2011, the Company completed a private placement resulting in the issuance of 16,125,000 Units for aggregate consideration of $6,791. Each Unit had a purchase price of $0.40 CDN and consisted of one Class A common share of the Corporation and one Class A common share purchase warrant. Each warrant entitles the holder to purchase one Class A common share at a purchase price of $0.48 CDN per share for a period of three years from the issue date. In addition, the Corporation paid agency fees of $384 and 1,225,000 warrants to a third party for services rendered in connection with the transaction. The agency fee warrants were issued on the same terms as the private placement warrants with an exercise price of $0.40 CDN. The Company recorded non-cash issuance costs related to this award based on the fair value of the award at the date of the closing of $265, bringing the total costs of the issuance to $649. The securities issued in connection with the private placement have certain restrictions associated with the resale of the shares.

On March 15, 2011, 79,689 Class A common shares were issued to directors of the Company as compensation for services. Compensation expense of $33 for these Class A common shares is included in operating costs (see Note 12(e)).

On March 15, 2011, 548,376 Class A common shares were issued to employees of the Company as compensation for services. Compensation expense of $263 for these Class A common shares is included in operating costs (see Note 12(f)).

On February 28, 2011, 56,611 Class A common shares were issued to an employee 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)).

On October 1, 2010, 136,770 Class A common shares were issued to employees of the Company as compensation for services. Compensation expense of $98 for these Class A common shares is included in operating costs (see Note 12(f)).

On July 6, 2010, the Company issued, on a bought deal basis, 8,125,000 Class A common shares at a price of $0.80 CDN per Class A common share, representing gross proceeds to the Company of $6,157 ($6,500 CDN). In connection with the share issuance, the Company issued a compensation option to its underwriters entitling them to purchase an aggregate of 500,000 Class A common shares at a price of $0.80 CDN per Class A common share at any time for a period of 12 months following the closing of the offering. The Company recorded non-cash issuance costs related to these awards based on the fair value of the award at the date of the closing of $110, bringing total costs of the issuance to $725.

On June 30, 2010, 102,700 Class A common shares were issued to non-employee directors of the Company as compensation for services. Compensation expense of $100 for these Class A common shares is included in operating costs (see Note 12(e)).

c. Contributed surplus:

		September 30, 2011		December 31, 2010
Balance, beginning of period	$	8,700	$	7,858
Stock-based compensation		588		732
Compensation warrants issued to agent/underwriter		265		110
Balance, end of period	$	9,553	$	8,700

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 5,037,790 outstanding share options and 17,375,000 outstanding warrants could potentially dilute earnings.

e. Director's share compensation plan:

The Company has a director's share compensation plan allowing 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. At the Annual General and Special Meeting of the Shareholders on August 3, 2011, the amended share compensation plan was approved to increase the maximum number of Class A common shares of the Corporation issuable there under from 400,000 to 1,400,000. As of September 30, 2011, 517,098 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 permits 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 amended share compensation plan was approved to increase the maximum number of Class A common shares of the Corporation issuable there under from 1,500,000 to 4,000,000. As of September 30, 2011, 2,838,260 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 September 30, 2011, 7,895,988 Class A common shares were authorized under the plan, of which 25,000 warrants (See Note 12(i)) and 5,037,790 share options are issued and outstanding and 2,833,198 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 at September 30, 2011:

	September 30, 2011			December 31, 2010		
	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	**3,844,800**	**$**	**3.98**	4,135,217	$	4.42
Granted	**2,593,320**		**0.45**	677,000		0.76
Expired	**(1,046,625)**		**5.47**	(337,942)		5.39
Forfeitures	**(353,705)**		**1.87**	(629,475)		2.64
Options outstanding, end of period	**5,037,790**	**$**	**2.02**	3,844,800	$	3.98
Options exercisable, end of period	**2,317,910**	**$**	**3.58**	2,686,275	$	4.93

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.25	20,000	5.94 years	-
0.33	200,000	4.88 years	200,000
0.43	1,590,240	5.50 years	372,760
0.48	450,000	5.27 years	-
0.50	450,000	5.19 years	-
0.66	300,000	5.07 years	75,000
1.49	158,250	3.20 years	89,250
1.60	76,000	4.30 years	26,500
1.78	12,500	1.65 years	12,500
1.84	393,300	4.25 years	254,400
2.36	110,000	4.12 years	27,500
2.98	73,000	2.95 years	73,000
4.16	110,000	2.58 years	92,500
5.75	271,000	1.45 years	271,000
5.95	20,000	1.66 years	20,000
6.30	803,500	0.61 years	803,500
	5,037,790	4.05 years	2,317,910

During the nine months ended September 30, 2011, 2,593,320 options were granted at a weighted-average fair value of $0.43 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 ranging from 1.92% to 3.04%, volatilities ranging from 68.1% to 79.9%, and an 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 September 30, 2011	Three months ended September 30, 2010	**Nine months ended September 30, 2011**	Nine months ended Semptember 30, 2010
Employees	**$ 237**	$ 134	**$ 968**	$ 601
Non-employees	**85**	110	**211**	209
Non-cash compensation	**$ 322**	$ 244	**$ 1,179**	$ 810

i. Class A common share purchase warrants:

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

	September 30, 2011	December 31, 2010
Balance, beginning of year	**575,000**	3,200,000
Issued	**17,350,000**	500,000
Expired	**(550,000)**	(3,125,000)
Balance, end of year	**17,375,000**	575,000

Each warrant entitles its holder to one Class A common share upon payment of an exercise price ranging from $0.40 CDN to $1.90 CDN, with a weighted average exercise price of $0.48 CDN. The outstanding warrants expire as follows: 25,000 on May 15, 2012; and 17,350,000 on April 28, 2014.

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 September 30:

2012	$	1,195
2013		994
2014		853
2015		593
2016		512
	$	4,147

14. Restructuring:

In the fourth quarter of 2009, the Company announced an organizational restructuring to reduce the capacity of data collection and production operations. This restructuring program included workforce reductions and the closure of the Company's Ottawa, Canada facility. The Company incurred additional restructuring costs in connection with a further reduction of data collection and production operations personnel in January 2010 as a continuation of the 2009 actions.

In September 2010, the Company announced and completed a second organizational restructuring. Total employee headcount was decreased by 17%, including a significant reduction at the executive level. The restructuring followed the Company's completion of the NEXTMap Europe and NEXTMap USA datasets, and supported the Company's efforts to lower overall operating expenses and preserve cash.

In January 2011, the Company announced and completed an additional 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, 2009	$ 673	$ 714	$ 1,387
Amounts recorded for the twelve months ended December 31, 2010	1,421	406	1,827
Amounts recorded for the three months ended March 31, 2011	987	-	987
Amounts recorded for the three months ended June 30, 2011	183	349	532
Amounts recorded for the three months ended September 30, 2011	17	-	17
Total	$ 3,281	$ 1,469	$ 4,750

At September 30, 2011, the provision associated with the restructuring and other related charges consisted of the following:

	Workforce Reduction	Excess Facility	Total
Balance at January 1, 2010	$ 442	$ 714	$ 1,156
2010 provisions	1,421	406	1,827
Payments	(1,035)	(308)	(1,343)
Balance at December 31, 2010	828	812	1,640
3 months ended March 31, 2011 provisions	987	-	987
Payments	(1,222)	(79)	(1,301)
Balance at March 31, 2011	593	733	1,326
3 months ended June 30, 2011 provisions	183	349	532
Payments	(225)	-	(225)
Balance at June 30, 2011	551	1,082	1,633
3 months ended September 30, 2011 provisions	17	-	17
Payments	(283)	(75)	(358)
Balance at September 30, 2011	285	1,007	1,292
Current portion of provisions	283	729	1,012
Long-term provisions	2	278	280
	$ 285	$ 1,007	$ 1,292

The workforce reduction accrual of $285 is scheduled to be paid in installments through October 2012. The excess facility accrual of $1,007 is scheduled to be relieved by November 2013, the Ottawa, Canada lease termination date. The Munich, Germany lease termination date is August 2012. Total restructuring related costs of $1,536 are recorded in operating costs for the nine months ended September 30, 2011 (year ended December 31, 2010 – $1,827).

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 September 30, 2011	**Data Licenses 3 months ended September 30, 2011**	Contract Services 3 months ended September 30, 2010	Data Licenses 3 months ended September 30, 2010
United States of America	**$ 295**	**$ 3,086**	$ 480	$ 328
Asia/Pacific	**2,567**	**1,107**	-	280
Europe	**336**	**693**	233	237
	$ 3,198	**$ 4,886**	$ 713	$ 845

	Contract Services 9 months ended September 30, 2011	Data Licenses 9 months ended September 30, 2011	Contract Services 9 months ended September 30, 2010	Data Licenses 9 months ended September 30, 2010
United States of America	$ 393	$ 6,121	$ 2,505	$ 1,530
Asia/Pacific	7,383	2,107	40	1,738
Europe	842	2,505	928	3,564
	$ 8,618	$ 10,733	$ 3,473	$ 6,832

Property and equipment of the Company are located as follows:

	September 30, 2011	December 31, 2010
Canada	$ 360	$ 748
United States of America	5,323	6,662
Asia/Pacific	259	418
Europe	30	80
	$ 5,972	$ 7,908

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

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

	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
Customer A	$ 2,783	$ -	$ 7,589	$ -
Customer B	1,600	-	1,621	-
Customer C	927	-	927	-
Customer D	-	18	2,004	42
Customer E	55	15	900	1,161
Customer F	50	424	136	1,691
Customer G	31	-	59	1,752
Customer H	18	206	123	317
Customer I	-	-	-	692
	$ 5,464	$ 663	$ 13,359	$ 5,655

16. Financial risk management:

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity 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, 2010.

Amounts receivable as of September 30, 2011, and December 31, 2010, consist of:

		September 30, 2011		December 31, 2010
Trade amounts receivable	$	3,563	$	3,991
Employee receivables		17		23
Other miscellaneous receivables		241		142
	$	3,821	$	4,156

Trade amounts receivable by geography consist of:

		September 30, 2011		December 31, 2010
United States of America	$	858	$	166
Canada		12		-
Asia/Pacific		1,560		2,284
Europe		1,133		1,541
	$	3,563	$	3,991

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

		September 30, 2011		December 31, 2010
Current	$	1,862	$	1,968
31-60 days		242		768
61-90 days		142		73
Over 91 days		1,317		1,182
	$	3,563	$	3,991

As of September 30, 2011, $1,459 of trade amounts receivable (year ended December 31, 2010 - $1,255) were past due, of which $264 was deemed uncollectible and was fully reserved. The balance of the past due amounts relate to reoccurring, and historically slow paying customers and are considered collectible.

17. Capital risk management:

The Company is exposed to credit risk, market risk and liquidity risk. The Company's objectives when managing these risks are to safeguard its assets, while at the same time maintaining investor, creditor, and market confidence, and to sustain future development of the business and ultimately protect shareholder value. The Company manages these risks and exposures by implementing the strategies below.

The Company includes shareholders' equity and long-term debt in the definition of capital. To maintain or adjust the capital structure, the Company may issue new shares, issue new debt with different characteristics, acquire or dispose of assets, or adjust the amount of cash and short-term investment balances held.

The Company has established a budgeting and planning process with a focus on cash, working capital, and operational expenditures and continuously assesses its capital structure in light of current economic conditions and changes in the Company's short-term and long-term plans. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

18. Transition to IFRS:

The Company has adopted IFRS effective January 1, 2010. The accounting policies set out in Note 3 have been applied in preparing the financial statements for the three and nine months ending September 30, 2011, as well as for the comparative information for the three and nine months ended September 30, 2010, and in preparation of consolidated opening IFRS condensed consolidated balance sheet at January 1, 2010, (the Company's date of transition to IFRS) and condensed consolidated balance sheets at September 30, 2010, and December 31, 2010.

In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. An explanation of how the transition from previous GAAP to IFRS has affected the Company's consolidated financial statements is included below and reconciliations are provided in Note 19.

a. **Elected exemptions from full retrospective application:**

In preparing these consolidated financial statements in accordance with IFRS 1, the Company has applied certain of the optional exemptions from full retrospective application of IFRS. The optional exemptions applied are described below.

i. Business combinations:

The Company has elected to not apply IFRS 3 Business Combinations retrospectively to past business combinations. Accordingly, the Company has not restated business combinations that took place prior to the transition date.

ii. Cumulative translation differences:

The Company has elected to set the cumulative translation account, which was included in accumulated other comprehensive income, to zero at January 1, 2010, and reclassified the cumulative translation balance into deficit. This exemption has been applied to all subsidiaries.

iii. Share-based payment transactions:

The Company has elected to apply IFRS 2 Share-based Payment to equity instruments granted after January 3, 2006, that had not vested by the transition date.

iv. Borrowing costs:

The Company has elected to apply IAS 23 Borrowing costs prospectively as of the date of transition. Accordingly, the Company has not restated borrowing costs that were expensed prior to the transition date.

b. **Mandatory exceptions to retrospective application:**

i. Estimates:

The estimates previously made by the Company under GAAP are consistent with their application under IFRS.

19. Reconciliations of IFRS transition adjustments:

GAAP to IFRS Consolidated Interim Balance Sheet reconciliation as of September 30, 2010, is as follows:

	Note	GAAP 9/30/2010	Effect of Transition to IFRS	IFRS 9/30/2010
Assets				
Current assets:				
Cash and cash equivalents		$ 2,507	-	$ 2,507
Amounts receivable		2,542	-	2,542
Unbilled revenue		513	-	513
Work in process		1,926	-	1,926
Prepaid expenses		1,219	-	1,219
Non-current assets held for sale	*(a)*	1,700	(212)	1,488
		10,407	(212)	10,195
Property and equipment	*(a)*	8,690	142	8,832
Data library	*(b), (c)*	78,962	(36,687)	42,275
Intangible assets	*(f)*	594	108	702
Deferred tax assets		41	-	41
		$ 98,694	**$ (36,649)**	**$ 62,045**
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities		$ 5,949	-	$ 5,949
Current portion of deferred lease inducements		154	-	154
Unearned revenue		496	-	496
Income taxes payable		38	-	38
Current portion of obligations under finance lease		194	-	194
Current portion of long-term debt		502	-	502
		7,333	-	7,333
Deferred lease inducements		300	-	300
Long-term provisions		250	-	250
Obligations under finance lease		45	-	45
Long-term debt		766	-	766
Deferred tax liabilities		113	-	113
		8,807	-	8,807
Shareholders' equity:				
Share capital		187,192	-	187,192
Contributed surplus	*(e)*	8,083	458	8,541
Deficit		(111,582)	(31,075)	(142,657)
Accumulated other comprehensive income	*(f)*	6,194	(6,032)	162
		89,887	(36,649)	53,238
		$ 98,694	**$ (36,649)**	**$ 62,045**

GAAP to IFRS Consolidated Interim Statement of Comprehensive Income for the three months ended September 30, 2010, is as follows:

For the Three Months Ended September 30,	Note	GAAP 2010	Effect of Transition To IFRS	IFRS 2010
Revenue:				
Contract services		$ 713	$ -	$ 713
Data licenses		845	-	845
		1,558		1,558
Expenses:				
Operating costs	*(e)*	8,671	(40)	8,631
Depreciation of property and equipment	*(a)*	1,159	(3)	1,156
Amortization of data library	*(b)*	3,497	224	3,721
Impairment of data library	*(c)*	-	39,143	39,143
Amortization of intangible assets		106	12	118
		13,433	39,336	52,769
Operating loss		(11,875)	(39,336)	(51,211)
Financing costs, net		(32)	-	(32)
Loss on foreign currency translation	*(f)*	69	61	130
Loss before income taxes		(11,838)	(39,275)	(51,113)
Income tax (expense) recovery:				
Current		(15)	-	(15)
Deferred		19	-	19
		4	-	4
Net loss for the period		(11,834)	(39,275)	(51,109)
Other comprehensive income				
Foreign currency translation differences	*(f)*	-	41	41
Total comprehensive loss for the period		(11,834)	(39,234)	(51,068)
Deficit, beginning of period		(99,748)	8,200	(91,548)
Deficit, end of period		$ (111,582)	$ (31,075)	$ (142,657)
Basic and diluted loss per share		$ (0.20)	$ (0.65)	$ (0.85)
Weighted average number of Class A common shares - basic and diluted (Note 10(d))		60,218,161		60,218,161

GAAP to IFRS Consolidated Interim Statement of Comprehensive Income for the nine months ended September 30, 2010, is as follows:

For the Nine Months Ended September 30,	Note	GAAP 2010	Effect of Transition To IFRS	IFRS 2010
Revenue:				
Contract services		$ 3,473		$ 3,473
Data licenses		6,832		6,832
		10,305	-	10,305
Expenses:				
Operating costs	*(d), (e)*	28,283	(1,230)	27,053
Depreciation of property and equipment	*(a)*	3,551	(10)	3,541
Amortization of data library	*(b)*	10,771	(212)	10,559
Impairment of data library	*(c)*	-	39,143	39,143
Amortization of intangible assets		315	33	348
		42,920	37,724	80,644
Operating loss		(32,615)	(37,724)	(70,339)
Loss on disposal of equipment		(72)	-	(72)
Financing costs, net		(116)	-	(116)
Loss on foreign currency translation	*(f)*	(240)	(21)	(261)
Loss before income taxes		(33,043)	(37,745)	(70,788)
Income tax (expense) recovery:				
Current		(44)	-	(44)
Deferred		10	-	10
		(34)	-	(34)
Net loss for the period		(33,077)	(37,745)	(70,822)
Other comprehensive income (loss)				
Foreign currency translation differences	*(f)*	-	15	15
Total comprehensive loss for the period		(33,077)	(37,730)	(70,807)
Deficit, beginning of period		(78,505)	6,670	(71,835)
Deficit, end of period		$ (111,582)	$ (31,075)	$ (142,657)
Basic and diluted loss per share		$ (0.60)	$ (0.69)	$ (1.29)
Weighted average number of Class A common shares - basic and diluted (Note 10(d))		55,056,308		55,056,308

The following notes describe the adjustments required by the transition to IFRS:

a. ***Property and equipment:***

Under IFRS, the Company is required to identify the significant components of property and equipment and depreciate these separately over their respective useful lives. Under previous GAAP, the standards were less specific as to the grouping of similar assets. Upon transition to IFRS, management determined that the aircraft and aircraft engines should be separate components and accounted for with differing useful lives. Under previous GAAP, the total value of the aircraft was amortized over 10 years. Upon transition to IFRS, aircraft and engines are required to be amortized separately and are being amortized over a period of 12 years for the aircraft and 7 years for the engines.

b. ***Data library:***

The Company applied a sales forecast method of amortization for the data library under previous GAAP. Under IFRS, the Company will amortize this asset on a straight-line basis over its useful life. The net book value of the data library asset was increased by $2.2 million as of the transition date to retroactively apply the Company's amortization policy under IFRS.

c. ***Impairment of data library:***

Under IFRS, the Company is required to assess the recoverability of the asset based on estimated discounted future cash flows produced by the data sets. The cash flows were discounted at a rate commensurate with the risk associated with the September 30, 2010 estimated future cash flows and assets. The Company determined the discounted future estimated cash flows of the datasets were insufficient to recover the carrying value of the assets, resulting in an impairment charge at September 30, 2010 of $39,143.

d. ***Restructuring:***

In October of 2009, the Company announced a restructuring plan that included a reduction in workforce and the closure of the Company's Ottawa, Canada office. Under previous GAAP, a provision related to the expense for employee severance associated with the reduction was recorded. Under previous GAAP, a liability related to the Ottawa office lease was not recognized until the second quarter of 2010, when the Company ceased use of the facility.

Under IFRS, a provision is recorded for onerous contracts when it is likely that the expected costs of meeting the Company's obligation under the contract exceed the expected economic benefits. As a result, under IFRS, the provision for the excess costs over expected economic benefits associated with the Ottawa lease have been recognized as of January 1, 2010.

e. ***Share-based payments:***

The Company awards share-based compensation to certain employees and non-employees. Under previous GAAP, the Company valued the awards in tranches based upon the awards' grant date. All tranches were valued using the expected life of the award and share-based compensation was recognized straight-line over the vesting period. Under IFRS, the Company must assign a fair value to each tranche of awards based on the expected life and the individual tranche. Share-based compensation is then recognized separately over the vesting period of each tranche.

f. Cumulative translation differences:

In accordance with IFRS 1, the Company has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of foreign operations to be zero at the date of transition.

IFRS does not distinguish between integrated and self-sustaining foreign operations. The current rate method is required to be applied to all entities where the functional currency is different from the presentation currency, resulting in an adjustment on transition to IFRS.

g. Presentation:

Certain amounts on the unaudited condensed consolidated interim statement of comprehensive income have been reclassified to conform to the presentation adopted under IFRS. On the unaudited condensed consolidated interim statement of comprehensive income the Company has presented the expenses by nature.

h. Cash flow impact:

There were no IFRS transition adjustments that impacted the cash balance in 2010. Financing costs, current income tax expense, interest paid, and income tax paid have been presented separately as adjustments for non-cash items. Under previous GAAP, these were included in changes in non-cash operating working capital. This presentation change will have no impact on the Company's cash flows from operating activities.

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