INTERMAP®

Intermap Technologies Corporation
Third Quarter Ended September 30, 2012

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Intermap Technologies Reports 2012 Third Quarter Financial Results

CONSOLIDATED REVENUE OF $8.0M
NET INCOME OF $0.4M
ADJUSTED EBITDA OF $2.5M
YEAR-OVER-YEAR OPERATING COSTS DECREASE 19%

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.

Intermap reported total revenue of $8.0 million for the third quarter of 2012, equivalent to the amount recorded in the third quarter of 2011. Net income for the third quarter of 2012 was $0.4 million or $0.01 per share, compared with a net loss of $0.8 million, or ($0.01) per share, for the third quarter of 2011. Third quarter adjusted EBITDA, a non IFRS financial measure, was $2.5 million, a 61% improvement compared with $1.5 million for the same period last year. Adjusted EBITDA excludes restructuring costs, share-based compensation, gain or loss on the disposal of equipment, and gain or loss on foreign currency translation.

"We're pleased to announce another positive adjusted EBITDA quarter for Intermap," said Todd Oseth, Intermap's president and chief executive officer. "Our NEXTMap® licensing and contract services revenues in Q3 were split almost equally as we continued to deliver on our NEXTMap licensing and contract services backlog. Our contract services revenue increased significantly during the quarter as we completed the airborne collection phase of our $6.1 million contract in Alaska. We're currently in the processing and editing phase of this project, and we are expecting to be near completion by year-end. We entered the fourth quarter with $3.7 million of backlog, and we're optimistic that we will be able to increase this backlog as we move forward into 2013."

Mr. Oseth added, "Our sales pipeline remains strong and we expect to close additional contracts over the remainder of the fourth quarter and into the new year. Our new business continues to be driven by our commercial 3D business intelligence solutions approach that addresses our customers' specific geospatial needs in both the contract services and NEXTMap licensing portions of our business. During the quarter, we continued with our solutions focus by enhancing the functionality of our "Pro" series of 3D business intelligence products. We have also increased the associated marketing that is necessary to drive future recurring revenue from these products. We continue to develop new commercial applications that will expand addressable customers and revenue sources in the future."

Financial Review

Contract services revenue in the third quarter increased to $4.1 million from $3.2 million last year and data licensing revenue decreased to $3.9 million from $4.9 million last year. As of September 30, 2012, the contract backlog of $3.7 million consisted of $2.6 million in contract services revenue and $1.1 million in data licensing revenue.

For the third quarter 2012, personnel expense was $3.1 million, an 11% decrease from the prior year amount of $3.5 million. On a year-to-date basis, personnel expense was $10.0 million, a 24% decrease from the prior year amount of $13.3 million.

For the third quarter 2012, purchased services and materials expense was $1.8 million, a 26% decrease from the prior year amount of $2.5 million. The decrease from 2011 is primarily related to a decrease in job and subcontractor expenses associated with contract services work that was performed during the respective periods. Purchased services and materials includes (i) aircraft related costs (ii) professional and consulting costs (iii) third-party support services related to the collection, processing and editing of the Company's airborne data collection activities, and (iv) software expenses (including maintenance and support).

The cash position of the Company at September 30, 2012 (cash and cash equivalents) was $5.7 million, compared to $2.8 million at June 30, 2012. Amounts receivable and unbilled revenue at September 30, 2012 was $2.6 million, compared to $5.1 million at June 30, 2012. Working capital improved to ($0.1) million at September 30, 2012, compared to ($2.0) million at June 30, 2012 (see "Intermap Reader Advisory" below).

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

Third Quarter Business Highlights

Intermap was awarded a $3.6 million task order from Dewbery & Davis for the third phase expansion of its previously announced airborne radar mapping services project in Alaska. The elevation data and imagery collected by Intermap will be used in economic development, infrastructure development and homeland security applications.

The Company announced that it received a $368,000 contract for the creation of a new elevation data set for the Malaysian Government. The imagery and elevation data are being used for mapping and infrastructure development in Malaysia. This new elevation data set is derived from Intermap's industry leading and proprietary data fusion process. The fused data combines the temporal immediacy of a new satellite collection with the precise accuracy of Intermap's NEXTMap Malaysia data archive. Intermap's data fusion process integrates stereo pairs of radar satellite imagery with existing NEXTMap data via the Company's ISO-certified editing processes.

As of November 7, 2012, there were 79,414,013 common shares outstanding.

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

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

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Management's Discussion and Analysis

For the third quarter ended September 30, 2012

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 2, 2012, and should be read together with the Company's unaudited Condensed Consolidated Interim Financial Statements and the accompanying notes for the three and nine-month periods ended September 30, 2012, and the audited Consolidated Financial Statements for the years ended December 31, 2011 and 2010, together with accompanying notes. The results reported herein have been prepared in accordance with IFRS and, unless otherwise noted, are expressed in United States dollars.

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

FORWARD-LOOKING STATEMENTS

In the interest of providing the shareholders and potential investors of Intermap with information about the Company and its subsidiaries, including Management's assessment of Intermap's 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, availability of capital, revenue fluctuations, nature of government contracts, economic conditions, loss of key customers, retention and availability of executive talent, competing technologies, common share price volatility, loss of proprietary information, information technology security, breakdown of strategic alliances, and international and political considerations, including but not limited to those risks and uncertainties discussed under the heading "Risk Factors" in 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, together with integrated third party data, to create geospatial solutions for its customers. The NEXTMap database consists of high accuracy elevation data and geometric images as well as other geospatial related information that the Company uses to enhance the value of this database. 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, advertising, 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 own proprietary airborne interferometric synthetic aperture radar (IFSAR) mapping technology to build its NEXTMap database. IFSAR 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 imagery.

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 make the purchase of its data more affordable to a wider array of potential users. To help facilitate these changes, the Company has expanded its Web services offerings to allow its NEXTMap 3D terrain products and related location-based information to be accessible via cloud-computing. These Web services offer a suite of hosted tools that gives even those unfamiliar with GIS the ability to quickly and easily perform terrain analysis based on an area of interest such as a county or an 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 as well as other geospatial related information that the Company uses to enhance the value of the database. The Company maintains 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, covers an area of nearly 8.0 million square kilometers of the contiguous United States and Hawaii. The NEXTMap Europe dataset represents 2.5 million square kilometers of area and includes the 17 countries of Austria, Belgium, Czech Republic, Denmark, England, France, Germany, Irish Republic, Italy, Luxembourg, Netherlands, Northern Ireland, Portugal, Spain, Scotland, Switzerland, and Wales.

As of September 30, 2012, the net book values of the NEXTMap USA and NEXTMap Europe datasets were $8.4 million (year ended December 31, 2011 - $10.4 million) and $6.6 million (year ended December 31, 2011 - $8.0 million), respectively.

FINANCIAL INFORMATION

The following tables set forth selected financial information for the periods indicated.

U.S. $ millions, except per share data	Three months ended September 30, **2012**	Three months ended September 30, 2011	Nine months ended September 30, **2012**	Nine months ended September 30, 2011
Revenue:				
Contract services	**$ 4.1**	$ 3.2	**$ 9.0**	$ 8.6
Data licenses	**3.9**	4.9	**11.2**	10.7
Total revenue	**$ 8.0**	$ 8.1	**$ 20.2**	$ 19.3
Net income (loss)	**$ 0.4**	$ (0.8)	**$ (3.9)**	$ (9.1)
EPS basic and diluted	**$ 0.01**	$ (0.01)	**$ (0.05)**	$ (0.13)
Adjusted EBITDA	**$ 2.5**	$ 1.5	**$ 2.2**	$ (2.4)

U.S. $ millions, except per share data	September 30, **2012**		2011
Assets:			
Data library	**$**	**15.0**	$ 19.6
Total assets	**$**	**27.9**	$ 34.2
Total long-term liabilities (including finance lease obligations)	**$**	**1.6**	$ 1.2

Revenue

Consolidated revenue for the quarter ended September 30, 2012, totaled $8.0 million, compared to $8.1 million for the same period in 2011, representing a 1% decrease. As of September 30, 2012, there remained $3.7 million in revenue from existing contracts ($2.6 million in contract services and $1.1 million in data licensing) to be recognized in future periods.

Contract services revenue for the quarter ended September 30, 2012, totaled $4.1 million, a 28% increase over the $3.2 million that was recorded during the same period in 2011. During the quarter ended September 30, 2012, the Company performed 66 flights of airborne collection on a contract in Alaska, which drove the majority of the revenue recognized during the quarter. During the same period in 2011, the company performed only 33 flights of airborne collection on a project in Southeast Asia. The difference in airborne collection flights accounted for the majority of the difference in revenue that could be recognized during the two periods, where revenue is recognized on a percentage of completion basis on these contracts.

Data licenses revenue for the quarter ended September 30, 2012, was $3.9 million, a decrease of 21% over the same period in 2011, which totaled $4.9 million. The decrease was primarily the result of a 95% decrease ($2.9 million) in revenue recognized from the Company's NEXTMap USA dataset during the quarter ended September 30, 2012, compared with the same period in 2011. In the third quarter of 2011, there was one large sale of NEXTMap USA data totaling $1.6 million that accounted for a large portion of the data licenses revenue during that period. No similar size sale occurred during the same period in 2012 for NEXTMap USA data. The decrease in NEXTMap USA data sales was partially offset by a 191% increase ($1.9 million) in revenue recognized from the Company's NEXTMap Asia dataset during the same period. The timing, quantity and amounts associated with these data licenses contracts were the primary reason for these changes.

On a year-to-date basis, consolidated revenue increased by 4% from $19.4 million during the nine months ended September 30, 2011, to $20.2 million during the same period in 2012.

Contract services revenue for the nine-month period ended September 30, 2012, was $9.0 million, compared to $8.6 million for the same period in 2011, a 5% increase. The increase was primarily the result of the quantity of work performed (airborne collection, data processing and data editing) on projects in Alaska and Southeast Asia during 2012, compared to the quantity of work performed on only one contract in Southeast Asia during the same period in 2011. The increase in the amount of work performed during 2012 compared with 2011 on these projects drove the majority of the difference in revenue recognized during the two periods, where revenue is recognized on a percentage of completion basis on these contracts.

Data licenses revenue for the nine-month period ended September 30, 2012, was $11.2 million, an increase of 4% over the same period in 2011, which totaled $10.7 million. The increase was primarily the result of a 328% increase ($6.6 million) in revenue recognized from the Company's NEXTMap Asia dataset during the nine-month period ended September 30, 2012, compared with the same period in 2011. This increase was partially offset by an 83% decrease ($4.9 million) in revenue recognized from the Company's NEXTMap USA dataset (see quarterly comments above) and a 67% decrease ($1.6 million) in revenue recognized from the Company's NEXTMap Europe dataset during the same periods. The Company also recorded an increase in its 3DBI applications revenue during the 2012 period, which made up the remainder of the year-over-year increase.

In an effort to adapt to the current economic environment, the Company has significantly modified its pricing strategy and product offerings 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 NEXTMap data to address customers' specific geospatial needs.

Classification of Operating Costs
The composition of the operating costs classification is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2012	2011	**2012**	2011
Personnel	**$ 3,096**	$ 3,487	**$ 10,038**	$ 13,293
Purchased services & materials	**1,840**	2,472	**6,034**	7,735
Travel	**232**	410	**896**	1,241
Facilities and other expenses	**405**	511	**1,471**	2,104
	$ 5,573	$ 6,880	**$ 18,439**	$ 24,373

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

Personnel expense for the quarters ended September 30, 2012 and 2011, totaled $3.1 million and $3.5 million, respectively, an 11% decrease. This decrease was primarily the result of reduced employee incentive expense recorded during the current quarter.

For the nine-month periods ended September 30, 2012 and 2011, personnel expense was $10.0 million and $13.3 million, respectively. The 24% decrease from 2011 is primarily due to workforce reductions associated with the Company's restructuring activities that occurred during 2011.

Consolidated active employee headcount was 193 at September 30, 2012 (including 93 in Jakarta, Indonesia), a 26% decrease from 261 at September 30, 2011 (including 148 in Jakarta, Indonesia). The decrease in personnel count was from the following functional areas: operations 35%, or 51 personnel; sales and marketing 12%, or 4 personnel; and engineering, research and development 16%, or 9 personnel.

Non-cash compensation expense is included in operating costs and relates to share options and common shares granted to employees and non-employees. Non-cash share-based compensation for the three-month periods ended September 30, 2012 and 2011, totaled $0.1 million and $0.3 million, respectively. Non-cash compensation for the nine-month periods ended September 30, 2012 and 2011, totaled $0.6 million and $1.1 million, respectively. The decrease in the three-month and nine-month periods ended September 30, 2012 was primarily due to (i) stock based compensation issued to the Company's Chief Executive Officer pursuant to his employment agreement in 2011 with no similar compensation issued in 2012 (ii) the expiration, forfeiture and full vesting of prior issued share options that occurred during the current year, and (iii) Board of Directors compensation being paid in cash during the current year where such compensation was paid in common shares during the prior year.

Purchased Services and Materials

Purchased services and materials (PS&M) includes (i) aircraft 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 quarters ended September 30, 2012 and 2011, PS&M expense was $1.8 million and $2.5 million, respectively. For the nine-month periods ended September 30, 2012 and 2011, PS&M expense was $6.0 million and $7.7 million, respectively. The 26% decrease for the three-month period ended September 30, 2012, and the 22% decrease for the nine-month period ended September 30, 2012 is primarily related to a decrease in job and subcontractor expenses associated with contract services work that was performed during the respective periods.

Travel

For the three-month periods ended September 30, 2012 and 2011, travel expense was $0.2 million and $0.4 million, respectively, a 43% decrease from 2011. For the nine-month periods ended September 30, 2012 and 2011, travel expense was $0.9 million and $1.2 million, respectively, a 28% decrease from 2011. These decreases were primarily the result of decreased travel associated with international contract services work, as well as decreased travel for sales and marketing personnel resulting from the Company's cost control measures.

Facilities and Other Expenses

For the three-month periods ended September 30, 2012 and 2011, facilities and other expenses were $0.4 million and $0.5 million, respectively. For the nine-month periods ended September 30, 2012 and 2011, facilities and other expenses were $1.5 million and $2.1 million, respectively. The 21% decrease for the three-month period ended September 30, 2012, and the 30% decrease for the nine-month period ended September 30, 2012, is primarily due to an early lease termination of the Company's Munich, Germany facility, decreased office space in the Company's Denver office, and other cash conservation efforts to reduce facility and other expenses.

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 income (loss) to adjusted EBITDA.

U.S. $ millions	Three months ended September 30, **2012**	Three months ended September 30, 2011	Nine months ended September 30, **2012**	Nine months ended September 30, 2011
Net income (loss)	**$ 0.4**	$ (0.8)	**$ (3.9)**	$ (9.1)
Depreciation of property and equipment	**0.4**	0.8	**1.5**	2.7
Amortization of data library	**1.2**	1.2	**3.5**	3.5
Amortization of intangible assets	**-**	0.1	**0.1**	0.3
Restructuring costs	**-**	-	**(0.1)**	1.5
Stock-based compensation	**0.1**	0.3	**0.6**	1.1
Interest expense	**0.2**	0.1	**0.3**	0.1
Gain on disposal of equipment	**-**	-	**-**	(2.5)
(Gain) loss on foreign currency translation	**0.2**	(0.2)	**0.2**	-
Adjusted EBITDA	**$ 2.5**	$ 1.5	**$ 2.2**	$ (2.4)

Adjusted EBITDA for the three-month period ended September 30, 2012, was $2.5 million, compared to $1.5 million for the same period in 2011. The increase in adjusted EBITDA for the three months ended September 30, 2012, as compared to the same period in 2011 is primarily attributable to decreased operating costs in 2012 of $1.3 million.

Adjusted EBITDA for the nine-month period ended September 30, 2012, was $2.2 million, compared to a loss of $2.4 million for the same period in 2011. The increase in adjusted EBITDA for the nine months ended September 30, 2012, as compared to the same period in 2011 is primarily attributable to an increase in revenue of $0.8 million and decreased operating costs (net of restructuring costs) of $4.3 million.

Depreciation of Property and Equipment

Depreciation expense for the three-month period ended September 30, 2012, totaled $0.4 million (nine-month period $1.5 million), compared to $0.8 million (nine-month period $2.7 million) for the same period in 2011. The decrease in depreciation expense is primarily the result of certain assets dedicated to NEXTMap development reaching the end of their useful lives.

Amortization of Data Library

Amortization expense relating to the data library for the three and nine-month periods ended September 30, 2012 and 2011, totaled $1.2 million and $3.5 million, respectively. The asset is amortized on a straight-line basis, and no additions or adjustments were made to the asset during the periods presented.

Financing Costs

Financing costs for the three-month period ended September 30, 2012, totaled $220 thousand (nine-month period $313 thousand), compared to $46 thousand (nine-month period $107 thousand) for the same period in 2011. The increase in financing costs is due to interest on a convertible note entered into in June 2012. These financing costs were partially offset by the reduction of principal resulting from recurring payments on long-term debt.

Gain on 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 aircraft title 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 three- and nine-month period ended September 30, 2011, was $2.5 million.

Gain (Loss) on Foreign Currency Translation

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

During the three-month period ended September 30, 2012, a foreign currency translation loss of $149 thousand was recorded compared to a gain of $192 thousand for the same period in 2011. During the nine-month period ended September 30, 2012, a foreign currency translation loss of $200 thousand was recorded, compared to a gain of $40 thousand for the same period in 2011. The losses for 2012 and 2011 were primarily the result of losses on the accounts payable balances held in foreign currencies.

Income Tax

Current income tax expense of $14 thousand (nine-month period expense of $50 thousand) was incurred during the three-month period ended September 30, 2012, compared to an expense of $47 thousand (nine-month period expense of $127 thousand) during the same period in 2011. This expense relates to taxable income generated from the Company's Indonesian, German, United Kingdom, Czech Republic and Australian subsidiaries.

During the three-month period ended September 30, 2012, a deferred income tax expense of $Nil (nine-month period recovery of $8 thousand), compared to a recovery of $20 thousand (nine-month period recovery of $60 thousand) for the same period in 2011 was recorded. The changes were the result of a deferred income tax recovery in 2011 resulting from the amortization of intangible assets held in the Czech Republic subsidiary, which have no tax basis.

Amounts Receivable and Unbilled Revenue

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

Amounts receivable and unbilled revenue decreased from $6.4 million at December 31, 2011, to $2.6 million at September 30, 2012. The decrease was primarily due to timing of collections. These amounts represent 32 days' sales at September 30, 2012, compared to 66 days sales at December 31, 2011, and reflect specific project billing milestones on current contracts that were in progress on those dates.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities generally include trade payables, project-related accruals and personnel-related costs. Accounts payable and accrued liabilities decreased from $5.1 million at December 31, 2011, to $4.5 million at September 30, 2012. This decrease is due primarily to the timing of payments against the Company's trade payables and a reduction in production related accruals associated with the Company's contract services work.

		September 30, 2012		December 31, 2011
Accounts payable	$	2,171	$	2,384
Accrued liablities		2,353		2,665
Other taxes payable		-		48
	$	4,524	$	5,097

Provisions

Provisions decreased to $0.8 million at September 30, 2012, compared to $1.1 million at December 31, 2011. The decrease is the result of separation payments made to former employees of $0.1 million, facility payments of $0.1 million, and a reversal of facility expense of $0.1 million due to the early lease termination of the Company's Munich, Germany facility.

Notes Payable

The notes payable balance increased to $1.9 million at September 30, 2012, compared to $1.7 million at December 31, 2011. The increase relates reimbursable project development funds, which are repayable upon the completion of development and the first sale of the developed product. The Company estimates the repayment will begin in the second quarter of 2013. See Note 8 to the Condensed Consolidated Interim Financial Statements for a discussion of the terms of the note. The promissory note balance of $1.7 million is payable to a service provider for an outstanding balance. The principal balance is payable beginning at the end of the fourth quarter of 2012 and matures in November 2014.

Long-term Debt

The long-term debt balance was paid in full in July 2012, reducing the liability to $nil at September 30, 2012, from $0.6 million at December 31, 2011.

Convertible Note

The convertible note balance of $2.3 million at September 30, 2012, is due to a private placement convertible debt financing that closed June 27, 2012. The principal balance of the note is $2.5 million, and the discount of $0.2 million will be recognized over the twelve month term of the note, using the effective interest method. Simple interest is payable at maturity at an annual rate of 21%. The note is convertible into common shares of the Company, at any time, at the option of the holder, at a per share price of $0.21 CDN. The unconverted balance is payable at maturity, on June 26, 2013. See Note 9 to the Condensed Consolidated Interim Financial Statements for a detailed discussion of the terms of the note.

Unearned Revenue

The unearned revenue balance at September 30, 2012 decreased to $0.2 million from $1.5 million at December 31, 2011. 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, 2011, is primarily due to the fulfillment of production related obligations on a contract services project during the nine months ended September 30, 2012.

Finance Lease Obligations and Long-Term Debt

Finance lease obligations and long-term debt at September 30, 2012, decreased to $0.3 million from $1.2 million at December 31, 2011. The decrease is due to recurring payments on outstanding finance lease obligations and a long-term bank loan obligation.

QUARTERLY FINANCIAL INFORMATION

Selected Quarterly Information

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

U.S. $ millions, except per share data	Q4 2010 (1)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	**Q3 2012**
Revenue:								
Contract services	$ 0.8	$ 2.9	$ 2.4	$ 3.2	$ 2.3	$ 3.3	$ 1.6	**$ 4.1**
Data licenses	2.8	3.9	2.0	4.9	2.5	0.9	6.4	**3.9**
Total revenue	$ 3.6	$ 6.8	$ 4.4	$ 8.1	$ 4.8	$ 4.2	$ 8.0	**$ 8.0**
Depreciation and amortization	$ 4.5	$ 2.1	$ 2.1	$ 2.0	$ 1.8	$ 1.8	$ 1.6	**$ 1.6**
Impairment of data library	$ 16.3	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Net income (loss)	$ (27.0)	$ (4.9)	$ (3.4)	$ (0.8)	$ (4.5)	$ (5.1)	$ 0.8	**$ 0.4**
Net income (loss) per share								
basic and diluted	$ (0.48)	$ (0.08)	$ (0.05)	$ (0.01)	$ (0.06)	$ (0.06)	$ 0.01	**$ 0.01**
Adjusted EBITDA	$ (5.2)	$ (1.1)	$ (2.7)	$ 1.5	$ (2.0)	$ (2.9)	$ 2.7	**$ 2.5**

(1) Amounts presented for 2010 have been restated for IFRS.

LIQUIDITY AND CAPITAL RESOURCES

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

Cash provided by operations during the three-month period ended September 30, 2012, totaled $3.2 million (nine-month period $3.5 million), compared to cash used by operations of $1.1 million (nine-month period $7.8 million) during the same period in 2011. The cash provided by operations during the three-month period ended September 30, 2012, primarily resulted from collections of large individual amounts receivable balances and positive operating results for the quarter. In the nine-month period ended September 30, 2012, the improvement in the cash provided from operations was the result of an improvement in operating results and an increase in non-cash operating working capital of $5.3 million.

Net cash used in investing activities totaled $Nil (nine-month period $80 thousand) for the three months ended September 30, 2012, compared to $100 thousand (nine-month period $268 thousand) during the same period in 2011. Cash used in investing activities during the and nine-months ended September 30, 2012 and 2011, was primarily for the development of intangible assets (the Company's NEXTMap WebStore™) of $113 thousand and $167 thousand, respectively. Cash used in investing activities during the nine–month period ended September 30, 2011, also included the purchase of computer related property and equipment of $102 thousand.

Net cash used for financing activities totaled $0.3 million during the three months ended September 30, 2012, compared to $0.2 million during the same period in 2011. The net cash used for financing activities during the three months ended September 30, 2012 and 2011 was for the payment of long-term debt and capital leases. Net cash provided by financing activities during the nine-month period ended September 30, 2012, was $1.7 million, compared to $5.8 million for the same period in 2011. The net cash provided by financing activities during the nine month period ended September 30, 2012, was due primarily to the June closing of a convertible note debt financing totaling $2.5 million, offset by $75 thousand of issuance costs, and $0.3 million of increased payments on long-term debt and capital leases. The net cash provided by financing activities during the nine month period ended September 30, 2011, was due to the completion of a share issuance of 16,125,000 units (each unit consists 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, 2012, (cash and cash equivalents) was $5.7 million, compared to $0.6 million at December 31, 2011. Working capital increased to a negative $0.1 million as of September 30, 2012, from a negative $1.0 million as of December 31, 2011, due to an increase in cash and amounts receivable of $1.1 million, offset by an increase in current liabilities from the convertible note of $2.3 million, and a decrease in unearned revenue and current portion of long-term debt of $1.9 million.

During the three-month period ended September 30, 2012, the Company generated net income of $0.4 million (nine-month period net loss $3.9 million) and generated positive cash flows from operations of $3.3 million (nine-month period $3.6 million).

The Company has an accumulated deficit of $187.1 million. The Company's continuing operations are dependent on its ability to continue to develop future profitable operations and generate positive cash flows from operations. The Company may also consider 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. 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 organizational restructurings, the sale of excess capacity assets, company-wide cost-reductions, introduction of new products and services, a revised approach to pricing and selling of the Company's products and services, and has entered into new debt financing arrangements. However, the Company cannot be certain that its future cash generated from operations will be sufficient to satisfy its liquidity requirements on a go forward basis.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Revenue Recognition

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

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

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

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

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

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

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

The carrying value of the data library is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company has determined that the 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.

As of September 30, 2012 and December 31, 2011, the Company determined that no events or circumstances had occurred that could indicate the carrying value of the asset may not be recoverable.

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 2, 2012, 79,414,013 Class A common shares were issued and outstanding. There are no preferred shares currently issued and outstanding.

As of November 2, 2012, 4,852,620 share options are outstanding in the Company's share option plan with a weighted average exercise price of C$0.81. In addition, there are 19,050,000 warrants outstanding that are exercisable with a weighted average exercise price of C$0.46, 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, 2012, 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, 2012, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There have been no significant changes in the design of internal controls over financial reporting that occurred during the quarter ended September 30, 2012, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS AND UNCERTAINTIES

The risks and uncertainties described in the Management's Discussion and Analysis presented in the 2011 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)

	September 30, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	**$ 5,668**	$ 597
Amounts receivable	**1,556**	5,512
Unbilled revenue	**1,005**	865
Work in process	**9**	26
Prepaid expenses	**580**	616
	8,818	7,616
Property and equipment (Note 4)	**3,795**	5,273
Data library (Note 5)	**14,982**	18,439
Intangible assets (Note 6)	**265**	290
Deferred tax assets	**-**	5
	$ 27,860	$ 31,623
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (Note 7)	**$ 4,524**	$ 5,097
Current portion of provisions (Note 14)	**723**	888
Current portion of notes payable (Note 8)	**748**	69
Current portion of deferred lease inducements	**95**	97
Convertible note (Note 9)	**2,310**	-
Unearned revenue	**155**	1,544
Income taxes payable	**9**	43
Current portion of obligations under finance lease (Note 10)	**347**	323
Current portion of long-term debt	**-**	548
	8,911	8,609
Long-term notes payable (Note 8)	**1,136**	1,629
Deferred lease inducements	**438**	363
Long-term provisions (Note 14)	**38**	223
Obligations under finance lease (Note 10)	**-**	262
Long-term debt	**-**	95
Deferred tax liabilities	**-**	13
	10,523	11,194
Shareholders' equity:		
Share capital (Note 12(b))	**194,148**	193,992
Accumulated other comprehensive income	**30**	46
Contributed surplus (Note 12(c))	**10,286**	9,663
Deficit	**(187,127)**	(183,272)
	17,337	20,429
Going concern (Note 2(a))		
Commitments (Note 13)		
	$ 27,860	$ 31,623

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)

	For the three months ended September 30, 2012	2011	For the nine months ended September 30, 2012	2011
Revenue:				
Contract services	$ **4,100**	$ 3,198	$ **9,010**	$ 8,618
Data licenses	**3,865**	4,886	**11,169**	10,733
	7,965	8,084	**20,179**	19,351
Expenses:				
Operating costs (Note 11)	**5,573**	6,880	**18,439**	24,373
Depreciation of property and equipment	**404**	797	**1,471**	2,636
Amortization of data library	**1,152**	1,152	**3,457**	3,457
Amortization of intangible assets	**30**	136	**138**	363
	7,159	8,965	**23,505**	30,829
Operating income (loss)	**806**	(881)	**(3,326)**	(11,478)
Gain on disposal of equipment	**-**	1	**26**	2,514
Financing costs, net	**(220)**	(46)	**(313)**	(107)
Gain (loss) on foreign currency translation	**(149)**	192	**(200)**	40
Income (loss) before income taxes	**437**	(734)	**(3,813)**	(9,031)
Income tax (expense) recovery:				
Current	**(14)**	(47)	**(50)**	(127)
Deferred	**-**	20	**8**	60
	(14)	(27)	**(42)**	(67)
Net income (loss) for the period	$ **423**	$ (761)	$ **(3,855)**	$ (9,098)
Other comprehensive (income) loss:				
Foreign currency translation differences	**21**	(55)	**(16)**	(46)
Total comprehensive income (loss) for the period	$ **444**	$ (816)	$ **(3,871)**	$ (9,144)
Net income (loss) per share:				
Basic and diluted	$ **0.01**	$ (0.01)	$ **(0.05)**	$ (0.13)
Weighted average number of Class A common shares - basic and diluted (Note 12(d))	**78,887,915**	78,692,914	**78,637,986**	70,616,344

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Equity

(In thousands of United States dollars)

	Share Capital	Contributed Surplus	Cumulative Translation Adjustments	Deficit	Total
Balance at 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)
Compensation options issued to agent	(265)	265	-	-	-
Balance at September 30, 2011	193,986	9,553	82	(178,774)	24,847
Comprehensive loss for the period	-	-	(36)	(4,498)	(4,534)
Share-based compensation	6	110	-	-	116
Balance at December 31, 2011	193,992	9,663	46	(183,272)	20,429
Comprehensive loss for the period	-	-	(16)	(3,855)	(3,871)
Share-based compensation	138	491	-	-	629
Issuance of convertible note	19	136	-	-	155
Issuance costs of convertible note	(1)	(4)	-	-	(5)
Balance at September 30, 2012	$ 194,148	$ 10,286	$ 30	$ (187,127)	$ 17,337

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

(In thousands of United States dollars)

For the Nine Months Ended September 30,	2012	2011
Cash flows (used in) provided by:		
Operating activities:		
Net loss for the period	**$ (3,855)**	$ (9,098)
Adjusted for the following non-cash items:		
Depreciation of property and equipment	**1,471**	2,636
Amortization of data library	**3,457**	3,457
Amortization of intangible assets	**138**	363
Share-based compensation expense	**613**	1,179
Gain on disposal of equipment	**(26)**	(2,514)
Amortization of deferred lease inducements	**104**	81
Deferred taxes	**(8)**	(60)
Financing costs	**313**	107
Current income tax expense	**50**	127
Interest paid	**(99)**	(66)
Income tax paid	**(109)**	(86)
Change in non-cash operating working capital	**1,401**	(3,889)
	3,450	(7,763)
Investing activities:		
Purchase of property and equipment	**-**	(102)
Investment in intangible assets	**(113)**	(167)
Proceeds from sale of equipment	**33**	1
	(80)	(268)
Financing activities:		
Proceeds from convertible note	**2,500**	-
Financing costs of convertible note	**(70)**	-
Issuance costs of convertible note	**(5)**	-
Proceeds from issuance of common shares	**-**	6,791
Securities issuance costs	**-**	(384)
Proceeds from reimbursable project funding	**151**	-
Repayment of obligations under finance lease	**(238)**	(164)
Repayment of long-term debt	**(644)**	(398)
	1,694	5,845
Effect of foreign exchange on cash	**7**	18
Increase/(decrease) in cash and cash equivalents	**5,071**	(2,168)
Cash and cash equivalents, beginning of period	**597**	4,356
Cash and cash equivalents, end of period	**$ 5,668**	$ 2,188

See accompanying notes to condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

For the third quarter ended September 30, 2012
(In thousands of United States dollars, except per share information)

1. Reporting entity:

Intermap Technologies® Corporation (the Company) is incorporated under the laws of Alberta, Canada. The head office of Intermap is located at 8310 South Valley Highway, Suite 400, Englewood, Colorado, USA 80112. Its registered office is located at 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, 2012, the Company incurred a loss of $3,855 and has an accumulated deficit of $187,127.

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 organizational restructurings, sale of excess capacity assets, company-wide cost reductions, the introduction of new products and services, a revised approach to pricing and selling of the Company's products and services, and has obtained additional financing. The Company's ability to continue as a going concern is dependent on management's ability to successfully generate a profit from operations, sell assets, or obtain additional financing, if required. Failure to achieve one or more of these requirements could have a material adverse effect on the Company's financial condition and / or results of operations.

The Company cannot be certain that cash generated from its operations will be sufficient to satisfy its liquidity requirements, and it may need to continue to raise capital by selling 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 and the timing of collections. No assurance can be given that any such additional funding will be available or that, if available, it can be obtained on terms favorable to the Company.

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

b. Statement of compliance:

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

The notes presented in these unaudited condensed consolidated interim financial statements include in general only significant changes and transactions occurring since the Company's last year-end, and are not fully inclusive of all disclosures required by IFRS for annual financial statements. These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual audited consolidated financial statements, including the notes thereto, for the year ended December 31, 2011 (the "2011 annual consolidated financial statements").

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 2, 2012.

c. Measurement basis:

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

3. Summary of significant accounting policies:

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods that were used to prepare the Company's 2011 annual consolidated financial statements.

4. Property and equipment:

Property and equipment	Aircraft	Mapping equipment	Furniture, fixtures & auto	Leases	Under construction	Total
Balance at December 31, 2010	$ 3,629	$ 3,771	$ 77	$ 400	$ 31	$ 7,908
Additions	-	102	-	42	-	144
Finance Lease	-	614	-		-	614
Disposals	-	(16)	-	-	-	(16)
Depreciation	(661)	(2,518)	(46)	(152)	-	(3,377)
Transfer from under construction	-	31	-	-	(31)	-
Balance at December 31, 2011	2,968	1,984	31	290	-	5,273
Disposals	-	-	(7)	-	-	(7)
Depreciation	(143)	(424)	(5)	(30)	-	(602)
Balance at March 31, 2012	2,825	1,560	19	260	-	4,664
Depreciation	(142)	(293)	(5)	(25)	-	(465)
Balance at June 30, 2012	$ 2,683	$ 1,267	$ 14	$ 235	$ -	$ 4,199
Depreciation	(140)	(235)	(5)	(24)	-	(404)
Balance at September 30, 2012	$ 2,543	$ 1,032	$ 9	$ 211	$ -	$ 3,795

The gross amount of property and equipment at September 30, 2012, was $40,597 (year ended December 31, 2011 – $41,088). The accumulated depreciation at September 30, 2012, was $36,802 (year ended December 31, 2011 – $35,815).

5. Data library:

Balance at December 31, 2010	$ 23,049
Amortization	(4,610)
Balance at December 31, 2011	18,439
Amortization	(1,152)
Balance at March 31, 2012	17,287
Amortization	(1,153)
Balance at June 30, 2012	16,134
Amortization	(1,152)
Balance at September 30, 2012	$ 14,982

6. Intangible assets:

Intangible Assets	Acquired	Internally developed	Total
Balance at December 31, 2010	$ 551	$ -	$ 551
Additions	-	242	242
Amortization	(480)	(15)	(495)
Effect of movements in exchange rates	(8)	-	(8)
Balance at December 31, 2011	63	227	290
Additions	-	83	83
Amortization	(63)	(16)	(79)
Balance at March 31, 2012	-	294	294
Additions	-	30	30
Amortization	-	(29)	(29)
Balance at June 30, 2012	$ -	$ 295	$ 295
Amortization	-	(30)	(30)
Balance at September 30, 2012	$ -	$ 265	$ 265

The gross amount of intangible assets at September 30, 2012, was $2,419 (year ended December 31, 2011 – $2,306). The accumulated amortization at September 30, 2012, was $2,154 (year ended December 31, 2011 – $2,016).

7. Accounts payable and accrued liabilities:

	September 30, 2012	December 31, 2011
Accounts payable	**$ 2,171**	$ 2,384
Accrued liablities	**2,353**	2,665
Other taxes payable	**-**	48
	$ 4,524	$ 5,097

8. Notes payable:

At September 30, 2012, note payable includes a promissory note with a service provider that defines the payment terms of an outstanding balance. The note bears interest at 5% per annum and is secured by a second priority lien on an aircraft owned by the Company. The term of the note payable is thirty-six months ending November 2014. The balance of the promissory note at September 30, 2012, was $1,733 (year ended December 31, 2011 – $1,698), of which $96 is accrued interest (year ended December 31, 2011 – $68). Additionally, the

September 30, 2012, notes payable balance includes reimbursable project development funds provided by a corporation designed to enable the development and commercialization of geomatics solutions. The funding is repayable upon the completion of development and the first sale of the developed product, in quarterly installments equal to 25% of the prior quarter sales. The Company estimates the repayment will begin in the second quarter of 2013.

		September 30, 2012		December 31, 2011
Promissory note payable	$	**1,733**	$	1,698
Reimbursable project funding		**151**		-
		1,884		1,698
Less current portion		**(748)**		(69)
	$	**1,136**	$	1,629

9. Convertible note:

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

Proceeds from convertible note	$	**2,500**
Transaction costs		**(75)**
Net proceeds		**2,425**
Amounts classified as equity:		
Conversion option		**(132)**
Warrants		**(18)**
Effective interest incurred on note discount		**35**
Carrying amount of convertible note at September 30, 2012	$	**2,310**

The convertible note represents a hybrid instrument that needs to be bifurcated between its liability and equity components. The liability component was determined by reference to the fair value of a similar stand alone debt instrument, excluding the equity components, with the residual amount allocated to the equity components.

The fair value of a similar stand alone note excluding the equity components was determined using an estimated discount rate of 29%. The estimated discount rate was derived based on the evaluation of other longer term debt offerings and is subject to estimation uncertainty. The amount of the convertible note classified as equity of $150 is net of attributable transaction costs of $5, and was allocated between the warrants (share capital) and conversion option (contributed surplus) based on the relative fair value of the two components, as determined by the number of shares that could potentially be issued. Transaction costs of $70 were allocated to the liability component which will be accreted to redemption value over the term of the note using the effective interest method.

The Company has the option, after nine months from the closing date of the note and upon sixty days notice, to repay the note at 121% of the outstanding principal balance. The fair value of the prepayment option at September 30, 2012, was $Nil. At September 30, 2012, $136 of accrued interest is included in accrued liabilities.

10. Finance lease liabilities:

Finance lease liabilities are payable as follows:

	September 30, 2012			December 31, 2011		
	Future minimum lease payments	**Interest [1]**	**Present value of minimum lease payments**	Future minimum lease payments	Interest [1]	Present value of minimum lease payments
Less than one year (current portion)	**$ 371**	**$ 24**	**$ 347**	$ 381	$ 58	$ 323
Between one and five years (long-term portion)	**-**	**-**	**-**	276	14	262
	$ 371	**$ 24**	**$ 347**	$ 657	$ 72	$ 585

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

11. Operating costs:

	For the three months ended September 30,		For the nine months ended September 30,	
	2012	2011	**2012**	2011
Personnel (1)	**$ 3,096**	$ 3,487	**$ 10,038**	$ 13,293
Purchased services & materials (2)	**1,840**	2,472	**6,034**	7,735
Travel	**232**	410	**896**	1,241
Facilities and other expenses (3)	**405**	511	**1,471**	2,104
	$ 5,573	$ 6,880	**$ 18,439**	$ 24,373

(1) Includes $Nil and $17 of separation costs during the quarters ended September 30, 2012 and 2011, respectively and $Nil and $1,187 of separation costs during the nine months ended September 30, 2012 and 2011, respectively.

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

(3) Includes $Nil of facility closure costs during the quarters ended September 30, 2012 and 2011, and $(90) and $349 of facility closure (recovery) costs during the nine months ended September 30, 2012 and 2011, 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, 2012			**December 31, 2011**		
Class A common shares	**Number of Shares**		**Amount**	Number of Shares		Amount
Balance, beginning of period:						
Unrestricted shares	**78,405,534**	**$**	**193,992**	60,796,507	$	187,253
Restricted shares held in escrow	**582,700**		**-**	-		-
Stock-based compensation	**482,381**		**138**	1,484,027		597
Restricted shares issued into (released from) escrow	**(56,602)**		**-**	582,700		-
Warrant component of convertible note	**-**		**19**	-		-
Issuance costs of convertible note allocated to warrant component			**(1)**			
Issuance of shares	**-**		**-**	16,125,000		6,791
Compensation warrants issued to agent	**-**		**-**	-		(265)
Issuance costs	**-**		**-**	-		(384)
Balance, end of period:						
Unrestricted shares	**78,887,915**	**$**	**194,148**	78,405,534	$	193,992
Restricted shares held in escrow	**526,098**	**$**	**-**	582,700	$	-

On June 26, 2012, the Company received proceeds from a convertible promissory note. The value attributable to the warrants and included in share capital at inception of the note was $18, net of issuance costs of $1 (see Note 9).

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

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

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

c. **Contributed surplus:**

		September 30, 2012		December 31, 2011
Balance, beginning of period	$	**9,663**	$	8,700
Stock-based compensation		**491**		698
Conversion option component of convertible note		**136**		-
Issuance costs of convertible note allocated to conversion option		**(4)**		-
Compensation warrants issued to agent/underwriter		**-**		265
Balance, end of period	$	**10,286**	$	9,663

d. **Earnings (loss) per share:**

The calculation of earnings (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 earnings (loss) per share. For the three and nine months ended September 30, 2012 and 2011, the inclusion of outstanding options and warrants in the earnings (loss) per share calculation are considered to be anti-dilutive and are therefore not included in the calculation for the period.

The underlying Class A common shares pertaining to 4,852,620 outstanding share options and 19,050,000 outstanding warrants could potentially dilute earnings.

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

The Company has a director's share compensation plan which originally allowed for the issuance of up to 400,000 shares of the Company's Class A common shares to non-employee directors of the Company as part of their annual compensation and was amended in 2011 to 1,400,000 shares. At the Annual General and Special Meeting of the Shareholders on August 9, 2012, an amendment to the share compensation plan was approved to increase the maximum number of Class A common shares of the Corporation issuable there under from 1,400,000 to 2,400,000. As of September 30, 2012, 1,106,413 Class A common shares remain available under the plan. Compensation expense for issued shares is included in operating costs.

f. **Employee share compensation plan:**

The Company established an employee share compensation plan to compensate employees for services performed. The plan was approved by the shareholders of the Company at the Annual General Meeting on May 12, 2009. The plan originally allowed for the issuance of up to 1,500,000 shares of the Company's Class A common shares to employees. At the Annual General and Special Meeting of the Shareholders on August 3, 2011, an amendment to the share compensation plan was approved to increase the maximum number of Class A common shares of the Corporation issuable there under from 1,500,000 to 4,000,000.

As of September 30, 2012, 2,794,812 Class A common shares remain available for issuance under the plan. Compensation expense for issued shares is included in operating costs.

g. Share option plan:

The Company established a share option plan to provide long-term incentives to attract, motivate, and retain certain key employees, officers, directors, and consultants providing services to the Company. The plan permits the granting of options to purchase up to 10% of the outstanding Class A common shares of the Company. As of September 30, 2012, 7,941,401 Class A common shares were authorized under the plan, of which 4,852,620 share options are issued and outstanding and 3,088,781 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, 2012:

	September 30, 2012		December 31, 2011	
	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	**5,489,220**	**$ 1.49**	3,844,800	$ 3.98
Granted	**345,000**	**0.43**	3,624,050	0.45
Expired	**(841,600)**	**5.01**	(1,468,875)	5.46
Forfeitures	**(140,000)**	**0.50**	(510,755)	1.66
Options outstanding, end of period	**4,852,620**	**$ 0.81**	5,489,220	$ 1.49
Options excercisable, end of period	**2,497,880**	**$ 1.06**	2,114,910	$ 2.97

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.25	20,000	4.94 years	5,000
0.27	20,000	5.61 years	-
0.33	200,000	3.88 years	200,000
0.43	1,381,840	4.50 years	1,011,080
0.44	325,000	4.45 years	325,000
0.46	960,230	5.21 years	-
0.48	450,000	4.26 years	112,500
0.50	450,000	4.19 years	112,500
0.66	300,000	4.06 years	131,250
1.49	119,750	2.20 years	90,000
1.60	76,000	3.30 years	43,000
1.84	317,300	3.25 years	235,050
2.98	12,000	1.95 years	12,000
4.16	80,000	1.81 years	80,000
5.75	140,500	0.45 years	140,500
	4,852,620	4.21 years	2,497,880

During the nine months ended September 30, 2012, 345,000 options were granted at a weighted-average fair value of $0.43 CDN 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 1.32% to 1.91%, volatilities ranging from 80.43% to 85.9%, and an expected lives of five to 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 2012	Three months ended September 30 2011	**Nine months ended September 30 2012**	Nine months ended September 30 2011
Employees	**$ 123**	$ 237	**$ 395**	$ 968
Non-employees	**-**	85	**218**	211
Non-cash compensation	**$ 123**	$ 322	**$ 613**	$ 1,179

i. Class A common share purchase warrants:

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

	September 30, 2012	December 31, 2011
Balance, beginning of year	**17,375,000**	575,000
Issued	**1,700,000**	17,350,000
Expired	**(25,000)**	(550,000)
Balance, end of year	**19,050,000**	17,375,000

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

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:

2013	$	1,049
2014		840
2015		592
2016		511
	$	2,992

During the nine months ended September 30, 2012, the Company recognized $709 (year ended December 31, 2011 - $1,767) in operating lease expense for office space.

14. Restructuring:

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

In June 2011, in an effort to continue to transform the Company 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, 2011	$ 1,266	$ 349	$ 1,615
Amounts recorded for the nine months ended September 30, 2012	-	(90)	(90)
Total	$ 1,266	$ 259	$ 1,525

At September 30, 2012, the provision associated with the restructuring and other related charges consisted of the following:

	Workforce Reduction	Excess Facility	Total
Balance at December 31, 2010	$ 828	$ 812	$ 1,640
2011 provisions	1,266	349	1,615
Payments	(1,915)	(229)	(2,144)
Balance at December 31, 2011	179	932	1,111
3 months ended March 31, 2012 provisions (reversals)	-	(90)	(90)
Payments	(66)	(89)	(155)
Balance at March 31, 2012	113	753	866
Payments	(36)	(33)	(69)
Balance at June 30, 2012	$ 77	$ 720	$ 797
Payments	(36)	-	(36)
Balance at September 30, 2012	$ 41	$ 720	$ 761
Current portion of provisions	$ 41	$ 682	$ 723
Long-term provisions	-	38	38
	$ 41	$ 720	$ 761

The workforce reduction accrual of $41 is scheduled to be paid in installments through January 2013. The excess facility accrual of $720 is scheduled to be relieved by November 2013, the Ottawa, Canada lease termination date.

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, 2012	Data Licenses 3 months ended September 30, 2012	Contract Services 3 months ended September 30, 2011	Data Licenses 3 months ended September 30, 2011
United States	$ 4,035	$ 349	$ 295	$ 3,086
Asia/Pacific	65	2,971	2,567	1,107
Europe	-	545	336	693
	$ 4,100	$ 3,865	$ 3,198	$ 4,886

	Contract Services 9 months ended September 30, 2012	Data Licenses 9 months ended September 30, 2012	Contract Services 9 months ended September 30, 2012	Data Licenses 9 months ended September 30, 2012
United States	$ 5,130	$ 1,129	$ 393	$ 6,121
Asia/Pacific	3,880	8,658	7,383	2,107
Europe	-	1,382	842	2,505
	$ 9,010	$ 11,169	$ 8,618	$ 10,733

Property and equipment of the Company are located as follows:

	September 30, 2012	December 31, 2011
United States	$ 3,489	$ 4,774
Canada	186	258
Asia/Pacific	113	218
Europe	7	23
	$ 3,795	$ 5,273

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

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

	Three months ended September 30, 2012	Three months ended September 30, 2011	Nine months ended September 30, 2012	Nine months ended September 30, 2011
Customer A	$ 3,937	$ 50	$ 4,575	$ 136
Customer B	2,877	-	8,056	-
Customer C	163	2,783	4,124	7,589
Customer D	-	1,600	-	1,621
Customer E	4	927	4	927
Customer F	24	-	68	2,004
	$ 7,005	$ 5,360	$ 16,827	$ 12,277

16. Financial risk management:

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk, liquidity risk, and capital risk. Management, the Board of Directors, and the Audit Committee monitor risk management activities and review the adequacy of such activities. There have been no significant changes to the Company's risk management strategies since December 31, 2011.

Amounts receivable as of September 30, 2012, and December 31, 2011, consist of:

	September 30, 2012	December 31, 2011
Trade amounts receivable	**$ 1,448**	$ 5,222
Employee receivables	**17**	16
Other miscellaneous receivables	**91**	274
	$ 1,556	$ 5,512

Trade amounts receivable by geography consist of:

	September 30, 2012	December 31, 2011
United States	**$ 587**	$ 1,704
Canada	**15**	22
Asia/Pacific	**200**	2,005
Europe	**646**	1,491
	$ 1,448	$ 5,222

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

	September 30, 2012	December 31, 2011
Current	**$ 1,176**	$ 3,612
31-60 days	**9**	1,034
61-90 days	**125**	112
Over 91 days	**138**	464
	$ 1,448	$ 5,222

As of September 30, 2012, $263 of trade amounts receivable (year ended December 31, 2011 - $576) were past due. The balance of the past due amounts relate to recurring, and historically slow paying customers, and are considered collectible.

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