Intermap Technologies Corporation
Second Quarter Ended June 30, 2015

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Intermap Reports 2015 Second Quarter Financial Results

All amounts are in United States dollars unless otherwise noted.

Intermap Technologies Corporation ("Intermap" or the "Company") today reported financial results for the second quarter ended June 30, 2015. A conference call will be held tomorrow, August 14th, at 11:00 a.m. Eastern Time to discuss the results.

All amounts in this news release are in United States dollars unless otherwise noted.

Intermap reported total revenue of $0.7 million for the second quarter of 2015, a 25% decrease from the first quarter of the year. Second quarter revenue of $0.7 million is compared to $2.4 million in the same period of 2014. During the second quarter of last year, a $1.0 million NEXTMap® data sale was recognized on a single contract from a U.S. government entity. No similar sized contract was closed during the first six months of the current year, making up the majority of the variance between the current year and prior year periods. Additionally, NEXTMap data sales were lower in the U.S., Europe and Southeast Asia during the current year. Net operating loss for the second quarter of 2015 was $4.4 million, compared to a net operating loss of $3.2 million for the second quarter of 2014. Second quarter adjusted EBITDA, a non IFRS financial measure, was a loss of $3.7 million, an increase from an adjusted EBITDA loss of $2.8 million for the same period in 2014. Adjusted EBITDA excludes share-based compensation, change in value of derivative instruments, gain or loss on the disposal of equipment, impairment losses or reversals, and gain or loss on foreign currency translation.

"Our focus during the quarter was the closing of a spatial data infrastructure (SDI) project. We reported success with this on June 22, 2015 when we announced that Intermap had received a letter of award for an Orion Platform® implementation program valued at greater than $125 million" said Todd Oseth, President & CEO of Intermap. "This award represents the largest SDI award in the Company's history. We're currently working to define the final scope of the project and finalize the definitive agreement giving effect to the terms and conditions of the tender. We remain optimistic that this final step can be completed by the end of the third quarter at which time we will issue a press release with the pertinent details. We believe this award will be a catalyst to close other large Orion Platform government implementations as well as promote Intermap's location based Platform-as-a-Service (PaaS) and Software-as-a-Service (SaaS) product offerings for the enterprise sector."

Mr. Oseth added, "during the second quarter we saw continued expansion of our InsitePro™ user base in both the US and South America. Our risk based customers are excited about InsitePro's capabilities and the fact that we can customize the application for their individual needs. In addition to the positive developments with our software business, we also saw a repeat customer contract with us for further data acquisition in North America. The contract was for more than $2 million. The majority of that contract is now complete and the results continue to surpass our published specifications. We are creating a truly amazing dataset for this customer."

FINANCIAL REVIEW

Consolidated revenue for the second quarter of 2015 totaled \$0.7 million and included (i) \$0.1 million in mapping services, (ii) \$0.1 million in professional services, (iii) \$0.3 million in data licensing, and (iv) \$0.2 million in 3DBI software licensing. For the same period in 2014, consolidated revenue totaled \$2.4 million and included (i) \$0.1 million in mapping services, (ii) \$0.2 million in professional services, (iii) \$1.8 million in data licensing, and (iv) \$0.3 million in 3DBI software licensing. Contract backlog at the end of the quarter totaled \$2.5 million.

For the second quarter of 2015, personnel expense was \$3.0 million, compared to \$3.1 million in the same period last year. The decrease was primarily due to reduced commission expense consistent with decreased revenue recognized on a year-over-year basis.

For the second quarter of 2015, purchased services and materials expense was \$1.2 million, compared to \$1.5 million during the same period last year. The decrease in this category of expense is primarily due to a decrease in job and contractor expenses associated with the Company's software development activities. Purchased services and materials includes (i) aircraft related costs, including jet fuel, (ii) professional and consulting costs, (iii) third-party support services related to airborne data collection efforts, processing and editing of the Company's data collection efforts, and (iv) software expenses (including maintenance and support).

The cash position of the Company at June 30, 2015 (cash, restricted cash, and cash equivalents) was \$0.6 million, compared to \$0.5 million at December 31, 2014. Amounts receivable and unbilled revenue at June 30, 2015 was \$0.9 million, compared to \$1.5 million at December 31, 2014. Working capital was negative \$20.4 million at June 30, 2015, compared to negative \$8.7 million at December 31, 2014 (see "Intermap Reader Advisory" below).

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

Second Quarter Business Highlights

- On June 22, 2015, Intermap announced that a consortium led by the Company was issued with a governmental letter of award for the creation, operation and maintenance of a national spatial data infrastructure (SDI) program. The scope of work for the initial 2-year SDI implementation phase is valued at greater than \$125 million, with product delivery expected to commence during the third quarter of 2015. The Company will also provide an operation and maintenance module valued at greater than \$50 million for an additional 18-year period. The 20-year SDI program is administered within a public-private-partnership (PPP) framework under a build-operate-transfer (BOT) model, with the Company serving as the prime contractor, on a turnkey basis.

  The award is the result of a competitive tender process during which the Company demonstrated the enabling versatility of its proprietary Orion Platform, the industry's first software-driven, big-data, geospatial analytics platform, capable of delivering customized solutions, at scale, to governments and commercial enterprises across multiple verticals from one unified control point. The Orion Platform was launched on June 19, 2013, and is based on the Company's proprietary software, data, airborne radar collection, and data fusion technologies.

The sovereign client intends to use the Orion Platform for the planning, development, and management of national interests, including natural resource exploration and production, environmental protection, land administration, telecommunication, transportation and power networks, defense and homeland security. The SDI program will include nation-wide data acquisition, utilizing the Company's proprietary Interferometric Synthetic Aperture Radar (IFSAR) technology, alongside satellite imagery and selective Light Detection and Ranging (LiDAR) coverage.

The award is subject to the entry into definitive agreements giving effect to the tender terms and conditions, including, without limitation, a project finance facility agreement, and is expected to close during the third quarter of 2015.

- On June 17, 2015, Intermap announced the release of NEXTMap World 10™ Digital Elevation Model (DEM). NEXTMap World 10 is the only global digital elevation model available that incorporates the consistency of radar with the resolution of optical. It leverages the best of each technology and builds on the success of Intermap's World 30 offering. NEXTMap World 10 combines the best of ASTER and SRTM data for a higher resolution, more accurate product by leveraging its patent-pending data fusion technologies. This fusion has led to higher spatial content of the final DEM. World 10 also contains superior coastal behavior and improved accuracies due to enhanced ICESat processing of land and water boundaries. Intermap will continue to integrate the best available data, including the newly released SRTM30, throughout the lifespan of the product. Intermap also provides services to integrate customer supplied elevation data as well as creation of Digital Terrain Models (DTM) anywhere in the world for advanced terrain analysis. World 10 can be used for diverse applications such as orthorectification, preliminary site engineering, and regional flood modeling. The entire world of 25,671 one-degree tiles, is ready for delivery.
- On June 15, 2015, Intermap announced an InsitePro subscription from one of the largest insurers of homes in Florida. InsitePro is software as a service (SaaS) that supplies location-based risk assessment to the property insurance industry. A key benefit of InsitePro for this insurer is the ability to score location risks according to their own business rules. Florida is a challenging insurance environment, with a combination of coastal and inland flooding in addition to other risks. In response to these challenges, the market is evolving to provide private alternatives for flood insurance. Carriers who underwrite flood insurance are searching for alternatives to existing and traditional flood risk information so they can incorporate their own experience and appetite into their analytics and workflows. InsitePro meets this need by providing a more complete risk assessment for location-based risk. InsitePro supports write your own (WYO) flood, but adds extra value for excess and private insurance coverage. The software is built on a platform that allows each customer to configure risk analytics and leverage Intermap's extensive collection of geospatial datasets to deliver the precise information they need. InsitePro by Intermap automates complex risk assessment for underwriters. Typical uses of the risk scoring function include:
    - Selection: deciding which properties to underwrite based on quantified risk.
    - Pricing: matching premium to a better understanding of risk.
    - Flood model validation: using terrain features to confirm the accuracy of flood zones.
    - Multi-peril analysis: developing a combined view of risk for a location.

- On June 5, 2015, Intermap announced that the Company was awarded a US $2.1 million contract for an airborne radar mapping services solution. Intermap is using its proprietary Interferometric Synthetic Aperture Radar (IFSAR) technology to collect orthorectified radar imagery and high resolution elevation data to enhance the customer's existing geospatial map database. This new dataset will be used for improved disaster planning, resource management, security interests, and infrastructure planning. The project will commence in July 2015 and the final deliveries of the dataset are expected to be substantially complete by the end of the year 2015.
- On April 28, 2015, Intermap announced that it had completed a non-brokered US$2.5 million debt financing (the "Debt Financing") with Vertex One Asset Management ("Vertex") of Vancouver, BC. The promissory note granted under the Debt Financing will mature 12 months from the date of issuance. Simple interest is payable at maturity at an annual rate of 20.0%. The Debt Financing is subject to a prepayment right by the Company at 120% of the principal amount at any time, subject to a 30 day notice period. The Company intends to use the net proceeds of the Debt Financing for general corporate purposes.
- On April 3, 2015, Intermap announced that it had completed a non-brokered US$1.5 million debt financing (the "Debt Financing") with Vertex One Asset Management ("Vertex") of Vancouver, BC. The promissory note granted under the Debt Financing will mature 12 months from the date of issuance. Simple interest is payable at maturity at an annual rate of 20.0%. In addition, warrants were issued to the holder of the debt, entitling the holder to purchase up to 9,178,266 Common Shares at a price of C$0.09 per share (US$0.07 per share). Under the terms of the financing, Vertex will retire an outstanding $0.5 million note, which was issued on December 26, 2014, and became due on March 31, 2015. Additionally, with the retirement of the note, 8,333,333 conversion shares associated with the note were cancelled. The Debt Financing is subject to a prepayment right by the Company at 120% of the principal amount at any time, subject to a 30 day notice period. The Company intends to use the net proceeds of the Debt Financing for general corporate purposes.

As of August 13, 2015, there were 99,163,102 common shares outstanding.

As of August 13, 2015, potential dilutive securities include (i) 7,367,400 outstanding share options in the Company's share option plan with a weighted average exercise price of C$0.46, and (ii) 25,671,150 warrants outstanding with a weighted average exercise price of C$0.08. Each option and warrant entitles the holder to purchase one Class A common share.

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.

Management's Discussion and Analysis

For the quarter ended June 30, 2015

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 August 13, 2015, and should be read together with the Company's unaudited Condensed Consolidated Interim Financial Statements and the accompanying notes for the three and six-months ended June 30, 2015 and the audited Consolidated Financial Statements for the years ended December 31, 2014 and 2013, together with the accompanying notes. The results reported herein have been prepared in accordance with International Financial Reporting Standards (IFRS) and, unless otherwise noted, are expressed in United States dollars.

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

FORWARD-LOOKING STATEMENTS

In the interest of providing the shareholders and potential investors of Intermap Technologies® Corporation ("Intermap" or the "Company") 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 these forward-looking statements are based on assumptions that Intermap considers 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 development and other factors that it believes are appropriate.

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

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

BUSINESS OVERVIEW

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

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

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

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

Unlike other geospatial companies, Intermap typically retains ownership of its data and licenses the use of its products and services to its customers. Intermap currently has 5- meter 3D geospatial data commercially available for 17 countries in Western Europe, the contiguous United States and Hawaii, portions of Alaska, and significant areas in Southeast Asia. Intermap also has a 10-meter product of the entire world, called NEXTMap World 10™.

FINANCIAL INFORMATION

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

Selected Annual Information

U.S. $ millions, except per share data	Three months ended June 30, **2015**	Three months ended June 30, 2014[(1)]	Six months ended June 30, **2015**	Six months ended June 30, 2014[(1)]
Revenue:				
Mapping services	**$ 0.1**	$ 0.1	**$ 0.4**	$ 0.9
Professional services	**0.1**	0.2	**0.2**	0.7
Data licenses	**0.3**	1.8	**0.6**	2.5
3DBI software applications	**0.2**	0.3	**0.5**	0.4
Total revenue	**$ 0.7**	$ 2.4	**$ 1.7**	$ 4.5
Operating loss	**$ (4.4)**	$ (3.2)	**$ (8.3)**	$ (7.2)
Net loss	**$ (9.0)**	$ (3.4)	**$ (13.9)**	$ (5.7)
EPS basic and diluted	**$ (0.10)**	$ (0.04)	**$ (0.15)**	$ (0.06)
Adjusted EBITDA	**$ (3.7)**	$ (2.8)	**$ (7.3)**	$ (6.4)

(1) Net loss and EPS basic and diluted amounts have been restated. See Note 4 to the Condensed Consolidated Interim Financial Statements.

	June 30, 2015	December 31, 2014
Assets:		
Cash, amounts receivable, and unbilled revenue	**$ 1.5**	$ 2.1
Total assets	**$ 4.3**	$ 5.3
Total long-term liabilities (including finance lease obligations)	**$ 0.8**	$ 0.5

Revenue

Quarterly Revenue

Consolidated revenue for the quarter ended June 30, 2015 totaled $0.7 million, compared to $2.4 million for the same period in 2014, representing a 69% decrease. As of June 30, 2015, there remained $2.5 million in revenue from existing contracts ($2.0 million in mapping services, $0.2 million in professional services, and $0.3 million in 3DBI software applications contracts) to be recognized in future periods.

Mapping services revenue for the quarters ended June 30, 2015 and 2014 remained consistent at $0.1 million for both periods, and relates to similar acquisition projects in North America.

Professional services revenue was $0.1 million for the quarter ended June 30, 2015, a slight decrease from $0.2 million for the same period in 2014. The decrease is due to timing of professional services contracts.

Data licensing revenue for the quarters ended June 30, 2015 and 2014 totaled $0.3 million and $1.8 million, respectively. The decrease was primarily the result of increased sales from the Company's NEXTMap Asia dataset during the second quarter of 2014.

3DBI software applications revenue was $0.2 million for the quarter ended June 30, 2015, a slight decrease from $0.3 million for the same period in 2014. The decrease is due to a decrease in revenue recognized from the Company's risk management software application.

Year-to-date Revenue

On a year-to-date basis, consolidated revenue decreased from $4.5 million during the six months ended June 30, 2014 to $1.7 million during the same period in 2015, representing a 62% decrease.

Mapping services revenue for the six-month period ended June 30, 2015 totaled $0.4 million, compared to $0.9 million for the same period in 2014. During the six-month period ended June 30, 2015, the company recognized revenue on two contracts in North America totaling $0.4 million. For the same period in 2014, revenue was recognized on a percentage of completion basis on a single contract in North America totaling $0.9 million.

Professional services revenue on a year-to-date basis was $0.2 million in 2015, a decrease from $0.7 million for the same period in 2014. The majority of the decrease was the result of a project management contract for a utility corridor in North America during 2014, with no similar contract in place during the current year.

Data licensing revenue for the six-month period ended June 30, 2015 was $0.6 million, a decrease from the same period in 2014 which totaled $2.5 million. The decrease was primarily the result of a significant contract for data from the Company's NEXTMap Asia dataset which generated $1.0 million of revenue during the second quarter of 2014. The remainder of the decrease was due to decreased sales of the Company's NEXTMap USA, Europe and Asia datasets.

3DBI software applications revenue increased slightly for the six-month period ended June 30, 2015 to $0.5 million from $0.4 million for the same period in 2014. The increase was primarily due to new 3DBI software application contracts in 2015.

Classification of Operating Costs

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

	For the three months ended June 30,		For the six months ended June 30,	
U.S. $ millions	**2015**	2014	**2015**	2014
Personnel	**$ 3.0**	$ 3.1	**$ 6.0**	$ 6.3
Purchased services & materials	**1.2**	1.5	**2.3**	3.1
Travel	**0.1**	0.2	**0.3**	0.5
Facilities and other expenses	**0.5**	0.5	**0.9**	1.1
	$ 4.8	$ 5.3	**$ 9.5**	$ 11.0

Personnel

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

Personnel expense for the quarters ended June 30, 2015 and 2014, totaled $3.0 million and $3.1 million, respectively. For the six-month periods ended June 30, 2015 and 2014, personnel expense was $6.0 million and $6.3 million, respectively. The 5% year-over-year decrease in personnel expense is primarily due to a decrease in sales commissions consistent with the decrease in revenue recognized on a year-over-year basis.

Consolidated active employee headcount was 163 (including 67 in Jakarta, Indonesia) at June 30, 2015, a 12% decrease from 186 (including 81 in Jakarta, Indonesia) at June 30, 2014. The decrease in personnel on a year-over-year basis was the result of reductions in (i) sales and marketing 22%, or 5 personnel; (ii) engineering 10%, or 1 person; (iii) operations 13%, or 15 personnel (including 14 in Jakarta, Indonesia); and (iv) general and administrative 11%, or 2 personnel.

Non-cash compensation expense is included in operating costs and relates to the Company's long-term incentive plan, share options, and shares granted to employees and non-employees. Non-cash share-based compensation for the quarters ended June 30, 2015 and 2014, totaled $0.4 million and $0.1 million, respectively. Non-cash share-based compensation for the six-month periods ended June 30, 2015 and 2014, totaled $0.5 million and $0.2 million, respectively. The increase in both the quarter and six-month period ended June 30, 2015 was due to the increase in the Company's long-term incentive plan expense of $0.3 million during the second quarter of 2015. The plan was not in place during the same time period in 2014.

Purchased Services and Materials

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

For the quarters ended June 30, 2015 and 2014, PS&M expense was $1.2 million and $1.5 million, respectively. For the six-month periods ended June 30, 2015 and 2014, PS&M expense was $2.3 million and $3.1 million, respectively. The decrease in both the three- month period is due to decrease in job expenses consistent with decreased mapping services revenue, and subcontractor expenses, due to the transitioning of some subcontract development support to employee status. The decrease in the six-month period was primarily due to the decrease in job and subcontractor expenses, offset by an increase in software and software maintenance expenses, due to increased 3DBI software development and royalties accrued as part of a financing agreement. .

Travel

For the quarters ended June 30, 2015 and 2014, travel expense was $0.1 million and $0.2 million, respectively. For the six-month periods ended June 30, 2015 and 2014, travel expense was $0.3 million and $0.5 million, respectively. The decrease in both periods is primarily due to a decrease in sales and marketing travel during 2015.

Facilities and Other Expenses

For the quarters ended June 30, 2015 and 2014, facilities and other expenses remained consistent at $0.5 million for both periods. For the six-month periods ended June 30, 2015 and 2014, facilities and other expenses were $0.9 and $1.1 million, respectively. The decrease is primarily due to a decrease in sales and marketing training activities during the second quarter of 2015.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) is not a recognized performance measure under IFRS. The term EBITDA consists of net income (loss) and excludes interest (financing costs), taxes, depreciation and amortization. Adjusted EBITDA also excludes share-based compensation, change in value of derivative instruments, gain or loss on the disposal of equipment, impairment losses or reversals, 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.

	Three months ended June 30,		Six months ended June 30,	
U.S. $ millions	**2015**	2014[(1)]	**2015**	2014[(1)]
Net loss	**$ (9.0)**	$ (3.4)	**$ (13.9)**	$ (5.7)
Financing costs	**0.9**	0.3	**2.0**	0.5
Depreciation of property and equipment	**0.2**	0.3	**0.4**	0.6
Income tax recovery	**-**	-	**-**	(0.3)
EBITDA	**$ (7.9)**	$ (2.8)	**$ (11.5)**	$ (4.9)
Change in value of derivative instruments	**3.7**	(0.1)	**3.7**	(1.4)
Share-based compensation	**0.4**	0.1	**0.5**	0.2
Gain on disposal of equipment	**-**	-	**-**	(0.4)
Loss on foreign currency translation	**0.1**	-	**-**	0.1
Adjusted EBITDA	**$ (3.7)**	$ (2.8)	**$ (7.3)**	$ (6.4)

(1) Net loss, income tax recovery and change in value of derivative instruments have been restated. See Note 4 to the Condensed Consolidated Interim Financial Statements.

Adjusted EBITDA for the quarter ended June 30, 2015 was negative $3.7 million, compared to negative $2.8 million for the same period in 2014. The difference in the adjusted EBITDA loss is primarily attributable to a decrease in revenue of $1.6 million, offset by a decrease in operating costs of $0.4 million.

Adjusted EBITDA for the six-month period ended June 30, 2015 was negative $7.3 million, compared to negative $6.4 million for the same period in 2014. The difference in the adjusted EBITDA loss is primarily attributable to a decrease in revenue of $2.8 million, offset by a decrease in operating costs of $1.5 million.

Financing Costs

Financing costs for the quarter ended June 30, 2015 totaled $0.9 million (six-month period $2.0 million), compared to $0.3 million (six-month period $0.5 million) for the same period in 2014. The increase in year-over-year financing costs is attributable to interest incurred, and accretion on, outstanding notes payable issued during the last quarter of 2014 and the first two quarters of 2015.

Depreciation of Property and Equipment

Depreciation expense for the quarter ended June 30, 2015 totaled $0.2 million (six-month period $0.4 million), compared to $0.3 million (six-month period $0.6 million) for the same period in 2014. The decrease in depreciation expense is primarily the result of certain assets dedicated to the Company's NEXTMap database development reaching the end of their useful lives, without the addition of comparable replacement assets.

Income Tax

For the quarters ended June 30, 2015 and 2014, current income tax remained consistent at $Nil for both periods. During the six-month period ended June 30, 2015 and 2014, income tax recovery was $Nil and $0.3 million, respectively. The 2014 recovery was primarily due to the deferred tax effect of change in fair value of derivative instruments.

Derivative Instruments

The Company has issued non-broker warrants that are considered to be derivative liabilities as the warrants are exercisable in a currency (Canadian dollar) other than the Company's functional currency (United States dollar). Accordingly, the warrants are measured at fair value at each reporting date, with changes in fair value included in the consolidated statement of profit and loss and other comprehensive income for the applicable reporting period. During the quarters ended June 30, 2015 and 2014, the change in the fair value of derivative instruments was a loss of $3.7 million (six-month period loss $3.7 million) and a gain of $0.1 million (six-month period gain $1.4 million).

Gain on Disposal of Equipment

During the first six months of 2015, the Company sold fully depreciated assets and recognized a gain of $48 thousand on the sale of the assets. The assets sold consisted of spare radar parts, a transmitter, and miscellaneous IT equipment.

During the first six months of 2014, the Company sold fully depreciated assets and recognized a gain of $93 thousand on the sale of these assets. The assets sold consisted of spare radar parts, a transmitter, and miscellaneous computer equipment. A gain of $320 thousand was also recognized on proceeds from an insurance claim for water damaged computer and storage related equipment.

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. The difference between any amounts incurred in one currency and settled in a different currency is recognized as a gain or loss in the period it is settled.

During the quarter ended June 30, 2015, a foreign currency translation loss of $114 thousand (six-month period gain of $24 thousand) was recorded, compared to a loss of $43 thousand (six-month period loss of $121 thousand) for the same period in 2014.

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 $1.5 million at December 31, 2014, to $0.9 million at June 30, 2015. These amounts represent 105 days sales at June 30, 2015, compared to 112 days' sales at December 31, 2014, and reflect specific project billing milestones on current contracts that were in progress on those dates. There continues to be an amounts receivable balance greater than 90 days primarily from historically slow paying, but reliable customers. The Company reviews the amounts receivable aging monthly and monitors the payment status of each invoice. The Company also communicates with slow paying or delinquent customers on a regular basis regarding the schedule of future payments. At the balance sheet date, all amounts receivable balances greater than 90 days are considered to be collectible.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities generally include trade payables, project-related accruals, personnel-related costs, and interest on outstanding debt obligations. Accounts payable and accrued liabilities increased to $5.0 million at June 30, 2015, from $3.8 million at December 31, 2014.

U.S. $ millions	**June 30, 2015**	December 31, 2014
Accounts payable	$ 2.4	$ 1.5
Accrued liablities	2.6	2.3
	$ 5.0	$ 3.8

The accounts payable balance increased from $1.5 million at December 31, 2014 to $2.4 million at June 30, 2015. The increase is due primarily to the timing of payments on trade payables. The accrued liabilities balance increased from $2.3 million at December 31, 2014 to $2.6 million at June 30, 2015. The increase is primarily due to increased royalties on a debt financing, legal, and personnel related accruals.

Notes Payable

The notes payable balance of $11.4 million at June 30, 2015 reflects four private placement debt financings that closed during 2015. The first debt financing occurred on January 14, 2015 for $0.5 million; simple interest payable at maturity at an annual rate of 18%. The second debt financing occurred on February 23, 2015 for $7.3 million; simple interest payable at maturity at an annual rate of 25%, in which $5.8 million of the proceeds was used to retire the obligations of an outstanding $5.0 million note (plus accrued interest of $0.8 million) issued on February 6, 2014 and was due and payable on February 6, 2015. The third debt financing occurred on April 2, 2015 in the amount of $1.5 million; simple interest is payable at maturity at an annual rate of 20%. The fourth debt financing occurred on April 28, 2015 in the amount of $2.5 million; simple interest is payable at maturity at an annual rate of 20%. The two debt financings that occurred during December 2014 have been retired. See "Note 7" to the Condensed Consolidated Interim Financial Statements for further discussion of the terms of the notes.

Project Financing

The project financing balance increased from $1.3 million at December 31, 2014 to $1.4 million at June 30, 2015. The increase is primarily due to cash received from a reimbursable project development program entered into with the Canadian government.

Unearned Revenue and Deposits

The unearned revenue balance at June 30, 2015 increased to $0.7 million from $0.5 million at December 31, 2014. 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.

Finance Lease Obligations

Finance lease obligations at June 30, 2015 remained unchanged at $0.2 million from December 31, 2014.

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	Q3 2013 (1)	Q4 2013 (1)	Q1 2014 (1)	Q2 2014 (1)	Q3 2014 (1)	Q4 2014	Q1 2015	**Q2 2015**
Total revenue	$ 6.3	$ 4.1	$ 2.1	$ 2.4	$ 2.7	$ 1.1	$ 1.0	**$ 0.7**
Depreciation and amortization	$ 1.5	$ 1.4	$ 0.3	$ 0.3	$ 0.3	$ 0.2	$ 0.2	**$ 0.2**
Financing costs	$ -	$ 0.1	$ 0.2	$ 0.3	$ 0.5	$ 1.0	$ 1.1	**$ 0.9**
Change in fair value of derivative intruments	$ (2.0)	$ (0.7)	$ (1.2)	$ (0.2)	$ (0.4)	$ (0.2)	$ -	**$ 3.7**
Operating income (loss)	$ -	$ (3.0)	$ (4.0)	$ (3.2)	$ (2.5)	$ (4.0)	$ (4.0)	**$ (4.4)**
Net income (loss) before data library impairment	$ 1.5	$ (2.7)	$ (2.3)	$ (3.4)	$ (2.5)	$ (4.6)	$ (4.9)	**$ (9.0)**
Data library impairment	$ -	$ (9.2)	$ -	$ -	$ -	$ -	$ -	**$ -**
Net income (loss)	$ 1.5	$ (11.9)	$ (2.3)	$ (3.4)	$ (2.5)	$ (4.6)	$ (4.9)	**$ (9.0)**
Net income (loss) per share - basic and diluted	$ 0.01	$ (0.13)	$ (0.02)	$ (0.04)	$ (0.03)	$ (0.05)	$ (0.05)	**$ (0.10)**
Adjusted EBITDA	$ 0.6	$ (1.5)	$ (3.6)	$ (2.8)	$ (2.1)	$ (3.5)	$ (3.6)	**$ (3.7)**

(1) Net income (loss) before data library impairment, net income (loss), and net income (loss) per share amounts have been restated. See Note 4 to the Condensed Consolidated Interim Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

Management continually assesses liquidity in terms of the ability to generate sufficient cash flow to fund the business. Net cash flow is affected by the following items: (i) operating activities, including the level of amounts receivable, unbilled receivables, accounts payable, accrued liabilities and unearned revenue and deposits; (ii) investing activities, including 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 quarter ended June 30, 2015 totaled $3.1 million (six-month period $5.5 million), compared to $1.7 million (six-month period $3.3 million) during the same period in 2014. The year-over-year increase of $2.2 million is due primarily to decreased revenue and changes in working capital balances.

Net cash used in investing activities totaled $Nil (six-month period $34 thousand) for the quarter ended June 30, 2015, compared to $70 thousand (six-month period $84 thousand) during the same period in 2014.

Net cash used in investing activities for the six-months ended June 30, 2015, was for the purchase of computer related equipment of $34 thousand. Cash used in investing activities during the quarter ended June 30, 2014, was primarily for the purchase of computer related equipment of $290 thousand (six-month period $437 thousand), offset by proceeds from the sale of property and equipment of $221 thousand (six-month period $353 thousand).

Net cash generated from financing activities totaled $3.5 million for the quarter ended June 30, 2015, compared to net cash used in financing activities of $12 thousand during the same period in 2014. The net cash generated from financing activities during the quarter ended June 30, 2015 resulted from debt financings proceeds totaling $4.0 million, and $0.1 million from the exercise of warrants; offset by the repayment of long-term debt of $0.5 million, and movement to restricted cash of $0.1 million. The net cash used in financing activities during the three months ended June 30, 2014 resulted from $44 thousand in funding received on a long-term note payable, offset by $56 thousand in repayment of long-term debt and capital leases. Net cash generated from financing activities totaled $5.5 million during the six-month period ended June 30, 2015, compared to $4.8 million during the same period in 2014. The net cash generated from financing activities during the six-month period ended June 30, 2015 resulted from the closing of debt financing totaling $11.8 million, proceeds from the exercise of warrants of $0.1 million and from reimbursable project funding of $0.1 million; offset by $0.1 million of movement to restricted cash and the repayment of long-term debt and capital leases of $6.4 million. The net cash generated from financing activities during the same period in 2014 resulted from the closing of a convertible note debt financing totaling $5.0 million, offset by $0.1 million of issuance costs and repayment of long-term debt and capital leases of $0.1 million.

The cash position of the Company at June 30, 2015 (cash, restricted cash and cash equivalents) was $0.6 million, compared to $0.5 million at December 31, 2014. Working capital decreased to negative $20.4 million as of June 30, 2015 from negative $8.7 million as of December 31, 2014 primarily due to the current portion of convertible and other notes payable increasing by $6.1 million. Also, at June 30, 2015 and December 31, 2014, working capital includes $3.6 million and $0.2 million, respectively, of warrant liabilities that are non-cash and will be settled in equity of the Company, if exercised.

During the quarter ended June 30, 2015, the Company generated an operating loss of $4.4 million (six-month period $8.3 million), incurred negative adjusted EBITDA of $3.7 million (six-month period $7.3 million), and negative cash flow from operations of $3.1 million (six-month period $5.5 million). Revenue for the six-month period ended June 30, 2015 was $1.7 million, which represents a $2.8 million decrease in revenue from the six-month period ended June 30, 2014. In addition, the Company has a deficit of $226.0 million and a working capital deficiency of $18.6 million. Although the Company has made significant progress in the development of new product offerings during the year and announced the award of a material long-term spatial data infrastructure project, its continuing operations are dependent on its ability to produce future profitable operations and generate positive cash flows from operations. 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 in the aggregate raise significant doubt about the Company's ability to continue as a going concern. 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 further financing. Management has taken actions to address these issues including a shift in organizational wide focus from the historical approach of licensing raw data, to providing customers with complete geospatial solutions with a focus on software applications. In addition, the Company obtained financing during the year to help further the development of new product offerings. 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.

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 of business is measured at the fair value of the consideration received or receivable.

Software Subscriptions

Revenue from software 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 is the result of the acquisition and processing of digital map data. Ownership rights to this data are typically retained by the Company and the data is licensed to customers. As at June 30, 2015, the carrying value of the data library is $Nil. In accordance with IFRS, the Company will review each reporting period for indications that an adjustment to the carrying value may be necessary.

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 August 13, 2015, 99,163,102 Class A common shares were issued and outstanding. There are no preferred shares currently issued and outstanding.

As of August 13, 2015, potential dilutive securities include (i) 7,367,400 outstanding share options in the Company's share option plan with a weighted average exercise price of C$0.46, and (ii) 25,671,150 warrants outstanding with a weighted average exercise price of C$0.08. Each option and warrant entitles the holder to purchase one Class A common share.

INTERNAL CONTROLS AND DISCLOSURE CONTROLS AND PROCEDURES

Internal Control over Financial Reporting
The Company's President and Chief Executive Officer and the Company's Senior Vice President and Chief Financial Officer have designed, or have caused to be designed under their supervision, internal control over financial reporting as defined under National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's President and Chief Executive Officer and the Company's Senior Vice President and Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's internal control over financial reporting and have determined, based on the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission (2013) and on this evaluation, that such internal controls over financial reporting were effective at June 30, 2015.

The Company identified a material weakness in internal controls over financial reporting as of December 31, 2014. During the year-end audit procedures, the Company corrected the accounting for certain financial instruments that were denominated in a foreign currency or included as foreign currency embedded derivatives - these include all non-broker warrants. Previously, the Company accounted for the warrants as a component of equity; however, in accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, warrants denominated in a foreign currency and foreign currency embedded derivatives are required to be classified as liabilities under IFRS and marked to fair value through profit and loss each reporting period. A correction to the accounting was made and the impact of the correction is detailed in Note 5 to the Consolidated Financial Statements, as at and for the period ending December 31, 2014. There was no impact on total assets, revenue, costs of sales, operating loss, or total cash flows from operating activities, as a result of the correction.

As of March 26, 2015, the weakness has been remediated. Management has updated the internal control procedures related to complex financial instruments to ensure they are appropriately accounted for in accordance with IFRS on a quarterly basis.

Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2015, Management updated the internal control procedures related to complex financial instruments to ensure they are appropriately accounted for in accordance with IFRS on a quarterly basis. There have been no additional significant changes in the design of internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure Controls and Procedures

The Company's President and Chief Executive Officer and the Company's Senior Vice President and Chief Financial Officer have designed, or have caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that material information relating to the Company has been made known to them and that information required to be disclosed in the Company's annual filings, interim filings or other reports filed by it or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified by applicable securities legislation. The Company's President and Chief Executive Officer and the Company's Senior Vice President and Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's disclosure controls and procedures and have determined, based on that evaluation, that such disclosure controls and procedures were effective at June 30, 2015.

RISKS AND UNCERTAINTIES

The risks and uncertainties described in the Management's Discussion and Analysis presented in the 2014 Annual Report and the Annual Information Form of the Company have not changed materially.

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Condensed Consolidated Interim Balance Sheets

(In thousands of United States dollars)
(Unaudited/Not Reviewed)

		June 30, 2015		December 31, 2014
Assets				
Current assets:				
Cash and cash equivalents	**$**	**489**	$	537
Restricted cash		**69**		-
Amounts receivable		**825**		1,453
Unbilled revenue		**73**		63
Prepaid expenses		**456**		412
Work in process		**7**		-
		1,919		2,465
Property and equipment (Note 5)		**2,381**		2,833
Intangible assets		**-**		13
	$	**4,300**	$	5,311
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities (Note 6)	**$**	**5,043**	$	3,785
Current portion of convertible and other notes payable (Note 7)		**11,381**		5,313
Current portion of project financing (Note 8)		**1,215**		1,168
Current portion of deferred lease inducements		**141**		137
Unearned revenue and deposits		**748**		451
Warrant liability (Note 13)		**3,621**		226
Income taxes payable		**8**		2
Obligations under finance leases (Note 9)		**137**		131
		22,294		11,213
Long-term project financing (Note 8)		**205**		122
Deferred lease inducements		**217**		311
Obligations under finance leases (Note 9)		**26**		96
Other long-term liabilities (Note 12(e))		**352**		6
		23,094		11,748
Shareholders' equity:				
Share capital (Note 12(a))		**195,799**		194,377
Accumulated other comprehensive income		**(89)**		(57)
Contributed surplus (Note 12(b))		**11,543**		11,395
Deficit		**(226,047)**		(212,152)
		(18,794)		(6,437)
Going concern (Note 2(a))				
Commitments (Note 14)				
Subsequent event (Note 18)				
	$	**4,300**	$	5,311

See accompanying notes to condensed consolidated interim financial statements.

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

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

(Unaudited/Not Reviewed)

	For the three months ended June 30,		For the six months ended June 30, (as restated - Note 4)	
	2015	2014	**2015**	2014
Revenue (Note 10)	**$ 719**	$ 2,353	**$ 1,675**	$ 4,457
Expenses:				
Operating costs (Note 11)	**4,839**	5,274	**9,497**	11,041
Depreciation of property and equipment	**244**	295	**486**	587
Amortization of intangible assets	**-**	30	**13**	59
	5,083	5,599	**9,996**	11,687
Operating loss	**(4,364)**	(3,246)	**(8,321)**	(7,230)
Gain on disposal of equipment	**-**	51	**47**	413
Change in fair value of derivative instruments	**(3,672)**	176	**(3,643)**	1,405
Financing costs (Note 11)	**(866)**	(321)	**(1,986)**	(510)
Financing income	**-**	1	**4**	8
Gain (loss) on foreign currency translation	**(114)**	(43)	**24**	(121)
Loss before income taxes	**(9,016)**	(3,382)	**(13,875)**	(6,035)
Income tax (expense) recovery:				
Current	**-**	-	**(20)**	-
Deferred	**-**	-	**-**	318
	-	-	**(20)**	318
Net loss for the period	**$ (9,016)**	$ (3,382)	**$ (13,895)**	$ (5,717)
Other comprehensive loss:				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	**25**	2	**(32)**	1
Comprehensive loss for the period	**$ (8,991)**	$ (3,380)	**$ (13,927)**	$ (5,716)
Basic and diluted loss per share	**$ (0.10)**	$ (0.04)	**$ (0.15)**	$ (0.06)
Weighted average number of Class A common shares - basic & diluted (Note 12(c))	**92,952,350**	91,648,742	**92,370,739**	91,622,212

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Equity

(In thousands of United States dollars)
(Unaudited/Not Reviewed)

	Share Capital	Contributed Surplus	Cumulative Translation Adjustments	Deficit	Total
Balance at December 31, 2013 (as restated - Note 4)	$ 194,337	$ 10,671	$ 37	$ (199,352)	$ 5,693
Comprehensive income (loss) for the period	-	-	1	(5,718)	(5,717)
Share-based compensation	40	193	-	-	233
Deferred tax effect of convertible note	-	(318)	-	-	(318)
Conversion option of convertible note	-	599	-	-	599
Balance at June 30, 2014 (as restated - Note 4)	$ 194,377	$ 11,145	$ 38	$ (205,070)	$ 490
Comprehensive loss for the period	-	-	(95)	(7,082)	(7,177)
Share-based compensation	-	215	-	-	215
Conversion option of convertible note	-	105	-	-	105
Issuance costs	-	(5)	-	-	(5)
Deferred tax effect of convertible note	-	(65)	-	-	(65)
Balance at December 31, 2014	$ 194,377	$ 11,395	$ (57)	$ (212,152)	$ (6,437)
Comprehensive loss for the period	-	-	(32)	(13,895)	(13,927)
Share-based compensation	-	164	-	-	164
Exercise of warrants	506	-	-	-	506
Convertible note conversion	556	(16)	-	-	540
New warrant issuance	360	-	-	-	360
Balance at June 30, 2015	$ 195,799	$ 11,543	$ (89)	$ (226,047)	$ (18,794)

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

(In thousands of United States dollars)
(Unaudited/Not Reviewed)

For the six months ended June 30,	**2015**	(as restated - Note 4) 2014
Cash flows provided by:		
Operating activities:		
Net loss for the period	**$ (13,895)**	$ (5,717)
Adjusted for the following non-cash items:		
Depreciation of property and equipment	**486**	587
Amortization of intangible assets	**13**	59
Share-based compensation expense	**539**	233
Gain on disposal of equipment	**(47)**	(413)
Amortization of deferred lease inducements	**(70)**	(42)
Deferred taxes	**-**	(318)
Change in fair value of derivative instruments	**3,643**	(1,405)
Financing costs	**1,986**	510
Current income tax expense	**20**	-
Interest paid	**(11)**	(12)
Income tax paid	**(14)**	(5)
Changes in working capital:		
Amounts receivable	**733**	3,764
Work in process and other assets	**(61)**	(49)
Accounts payable	**301**	(447)
Accrued liabilities	**(178)**	(9)
Unearned revenue and deposits	**297**	12
Gain on foreign currency translation	**783**	(1)
	(5,475)	(3,253)
Investing activities:		
Purchase of property and equipment	**(34)**	(437)
Proceeds from sale of equipment	**-**	353
	(34)	(84)
Financing activities:		
Proceeds from notes payable	**11,800**	5,000
Financing costs of notes payable	**(94)**	(93)
Proceeds from reimbursable project funding	**93**	44
Proceeds from exercise of warrants	**97**	-
Movement to restricted cash	**(69)**	-
Repayment of obligations under finance lease	**(64)**	(57)
Repayment of long-term debt and notes payable	**(6,300)**	(65)
	5,463	4,829
Effect of foreign exchange on cash	**(2)**	8
Increase in cash and cash equivalents	**(48)**	1,500
Cash and cash equivalents, beginning of period	**537**	2,420
Cash and cash equivalents, end of period	**$ 489**	$ 3,920

See accompanying notes to condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2015
(In thousands of United States dollars, except per share information)
(Unaudited/Not Reviewed)

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 Livingston Place, Suite 1000, 250 – 2nd Street Southwest, Calgary, Alberta, Canada, T2P 0C1.

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

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 six months ended June 30, 2015, the Company incurred an operating loss of $8,321 and negative cash flows from operating activities of $5,475. Revenue for the six months ended June 30, 2015 was $1,675, which represents a $2,782 decline from revenue for the six months ended June 30, 2014. In addition, the Company has a deficit of $226,047 and a working capital deficiency of $20,375.

The above factors in the aggregate raise significant doubt about the Company's ability to continue as a going concern. 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. 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. Management has taken actions to address these issues including a shift in organization wide focus from the historical approach of licensing raw data, to providing customers with complete geospatial solutions with a focus on software applications. In addition, the Company obtained financing in 2015 (see Notes 7 and 18) to help further the development and sales efforts of new product offerings.

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 working capital payments associated with such products and services. 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. 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 was 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 International Financial Reporting Standards (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, 2014 (the "2014 annual consolidated financial statements").

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and effective as of August 13, 2015, the date the Board of Directors approved the condensed consolidated interim financial statements.

c. Measurement basis:

The financial statements have been prepared mainly on the historical cost 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 2014 annual consolidated financial statements. There are no new accounting standards or amendments effective January 1, 2015 that would have had a material impact on the condensed consolidated interim financial statements.

4. Restatement of prior years:

During the year ended December 31, 2014, the Company corrected the accounting for certain financial instruments that were denominated in a foreign currency or included as foreign currency embedded derivatives - these include all non-broker warrants. Previously, the Company accounted for the warrants as a component of equity; however, in accordance with IAS 39, Financial Instruments: Recognition and Measurement, warrants denominated in a foreign currency and foreign currency embedded derivatives are required to be classified as liabilities under IFRS and marked to fair value through profit and loss each reporting period. There is no impact on total assets, revenue, costs of sales, operating loss, or total cash flows from operating activities, as a result of this restatement.

The financial statement impact of the change in accounting at June 30, 2014 is as follows:

For the three months ended June 30, 2014 Condensed Consolidated Interim Statement of Comprehensive Income	As previously reported	Effect of restatement	As restated
Financing costs	$ (308)	$ (13)	**$ (321)**
Change in fair value of derivative instruments	-	176	**176**
Net loss for the period	(3,545)	163	**(3,382)**
Comprehensive loss for the period	(3,543)	163	**(3,380)**

For the six months ended June 30, 2014 Condensed Consolidated Interim Statement of Comprehensive Income	As previously reported	Effect of restatement	As restated
Financing costs	$ (512)	$ 2	**$ (510)**
Change in fair value of derivative instruments	-	1,405	**1,405**
Deferred income tax recovery	79	239	**318**
Net loss for the period	(7,363)	1,646	**(5,717)**
Comprehensive loss for the period	(7,362)	1,646	**(5,716)**
Basic and diluted loss per share	(0.08)	0.02	**(0.06)**

June 30, 2014 Condensed Consolidated Interim Statement of Changes in Equity	As previously reported	Effect of restatement	As restated
Comprehensive loss for the period	$ (7,362)	$ 1,645	**$ (5,717)**
Share capital	197,464	(3,087)	**194,377**
Contributed surplus	11,054	91	**11,145**
Deficit	(208,468)	3,398	**(205,070)**

June 30, 2014 Condensed Consolidated Interim Statement of Cash Flows	As previously reported	Effect of restatement	As restated
Net loss for the period	$ (7,363)	$ 1,646	**$ (5,717)**
Deferred taxes	(79)	(239)	**(318)**
Financing costs	512	(2)	**510**
Change in fair value of derivative instruments	-	(1,405)	**(1,405)**

5. Property and equipment:

Property and equipment	Aircraft	Mapping equipment	Furniture, fixtures & auto	Leases	Under construction	Total
Balance at December 31, 2014	$ 1,708	$ 940	$ 6	$ 179	$ -	$ 2,833
Additions	-	34	-	-	-	34
Depreciation	(115)	(108)	-	(19)	-	(242)
Balance at March 31, 2015	1,593	866	6	160	-	2,625
Additions	-	-	-	-	-	-
Depreciation	(115)	(110)	-	(19)	-	(244)
Balance at June 30, 2015	$ 1,478	$ 756	$ 6	$ 141	$ -	$ 2,381

Property and equipment	Aircraft	Mapping equipment	Furniture, fixtures & auto	Leases	Under construction	Total
Cost	$ 10,951	$ 27,393	$ 372	$ 921	$ -	$ 39,637
Accumulated depreciation	(9,243)	(26,453)	(366)	(742)	-	(36,804)
Balance at December 31, 2014	$ 1,708	$ 940	$ 6	$ 179	$ -	$ 2,833
Cost	$ 10,951	$ 27,333	$ 372	$ 919	$ -	$ 39,575
Accumulated depreciation	(9,473)	(26,577)	(366)	(778)	-	(37,194)
Balance at June 30, 2015	$ 1,478	$ 756	$ 6	$ 141	$ -	$ 2,381

During the six months ended June 30, 2015, the Company disposed of fully depreciated assets of $96, recognized a gain of $47 on the sale of those assets, and received cash proceeds of $Nil.

6. Accounts payable and accrued liabilities:

	June 30, 2015	December 31, 2014
Accounts payable	$ 2,375	$ 1,513
Accrued liablities(1)	2,641	2,259
Other taxes payable	27	13
	$ 5,043	$ 3,785

(1) Accrued liabilities include $842 of accrued interest on promissory notes payable for the six months ended June 30, 2015 ($737 – twelve months ended December 31, 2014).

7. Long-term convertible and other notes payable:

The following table details the liability and equity components of each convertible and other notes payable balance at June 30, 2015:

Closing Date of Note		April 28, 2015		April 2, 2015		February 23, 2015		January 14, 2015		Total
Proceeds from note payable	$	2,500	$	1,500	$	7,300	$	500	**$**	**11,800**
Transaction costs		(31)		(14)		(20)		(29)		**(94)**
Net proceeds		2,469		1,486		7,280		471		**11,706**
Fair value of warrants recorded in equity		-		(271)		-		-		**(271)**
Warrant liability (on date of issuance)		-		-		-		(118)		**(118)**
Effective interest incurred on note discount		7		18		28		11		**64**
Carrying amount of notes payable	$	2,476	$	1,233	$	7,308	$	364	$	11,381

The following table details the liability and equity components of each convertible and other notes payable balance at December 31, 2014:

		December 26, 2014		December 12, 2014		February 7, 2014		Total
Proceeds from convertible note	$	500	$	500	$	5,000	**$**	**6,000**
Transaction costs		(31)		(34)		(93)		**(158)**
Net proceeds		469		466		4,907		**5,842**
Contributed surplus-conversion option		(83)		(16)		(598)		**(697)**
Warrant liability (on date of issuance)		(100)		(57)		(673)		**(830)**
Effective interest incurred on note discount		9		6		983		**998**
Carrying amount of notes payable	$	295	$	399	$	4,619	**$**	**5,313**

a. December 12, 2014 convertible promissory note:

On December 12, 2014, the Company issued a convertible promissory note for $500. Simple interest was payable at maturity at an annual rate of 16%. The note was convertible into 5,741,187 common shares of the Company at any time at the option of the holder. Under the terms of the note, the accrued interest payable on any converted principal balances was waived at the time of conversion. The note also included 1,137,202 detachable warrants to purchase Class A common shares at a per share price of C$0.10 that expire on December 12, 2017. On June 12, 2015, the holder converted the note into 5,741,187 Class A common shares at a value of $540, which included accrued interest of $40, which was waived upon conversion. The amount of the convertible note classified as equity of $16 has been reclassified from contributed surplus to share capital upon conversion.

b. December 26, 2014 convertible promissory note:

On December 26, 2014, the Company issued a convertible promissory note for $500. Simple interest was payable at maturity at an annual rate of 18%. The note was convertible into 8,333,333 common shares of the Company at any time at the option of the holder. Under the terms of the note, the accrued interest payable on any converted principal balances will be waived at the time of conversion. The note also includes 1,666,667 detachable warrants to purchase Class A common shares at a per share price of C$0.07 that expire on December 26, 2017. The note matured on March 31, 2015 and the conversion shares were retired.

c. **January 14, 2015 note payable:**
On January 14, 2015, the Company issued a promissory note for $500. Simple interest is payable at maturity at an annual rate of 18%. The note also includes 6,000,000 detachable warrants to purchase Class A common shares of the Company, of which 1,469,834 warrants were issued at a per share price of C$0.08 and expire on January 21, 2018. The remaining 4,530,166 warrants were issued at a per share price of US$0.06 and expire on May 1, 2018. The principal and accrued interest balance is payable at maturity on January 14, 2016. The Company has the option upon sixty days' notice, to repay the note at 118% of the outstanding principal balance. The fair value of the prepayment option at June 30, 2015 was $Nil. At June 30, 2015, $161 of accrued interest is included in accrued liabilities.

In determining the fair value of the warrants at inception, the Company used the Black-Scholes option pricing model with the following assumptions: average volatility rate of 58.6%; risk-free interest rate of 1.00%; expected life of three years; and an exchange rate of 0.78672. The value of $118 was established on January 14, 2015. The estimated discount rate is 28% which is subject to estimation uncertainty. The discount to the note payable is being amortized over the term of the note using the effective interest method.

d. **February 23, 2015 note payable:**
On February 23, 2015, the Company entered into promissory note agreements with Vertex One Asset Management Inc. (Vertex) totaling $7,300 that will mature 12 months from the date of issuance. Simple interest is payable at maturity at an annual rate of 25.0%. As additional consideration for the note, the Company entered into a royalty agreement, pursuant to which the Company agreed to pay a 17.5% royalty on net revenues into perpetuity. Of the $7,300 proceeds, $5,800 was used to retire a $5,000 convertible promissory note (plus accrued interest of $800) which was issued on February 6, 2014, and became due on February 6, 2015. 12,367,054 conversion shares associated with the February 6, 2014 note were cancelled with the retirement of the note. The promissory note is subject to a prepayment right by the Company at 125% of the principal amount at any time, subject to a 30 day notice period. The fair value of the prepayment option at June 30, 2015 was $Nil. At June 30, 2015, $491 of accrued interest is included in accrued liabilities.

As a result of the 17.5% royalty of net revenue being payable in perpetuity, the Company has recognized the $7,300 promissory note as a perpetual debt instrument with a floating rate of interest. In the initial year of the debt, interest recognized will be equal to the stated interest rate of 25%, the amortized portion of the scheduled repayment of $7,300 on February 25, 2016 plus related transaction costs using the effective interest method, and 17.5% of net revenue recognized during the period. Subsequent to the initial year, interest will be recognized in an amount equal to 17.5% of net revenue earned during the period. The face amount of the debt will be carried as a liability until such time as the royalty is either retired, or it is projected that future royalty streams will be insufficient to support the carrying amount of the liability.

In connection with the closing of the February 23, 2015 note payable, the December 12, 2014 and December 26, 2014 notes were assigned to Vertex pursuant to an agreement between Vertex and the December 12 and December 26 note holder. The notes are secured by a first priority position in the Company's amounts receivable and its two aircraft, and a general security interest in the remaining assets of the Company.

e. **April 2, 2015 note payable:**
On April 2, 2015, the Company issued a promissory note for $1,500 to Vertex. Simple interest is payable at maturity at an annual rate of 20%. The note also includes 9,178,266 detachable warrants to purchase Class A common shares of the Company at a per share price of US$0.07 and expire on April 2, 2018. Under the terms of the financing, the holder retired an outstanding $500 note (see Note 7(b)). The principal and accrued interest balance is payable at maturity on April 2, 2016. The Company has the option upon thirty days' notice, to repay the note at 120% of the outstanding principal balance. The fair value of the prepayment option at June 30, 2015 was $Nil. At June 30, 2015, $74 of accrued interest is included in accrued liabilities.

In determining the fair value of the warrants at inception, the Company used the Black-Scholes option pricing model with the following assumptions: average volatility rate of 62.0%; risk-free interest rate of .49%; expected life of three years; and an exchange rate of 0.79289. The value of $271 was established on April 2, 2015. The estimated discount rate is 23% which is subject to estimation uncertainty. The discount to the note payable is being amortized over the term of the note using the effective interest method.

f. **April 28, 2015 note payable:**
On April 28, 2015, the Company issued a promissory note for $2,500 to Vertex. Simple interest is payable at maturity at an annual rate of 20%. The principal and accrued interest balance is payable at maturity on April 28, 2016. The Company has the option upon thirty days' notice, to repay the note at 120% of the outstanding principal balance. The fair value of the prepayment option at June 30, 2015 was $Nil. At June 30, 2015, $92 of accrued interest is included in accrued liabilities.

In addition, the Company entered into an amending agreement with Vertex, by which the Company agreed to establish a cash sweep account to restrict a certain portion of the Company's cash collections from net revenues generated subsequent to the execution of the agreement, to be used to repay the promissory notes upon maturity. At June 30, 2015 $69 is included in restricted cash subject to the amending agreement.

8. Project financing:

Project financing includes a promissory note with a service provider. The note bears interest at 8% per annum and is secured by a last priority lien on an aircraft owned by the Company. As of June 30, 2015, the balance of the note is $1,215.

Additionally, the project financing balance includes reimbursable project development funds provided by a corporation designed to enable the development and commercialization of geomatics solutions in Canada. The funding will be received in quarterly installments through the second quarter of 2016. During the six months ended June 30, 2015, the fourth and fifth quarterly installments totaling $93 were received. The funding is repayable upon the completion of a specific development project and the first sale of any of the resulting product(s). Repayment is to be made in quarterly installments equal to the lesser of 20% of the funding amount or 25% of the prior quarter's sales.

		June 30, 2015		December 31, 2014
Promissory note payable	$	1,215	$	1,168
Reimbursable project funding		205		122
		1,420		1,290
Less current portion		(1,215)		(1,168)
Long-term portion of project financing	$	205	$	122

9. Finance lease liabilities:

Finance lease liabilities are payable as follows:

	June 30, 2015			December 31, 2014		
	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)	$ 150	$ 13	$ 137	$ 150	$ 19	$ 131
Between one and five years (long-term portion)	30	4	26	105	9	96
	$ 180	$ 17	$ 163	$ 255	$ 28	$ 227

(1) Interest rate ranging from 7.48% to 8.20%.

10. Revenue:

Details of revenue are as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2015	2014	2015	2014
Mapping services	$ 62	$ 48	$ 394	$ 904
Professional services	155	229	195	681
Data licenses	293	1,817	638	2,444
3DBI software applications	209	259	448	428
	$ 719	$ 2,353	$ 1,675	$ 4,457

11. Operating and financing costs:

a. Operating costs:

	For the three months ended June 30,		For the six months ended June 30,	
	2015	2014	**2015**	2014
Personnel	**$ 3,029**	$ 3,121	**$ 6,016**	$ 6,331
Purchased services & materials[1]	**1,178**	1,454	**2,266**	3,097
Travel	**161**	231	**303**	532
Facilities and other expenses	**471**	468	**912**	1,081
	$ 4,839	$ 5,274	**$ 9,497**	$ 11,041

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

b. Financing costs:

	For the three months ended June 30,		For the six months ended June 30,	
	2015	(as restated - Note 4) 2014	**2015**	(as restated - Note 4 2014
Interest on notes payable	**$ 660**	$ 200	**$ 944**	$ 333
Accretion of discounts recognized on notes payable	**125**	92	**882**	118
Royalty associated with note payable	**52**	-	**102**	-
Interest on project financing	**24**	22	**47**	43
Interest on finance lease	**5**	7	**11**	16
	$ 866	$ 321	**$ 1,986**	$ 510

12. Share capital:

a. Issued:

	June 30, 2015		December 31, 2014	
Class A common shares	**Number of Shares**	**Amount**	Number of Shares	Amount
Balance, beginning of period:				
Unrestricted shares	**91,782,665**	**$ 194,377**	91,613,401	$ 194,337
Restricted shares held in escrow	**-**	**-**	526,098	-
Issuance of common shares from conversion of convertible note	**5,741,187**	**540**	-	-
Conversion option of convertible note	**-**	**16**	-	-
Issuance of warrants	**-**	**360**	-	-
Warrant exercise	**1,550,000**	**506**	-	-
Share-based compensation	**-**	**-**	169,264	40
Restricted shares released from escrow and cancelled	**-**	**-**	(526,098)	-
Balance, end of period:	**99,073,852**	**$ 195,799**	91,782,665	$ 194,377

On June 29, 2015, 1,550,000 Class A common shares were issued upon the exercise of warrants for cash proceeds of $97. The value attributed to the warrant liability of $409 was transferred to share capital upon exercise.

On June 12, 2015, 5,741,187 Class A common shares were issued upon conversion of a convertible promissory note issued on December 12, 2014. The value attributed to the conversion was $556 and includes the accrued interest of $40, which was forgiven upon conversion, and $16 for the proportionate share of the conversion option of the convertible note originally classified in contributed surplus (see Note 12(b)).

On April 2, 2015, the Company issued 9,178,266 warrants to purchase Class A common shares of the Company in connection with a promissory note (see Note 7(e)) with a value of $271 included in share capital.

On May 1, 2015, the Company issued 4,530,166 warrants to purchase Class A common shares of the Company in connection with a promissory note (see Note 7(c)) with a value of $89 included in share capital.

On June 11, 2014, 169,264 Class A common shares were issued to directors of the Company as compensation for services. Compensation expense of $40 for these Class A common shares is included in operating costs (see Note 12(f)).

On March 13, 2014, 526,098 Class A common shares originally issued in 2011, pursuant to the five year employment agreement with the Company's Chief Executive Officer and held in escrow for release upon achievement of certain market performance conditions, were released from escrow and cancelled.

b. Contributed surplus:

		March 31, 2015		December 31, 2014
Balance, beginning of period	**$**	**11,395**	$	10,671
Share-based compensation		**164**		408
Conversion option of convertible note		**(16)**		704
Issuance costs of convertible note		**-**		(5)
Deferred tax effect of convertible note		**-**		(383)
Balance, end of period	**$**	**11,543**	$	11,395

c. 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 loss per share. The Company has incurred a net loss for each period presented and the inclusion of the 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 7,367,400 outstanding share options and 25,671,150 outstanding warrants could potentially dilute earnings.

d. 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 June 30, 2015, 9,907,385 Class A common shares were authorized under the plan, of which 7,367,400 share options are issued and outstanding and 2,539,985 options remain available for future issuance. Under the plan, no one individual shall be granted an option resulting in cumulative grants in excess of 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:

	June 30, 2015			December 31, 2014		
	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	**7,427,400**	**$**	**0.46**	6,287,320	$	0.55
Granted	**-**		**-**	1,839,630		0.28
Expired	**(10,000)**		**1.60**	(462,550)		1.04
Forfeitures	**(50,000)**		**0.24**	(237,000)		0.33
Options outstanding, end of period	**7,367,400**	**$**	**0.46**	7,427,400	$	0.46
Options exercisable, end of period	**5,252,842**	**$**	**0.51**	4,398,592	$	0.53

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.17	25,000	5.13 years	-
0.25	134,630	3.63 years	129,630
0.27	20,000	2.87 years	15,000
0.29	1,505,000	4.67 years	395,000
0.33	700,000	3.34 years	550,000
0.38	40,000	3.88 years	20,000
0.43	1,142,240	1.75 years	1,142,240
0.44	1,535,000	3.28 years	930,000
0.46	778,230	2.46 years	583,672
0.48	450,000	1.52 years	450,000
0.50	450,000	1.44 years	450,000
0.66	300,000	1.32 years	300,000
1.60	41,000	0.68 years	41,000
1.84	246,300	0.50 years	246,300
	7,367,400	2.32 years	5,252,842

During the six months ended June 30, 2015, no options were granted. The estimated forfeiture rate was 5.43%.

e. Long-term incentive plan:

During the third quarter of 2014, the Board of Directors approved the terms of a long-term incentive plan (LTIP) intended to retain and compensate senior management of the Company. The LTIP is a share-based payments plan, based on the average stock price of the Company during the last quarter of the year ended December 31, 2015, and includes the award of up to 2,398,000 common shares to be issued as equity-settled share-based compensation and up to 3,597,000 common shares to be settled in either cash or common shares, at the discretion of the Board of Directors. Any awards settled in cash will be paid 50% of the earned award on March 31, 2016 and 50% of the earned award on March 31, 2017, subject to predetermined working capital thresholds. To receive the awards, the eligible employees must be employed by the Company on the scheduled payment dates.

The fair value of the awards is subject to estimation uncertainty and was calculated using a Monte Carlo simulation model with the following assumptions at the grant date: expected dividend yield 0%, risk-free interest rate of 1.02%, volatility of 94.35%, grant date of August 8, 2014 and expiration date of December 31, 2015. Volatilities are calculated based on the actual historical trading statistics of the Company's Class A common shares with a 1.4 year historical look back, commensurate with the term of the LTIP.

The grant date fair value of the equity-settled portion of the LTIP was $133 and is charged to non-cash compensation expense over the service period, which ends March 31, 2016, with a corresponding charge to contributed surplus. For the six months ending June 30, 2015, $41 has been charged to non-cash compensation expense and as of June 30, 2015, $72 is included in contributed surplus.

The grant date fair value of the optional settlement portion of the LTIP was $88 for the 50% that will be paid in 2016 and $81 for the 50% that will be paid in 2017, subject to predetermined working capital thresholds, and was determined using a discount rate of 8.97%. The fair value of the amount estimated to be payable to employees under the optional settlement portion of the LTIP is charged to non-cash compensation expense with a corresponding increase in liabilities, over the service period, and is re-measured to the current fair value at each reporting date.

The fair value of the awards is subject to estimation uncertainty and was calculated using a Monte Carlo simulation model with the following assumptions at June 30, 2015: expected dividend yield 0%, risk-free interest rate of 0.57%, volatility of 114.66%, grant date of August 8, 2014 and expiration date of December 31, 2015. Volatilities are calculated based on the actual historical trading statistics of the Company's Class A common shares with a 10 year historical look back.

Any changes in the liability are recognized in profit or loss over the remaining service period. For the six months ended June 30, 2015, $346 has been charged to non-cash compensation expense and as of June 30, 2015, $352 is included in other long-term liabilities.

f. Share-based compensation expense:

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

		Three months ended June 30, 2015		Three months ended June 30, 2014		Six months ended June 30, 2015		Six months ended June 30, 2014
Employees	$	399	$	91	$	509	$	168
Non-employees		30		60		30		65
Non-cash compensation	$	429	$	151	$	539	$	233

13. Class A common share purchase warrants:

The following table details the number of Class A common share purchase warrants outstanding at each balance sheet date.

Grant Date	Expiry Date	Exercise Price	Granted	Expired	Exercised	Number of Warrants Outstanding
December 31, 2013						19,050,000
2/7/2014	2/7/2017	C$ 0.08	3,091,572	-	-	3,091,572
4/28/2011	4/28/2014	C$ 0.40	-	(1,225,000)	-	(1,225,000)
4/28/2011	4/28/2014	C$ 0.48	-	(16,125,000)	-	(16,125,000)
12/12/2014	12/12/2017	C$ 0.10	1,137,202	-	-	1,137,202
12/26/2014	12/26/2017	C$ 0.07	1,666,667	-	-	1,666,667
December 31, 2014			5,895,442	(17,350,000)	-	7,595,441
1/6/2015	2/6/2017	C$ 0.08	4,597,443	-	-	4,597,443
1/14/2015	1/21/2018	C$ 0.08	1,469,834	-	-	1,469,834
4/3/2015	4/3/2018	US$ 0.07	9,178,266	-	-	9,178,266
5/1/2015	5/1/2018	US$ 0.06	4,530,166	-	-	4,530,166
6/26/2012	6/26/2015	C$ 0.08	-	(150,000)	(1,550,000)	(1,700,000)
June 30, 2015			**19,775,709**	**(150,000)**	**(1,550,000)**	**25,671,150**

Each warrant entitles its holder to purchase one Class A common share. The 11,962,718 warrants denominated in Canadian dollars, a currency different from the Company's functional currency, are recognized as a financial liability at fair value through profit and loss. The 13,708,432 warrants denominated in United States dollars are recognized as part of share capital.

The following table details the number and value of the non-broker Class A common share purchase warrants outstanding and included in warrant liability at each balance sheet date.

	Number of warrants	Warrant liability
Balance at December 31, 2014	7,595,441	$ 226
Issued	6,067,277	91
Expired	(150,000)	(19)
Exercised	(1,550,000)	(409)
Revaluation	-	3,732
Balance at June 30, 2015	11,962,718	$ 3,621

On June 30, 2015, the non-broker warrants issued in 2014 were re-valued to $1,794 using the Black-Scholes option pricing model with the following assumptions: exercise price of C$0.07-C$0.10; average volatility rate of 85.9%-101.9%; risk-free interest rate of 0.64%; expected life of 20-30 months; and an exchange rate of 0.8006.

In determining the fair value of the 1,469,834 non-broker warrants issued on January 14, 2015, the Company used the Black-Scholes option pricing model with the following assumptions: exercise price of C$0.08; average volatility rate of 58.6%; risk-free interest rate of 1.00%; expected life of three years; and an exchange rate of 0.787. The value of $29 was established on January 14, 2015 and subsequently revalued to $449 on June 30, 2015 utilizing the Black-Scholes option pricing model with the following assumptions: exercise price of C$0.08; average volatility rate of 85.1%; risk-free interest rate of 0.64%; expected life of 31 months; and an exchange rate of 0.8006.

In determining the fair value of the 4,597,443 non-broker warrants issued on January 6, 2015, the Company used the Black-Scholes option pricing model with the following assumptions: exercise price of C$0.08; average volatility rate of 108.0%; risk-free interest rate of 1.00%; expected life of two years; and an exchange rate of 0.8472. The value of $133 was established on January 6, 2015 and subsequently revalued to $1,397 on June 30, 2015 utilizing the Black-Scholes option pricing model with the following assumptions: exercise price of C$0.08; average volatility rate of 102.0%; risk-free interest rate of 0.64%; expected life of 20 months; and an exchange rate of 0.8006.

The Company also issued 9,178,266 non-broker warrants on April 3, 2015 and 4,530,166 non-broker warrants on May 1, 2015. As the exercise price for both of these issuances is denominated in U.S. dollars, the Company's functional currency, the warrants are not considered a derivative liability and are not required to be recorded as a liability and revalued quarterly.

14. Commitments:

The Company has commitments related to operating leases for office space and equipment which require the following payments for each year ending June 30:

2016	$	817
2017		343
2018		108
2019		110
2020		109
2021		65
	$	1,552

During the six months ended June 30, 2015, the Company recognized $572 (year ended December 31, 2014 - $1,114) in operating lease expense for office space.

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:

		3 months ended June 30, 2015		3 months ended June 30, 2014		**6 months ended June 30, 2015**		6 months ended June 30, 2014
United States	**$**	**264**	$	1,714	**$**	**822**	$	3,447
Asia/Pacific		**199**		262		**302**		415
Europe		**256**		377		**551**		595
	$	**719**	$	2,353	**$**	**1,675**	$	4,457

Property and equipment of the Company are located as follows:

		June 30, 2015		December 31, 2014
Canada	**$**	**162**	$	200
United States		**2,200**		2,609
Asia/Pacific		**6**		7
Europe		**13**		17
	$	**2,381**	$	2,833

Intangible assets are located in the United States.

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

		Three months ended June 30, 2015		Three months ended June 30, 2014		**Six months ended June 30, 2015**		Six months ended June 30, 2014
Customer A	**$**	**-**	$	7,440	**$**	**-**	$	10,377
Customer B		**-**		986		**-**		986
Customer C		**97**		228		**133**		228
Customer D		**62**		48		**458**		890
	$	**159**	$	8,702	**$**	**591**	$	12,481

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, 2014.

Amounts receivable as of June 30, 2015, and December 31, 2014, consist of:

		June 30, 2015		December 31, 2014
Trade amounts receivable	**$**	**824**	$	1,386
Employee receivables		**8**		9
Other miscellaneous receivables		**4**		70
Allowance for doubtful accounts		**(11)**		(12)
	$	**825**	$	1,453

Trade amounts receivable by geography consist of:

		June 30, 2015		December 31, 2014
United States	**$**	**357**	$	454
Canada		**2**		59
Asia/Pacific		**387**		620
Europe		**78**		253
	$	**824**	$	1,386

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

		June 30, 2015		December 31, 2014
Current	**$**	**382**	$	760
31-60 days		**56**		48
61-90 days		**2**		14
Over 91 days		**384**		564
	$	**824**	$	1,386

As of June 30, 2015, $386 of trade amounts receivable (year ended December 31, 2014 - $578) were past due. The balance of the past due amounts relates to reoccurring customers and are considered collectible.

17. Fair values:

The fair values of the financial assets and liabilities are shown at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and provisions approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Convertible and other notes payable are evaluated by the Company based on parameters such as interest rates and the risk characteristics of the instrument.
- The fair value of the non-broker warrants is estimated using the Black-Scholes option pricing model incorporating various inputs including the underlying price volatility and discount rate (see Note 13).

a. Fair value hierarchy:

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

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

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

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

The fair value hierarchy of financial instruments recorded at fair value on the Consolidated Balance Sheet are as follows:

	June 30, 2015			December 31, 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities						
Non-broker warrants	$ -	$ 3,621	$ -	$ -	$ 226	$ -

During the reporting periods, there were no transfers between Level 1 and Level 2 fair value measurements.

18. Subsequent event:

On July 13, 2015, the Company completed a non-brokered $3,000 debt financing. The promissory note granted under the debt financing will mature six months from the date of issuance. Simple interest is payable at maturity at an annual rate of 15.0% and is subject to a prepayment right by the Company at 107.5% of the principal amount at any time, subject to a thirty day notice period.

INTERMAP TECHNOLOGIES CORPORATION