Condensed Consolidated Interim Financial Statements of

INTERMAP TECHNOLOGIES CORPORATION

Second Quarter Ended June 30, 2017

NOTICE: The condensed consolidated interim financial statements and notes thereto for the six months ended June 30, 2017 have not been reviewed by the Company's external auditors.

Intermap Technologies Reports
2017 Second Quarter Financial Results

DENVER – August 10, 2017 (TSX: IMP) (ITMSF:BB) – Intermap Technologies Corporation ("Intermap" or the "Company") today reported financial results for the second quarter ended June 30, 2017.

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

For the second quarter of 2017, Intermap reported total revenue of $4.5 million, compared to $0.9 million last year. Approximately 84% of consolidated revenue came from growing markets outside the United States, compared to 57% for the same period in 2016. A large portion of the increase was generated by customers utilizing Intermap's upgraded multi-frequency radar system. The mix of value-added revenue also improved, reflecting demand for our advanced data processing, software, and analytics. On a year-over-year basis, revenue for the second quarter derived from value-added data services, and software and solutions, increased by 123%, and 24%, respectively. Net operating loss for the second quarter decreased 94% to $0.2 million from $3.5 million in 2016. Second quarter adjusted EBITDA, a non-GAAP and non-IFRS financial measure, was positive $0.3 million, compared with negative $3.3 million for the same period last year.

"Intermap's gradual return to profitability extends our runway as we balance growth between government and commercial, recurring and project, international and domestic revenue sources", commented Patrick Blott, Intermap's Chairman and CEO. "In particular, healthy trends in contract renewals, project extensions, new bookings, and growth market penetration demonstrate customer confidence in Intermap's unique capabilities and execution."

As a reminder, last fall the Company adopted a no further guidance disclosure policy until it is profitable and its debt burden has been reduced.

Financial Review

The Company is focused on growing revenue and profitability.

Consolidated revenue for the quarter ended June 30, 2017 totaled $4.5 million, compared to $0.9 million for the same period in 2016, representing a 418% increase. Approximately 84% of consolidated revenue was generated outside the United States, compared to 57% for the same period in 2016.

Acquisition services revenue for the quarter ended June 30, 2017 totaled $3.0 million, compared to $0.1 million for the same period in 2016. The increase is due to new contracts for our upgraded, high resolution, multi-frequency radar system.

Value-added data services recognized revenue for the quarters ended June 30, 2017 and 2016 totaling $1.1 million and $0.5 million, respectively. The increase primarily resulted from recurring service contracts that reflect growing global demand for our advanced data processing.

Software and solutions revenue for the quarters ended June 30, 2017 and 2016 increased 24%, to $0.3 million from $0.2 million.

Personnel expense for the second quarter of 2017 was $2.2 million, a 15% decrease from $2.6 million the prior year. The decrease was primarily due to decreases in headcount on a year-over-year basis, following restructuring actions designed to focus the Company's resources on its core business.

Second quarter adjusted EBITDA, a non-GAAP and non-IFRS financial measure, was positive $0.3 million, compared with negative $3.3 million last year. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, and excludes non-recurring and non-cash payments; restructuring costs, share-based compensation expense, gain or loss on foreign currency translation, and fair value adjustments to derivative instruments. Adjusted EBITDA is not a recognized performance measure under IFRS. The most directly comparable measure to adjusted EBITDA calculated in accordance with IFRS is net income (loss). See Non-IFRS Measures below for a reconciliation of the Company's net loss to adjusted EBITDA for the second quarter of 2017 as compared to 2016.

The Company's consolidated financial statements and management's discussion and analysis will be filed on SEDAR at: www.sedar.com. 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.

Non-IFRS Measures

Adjusted EBITDA is not a recognized performance measure under IFRS and does not have a standardized meaning prescribed by IFRS. The term EBITDA consists of net income (loss) and excludes interest, taxes, depreciation, and amortization. Adjusted EBITDA is included as a supplemental disclosure because management believes that such measurement provides a better assessment of the Company's operations on a continuing basis by eliminating certain non-cash charges and charges that are nonrecurring. The most directly comparable measure to adjusted EBITDA calculated in accordance with IFRS is net income (loss).

(UNAUDITED)	Three months ended June 30,			
U.S. $ millions		**2017**		2016
Net loss	**$**	**(0.9)**	$	(3.8)
Financing costs		**0.6**		1.0
Depreciation of property and equipment		**0.1**		0.2
EBITDA	**$**	**(0.2)**	$	(2.6)
Change in value of derivative instruments		**-**		(0.7)
Restructing costs		**0.1**		-
Share-based compensation		**0.2**		-
Loss (gain) on foreign currency translation		**0.2**		-
Adjusted EBITDA	**$**	**0.3**	$	(3.3)

About Intermap Technologies

Headquartered in Denver, Colorado, Intermap (www.intermap.com) is an industry leader in geospatial intelligence solutions. These geospatial solutions are used in a wide range of applications including, but not limited to, location-based information, risk assessment, geographic information systems, engineering, utilities, global positioning systems, oil and gas, renewable energy, hydrology, environmental planning, land management, wireless communications, transportation, advertising, and 3D visualization. Intermap generates revenue from three primary business activities, comprised of i) data acquisition and collection, using proprietary, multi-frequency, radar sensor technologies, ii) value-added data products and services, which leverage the Company's proprietary NEXTMap® database, together with proprietary software and fusion technologies, and iii) commercial applications and solutions, including a webstore and software sales targeting selected industry verticals that rely on accurate high resolution elevation data. The Company is a world leader in data fusion, analytics, and orthorectification, and has decades of experience aggregating data derived from a number of different sensor technologies and data sources. For more information please visit www.intermap.com.

Intermap Reader Advisory

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

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Management's Discussion and Analysis

For the quarter ended June 30, 2017

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 10, 2017, 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, 2017 and the audited Consolidated Financial Statements for the years ended December 31, 2016 and 2015, 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 expressions suggesting future outcomes, and includes statements that actions, events, or conditions "may," "would," "could," or "will" be taken or occur in the future. These forward-looking statements may be based on assumptions that the Company believes to be reasonable based on the information available on the date such statements are made, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors which may cause actual results, levels of activity, and achievements to differ materially from those expressed or implied by such statements. The forward-looking information contained in this MD&A is based on certain assumptions and analysis by management of the Company in light of its experience and perception of historical trends, current conditions and expected future 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) payments on material contracts will occur within a reasonable period of time after contract completion; (iii) the continued sales success of Intermap's products and services; (iv) the continued success of business development activities; (v) there will be no significant delays in the development and commercialization of the Company's products; (vi) the Company will continue to maintain sufficient and effective production and software development capabilities to compete on the attributes and cost of its products; (vii) there will be no significant reduction in the availability of qualified and cost-effective human resources; (viii) the continued existence and productivity of subsidiary operations; (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 geospatial information company, creating a wide variety of geospatial solutions and analytics for its customers. Intermap is striving to become the premier worldwide provider of geospatial data solutions.

It currently generates revenue from three primary business activities, comprised of i) data acquisition and collection, using proprietary radar sensor technologies, ii) value-added data products and services, which leverage the Company's proprietary NEXTMap® database, together with proprietary software and fusion technologies, and iii) commercial applications and solutions, including a webstore and software sales targeting selected industry verticals that rely on accurate high resolution elevation data.

These geospatial solutions are used in a wide range of applications including, but not limited to, location-based information, risk assessment, geographic information systems (GIS), engineering, utilities, global positioning systems (GPS) maps, oil and gas, renewable energy, hydrology, environmental planning, land management, wireless communications, transportation, advertising, and 3D visualization.

Intermap has the ability to create its own digital 3D geospatial data using its proprietary multi-frequency radar mounted in Lear jet aircraft. Intermap's radar-based technology allows it to collect data at any time of the day, including under conditions such as cloud and tree cover, or darkness, which are conditions that limit most competitive technologies. The Company's proprietary radar also enables data to be collected over larger areas, at higher collection speeds, and at accuracy levels that are impossible to achieve with competitive technologies.

In addition to data collection, the Company is a world leader in data fusion, analytics, and orthorectification, and has decades of experience aggregating data derived from a number of different sensor technologies and data sources. The Company processes raw digital elevation and image data from its own and other sources to create three high resolution geospatial datasets that provide a ground-true foundation layer upon which accurate value-added products and services can be developed. The three high resolution data sets include digital surface models (DSM), digital terrain models (DTM), and orthorectified radar images (ORI). These datasets are further augmented with additional elevation and resolution data layers, and served to customers by web service to create other value-added products, such as viewsheds, line of sight maps, and orthorectified mosaic tiles.

Unlike many geospatial companies, because of its unique acquisition and processing capability, Intermap retains exclusive ownership of its high resolution NEXTMap® database, which covers the entire globe. Intermap's NEXTMap database, together with third party data and our in-house analytics team, provides a variety of applications and geospatial solutions for its customers. The NEXTMap database contains a fusion of proprietary multi-frequency radar imagery and data, including unique IFSAR-derived data, proprietary data models, and purchased third-party data, collected from multiple commodity sensor technologies, such as light detection and ranging (LiDAR), photogrammetry, satellite, and other available sources. The NEXTMap database also includes proprietary information developed by our analytical teams such as 3D city models, census data, real-time traffic, 3D road vectors, outdoor advertising assets, weather related hazards, points of interest, cellular towers, flood models and wildfire models.

The Company generates revenue by licensing its geospatial products using its proprietary data, analytics, and applications for specific industries.

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, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Revenue:				
Acquisition services	**$ 3.0**	$ 0.1	**$ 4.8**	$ 0.3
Value-added data	**1.2**	0.5	**1.7**	1.3
Software and solutions	**0.3**	0.3	**0.6**	0.7
Total revenue	**$ 4.5**	$ 0.9	**$ 7.1**	$ 2.3
Operating loss	**$ (0.2)**	$ (3.5)	**$ (1.7)**	$ (6.2)
Change in fair value of derivative instruments	**$ -**	$ 0.7	**$ 0.1**	$ 0.8
Financing costs	**$ (0.6)**	$ (1.0)	**$ (1.3)**	$ (7.6)
Net loss	**$ (0.9)**	$ (3.8)	**$ (2.8)**	$ (13.1)
EPS basic and diluted	**$ (0.01)**	$ (0.04)	**$ (0.03)**	$ (0.13)
Adjusted EBITDA	**$ 0.3**	$ (3.3)	**$ (0.5)**	$ (5.6)

Assets:	June 30, 2017	June 30, 2016
Cash and cash eqivalents, amounts receivable, unbilled revenue	**$ 4.9**	$ 0.9
Total assets	**$ 8.3**	$ 2.8
Liabilities:		
Long-term liabilities (including finance lease obligations)	**$ 25.6**	$ 7.7
Total liabilities	**$ 32.0**	$ 38.0

Revenue

Quarterly Revenue

Consolidated revenue for the quarter ended June 30, 2017 totaled $4.5 million, compared to $0.9 million for the same period in 2016, representing a 418% increase. Approximately 84% of consolidated revenue was generated outside the United States, compared to 57% for the same period in 2016.

Acquisition services revenue for the quarter ended June 30, 2017 totaled $3.0 million, compared to $0.1 million for the same period in 2016. The increase is due to new data acquisition contracts utilizing our upgraded, high resolution, multi-frequency radar system.

Our new reporting segment, Value-added data, recognized revenue for the quarters ended June 30, 2017 and 2016 totaling $1.2 million and $0.5 million, respectively. The increase primarily resulted from recurring service contracts that reflect growing global demand for our advanced data processing.

Software and solutions revenue for the quarters ended June 30, 2017 and 2016 remained unchanged. The Company continues to review the profitability of existing accounts within its value-added data and software and solutions segments. It plans to discontinue data sales to unprofitable customers and competitors. Adjusted for discontinued data sales, value added data and software and solutions revenue increased by 181%, and 7%, respectively.

Year-to-date Revenue

On a year-to-date basis, consolidated revenue increased from $2.3 million during the six months ended June 30, 2016 to $7.1 million during the same period in 2017, representing a 207% increase. Approximately 76% of Consolidated revenue was generated outside the United States for this period, compared to 55% for the same period in 2016.

Acquisition services revenue for the six-month period ended June 30, 2017 totaled $4.8 million, compared to $0.3 million for the same period in 2016. The increase is due to new data acquisition contracts using our upgraded, high resolution, multi-frequency radar system.

Value-added data revenue for the six-months ended June 30, 2017 was $1.7 million, an increase from the same period in 2016 which totaled $1.3 million. The increase primarily resulted from recurring service contracts that reflect growing global demand for our advanced data processing.

Software and solutions revenue increased slightly for the six-month period ended June 30, 2017 to $0.7 million from $0.6 million for the same period in 2016. The increase was primarily due to new contracts for the Company's risk management software application. The Company continues to review the profitability of existing accounts within its Value added data and Software and solutions segments. It plans to discontinue data sales to unprofitable customers and competitors. Adjusted for discontinued data sales, value added data and software and solutions revenue increased by 71%, and 13%, respectively.

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:

U.S. $ millions	For the three months ended June 30, 2017	For the three months ended June 30, 2016	For the six months ended June 30, 2017	For the six months ended June 30, 2016
Personnel	**$ 2.2**	$ 2.6	**$ 4.1**	$ 5.3
Purchased services & materials	**1.7**	1.1	**2.6**	1.9
Facilities and other expenses	**0.2**	0.3	**1.2**	0.7
Travel	**0.4**	0.1	**0.5**	0.1
	$ 4.5	$ 4.1	**$ 8.4**	$ 8.0

Personnel

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

Personnel expense for the quarters ended June 30, 2017 and 2016, totaled $2.2 million and $2.6 million, respectively. For the six-month periods ended June 30, 2017 and 2016, personnel expense was $4.1 million and $5.3 million, respectively. The 24% year-over-year decrease in personnel expense is primarily due to the organizational restructuring designed to focus the Company's resources on its core business.

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, 2017 and 2016, totaled $0.2 million and nil, respectively.

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 fair value of derivative instruments, restructuring costs and related non-recurring payments, 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	**2017**	2016	**2017**	2016
Net loss	**$ (0.9)**	$ (3.8)	**$ (2.8)**	$ (13.1)
Financing costs	**0.6**	1.0	**1.3**	7.6
Income tax recovery	**-**	-	**(0.2)**	-
Depreciation of property and equipment	**0.1**	0.2	**0.3**	0.4
EBITDA	**$ (0.2)**	$ (2.6)	**$ (1.4)**	$ (5.1)
Non-recurring payments	**-**	-	**0.5**	-
Change in value of derivative instruments	**-**	(0.7)	**(0.1)**	(0.8)
Restructuring costs	**0.1**	-	**0.1**	-
Share-based compensation	**0.2**	-	**0.2**	0.2
Loss on foreign currency translation	**0.2**	-	**0.2**	0.1
Adjusted EBITDA	**$ 0.3**	$ (3.3)	**$ (0.5)**	$ (5.6)

Adjusted EBITDA for the quarter ended June 30, 2017 was positive $0.3 million, compared to negative $3.3 million for the same period in 2016. The increase in adjusted EBITDA is primarily attributable to an increase in revenue and the restructuring of operating costs. Adjusted EBITDA for the six-month period ended June 30, 2017 was negative $0.5 million, compared to negative $5.6

million for the same period in 2016. The difference in the adjusted EBITDA loss is primarily attributable to an increase in revenue and the restructuring of operating costs.

Financing Costs

Financing costs for the quarter ended June 30, 2017 totaled $0.6 million (six-month period $1.3 million), compared to $1.0 million (six-month period $7.6 million) for the same period in 2016. The decrease in year-over-year financing costs is attributable to the February 2015 note payable that was significantly discounted at inception and matured in February 2016, resulting in financing costs of $5.8 million being recognized during the quarter ended March 31, 2016. The $1.3 million of financing costs recognized during the first six months of 2017, related to the accretion of the notes payable that were restructured in December 2016.

Depreciation of Property and Equipment

Depreciation expense for the quarter ended June 30, 2017 was $0.1 million (six-month period $0.3 million), compared to $0.2 million (six-month period $0.4 million). The decrease for both periods was due to assets reaching the end of their useful lives, without the addition of new assets being placed in service.

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, 2017 and 2016, the change in the fair value of derivative instruments was $Nil (six-month period gain of $0.1 million) and a gain of $0.7 million (six-month period gain of $0.8 million). See Selected Quarterly Information for the change recognized each reporting period.

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, 2017, a foreign currency translation loss of $129 thousand (six-month period $170 thousand) was recorded, compared to a loss of $19 thousand (six-month period loss $130 thousand) for the same period in 2016.

Amounts Receivable and Unbilled Revenue

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

Amounts receivable and unbilled revenue increased from $0.6 million at December 31, 2016, to $1.8 million at June 30, 2017. These amounts represent 31 days' sales at June 30, 2017, compared to 33 days' sales at December 31, 2016, and reflect specific project billing milestones on current contracts that were in progress on those dates. Amounts receivable aged greater than 90 days increased to $164 thousand at June 30, 2017 from $93 thousand at December 31, 2016. The balance relates to 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, $6 thousand has been reserved as uncollectible and the balance of 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 decreased to $3.2 million at June 30, 2017, from $3.6 million at December 31, 2016.

U.S. $ millions		**June 30, 2017**		December 31, 2016
Accounts payable	$	1.9	$	2.3
Accrued liablities		1.3		1.3
	$	3.2	$	3.6

The accounts payable balance decreased from $2.3 million at December 31, 2016 to $1.9 million at June 30, 2017. The decrease is due primarily to the timing of payments on trade payables. The accrued liabilities balance remained consistent at $1.3 million at June 30, 2017 and December 31, 2016.

Notes Payable

The notes payable balance of $25.3 million at June 30, 2017 reflects the debt restructuring that occurred during the fourth quarter of 2016 and the first quarter of 2017 as follows:

- During the fourth quarter of 2016, the Company restructured the outstanding notes (July 8, 2016 note for $2.0 million and September 15, 2016 note for $25.8 million), which resulted in the extension of the maturity date to September 1, 2020 and the elimination of the interest. The restructuring also included the elimination of a 17.5% royalty agreement. The fair value of the notes at June 30, 2017 reflected in the balance sheet is $22.9 million, and is subject to prepayment provisions if the Company builds excess Cash; if the Company's aggregate cash and cash equivalents balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be applied to reduce debt against the outstanding notes payable;

- During the first quarter of 2017, $2.9 million of proceeds from a Rights Offering was used to repay a $6.0 million bridge loan, received on December 14, 2016. The balance of the Bridge Loan was converted into a non-interest bearing note payable due September 1, 2020. The fair value of the note payable at June 30, 2017 was $2.4 million, following the recognition of a $0.7 million gain on the modification of the Bridge Loan, which was credited to contributed surplus. Additionally, the note is subject to the same prepayment provisions as the Company's other debt should the Company build excess Cash; if the Company's aggregate cash and cash equivalents balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be pre-paid against the outstanding notes payable. (See Note 6 to the Condensed Consolidated Interim Financial Statements for further discussion of the terms of the notes and Rights Offering).

The notes payable balance of $27.7 million at December 31, 2016 reflects the debt restructuring that occurred during 2016 as follows:

- During the first quarter of 2016, the February 23, 2015 note for $7.3 million and related accrued interest of $1.8 million were consolidated into a new note payable dated March 3, 2016 totaling $9.1 million; simple interest payable at maturity at an annual rate of 15%. Additionally, effective interest of $7.3 million from a 17.5% royalty on net revenues, which is a component of the February 23, 2015 financing, was included in Notes Payable as it was considered a perpetual debt instrument with a floating interest rate. Effective December 14, 2016, the royalty payment requirements were eliminated.
- During the second quarter of 2016, the debt financing that occurred on January 14, 2015 for $0.5 million and accrued interest of $0.1 million was paid to the holder. Also, three debt financings that occurred during 2015 (the April 2, 2015 financing in the amount of $1.5 million; simple interest payable at maturity at an annual rate of 20%, the April 28, 2015 financing in the amount of $2.5 million; simple interest payable at maturity at an annual rate of 20%, and the July 13, 2015 financing in the amount of $3.0 million; simple interest payable at maturity at an annual rate of 15%) were consolidated into a new note payable dated April 12, 2016 totaling $13.2 million; simple interest payable at maturity at an annual rate of 15%.
- During the third quarter of 2016, the Company issued two notes. The first debt financing occurred on July 8, 2016 for $2.0 million; simple interest payable at maturity at an annual rate of 15%. Two debt financings that occurred during the first and second quarter of 2016 (the March 2, 2016 financing in the amount of $9.1 million; simple interest payable at maturity at an annual rate of 15%, and the April 12, 2016 financing in the amount of $13.2 million; simple interest payable at maturity at an annual rate of 15%) plus related accrued interest of $1.5 million and an additional $2.0 million debt financing were consolidated

into a new note payable dated September 15, 2016 totaling $25.8 million; simple interest payable at maturity at an annual rate of 15%.

- During the fourth quarter of 2016, the Company restructured the current outstanding notes (the July 8, 2016 note for $2.0 million and the September 15, 2016 note for $25.8 million), which resulted in the extension of the maturity date to September 1, 2020 and the elimination of all interest and cash sweep requirements. The restructuring also included the elimination of the 17.5% royalty agreement (See Note 7 to the Condensed Consolidated Interim Financial Statements for further discussion of the terms of the notes). Additionally, the Company received a $6.0 million bridge loan on December 14, 2016. The loan is payable on the earlier of March 31, 2017 or the completion of the Rights Offering, which closed on March 30, 2017. All of the proceeds of the Rights Offering were used to pay down the bridge loan, and any amounts outstanding after the Rights Offering were converted into a term loan due September 1, 2020. The bridge loan was non-interest bearing. Each of the December 2016 notes is subject to prepayment provisions as described above.

Project Financing

The project financing balance at June 30, 2017 was $1.4 million, the same as December 31, 2016.

Unearned Revenue and Deposits

The unearned revenue balance at June 30, 2017 increased to $1.8 million from $0.5 million at December 31, 2016. This balance consists of a down payment received from a customer for a contract that is in progress and has not yet fulfilled the necessary revenue recognition criteria.

Finance Lease Obligations

Finance lease obligations at June 30, 2017 decreased slightly to $29 thousand from $73 thousand at December 31, 2016.

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 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	**Q2 2017**
Total revenue	$ 3.7	$ 3.2	$ 1.4	$ 0.9	$ 3.3	$ 1.4	$ 2.6	**$ 4.5**
Depreciation and amortization	$ 0.3	$ 0.3	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.2	**$ 0.1**
Financing costs	$ 1.6	$ 3.1	$ 6.6	$ 1.0	$ 1.4	$ 1.1	$ 0.7	**$ 0.6**
Change in fair value of derivative intruments	$ 0.4	$ (1.5)	$ (0.1)	$ (0.7)	$ (0.6)	$ (0.5)	$ (0.1)	**$ -**
Operating income (loss)	$ (1.0)	$ 0.2	$ (2.7)	$ (3.5)	$ (1.0)	$ (2.3)	$ (1.5)	**$ (0.2)**
Net loss	$ (2.8)	$ (1.4)	$ (9.3)	$ (3.8)	$ (2.0)	$ (0.2)	$ (1.9)	**$ (0.9)**
Net loss per share - basic and diluted	$ (0.03)	$ -	$ (0.09)	$ (0.04)	$ (0.02)	$ -	$ (0.02)	**$ (0.01)**
Adjusted EBITDA	$ (0.5)	$ 0.2	$ (2.3)	$ (3.3)	$ (0.8)	$ (0.8)	$ (0.8)	**$ 0.3**

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, 2017 totaled $1.3 million (six-month period $1.4 million), compared to cash used in operations of $4.1 million (six-month period $4.7

million) during the same period in 2016. The year-over-year decrease in cash used of $3.3 million is due primarily to the reduction in personnel expenses and the increase in unearned revenue.

Net cash used in investing activities totaled $941 thousand (six-month period $1.9 million) for the quarter ended June 30, 2017, compared to $42 thousand (six-month period $91 thousand) during the same period in 2016. Net cash used in investing activities for all periods was for the purchase of computer related equipment and aircraft radar upgrades.

Net cash used in financing activities totaled $25 thousand for the quarter ended June 30, 2017 compared to net cash generated from financing activities of $4.1 million during the same period in 2016. The net cash used during the quarter ended June 30, 2017 resulted from the repayment of finance leases. The net cash generated from financing activities during the quarter ended June 30, 2016 resulted from the closing of a debt financing totaling $5.0 million, offset by $0.2 million restricted cash adjustment and the repayment of long-term debt and capital leases of $0.7 million. Net cash used in financing activities totaled $214 thousand during the six-months ended June 30, 2017, compared to net cash generated from financing activities of $4.8 million for the same period in 2016. The net cash used during the six-months ended June 30, 2017 resulted from $164 thousand of issuance costs and repayment of finance leases of $50 thousand. In addition, the proceeds from the Rights Offering of $2.9 million were used to repay notes payable. The net cash generated during the six-months ended June 30, 2016 resulted from the closing of a debt financing totaling $5.0 million and $0.5 million restricted cash adjustment, offset by $0.1 million capital lease payments and repayment of a notes payable of $0.6 million.

The cash position of the Company at June 30, 2017 (cash and cash equivalents) was $3.1 million, compared to $6.5 million at December 31, 2016. Working capital improved to negative $1.1 million as of June 30, 2017, from negative $3.8 million as of December 31, 2016, primarily due to the reduction of $6.0 million of current portion of notes payable, offset by a decrease in cash of $3.4 million.

During the quarter ended June 30, 2017, the Company generated an operating loss of $0.2 million (six-month period $1.7 million), incurred positive adjusted EBITDA of $0.3 million (six-month period negative $0.5 million), and negative cash flow from operations of $0.1 million (six-month period $1.4 million). Revenue for the six-months ended June 30, 2017 was $7.1 million, which represents a $4.8 million increase in revenue from the same period in 2016. The Company has a shareholders' deficiency of $23.7 million and a working capital deficiency of $1.1 million.

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 secure sales with upfront payments, and/or obtain further financing, including financing to replace the debt maturing in 2020. Failure to achieve one or more of these requirements could have a materially adverse effect on the Company's financial condition and or results of operations. The Board of Directors and management have taken actions to address these issues including a complete change in the composition of the Board of Directors, restructuring all outstanding debt agreements, including the cancelation of the royalty obligation, and an organizational restructuring which included a change in executive management of the Company as well as a reduction in its work force.

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, 2017, 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.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Company adopted the following new accounting standards and amendments which are effective for the Company's interim and annual consolidated financial statements commencing January 1, 2017.

Amendments to IAS 7, Statement of Cash Flows

In January 2016, the IASB issued amendments to IAS 7. These amendments require entities to provide disclosures that help users of the financial statements to better understand changes in liabilities that arise from financing activities, including both changes arising from cash flow and non-cash changes. The Company adopted the amendments to IAS 7 in its financial statements for the annual period beginning on January 1, 2017. To meet the disclosure requirement, the Company provided a reconciliation of the opening and closing balances of liabilities arising from financing activities (See Note 6 to the Condensed Consolidated Interim Financial Statements).

Amendments to IAS 12, Income Taxes

In January 2016, the IASB issued amendments to IAS 12. The amendments clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. These amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2017. The Company adopted the amendments to IAS 12 in its financial statements for the annual period beginning on January 1, 2017. The adoption of these amendments did not have a material impact on the consolidated financial statements.

FUTURE ACCOUNTING STANDARDS AND INTERPRETATIONS

The IASB and International Financial Reporting Interpretations Committee (IFRIC) issued the following standards that have not been applied in preparing these Condensed Consolidated Interim Financial Statements, as their effective dates fall within annual periods beginning subsequent to the current reporting period.

IFRS 9, Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, bringing together the classification and measurement, impairment and hedge accounting phases of the project to replace IAS 39, Financial Instruments: Recognition and Measurement. This standard simplifies the classification of a financial asset as either at amortized cost or at fair value as opposed to the multiple classifications which were permitted under IAS 39. This standard also requires the use of a single impairment method as opposed to the multiple methods in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The standard also adds guidance on the classification and measurement of financial liabilities. IFRS 9 is to be applied retrospectively for annual periods beginning on or after January 1, 2018. Early application is permitted. The Company does not intend to adopt this standard early and is currently evaluating the impact of adopting this standard on the consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, which provides a single, principles-based five-step model for revenue recognition to be applied to all customer contracts, and requires enhanced disclosures. The standard also provides guidance relating to recognition of customer acquisition costs. In April 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance. This standard will be effective January 1, 2018 and allows early adoption. The Company is currently scoping the project and evaluating the impact of adopting this standard. The impact on comparative information for 2017 is expected to be complete by the end of 2017.

IFRS 16, Leases

In January 2016, the International Accounting Standards Board issued IFRS 16, Leases, which specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Consistent with its predecessor, IAS 17, the new lease standard continues to require lessors to classify leases as operating or finance. IFRS 16 is to be applied retrospectively for annual periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15 Revenue from contract with customers has also been applied. The Company does not intend to adopt this standard early and is currently evaluating the impact of adopting this standard The Company does expect the adoption of this standard to increase assets and liabilities as it will be required to record a right-of-use asset and a corresponding liability in the consolidated financial statements.

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 10, 2017, 163,962,733 Class A common shares were issued and outstanding. There are no preferred shares currently issued and outstanding.

As of August 10, 2017, potential dilutive securities include (i) 14,681,148 outstanding share options in the Company's share option plan with a weighted average exercise price of C$0.13, and (ii) 21,412,684 warrants outstanding with a weighted average exercise price of C$0.09. Each option and warrant entitles the holder to purchase one Class A common share. Directors of the Company purchased an aggregate of 4,589,080 warrants from an arm's length holder of such warrants in

January 2017. The warrants were subject to adjustment and resulted in 5,464,564 warrants currently being held by current Directors of the Company.

INTERNAL CONTROLS AND DISCLOSURE CONTROLS AND PROCEDURES

Internal Control over Financial Reporting

The Company's Chairman and Chief Executive Officer and the Company's 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 Chairman and Chief Executive Officer and the Company's 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 the financial year end.

Changes in Internal Control over Financial Reporting

There have been no significant changes in the design of internal control over financial reporting that occurred during the six months ended June 30, 2017, 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 Chairman and Chief Executive Officer and the Company's 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 Chairman and Chief Executive Officer and the Company's 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 the financial year-end.

RISKS AND UNCERTAINTIES

The risks and uncertainties described in the Management Discussion and Analysis presented in the 2016 Annual Report and the Annual Information Form of the Company have not changed materially.

Additional Information

Additional risk factors may be detailed in the Company's Annual Information Form, which can be found on the Company's Web site at www.intermap.com and on SEDAR at www.sedar.com.

INTERMAP TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Balance Sheets
(In thousands of United States dollars)
(Unaudited)

	June 30, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	**$ 3,058**	$ 6,527
Amounts receivable	**1,785**	600
Unbilled revenue	**25**	30
Prepaid expenses	**427**	409
	5,295	7,566
Property and equipment (Note 4)	**3,006**	1,457
	$ 8,301	$ 9,023
Liabilities and Shareholders' Deficiency		
Current liabilities:		
Accounts payable and accrued liabilities (Note 5)	**$ 3,186**	$ 3,555
Current portion of notes payable (Note 6(a))	**-**	5,864
Current portion of project financing (Note 6(b))	**1,262**	1,214
Current portion of deferred lease inducements	**27**	24
Unearned revenue	**1,830**	469
Warrant liability (Note 10)	**41**	137
Income taxes payable	**3**	3
Obligations under finance leases	**10**	49
Current portion of other long-term liabilities (Note 9(e))	**-**	100
	6,359	11,415
Long-term notes payable (Note 6(a))	**25,298**	21,837
Long-term project financing (Note 6(b))	**174**	168
Deferred lease inducements	**139**	133
Obligations under finance leases	**19**	24
	31,989	33,577
Shareholders' deficiency:		
Share capital (Note 9(a))	**199,550**	196,686
Accumulated other comprehensive income	**(79)**	(146)
Contributed surplus (Note 9(b))	**25,264**	24,497
Deficit	**(248,423)**	(245,591)
	(23,688)	(24,554)
Going concern (Note 2(a))		
Commitments (Note 11)		
	$ 8,301	$ 9,023

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Statements of Profit and Loss and Other Comprehensive Income
(In thousands of United States dollars, except per share information)
(Unaudited)

	For the three months ended June 30,		For the six months ended June 30,	
	2017	2016	**2017**	2016
Revenue (Note 7)	**$ 4,478**	$ 864	**$ 7,056**	$ 2,302
Expenses:				
Operating costs (Note 8(a))	**4,468**	4,114	**8,346**	8,047
Restructuring costs	**51**	-	**51**	-
Depreciation of property and equipment	**157**	205	**329**	419
	4,676	4,319	**8,726**	8,466
Operating loss	**(198)**	(3,455)	**(1,670)**	(6,164)
Change in fair value of derivative instruments (Note 10)	**21**	703	**96**	831
Financing costs (Note 8(b))	**(605)**	(1,006)	**(1,287)**	(7,630)
Financing income	**-**	-	**-**	5
Loss on foreign currency translation	**(129)**	(19)	**(170)**	(130)
Loss before income taxes	**(911)**	(3,777)	**(3,031)**	(13,088)
Income tax expense:				
Current	**-**	(4)	**(1)**	(8)
Deferred	**-**	-	**200**	-
	-	(4)	**199**	(8)
Net loss for the period	**$ (911)**	$ (3,781)	**$ (2,832)**	$ (13,096)
Other comprehensive loss:				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	**57**	(17)	**67**	4
Comprehensive loss for the period	**$ (854)**	$ (3,798)	**$ (2,765)**	$ (13,092)
Basic and diluted loss per share	**$ (0.01)**	$ (0.04)	**$ (0.03)**	$ (0.13)
Weighted average number of Class A common shares - basic & diluted (Note 10(c))	**161,571,061**	100,335,233	**101,733,888**	100,429,225

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency
(In thousands of United States dollars)
(Unaudited)

	Share Capital	Contributed Surplus	Cumulative Translation Adjustments	Deficit	Total
Balance at December 31, 2015	$ 196,409	$ 11,578	$ (102)	$ (230,306)	$ (22,421)
Comprehensive gain (loss) for the period	-	-	4	(13,096)	(13,092)
Share-based compensation	174	132	-	-	306
Exercise of options	39	(17)	-	-	22
Balance at June 30, 2016	$ 196,622	$ 11,693	$ (98)	$ (243,402)	$ (35,185)
Comprehensive loss for the period	-	-	(48)	(2,189)	(2,237)
Gain on modification of debt (Note 6)	-	15,063	-	-	15,063
Deferred tax effect of notes payable	-	(2,458)	-	-	(2,458)
Share-based compensation	-	227	-	-	227
Exercise of options	64	(28)	-	-	36
Balance at December 31, 2016	$ 196,686	$ 24,497	$ (146)	$ (245,591)	$ (24,554)
Comprehensive gain (loss) for the period	-	-	67	(2,832)	(2,765)
Rights offering (Note 9)	2,890	-	-	-	2,890
Issuance costs (Note 9)	(164)	-	-	-	(164)
Gain on modification of debt (Note 6(a))	-	746	-	-	746
Deferred tax effect of notes payable	-	(200)	-	-	(200)
LTIP issuance	78	-	-	-	78
Share-based compensation	60	221	-	-	281
Balance at June 30, 2017	$ 199,550	$ 25,264	$ (79)	$ (248,423)	$ (23,688)

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

Condensed Consolidated Interim Statements of Cash Flows
(In thousands of United States dollars)
(Unaudited)

For the six months ended June 30,		**2017**		2016
Cash flows provided by:				
Operating activities:				
Net loss for the period	**$**	**(2,832)**	$	(13,096)
Adjusted for the following non-cash items:				
Depreciation of property and equipment		**329**		419
Share-based compensation expense		**219**		192
Amortization of deferred lease inducements		**4**		(76)
Deferred taxes		**(200)**		-
Change in fair value of derivative instruments		**(96)**		(831)
Financing costs		**1,287**		7,630
Current income tax expense		**1**		8
Interest paid		**(6)**		(6)
Income tax paid		**(1)**		(9)
Changes in working capital:				
Amounts receivable		**(1,176)**		1,672
Other assets		**(13)**		(35)
Accounts payable and accrued liabilities		**(291)**		(701)
Unearned revenue		**1,361**		151
Loss (gain) on foreign currency translation		**28**		(45)
		(1,386)		(4,727)
Investing activities:				
Purchase of property and equipment		**(1,878)**		(91)
		(1,878)		(91)
Financing activities:				
Proceeds from issuance of common shares		**2,890**		-
Proceeds from notes payable		**-**		5,000
Repayment of notes payable		**(2,890)**		(617)
Share issuance costs		**(164)**		-
Movement from restricted cash		**-**		512
Repayment of obligations under finance lease		**(50)**		(77)
		(214)		4,818
Effect of foreign exchange on cash		**9**		-
Decrease in cash and cash equivalents		**(3,469)**		-
Cash and cash equivalents, beginning of period		**6,527**		-
Cash and cash equivalents, end of period	**$**	**3,058**	$	-

See accompanying notes to condensed consolidated interim financial statements.

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 400, 3rd Avenue SW, Suite 3700, Calgary, Alberta, Canada T2P 4H2.

Intermap is a global location-based geospatial information company, creating a wide variety of geospatial solutions and analytics for its customers. Intermap's geospatial solutions and analytics can be used in a wide range of applications including, but not limited to, location-based information, geospatial risk assessment, geographic information systems, engineering, utilities, global positioning systems maps, oil and gas, renewable energy, hydrology, environmental planning, wireless communications, transportation, advertising, and 3D visualization.

2. Basis of preparation:

(a) Going concern:

These condensed consolidated interim 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 can realize its assets and discharge its liabilities and commitments in the normal course of business. During the six months ended June 30, 2017, the Company incurred an operating loss of $1,670 and has a shareholders' deficiency of $23,688 and a working capital deficiency of $1,064.

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 secure sales with upfront payments or obtain additional financing, including financing to replace the debt maturing in 2020. Failure to achieve one or more of these requirements could have a materially adverse effect on the Company's financial condition and / or results of operations. The Board of Directors and management have taken actions to address these issues including a complete change in the composition of the Board of Directors, restructuring all outstanding debt agreements, including the cancelation of the royalty obligation, and an organizational restructuring which included a change in executive management of the Company as well as a reduction in its work force. Additionally, during the first quarter of 2017, the Company completed a Rights Offering (see Note 9(a)), in which all proceeds were used to reduce the balance of the bridge loan received in December 2016.

The Company's future capital requirements will depend on many factors, including, but not limited to, the market acceptance of its products and services, the timing of payments associated with such products and services and debt maturities. 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 condensed consolidated interim 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 condensed consolidated interim 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 (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, 2016 (the "2016 Annual Consolidated Financial Statements").

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and effective as of August 10, 2017, the date the Board of Directors approved the condensed consolidated interim financial statements.

(c) Comparative information:

These consolidated interim financial statements correct the presentation of the deferred tax asset and deferred tax liability at December 31, 2016. The December 31, 2016 deferred tax asset should have been presented net of the deferred tax liability. The correction of this error decreased the amounts reported for deferred tax asset and deferred tax liability by $2,458. This adjustment is not considered to be material to the financial statements.

(d) Measurement basis:

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

3. New and revised IFRS accounting pronouncements:

(a) New accounting standards:

The Company adopted the following new accounting standards and amendments which are effective for the Company's condensed consolidated interim financial statements commencing January 1, 2017.

i. Amendments to IAS 7, *Statement of Cash Flows*

In January 2016, the IASB issued amendments to IAS 7. These amendments require entities to provide disclosures that help users of the financial statements to better understand changes in liabilities that arise from financing activities, including both changes arising from cash flow and non-cash changes. The Company adopted the amendments to IAS 7 in its financial statements for the annual period beginning on January 1, 2017. To meet the disclosure requirement, the Company provided a reconciliation of the opening and closing balances of liabilities arising from financing activities (see Note 6).

ii. Amendments to IAS 12, *Income Taxes*

In January 2016, the IASB issued amendments to IAS 12. The amendments clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. These amendments are to be applied retrospectively for annual periods beginning on or after January 1, 2017. The Company adopted the amendments to IAS 12 in its financial statements for the annual period beginning on January 1, 2017. The adoption of these amendments did not have a material impact on the consolidated financial statements.

(b) Future pronouncements:

The IASB and International Financial Reporting Interpretations Committee (IFRIC) issued the following standards that have not been applied in preparing these condensed consolidated interim financial statements, as their effective dates fall within annual periods beginning subsequent to the current reporting period.

i. IFRS 9, Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, bringing together the classification and measurement, impairment and hedge accounting phases of the project to replace IAS 39, Financial Instruments: Recognition and Measurement. This standard simplifies the classification of a financial asset as either at amortized cost or at fair value as opposed to the multiple classifications which were permitted under IAS 39. This standard also requires the use of a single impairment method as opposed to the multiple methods in IAS 39. The approach in

IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The standard also adds guidance on the classification and measurement of financial liabilities. IFRS 9 is to be applied retrospectively for annual periods beginning on or after January 1, 2018. Early application is permitted. The Company does not intend to adopt this standard early and is currently evaluating the impact of adopting this standard on the consolidated financial statements.

ii. IFRS 15, *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15, which provides a single, principles-based five-step model for revenue recognition to be applied to all customer contracts, and requires enhanced disclosures. The standard also provides guidance relating to recognition of customer acquisition costs. In April 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance. This standard will be effective January 1, 2018 and allows early adoption. The Company is currently scoping the project and evaluating the impact of adopting this standard. The impact on comparative information for 2017 is expected to be complete by the end of 2017.

iii. IFRS 16, *Leases*

In January 2016, the International Accounting Standards Board issued IFRS 16, Leases, which specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Consistent with its predecessor, IAS 17, the new lease standard continues to require lessors to classify leases as operating or finance. IFRS 16 is to be applied retrospectively for annual periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15 Revenue from contract with customers has also been applied. The Company does not intend to adopt this standard early and is currently evaluating the impact of adopting this standard The Company does expect the adoption of this standard to increase assets and liabilities as it will be required to record a right-of-use asset and a corresponding liability in the consolidated financial statements.

4. Property and equipment:

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

Property and equipment	Aircraft and engines	Radar and mapping equipment	Furniture and fixtures	Leases	Under construction	Total
Balance at December 31, 2016	$ 837	$ 283	$ 9	$ 39	$ 289	$ 1,457
Additions	-	191	-	-	1,687	1,878
Depreciation	(188)	(110)	(2)	(29)	-	(329)
Balance at June 30, 2017	$ 649	$ 364	$ 7	$ 10	$ 1,976	$ 3,006

Property and equipment	Aircraft and engines	Radar and mapping equipment	Furniture and fixtures	Leases	Under construction	Total
Cost	$ 10,951	$ 27,383	$ 376	$ 934	$ 289	$ 39,933
Accumulated depreciation	(10,114)	(27,100)	(367)	(895)	-	(38,476)
Balance at December 31, 2016	$ 837	$ 283	$ 9	$ 39	$ 289	$ 1,457
Cost	$ 10,951	$ 27,574	$ 376	$ 934	$ 1,976	$ 41,811
Accumulated depreciation	(10,302)	(27,210)	(369)	(924)	-	(38,805)
Balance at June 30, 2017	$ 649	$ 364	$ 7	$ 10	$ 1,976	$ 3,006

5. Accounts payable and accrued liabilities:

	June 30, 2017	December 31, 2016
Accounts payable	**$ 1,933**	$ 2,296
Accrued liablities	**1,156**	1,251
Other taxes payable	**97**	8
	$ 3,186	$ 3,555

6. Financial liabilities:

The following table details the financial liabilities activity and balances at June 30, 2017:

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

	Liabilities			Equity	
	Notes Payable	Project Financing	Finance Leases	Share Capital	Total
Balance at December 31, 2016	$ 27,701	$ 1,382	$ 73	$ 196,686	$ 225,842
Changes from financing activities:					
Proceeds from issuance of common shares	-	-	-	2,890	2,890
Repayment of notes payable	(2,890)	-	-	-	(2,890)
Share issuance costs	-	-	-	(164)	(164)
Repayment of obligations under finance lease	-	-	(50)	-	(50)
Total changes from financing activities	(2,890)	-	(50)	2,726	(214)
Foreign exchange	-	6	-	-	6
Other changes:					
Financing costs	1,233	48	6	-	1,287
Discount on the note	(746)	-	-	-	(746)
LTIP issuance	-	-	-	78	78
Share-based compensation	-	-	-	60	60
Balance at June 30, 2017	$ 25,298	$ 1,436	$ 29	$ 199,550	$ 226,313

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

(a) Notes payable:

The following table details the liability and equity components of each note payable balance at June 30, 2017:

Closing Date of Note	March 30, 2017	December 14, 2016	December 14, 2016	Total
Proceeds from issuance of notes	$ -	$ 6,000	$ -	$ 6,000
Repayment	-	(2,890)	-	(2,890)
Note modification - 2016	-	-	27,800	27,800
Conversion to long-term note payable	3,110	(3,110)	-	-
Issuance of December 2016 note	-	-	3,000	3,000
Transaction costs	-	-	(168)	(168)
Discount on the note	(746)	(158)	(8,880)	(9,784)
Effective interest on note discount	48	158	1,134	1,340
Long-term portion of notes payable	$ 2,412	$ -	$ 22,886	$ 25,298

The following table details the liability and equity components of each note payable balance at December 31, 2016:

Closing Date of Note	December 14, 2016	December 14, 2016	Total
Proceeds from issuance of notes	$ 6,000	$ -	$ 6,000
Note modification - 2016	-	27,800	27,800
Issuance of December 2016 note	-	3,000	3,000
Transaction costs	-	(168)	(168)
Discount on the note	(158)	(8,880)	(9,038)
Effective interest on note discount	22	85	107
Carrying amount of notes payable	$ 5,864	$ 21,837	$ 27,701
Less current portion	(5,864)	-	(5,864)
Long-term portion of notes payable	$ -	$ 21,837	$ 21,837

i. March 30, 2017 note payable:

On March 30, 2017, the Company executed an amended and restated promissory note with Vertex One Asset Management (Vertex), for $3,110 due September 1, 2020. The note represents the balance remaining from the December 14, 2016 bridge loan, following the completion of the Rights Offering (See Note 9(a)) and repayment of $2,890. The note is non-interest bearing, and therefore the fair value at inception must be estimated to account for an imputed interest factor. The value at inception was determined to be $2,364, based on the estimated discount rate of 8.05%, which and is subject to estimation uncertainty. The resulting discount of $746 was recognized in contributed surplus as a gain on the modification of debt at March 31, 2017, and will be amortized over the term of the note using the effective interest method. For the six months ending June 30, 2017, $48 was recognized in financing costs. The note is subject to prepayment provisions, if the Company's aggregate cash and cash equivalents balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be pre-paid against the outstanding notes payable.

ii. December 14, 2016 note payable:

On December 14, 2016, the Company received $6,000 as a bridge loan from Vertex. The loan is payable on the earlier of March 31, 2017 or the completion of the Rights Offering, which closed on March 30, 2017 (see Note 9(a)). All of the proceeds of the Rights Offering were to be used to pay down this note payable, and any amounts which remain outstanding after the Rights Offering will be converted into a term loan due September 1, 2020. The note is non-interest bearing, and therefore the fair value at inception must be estimated to account for an imputed interest factor. The value at inception was determined to be $5,842. The estimated discount rate was 9.21% and is subject to estimation uncertainty. The discount of $158 was recognized in contributed surplus and will be amortized over the term of the note using the effective interest method. The note is subject to prepayment provisions, if the Company's aggregate cash and cash equivalents balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be pre-paid against the outstanding notes payable.

iii. December 14, 2016 note modification:

On December 14, 2016, the Company and Vertex restructured its September 15, 2016 note payable of $25,800 and July 8, 2016 note payable of $2,000. The original notes, bearing interest at 15% per annum each, were extended to mature on September 1, 2020 and the interest was eliminated. In addition, a promissory note payable for $3,000 was issued in exchange for the termination of the royalty agreement, executed on February 23, 2015, and the amending agreement, which established the cash sweep requirement, executed on April 28, 2015. The restructured notes were treated as an extinguishment for accounting purposes, and given they require for zero interest payments, the fair value at inception must be estimated to account for an imputed interest factor. The value of the remaining promissory notes ($25,800, $2,000 and $3,000) at inception was determined to be $21,752, net of transaction costs of $168. The estimated discount rate was 9.21% and is subject to estimation uncertainty. The discount to the note payable will be amortized over the term of the note using the effective interest method. For the six months ending June 30, 2017, $1,185 was recognized in financing costs. The note is subject to prepayment provisions, if the Company's aggregate cash and cash equivalents balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be pre-paid against the outstanding notes payable.

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

At December 14, 2016, the accounting for the modification of debt resulted is a gain of $15,063 recognized in contributed surplus:

		2016
Discount recognized on the December 14, 2016 modifications to the promissory notes	$	9,038
Reversal of long-term royalty obligation		7,300
Reversal of accrued interest		1,084
Reversal of accrued royalty		641
Less: New December 14, 2016 promissory note payable		(3,000)
Gain recognized on modification of debt	$	15,063

(b) 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, 2017, the balance of the note is $1,251.

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 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, 2017		December 31, 2016
Promissory note payable	$	1,251	$	1,203
Reimbursable project funding		185		179
		1,436		1,382
Less current portion		(1,262)		(1,214)
Long-term portion of project financing	$	174	$	168

7. Revenue:

Details of revenue are as follows:

	For the three months ended June 30,				For the six months ended June 30,			
		2017		2016		2017		2016
Acquisition services	$	3,039	$	110	$	4,771	$	304
Value-added data		1,135		508		1,658		1,336
Software and solutions		304		246		627		662
	$	4,478	$	864	$	7,056	$	2,302

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

8. Operating and financing costs:

(a) Operating costs:

	For the three months ended June 30, **2017**		For the three months ended June 30, 2016		For the six months ended June 30, **2017**		For the six months ended June 30, 2016
Personnel	**$**	**2,182**	$	2,560	**$**	**4,049**	$ 5,315
Purchased services & materials[(1)]		**1,684**		1,174		**2,634**	1,930
Travel		**195**		42		**293**	83
Facilities and other expenses		**407**		338		**1,370**	719
	$	**4,468**	$	4,114	**$**	**8,346**	$ 8,047

(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, **2017**		For the three months ended June 30, 2016		For the six months ended June 30, **2017**		For the six months ended June 30, 2016
Accretion of discounts recognized on notes payable	**$**	**579**	$	58	**$**	**1,233**	$ 5,713
Interest on project financing		**24**		22		**48**	45
Interest on finance lease		**2**		3		**6**	6
Interest on notes payable		**-**		802		**-**	1,518
Royalty expense associated with note payable		**-**		121		**-**	348
	$	**605**	$	1,006	**$**	**1,287**	$ 7,630

9. Share capital:

(a) Issued:

	June 30, 2017		December 31, 2016	
Class A common shares	**Number of Shares**	**Amount**	Number of Shares	Amount
Balance, beginning of period:	**101,344,582**	**$ 196,686**	100,237,372	$ 196,409
Issuance of common shares from Rights offering	**60,112,725**	**2,890**	-	-
Issuance costs	**-**	**(164)**		
Option exercise	**-**	**-**	267,630	103
LTIP Issuance	**1,492,926**	**78**	-	-
Share-based compensation	**1,012,500**	**60**	839,580	174
Balance, end of period:	**163,962,733**	**$ 199,550**	101,344,582	$ 196,686

On June 20, 2017, 1,012,500 Class A common shares were issued to directors and employees of the Company as compensation for services. Compensation expense of $60 for these Class A common shares is included in operating costs.

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

On April 12 and June 29, 2017, the Company issued a total of 1,492,926 Class A common shares that were earned under the LTIP Plan (see note 9(e)).

On March 30, 2017, the Company issued 60,112,725 Class A common shares as the result of a Rights Offering with total proceeds of $2,890 and issuance costs of $164. All of the proceeds were used to repay the December 14, 2016 bridge loan of $6,000 (see Note 6(ii)).

On July 25, 2016, 153,000 Class A common shares were issued upon the exercise of options with a grant date fair value of $29 for a reduction in accounts payable of $35.

On June 29, 2016, 201,692 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.

On May 17, 2016, 637,888 Class A common shares were issued to directors of the Company as compensation for services in exchange for settlement of accounts payable of $134.

On May 3, 2016, 114,630 Class A common shares were issued upon the exercise of options with a grant date fair value of $16 in exchange for settlement of accounts payable of $22.

(b) Contributed surplus:

		June 30, 2017		December 31, 2016
Balance, beginning of period	**$**	**24,497**	$	11,578
Gain on modification of notes payable (Note 6)		**746**		15,063
Share-based compensation		**221**		359
Exercise of options		**-**		(45)
Deferred tax effect of notes payable		**(200)**		(2,458)
Balance, end of period	**$**	**25,264**	$	24,497

(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 anti-dilutive and are therefore not included in the calculation.

The underlying Class A common shares pertaining to 14,699,898 outstanding share options and 21,412,684 outstanding warrants could potentially dilute earnings.

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

(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, 2017, 16,396,273 Class A common shares were authorized under the plan, of which 14,699,898 share options are issued and outstanding and 1,696,375 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 six to ten 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 tenth anniversary of the date of such grant.

The following tables summarize information regarding share options outstanding:

	June 30, 2017		December 31, 2016	
	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	**9,249,697**	**$ 0.25**	6,864,850	$ 0.41
Granted	**9,052,041**	**0.07**	5,784,934	0.13
Exercised	**-**	**-**	(267,630)	0.28
Expired	**(3,510,590)**	**0.30**	(1,918,082)	0.45
Forfeitures	**(91,250)**	**0.28**	(1,214,375)	0.30
Options outstanding, end of period	**14,699,898**	**$ 0.13**	9,249,697	$ 0.25
Options exercisable, end of period	**8,383,648**	**$ 0.15**	8,099,072	$ 0.24

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.07	9,052,041	9.79 years	3,302,041
0.08	2,917,320	9.39 years	2,917,320
0.17	25,000	3.13 years	12,500
0.23	123,807	4.13 years	123,807
0.25	20,000	0.19 years	20,000
0.27	507,500	4.72 years	143,750
0.29	767,500	2.72 years	577,500
0.44	652,500	1.70 years	652,500
0.46	634,230	0.46 years	634,230
	14,699,898	7.62 years	8,383,648

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

During the six months ended June 30, 2017, 9,052,041 options were granted at a weighted average grant date fair value of C$0.07 per share, determined using the Black-Scholes option pricing model on the date of grant with the following assumptions: share price of C$0.07, expected dividend yield 0%, risk-free interest rate of 1.37%, volatility of 124.9% and expected life of 10 years. Volatilities are calculated based on the actual historical trading statistics of the Company's Class A common shares for the period commensurate with the expected option term. The estimated forfeiture rate was 15.09%. During the six months ended June 30, 2017, the Company recognized $181 of non-cash compensation expense related to the share option plan.

(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. At December 31, 2015 1,058,165 shares were earned under the equity-settled portion of the LTIP and 1,587,248 shares were earned under the optional settlement portion of the LTIP. At June 30, 2017, all shares under the plan have been issued or forfeited.

(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:

	For the three months ended June 30,		For the six months ended June 30,	
	2017	2016	**2017**	2016
Employees	**$ 56**	$ (60)	**$ 66**	$ 113
Non-employees	**153**	79	**153**	79
Non-cash compensation	**$ 209**	$ 19	**$ 219**	$ 192

10. 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:

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

Grant Date	Expiry Date	Exercise Price	Granted	Exercised	Number of Warrants Outstanding December 31, 2016	Anti-dilution Adjustment	Expired	Number of Warrants Outstanding June 30, 2017
2/7/2014	2/7/2017	C$ 0.08	3,091,572	-	3,091,572	-	(3,091,572)	-
12/12/2014	12/12/2017	C$ 0.10	1,137,202	-	1,137,202	216,950	-	1,354,152
12/26/2014	12/26/2017	C$ 0.07	1,666,667	-	1,666,667	317,959	-	1,984,626
1/6/2015	2/6/2017	C$ 0.08	4,597,443	(958,020)	3,639,423	-	(3,639,423)	-
1/14/2015	1/21/2018	C$ 0.08	1,469,834	-	1,469,834	280,408	-	1,750,242
4/1/2015	4/3/2018	US$ 0.07	9,178,266	-	9,178,266	1,750,988	-	10,929,254
5/1/2015	5/1/2018	US$ 0.06	4,530,166	-	4,530,166	864,244	-	5,394,410
			25,671,150	(958,020)	24,713,130	3,430,549	(6,730,995)	21,412,684

Each warrant entitles its holder to purchase one Class A common share. Vertex, the holder of all the Company's notes payable holds 8,803,468 of the warrants outstanding at June 30, 2017.

The warrants contain anti-dilution protection provisions, and following the closing of the Rights Offering on March 30, 2017, 3,430,549 warrants were issued based on a share rate factor of 1.1908, as calculated according to the terms defined in the warrant agreements. The expiry dates and exercise prices remained unchanged.

During February 2017, 3,091,572 warrants that were issued on February 7, 2014 and 3,639,423 warrants that were issued on January 6, 2015 naturally expired.

The 5,089,020 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 16,323,664 warrants denominated in United States dollars are recognized as part of share capital. At June 30, 2017 $385 is included in share capital related to these warrants.

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

	Number of non-broker warrants	Warrant liability
Balance at December 31, 2016	11,004,698	$ 137
Issued	815,317	8
Expired	(6,730,995)	(90)
Revaluation	-	(14)
Balance at June 30, 2017	5,089,020	$ 41

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

On June 30, 2017, the 3,338,778 non-broker warrants (2,803,869 non-broker warrants issued in 2014 adjusted for anti-dilution provisions on March 30, 2017) were re-valued to $26 using the Black-Scholes option pricing model with the following assumptions: exercise price of C$0.07-C$0.10; average volatility rate of 70.3%; risk-free interest rate of 0.69%; expected life of 6 months; and an exchange rate of 0.77.

On June 30, 2017, the 1,469,834 non-broker warrants issued on January 14, 2015 and increased to 1,750,242 on March 30, 2017 were revalued to $15 utilizing the Black-Scholes option pricing model with the following assumptions: exercise price of C$0.08; average volatility rate of 70.3%; risk-free interest rate of 0.69%; expected life of 7 months; and an exchange rate of 0.77.

The Company also issued 9,178,266 non-broker warrants on April 1, 2015 and 4,530,166 non-broker warrants on May 1, 2015 that were increased to 10,929,253 and 5,394,410, respectively on March 30, 2017. As the exercise price for both issuances are 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 at each balance sheet date.

11. 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:

2018	$	526
2019		408
2020		386
2021		37
	$	1,357

During the six months ended June 30, 2017, the Company recognized $517 (six months ended June 30, 2016 - $505) in operating lease expense for office space.

12. 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, 2017		3 months ended June 30, 2016		**6 months ended June 30, 2017**		6 months ended June 30, 2016
United States	**$**	**705**	$	375	**$**	**1,666**	$	1,030
Asia/Pacific		**3,461**		241		**4,666**		593
Europe		**312**		248		**724**		679
	$	**4,478**	$	864	**$**	**7,056**	$	2,302

Property and equipment of the Company are located as follows:

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

	June 30, 2017	December 31, 2016
United States	**$ 2,960**	$ 1,401
Canada	**3**	31
Europe	**2**	3
Asia/Pacific	**41**	22
	$ 3,006	$ 1,457

Intangible assets are in the United States.

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

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

		Three months ended June 30, 2017		Three months ended June 30, 2016		Six months ended June 30, 2017		Six months ended June 30, 2016
Customer A	$	2,764	$	-	$	3,835	$	-
Customer B		469		105		517		199
Customer C		250		110		910		304
Customer D		89		51		194		281
Customer E		-		100		-		355
	$	3,572	$	366	$	5,456	$	1,139

13. 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, 2016.

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

Amounts receivable as of June 30, 2017, and December 31, 2016, consist of:

		June 30, 2017		December 31, 2016
Trade amounts receivable	**$**	**1,783**	$	559
Employee receivables		**2**		2
Other miscellaneous receivables		**6**		45
Allowance for doubtful accounts		**(6)**		(6)
	$	**1,785**	$	600

Trade amounts receivable by geography consist of:

		June 30, 2017		December 31, 2016
United States	**$**	**991**	$	308
Asia/Pacific		**607**		66
Europe		**185**		180
Canada		**-**		5
	$	**1,783**	$	559

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

		June 30, 2017		December 31, 2016
Current	**$**	**702**	$	403
31-60 days		**557**		60
61-90 days		**360**		3
Over 91 days		**164**		93
	$	**1,783**	$	559

As of June 30, 2017, $524 of trade amounts receivable (year ended December 31, 2016 - $96) were past due. The balance of the past due amounts relates to reoccurring customers and are considered collectible.

14. 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.
- 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 10).

(a) Fair value hierarchy:

Financial instruments recorded at fair value on the Condensed Consolidated Interim 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, 2017			December 31, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities						
Non-broker warrants	$ -	$ 41	$ -	$ -	$ 137	$ -

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