Intermap Technologies Corporation
Second Quarter Ended June 30, 2010

Q2 NEXTMap license revenues increase 40%
NEXTMap USA commercially launched
$6.5M CDN financing completed

DENVER – August 10, 2010 (TSX: IMP.TO) – Intermap Technologies Corporation ("Intermap" or the "Company") today reported financial results for the second quarter ended June 30, 2010. A conference call will be held today, August 10, at 4:30 p.m. Eastern Time to discuss the results.

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

"We have begun the process of restructuring the Intermap organization to focus on our strengths and the markets which can provide the greatest returns," said Howard Nellor, Intermap's interim chief executive officer. "There have been some shifts in the market and going forward we are aligning our strengths to take advantage of these market trends. I'm pleased that NEXTMap license revenue came in ahead of budget again this quarter, up 40%, however, total revenues were still lower than expected due to a delay in the signing of pending contract service agreements. While the company anticipates these contracts will close in the third quarter, we continue to reduce operating expenses and to aggressively manage our working capital. Additionally, we are in discussions with potential buyers of our surplus production capabilities and equipment, and we strengthened our working capital in July with a $6.5 million CDN financing. On the expense side, 2010 will reflect a substantial reduction in cash outlays when compared to 2009 now that the NEXTMap USA and Europe databases are complete."

Intermap has reduced data collection and production operations and finalized the cost restructuring that was executed in the fourth quarter of 2009 with the closing its facility in Ottawa. Consolidated headcount was 596 at June 30, 2010, a decrease from 868 at June 30, 2009. The decrease was primarily driven by a decrease in operations personnel by approximately 38%, or 238 full-time personnel. The decrease in operations personnel resulted primarily from the Company's completion of the NEXTMap Europe and NEXTMap USA programs. R&D and administrative personnel also decreased by 15%, or 22 employees during the year. Salaries and related personnel costs for the second quarter of 2010 and 2009 were $4.9 million and $6.6 million respectively. Company spending on property and equipment and the investment in the Multi-client Data Library (MCDL) has decreased by $5.2 million in the first half of 2010 compared to the first half of 2009.

FINANCIAL REVIEW

For the quarter ended June 30, 2010, Intermap reported total revenue of $5.3 million, up 52% over Q1 2010, but a decrease from $6.2 million for the second quarter of 2009. The decline in year over year revenue was the result of lower revenue from Intermap's contract services business. MCDL license revenue for Q2 was $3.7 million representing an increase of 40% quarter over quarter and 57% year over year, partially offsetting lower contract services revenue. During the second quarter of 2010, approximately 52% of MCDL license revenue was associated with the NEXTMap Europe dataset, 15% was associated with the NEXTMap USA dataset, and 33% was associated with the Asia dataset.

Revenue from contract services work during the second quarter of 2010 decreased to $1.6 million from $3.5 million for the same period in 2009. The decrease was primarily the result of a reduction in revenue from mapping projects in Southeast Asia where the Company had $3.2 million in revenue during the second quarter of 2009, compared to $Nil in the second quarter of 2010. The revenue recognized in the second quarter of 2010 related largely to a mapping project in Alaska totaling $1.3 million. Several new contract service projects are under bid in various global regions, providing anticipated increases in contract services revenue in the second half of 2010.

Gross operations expense, prior to capitalization, for the quarter ended June 30, 2010 was $3.8 million, compared to $4.3 million during the same period in 2009. The decrease in gross operations expense was primarily due to the reduction in production operations as a result of the completion of the NEXTMap Europe program and the completion of the airborne collection associated with the NEXTMap USA program. Net operations expense for the quarter ended June 30, 2010 totaled $2.5 million compared to $1.6 million for the same period in 2009. The increase in net operations expense resulted from a reduction in costs capitalized to the NEXTMap Europe and NEXTMap USA programs.

Sales, general and administrative ("SG&A") expense for the quarter ended June 30, 2010 was $6.9 million, an increase from $6.5 million for the same period in 2009. The increase in SG&A expense in Q2 2010 is due primarily to a one-time expense associated with closing the Ottawa facility, resulting in the recognition of a liability for future lease payments of $0.7 million. Without this charge, sales, general and administrative expense decreased by $0.3 million to $6.2 million during Q2 2010. Since 2009, the Company has added several new sales people in 2010 to extend its reach within the USA, Europe, and Asia. Notwithstanding the need to expand sales coverage, SG&A is an area where costs continue to be reduced now that the production of the core NEXTMap products are complete.

Adjusted EBITDA, a non-GAAP measure, for the quarter ended June 30, 2010 was a loss of $3.5 million compared to a loss of $2.3 million for the same period in 2009. The adjusted EBITDA loss for the three months ended June 30, 2010 is primarily attributable to a decrease in revenue of $0.9 million and an increase in net operations costs of $0.9 million offset by $0.7 million for a one-time expense related to the lease accrual related to closing the Ottawa office, as compared to the same period in 2009.

Amortization expense of the MCDL database increased to $3.8 million from $2.4 million in the second quarter of 2009. The increase is due to increased MCDL sales, and the impact of the company's amortization policy on an expanded NEXTMap dataset.

For the second quarter of 2010, Intermap reported a net loss of $10.1 million or ($0.19) per share, compared to a net loss of $6.9 million or ($0.14) per share for the second quarter of 2009.

The cash position of the Company at June 30, 2010 (cash and cash equivalents) was $3.3 million, compared to $10.4 million at December 31, 2009. Working capital decreased to $4.0 million as of June 30, 2010 from $18.1 million as of December 31, 2009.

Subsequent to the close of the second quarter, on July 6, 2010, the Company issued 8,125,000 Common Shares at a price of $0.80 CDN per Common Share representing gross proceeds to the Company of $6.5 million CDN. The $5.8 million CDN net proceeds of the offering will be primarily used to help fund the short term working

capital requirements of the Company. Specifically, the Company has signed and anticipates entering into large contract service projects that will require the Company to utilize up to $4 million in working capital during the contract. The balance of the net proceeds will be used to fund sales, business development and further existing technology development efforts directed at accelerating revenue from the MCDL asset.

Management believes that the existing cash resources of $3.3 million, together with the $5.8 million CDN net proceeds from the bought deal, the anticipated contract services and NEXTMap license revenue, the cost reductions initiatives implemented, and the anticipated sales of surplus production capability and equipment will be sufficient to fund operations through at least June 30, 2011. As the year progresses management will continue to monitor the level of sales and take appropriate actions to ensure that the company can fund future operations.

Management and the board of directors are fully engaged in a process to generate positive cash flow from operations, which includes implementing a number of cost containment and risk reduction initiatives that will support this objective. Gross operating costs have come down year over year, but further reductions will be implemented over the next nine months.

As of August 10, 2010, there were 60,659,737 common shares outstanding.

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

OPERATING HIGHLIGHTS

NEXTMap Databases

On July 13, 2010 Intermap announced the full commercial availability of its NEXTMap USA countrywide digital mapping program. This concludes the Company's two major undertakings, to create uniformly accurate digital elevation models and images for the contiguous United States and Hawaii, "NEXTMap USA" (approximately 8 million square kilometers), and "NEXTMap Europe" for all of Western Europe (2.5 million square kilometers). Combined with other regions in the Company's extensive geospatial data library, including include Malaysia and significant regions in Indonesia, Afghanistan, the Philippines and Australia, this equates to more than 12.5 million square kilometers of available data.

Contract Services

Following several quarters of weakness in contract services revenue, in the second quarter Intermap received notification of a $2.2 million initial contract to immediately begin IFSAR mapping of a selected region in Alaska. The project is sponsored by several federal and state government agencies. The objective is to have the entire state mapped over the next few years, with a total budget estimated at $60 million. Several other projects are under bid in various global regions, providing anticipated increases in contract services revenue in the second half of 2010.

GPS Navigation Devices and Smartphones

In the second quarter Intermap signed an agreement with Garmin to integrate data from NEXTMap Europe and NEXTMap USA with Garmin's GPS and navigation products. Initial Garmin products using NEXTMap data were shipped beginning in the second quarter of 2010. Garmin continues to test NEXTMap data for use in other Garmin products. Intermap believes that NEXTMap data can be applied to Garmin's outdoor GPS products, automotive portable navigation devices, and aviation product lines.

Automotive Market – Fuel Efficiency, Safety and Navigation

In the second quarter Intermap responded to requests for quotations for provision of 3D road data to three Tier 1 automotive suppliers. The first related licensing agreement to be announced is for 3D road data to Audi Electronics Venture GmbH (AEV), a wholly owned subsidiary of Audi AG. Intermap´s accurate and uniform 3D road geometries for all German roads have been delivered to the VW Group to be added to its research and development platform. The VW Group is integrating Intermap 3D Roads into a research and development platform with the aim of developing, testing, and enhancing various energy management and advanced driver assistance systems (ADAS) applications. Intermap's 3D Roads product is the only map dataset that covers all classes of roads – featuring more than 1 million line kilometers of accurate road centerline position and elevation data for the entire country. This product enables the VW group to test innovative technologies throughout the entire country – from small rural roads to the largest Autobahn. This licensing agreement is another example of how NEXTMap 3D Roads are being used to support energy management and ADAS applications that rely on the 100% road coverage that NEXTMap's 3D road vectors provide.

"We continue to see momentum in the need for 3D road data to support high priority applications such as energy management and carbon emission reduction," explained Mr. Nellor. "NEXTMap can be utilized to improve fuel efficiency through eco routing and eco drive, to accurately and dynamically predict range for electric vehicles and to improve vehicle safety. It is important that vehicle safety systems encompass 3D road vectors for all classes of roads, including smaller rural roads, as these are often where the more difficult curves, dips, and slopes are encountered."

Other partners are also testing NEXTMap data for eco-routing applications in Europe.

Telecommunications

Since completing NEXTMap Europe, the Company has licensed a total of $4 million of NEXTMap data to several wireless telecommunications companies for Germany and border countries. In addition, Intermap announced the immediate availability of its Web-based application that produces NEXTMap Online Terrain Profiles (OTPs) for microwave link planning, designed specifically to support microwave tower placement and network expansion by delivering precise terrain profiles (including 3D terrain data and profile graphs) via the Company's TerrainOnDemand Web services portal. The online application allows quick, cost-effective, and reliable line-of-sight determination for telecommunications companies and emergency service providers in Western Europe and the United States. Leading customers report that use of the Web service reduces the requirement for field surveys by 70 to 80 percent.

Customers can access the new OTP web portal at: http://mlp.TerrainOnDemand.com.

Conference Call

Intermap will host a conference call today, August 10, 2010 at 4:30 pm ET (2:30 pm MT). To participate in the call, please dial +1-416-695-6622 or +1-800-766-6630 approximately 10 minutes prior to the conference call. A recording of the conference call will be available through August 17, 2010. Please dial +1-416-695-5800 or +1-800-408-3053 and provide the password 6357014 to listen to the rebroadcast.

ABOUT INTERMAP TECHNOLOGIES

Intermap (TSX: IMP.TO) is a preeminent digital mapping company creating uniform high-resolution 3D digital models of the earth's surface. The Company has proactively remapped entire countries and is building uniform national datasets, called NEXTMap®, consisting of elevation data and geometric images of unprecedented accuracy. Demand for NEXTMap data continues to grow as new commercial applications emerge within the GIS, engineering, automotive, consumer electronics, insurance risk assessment, oil and gas, renewable energy, hydrology, environmental planning, wireless communications, transportation, aviation, and 3D visualization markets.

Intermap is headquartered in Denver, Colorado, with additional offices in Calgary, Detroit, Jakarta, London, Madrid, Munich, Paris, Perth, Prague and Washington, D.C. For more information, visit www.Intermap.com or www.AccuTerra.com.

NEXTMap data is available directly from Intermap, online at www.TerrainOnDemand.com, or through selected partners worldwide.

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Intermap Reader Advisory

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

Management's Discussion and Analysis

For the quarter ended June 30, 2010

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, 2010, and should be read together with the Company's Consolidated Interim Financial Statements for the three and six months ended June 30, 2010 and the audited Consolidated Financial Statements for the years ended December 31, 2009 and 2008, together with the accompanying notes. The results reported herein have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and, unless otherwise noted, are expressed in U.S. 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 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 "anticipate," "expect," "project," "estimate," "forecast," "plan," "intend," "target," "believe," and similar words suggesting future outcomes or statements regarding an outlook. Although Intermap believes that these forward-looking statements are 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 material factors and assumptions used to develop the forward-looking statements herein include, but are not limited to, the following: (i) Intermap will continue to maintain sufficient and effective production capabilities with respect to the cost to produce the Company's products; (ii) there will be no significant reduction in the availability of qualified and cost-effective human resources; (iii) the continued sales success of Intermap's products and services; (iv) the continued success of business development activities; (v) the continued existence and productivity of subsidiary operations; (vi) there will be no significant delays in the development and commercialization of Intermap products; (vii) new products will continue to be added to the Intermap portfolio; (viii) demand for 3D mapping products will continue to grow in the foreseeable future; (ix) there will be no significant barriers to the integration of Intermap's technology and products into customers' existing and proposed products; and (x) superior 3D mapping technologies / products do not develop prior to Intermap establishing its technology as the industry standard.

Intermap's forward-looking statements are subject to risks and uncertainties pertaining to, among other things, revenue fluctuations, loss of key customers, nature of government contracts, breakdown of strategic alliances, economic conditions, common share price volatility, availability of capital, information technology security, loss of proprietary information, competing technologies, and international and political considerations including but not limited to those risks and uncertainties discussed under the heading "Risk Factors" in the Company's most recently filed Annual Information Form 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 Intermap'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, Intermap 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 Intermap or persons acting on the Company's behalf, are expressly qualified in their entirety by these cautionary statements.

BUSINESS OVERVIEW

Intermap is a digital mapping company creating uniform, high-resolution 3D digital models of the earth's surface. The Company has proactively remapped entire countries and built uniform national databases called NEXTMap®, consisting of elevation data and geometric images with high accuracy. These digital maps are used in a wide range of applications, including geographic information systems (GIS), engineering, automotive, GPS maps, insurance risk assessment, oil and gas, renewable energy, hydrology, environmental planning, wireless communications, transportation, aviation, and 3D visualization. The products are also used to improve the positional accuracy of airborne and satellite images. Working for private industry, governments, and individual consumers worldwide, Intermap employs interferometric synthetic aperture radar (IFSAR) mapping technology, which provides the ability to digitally map large areas accurately and quickly and acquire data at any time of the day including overcast and dark conditions.

The NEXTMap Europe dataset is complete and represents 2.5 million square kilometers of area and includes the 17 countries of Austria, Belgium, the Czech Republic, Denmark, England, France, Germany, the Irish Republic, Italy, Luxembourg, the Netherlands, Northern Ireland, Portugal, Spain, Scotland, Switzerland, and Wales.

The NEXTMap USA program, the largest NEXTMap program to date, was completed during the second quarter of 2010. The program covers over 8.0 million square kilometers of the contiguous United States and Hawaii. The NEXTMap USA program includes elevation data and images predominately accurate to 1 meter or better in the vertical dimension and 2 meters or better in the horizontal dimension.

FINANCIAL INFORMATION

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

Selected Quarterly Information

US $ millions, except per share data	Three months ended June 30, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009
Revenue:				
Contract services	$ 1.6	$ 3.5	$ 2.7	$ 7.8
Multi-client data licenses	3.7	2.7	6.0	3.8
Total revenue	$ 5.3	$ 6.2	$ 8.7	$ 11.6
Net loss	$ (10.1)	$ (6.9)	$ (21.3)	$ (13.8)
EPS basic and diluted	$ (0.19)	$ (0.14)	$ (0.41)	$ (0.28)
Adjusted EBITDA	$ (3.5)	$ (2.3)	$ (9.0)	$ (5.1)

Revenue

Consolidated revenue for the second quarter of 2010 totaled $5.3 million compared to $6.2 million for the same period in 2009, representing a 15% decrease. As of June 30, 2010, there remained $3.3 million in revenue from existing contracts ($1.5 million in contract services and $1.8 million in multi-client data library (MCDL) license contracts) to be recognized in future periods.

Contract services revenue for the second quarter of 2010 decreased to $1.6 million from $3.5 million for the same period in 2009. The decrease was primarily the result of a reduction in revenue from mapping projects in Southeast Asia where the Company had $3.2 million in revenue during the second quarter of 2009, compared to $nil in the second quarter of 2010. The revenue recognized in the second quarter of 2010 related primarily to a mapping project in Alaska totaling $1.3 million.

MCDL license revenue for the second quarter of 2010 totaled $3.7 million, compared to $2.7 million for the same period in 2009, representing a 40% increase. The increase was primarily the result of two sales of NEXTMap Europe – Germany data that generated $1.5 million in revenue during the second quarter of 2010, compared to $0.4 million during the second quarter of 2009. During the second quarter of 2010, approximately 52% of MCDL license revenue was associated with the NEXTMap Europe dataset, 15% was associated with the NEXTMap USA dataset, and 33% was associated with the Asia dataset. For the same period in 2009, approximately 48% of the MCDL license revenue was associated with the NEXTMap Europe dataset, 12% was associated with the NEXTMap USA dataset, and 40% was associated with the Asia dataset.

On a year-to-date basis, consolidated revenue decreased by $2.9 million from $11.6 during the six months ended June 30, 2009 to $8.7 million during the same period in 2010.

Contract services revenue on a year-to-date basis was $2.7 million in 2010, compared to $7.8 million for the same period in 2009. The decrease was primarily the result of a reduction in revenue from mapping projects in Southeast Asia where the Company had $7.1 million in revenue for the six months ended June 30, 2009, compared to $0.7 million for the same period in 2010. The contract services revenue recognized on a year-to-date basis in 2010 included a mapping project in Alaska totaling $1.3 million and $0.6 million from contract work performed in relation to our risk management initiatives in Europe.

MCDL revenue on a year-to-date basis was $6.0 million in 2010, an increase of 57% over the same period in 2009. The increase was primarily the result of two sales of NEXTMap Europe – Germany data that generated $2.7 million in revenue during the six months ended June 30, 2010. During the six months ended June 30, 2010, approximately 56% of the MCDL license revenue was associated with the NEXTMap Europe program, 20% was associated with the NEXTMap USA program, and 24% was associated with our Asia dataset. For the same period in 2009, approximately 43% of the MCDL license revenue was associated with the NEXTMap Europe program, 29% was associated with the NEXTMap USA program, and 28% was associated with the Asia dataset.

World economic difficulties continued to affect the Company's revenues during the first half of 2010. Existing and potential customers have maintained a cautious approach to their businesses, conserving cash by deferring previously planned projects and re-evaluating their short-term operating budgets. Although the Company is continuing to see significant proposal activity, we believe the current challenging economic environment will continue to impact contract service revenue during the third quarter of 2010.

Operations

Operations expense includes aircraft costs, employee compensation, data processing costs, and third-party expenses related to the collection, processing, and editing of Intermap's mapping data.

Gross operations expense, prior to capitalization, for the second quarter of 2010 and 2009 was $3.8 million and $4.3 million, respectively. On a year-to-date basis, gross operations expense, prior to capitalization totaled $7.8 million in 2010 compared to $10.3 million for the same period in 2009. The decrease in gross operations expense during the second quarter and year-to-date periods in 2010 was primarily the result of the reduction in production operations (see "Personnel" below) that reflects the completion of the NEXTMap Europe and NEXTMap USA programs. Net operations expense for the second quarter of 2010 totaled $2.5 million, compared to $1.6 million for the same period in 2009. On a year-to-date basis, net operations expense totaled $5.3 million in 2010, compared to $3.4 million for the same period in 2009. The increase in net operations expense resulted from a reduction of the capitalization of costs to the NEXTMap programs. Capitalized costs decreased by $1.3 million from the second quarter of 2010 as compared to the same period in 2009, and by $4.5 million on a year-to-date basis for 2010 as compared to 2009 due to the completion of NEXTMap Europe and NEXTMap USA programs.

Research and Development

Research and development (R&D) expense includes engineering personnel and their associated costs. For the second quarter of 2010 and 2009, R&D expense was $0.6 and $1.0 million, respectively. On a year-to-date basis in 2010 and 2009, R&D expense was $1.4 million and $1.9 million, respectively. The R&D costs incurred in 2010 were primarily for Web services efforts and software development efforts associated with the 3D Roads product.

The R&D costs incurred during 2009 were primarily attributable to software development efforts associated with the continued development of internal data editing and processing tools and the expansion of the Company's NEXTMap services solutions (e.g., risk management, data products, and consumer electronics applications).

Sales, General and Administrative

Sales, general and administrative (SG&A) expense includes employee compensation, database infrastructure costs, business development, sales, marketing, finance, administration, human resources, and facilities. For the second quarter of 2010, SG&A expense was $6.9 million, compared to $6.5 million for the same period in 2009. Net SG&A expense totaled $12.9 million on a year-to-date basis in 2010, compared to $12.7 million for the same period in 2009. The increase in SG&A expense for 2010 is due primarily to a one-time expense associated with closing the Ottawa facility, resulting in the recognition of a liability for future lease payments of $0.7 million, net of estimated future sub-lease rents. Without this charge, sales, general and administrative decreased by $0.6 million to $12.1 million during 2010. This increase was offset by decreases to SG&A related to the reduction in personnel costs within the business development areas of the Company (see "Personnel" below).

Personnel

Consolidated headcount was 596 at June 30, 2010, a decrease from 868 at June 30, 2009. The decrease was primarily driven by a decrease in operations personnel by approximately 38%, or 238 full-time personnel. The decrease in operations personnel resulted from the Company's completion of the NEXTMap Europe and NEXTMap USA programs. R&D and administrative personnel also decreased by 15%, or 22 employees during the year. Salaries and related personnel costs for the second quarter of 2010 and 2009 were $4.9 million (year-to-date $10.6 million) and $6.6 million (year-to-date $12.7 million), respectively. Salaries and related personnel costs decreased primarily due to workforce reductions initiated in the fourth quarter of 2009. In 2010, The Company expects to realize annual savings of approximately $6.0 in personnel expense as a result of the headcount and salary reduction initiatives implemented during 2009.

Non-cash stock-based compensation for the second quarter of 2010 and 2009 totaled $0.5 million and $0.6 million, respectively (year-to-date 2010 and 2009 of $1.0 million).

Adjusted EBITDA

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

US $ millions	Three months ended June 30,				Six months ended June 30,			
	2010		2009		2010		2009	
Net loss	$	(10.1)	$	(6.9)	$	(21.2)	$	(13.8)
Depreciation of property and equipment		1.2		1.7		2.4		3.2
Amortization of multi-client data library		3.8		2.4		7.3		4.2
Amortization of intangible assets		0.1		0.1		0.2		0.2
Ottawa facility closure costs		0.7		-		0.7		-
Interest expense		-		0.1		-		0.2
Income tax expense (recovery)		0.1		0.1		-		0.1
Stock-based compensation		0.5		0.6		1.2		1.0
Loss on disposal of property and equipment		0.1		(0.3)		0.3		(0.1)
Loss (gain) on foreign currency translation		0.1		(0.1)		0.1		(0.1)
Adjusted EBITDA	$	(3.5)	$	(2.3)	$	(9.0)	$	(5.1)

Adjusted EBITDA for the second quarter of 2010 was a loss of $3.5 million, compared to a loss of $2.3 million for the same period in 2009. On a year-to-date basis, adjusted EBITDA was a loss of $9.0 million, compared to a loss of $5.1 million for the same period in 2009. The increase in the adjusted EBITDA loss for the second quarter of 2010 is primarily attributable to a decrease in revenue of $0.9 million (year-to-date $2.9 million) and an increase in net operations costs of $0.8 million (year-to-date $2.0 million) offset by $0.7 million for a one-time expense related to the closure of the Ottawa facility as compared to the same period in 2009.

Depreciation of Property and Equipment

Depreciation expense for the second quarter of 2010 totaled $1.2 million (year-to-date $2.4 million) compared to $1.7 million (year-to-date $3.1 million) for the same period in 2009. The decrease in depreciation expense resulted primarily from the decrease in purchases of property and equipment as compared to the prior periods. The capitalization of depreciation was $0.2 million for the second quarter of 2010 (year-to-date $0.4 million), compared to $0.5 million for the same period in 2009 (year-to-date $0.9 million). The capitalization of depreciation expense relates to the creation of the MCDL, and specifically relates to the dedication of internal resources (aircraft, radar, and production equipment) for the purpose of collecting and processing NEXTMap data.

Amortization of MCDL

Amortization expense relating to the MCDL during the second quarter of 2010 increased to $3.8 million (year-to-date $7.3 million) from $2.4 million (year-to-date $4.2 million) for the same period in 2009. The increase in amortization expense was primarily due to size of the underlying MCDL asset on the balance sheet and the consistent application of the Company's amortization policy. See "Critical Accounting Policies and Estimates – Multi-client Data Library."

Loss (gain) on the Disposal of Equipment

In June 2010, the Company closed the Ottawa facility, resulting in the write-off of the leasehold improvements in the Ottawa office and the disposal of equipment that was not transferred to other Intermap offices. A loss of $78 thousand (year-to-date loss of $72 thousand) was recorded related to these disposals. On June 15, 2009,

the Company sold its Aero Commander aircraft. Proceeds on the sale of the aircraft totaled $1.0 million, and a gain was recognized on the sale of the aircraft of $135 thousand.

Interest Income and Expense

Interest income is generated from investment of cash in only low-yield, government-backed securities (see "Liquidity and Capital Resources" below). The investment of these funds earned the Company $nil (year-to-date $1 thousand) in interest income during the second quarter of 2010, compared to $7 thousand ($10 thousand) during the same period in 2009.

Interest expense for the second quarter of 2010 totaled $40 thousand (year-to-date $85 thousand), compared to $58 thousand (year-to-date $118 thousand) for the same period in 2009. The decrease in interest expense during the quarter and year-to-date period of 2010 compared to the same period in 2009 is due to the reduction of principal resulting from recurring payments on long-term debt.

Loss on Foreign Currency Translation

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

During the second quarter of 2010, a foreign currency translation loss of $0.1 million (year-to-date loss of $0.3 million) was recognized, compared to a gain of $0.3 million (year-to-date gain of $0.1 million) for the same period in 2009. The loss for 2010 was primarily the result of losses on the amounts receivable balances held in foreign currencies and cash held in Euros as a result of the strengthening of the United States dollar. At June 30, 2010, the Company held approximately $1.5 million in cash and amounts receivable, net of liabilities denominated in Euros.

Income Tax

Current income tax recovery of $6 thousand (year-to-date expense of $29 thousand) was incurred during the second quarter of 2010, compared to $49 thousand (year-to-date $101 thousand) during the same period in 2009. This expense relates to taxable income generated from the Company's Indonesian, Slovak, United Kingdom, and Australian subsidiaries. During the second quarter of 2010, future income tax expense of $52 thousand (year-to-date $9 thousand), compared to $3 thousand income tax expense (year-to-date $3 thousand income tax recovery) for the same period in 2009, was recognized as a result of future tax expense related to the German subsidiary and a future income tax recovery resulting from the amortization of intangible assets held in the Czech Republic subsidiary, which have no tax basis. The Company did not recognize any income tax expense on any other operations during the quarter and six months ended June 30, 2010 and 2009, due to losses incurred in the United States and Canada. The benefit of unused tax losses in Germany have been recognized in the financial statements as it was determined that the German subsidiary was more likely than not to be able to realize the benefit from these losses. The benefit of unused tax losses from all other subsidiaries have not been recognized in the financial statements, as the potential benefit has been offset by a valuation allowance.

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 balance sheet as unbilled revenue.

Amounts receivable and unbilled revenue in the aggregate, net of deferred revenue, decreased to $5.3 million at June 30, 2010 from $11.9 million at December 31, 2009. The decrease was primarily due to the collection of cash related to one large project for $6.5 million in January 2010. These amounts represent 204 days sales at June 30, 2010, compared to 116 days sales at December 31, 2009, and reflect specific project billing milestones on current contracts that were in progress on those dates. The increase in days sales outstanding is primarily due to an increase in sales in Southeast Asia, which tend to have longer payment periods as compared to customers in North America and Europe.

Work in Process

Work in process generally results from the collection and processing of data for licensing. The Company has recorded the costs incurred for this data collection as work in process, and such costs will be expensed (i) once a contract has been received and the data is delivered, or (ii) if it is determined that the costs are greater than the net realizable value. Work in process for the quarter ended June 30, 2010 and for the year ended December 31, 2009 totaled $1.9 million.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities generally include trade payables, project-related accruals and personnel-related costs. Accounts payable and accrued liabilities increased 5% from $5.9 million at December 31, 2009 to $6.2 million at June 30, 2010. The increase resulted primarily from a $0.4 million liability representing the current portion of the future lease payments related to the closure of the Ottawa facility, offset by reductions in personnel-related accruals.

Capital Lease Obligations and Long-term Debt

Capital lease obligations and long-term debt totaled $2.5 million at June 30, 2010, compared to $2.9 million at December 31, 2009. The decrease is the result of recurring payments on outstanding capital lease obligations and long-term bank loan obligations.

Other Long-term Liabilities

Other long-term liabilities totaled $0.3 million at June 30, 2010, compared to $nil at December 31, 2010. In June 2010, the Company closed the facility in Ottawa, resulting in the recognition of a liability for future lease payments of $0.7 million. Of the total obligation, $0.3 million is recorded as other long-term liabilities, and $0.4 million is included in accrued liabilities.

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.

US $ millions except per share data	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010
Revenue:								
Contract services	$ 10.3	$ 7.5	$ 4.3	$ 3.5	$ 7.4	$ 4.9	$ 1.2	$ 1.6
Multi-client data licenses	2.5	2.1	1.2	2.7	3.0	3.3	2.3	3.7
Total revenue	$ 12.8	$ 9.6	$ 5.5	$ 6.2	$ 10.4	$ 8.2	$ 3.5	$ 5.3
Depreciation and amortization	$ 2.6	$ 3.1	$ 3.4	$ 4.2	$ 4.3	$ 4.9	$ 4.8	$ 5.1
Net income (loss)	$ 0.2	$ (3.7)	$ (7.0)	$ (6.9)	$ (4.3)	$ (7.6)	$ (11.2)	$ (10.1)
Net income (loss) per share basic and diluted	$ -	$ (0.08)	$ (0.15)	$ (0.14)	$ (0.08)	$ (0.15)	$ (0.21)	$ (0.21)

LIQUIDITY AND CAPITAL RESOURCES

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

Cash used in operations during the second quarter of 2010 totaled $5.0 million (year-to-date $2.5 million used), compared to cash used in operations of $3.8 million (year-to-date $4.0 million used) during the same period in 2009. The total cash used in operations during the second quarter of 2010 was impacted by lower net income as compared to the same period in 2009. The total cash used in operations on a year-to-date basis in 2010 decreased as compared to 2009 due to changes in working capital, specifically a decrease in amounts receivable and unbilled revenue of $9.0 million.

Net cash used in financing activities totaled $0.3 million during the second quarter of 2010, compared to net cash generated by financing activities totaling $8.4 million during the same period in 2009. The net cash used in financing activities during the second quarter of 2010 is due to the repayment of long-term debt and capital leases. The cash generated from financing activities during the second quarter of 2009 was due to the completion of a share issuance of 5,750,000 units (each unit consists of one Class A common share of the Company and one-half of one common share purchase warrant) for total gross consideration of $9.5 million

(C$11.5 million), offset by $0.8 million of securities issuance costs. Net cash used in financing activities totaled $0.6 million during the year-to-date period in 2010, compared to $8.1 million generated by financing activities during the same period in 2009.

Net cash used in investing activities totaled $1.8 million (year-to-date $3.6 million) for the second quarter of 2010, compared to $2.5 million (year-to-date $7.8 million) during the same period in 2009. Cash used during the second quarter of 2010 in investing activities was primarily for investment in the MCDL of $1.4 million ($3.0 million in 2009), purchase of property and equipment of $0.4 million ($0.5 million in 2009), offset by proceeds of $1.0 million in the second quarter of 2009 generated from the sale of the Aero Commander aircraft. Cash used during the year-to-date period in 2010 in investing activities was primarily for investment in MCDL of $2.9 million ($8.0 million in 2009), purchase of property and equipment of $0.7 million ($0.8 million in 2009), offset by proceeds of $1.0 million during the year-to-date period of 2009 generated from the sale of the Aero Commander aircraft. For the second quarter and year-to-date period of 2010, investment in the MCDL decreased as compared to the same period in 2009 due to the completion of the NEXTMap Europe and the NEXTMap USA datasets.

The cash position of the Company at June 30, 2010 (cash and cash equivalents) was $3.3 million, compared to $10.4 million at December 31, 2009. Working capital decreased to $3.9 million as of June 30, 2010 from $18.1 million as of December 31, 2009.

On July 6, 2010, the Company issued, on a bought deal basis, 8,125,000 Common Shares at a price of $0.80 CDN per Common Share to Canaccord Capital Corporation (the Underwriter), representing gross proceeds to the Company of $6.5 million CDN. The Underwriter was issued a compensation option to purchase 500,000 common shares at a price of $0.80 CDN per Common Share for a period expiring one year after the closing date. In addition, the Company granted the Underwriter an over-allotment option exercisable for a period of 30 days following the closing of the Offering, to purchase up to an additional 1,218,750 shares. The net proceeds of the offering will be primarily used to help fund the short-term working capital requirements of the Company. Specifically, the Company has signed and anticipates entering into other large contract service projects that will require the Company to utilize up to $4 million in working capital during the contract prior to reaching the first material milestone billings. The milestone billings are based on progress made on the contracts and can take anywhere from one to three months to invoice depending on the contract requirements. The balance of the net proceeds will be used to fund increased sales, business development and further existing technology development efforts directed at accelerating revenue from our MCDL asset.

The continuing operations of the Company are dependent upon its ability to generate positive cash flow or obtain additional financing to fund future operations. However, management believes that the existing cash resources of $3.3 million, together with the $6.2 USD million proceeds from the bought deal, the anticipated data and contract service sales, the cost reduction initiatives implemented, and the anticipated sale of surplus production assets will be sufficient to fund operations through at least June 30, 2011. As the year progresses management will continue to monitor the level of sales and take appropriate actions to ensure that the company can fund future operations.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Revenue Recognition

Revenue from fixed-price contracts is recognized using the percentage-of-completion method of accounting, based on the ratio of costs incurred to estimated final costs. The utilization of the percentage-of-completion method of accounting 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. Project losses are measured by the amount by which the estimated costs of the project exceed the estimated total revenue for the project.

Contracts that include elements of MCDL licensing and either fixed-price or consulting arrangements are divided into separate units of accounting based on relative selling prices, as required by the early adoption of EIC-175 "Multiple Deliverable Revenue Arrangements" (see "New accounting policies" below). If the elements cannot be separated into separate units of accounting, the elements are recognized as one unit of accounting and recognized ratably over the term of the contract or upon completion of the contract.

MCDL

The Company maintains an MCDL, which results from the acquisition and processing of digital map data. All ownership rights to this data are retained by the Company and the data is licensed to customers on a non-transferable basis. All of the direct costs of acquiring and processing the data are capitalized as an investment in the MCDL. These costs include direct overhead associated with the acquisition and processing of the data and the depreciation of the property and equipment used in the production of the data.

For NEXTMap programs, capitalized costs are amortized based on the percentage of total estimated costs to total estimated sales, multiplied by actual sales in the period. In the event the percentage changes as a result of a change in the estimate of total costs and / or total sales, amortization is adjusted accordingly.

Any costs that remain unamortized 18 months after being capitalized are amortized on a monthly basis at the greater of (i) a straight-line monthly amortization charge over 60 months, and (ii) the calculated charge based on sales during the period.

The amortization period of 60 months represents the minimum estimated useful life over which benefits from the data are expected to be derived. The carrying value of the MCDL is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through future cash flows. The Company uses operating and financial assumptions to estimate cash flows. No adjustments have been recorded against the net book value of the MCDL to date.

Operations expenses that were capitalized for NEXTMap programs totaled $1.3 million during the second quarter of 2010 (year-to-date $2.5 million) and $2.6 million (year-to-date $7.0 million) for the same period in 2009. The decrease in capitalization of operations expense on a quarter-over-quarter and year-to-date basis is due to decreased airborne data collection and processing as a result of the completion of the NEXTMap Europe and the NEXTMap USA datasets.

Work In Process

Work in process is valued at the lower of cost and realizable value. Management reviews the work in process regularly, and if in the estimation of management the net realizable value of the work in process is less than cost, a provision is recorded to reduce the carrying value of the work in process, and a corresponding expense is recognized thereby reducing the net income for the period.

NEW ACCOUNTING POLICIES

In December 2009, the Canadian Institute of Chartered Accountants (CICA) issued EIC-175, "Multiple Deliverable Revenue Arrangements." This Abstract addresses some aspects of the accounting by a vendor for arrangements under which it will perform multiple revenue-generating activities. Specifically, the Abstract addresses how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting. The provisions of EIC-175 must be applied on a prospective basis beginning in the first annual fiscal period commencing on or after January 1, 2011, but early adoption is permitted. When the period of adoption is not the first reporting period of the fiscal year, the abstract should be applied retroactively from the beginning of the fiscal year.

The criteria in the new standard for identifying deliverables in a multiple-element arrangement that represent separate units of accounting has been changed and entities are no longer required to have objective and reliable evidence of fair value for each deliverable. The allocation of arrangement consideration amongst the separate units will now be based on a hierarchy of selling prices which includes (1) vendor specific objective evidence (VSOE), if available, (2) third-party evidence (TPE) of selling price, if VSOE is unavailable, and (3) best estimate of the selling price (BESP) if neither VSOE nor TPE is available. VSOE is generally limited to the price charged when the same or similar product is sold separately. If a product or service is seldom sold separately, it is unlikely VSOE can be determined. TPE is determined based on competitor prices for similar deliverables when sold separately. The Company determines BESP for data licenses by considering multiple factors including, but not limited to, ongoing pricing strategy and policies, market conditions and historical pricing practices.

Management believes it is appropriate to adopt EIC-175 early and on a prospective basis since it results in the measurement and recognition of revenues and cost of sales associated with data sales on a basis that is consistent with the way that management measures and monitors the performance of the Company.

Prior to the adoption of EIC-175, the Company applied EIC-142, "Revenue Arrangements with Multiple Deliverables," in concluding whether its sales arrangements containing multiple deliverables could be accounted for as separate units of accounting. The Company reviewed each deliverable to determine whether they represented separate units of accounting and reviewed the evidence of fair value for each unit. The Company previously applied the residual method to determine the arrangement consideration allocated to delivered Multi-client Data Library (MCDL) licenses in multi-element sales arrangements where objective and reliable evidence of the fair value of all undelivered elements existed.

During the second quarter of 2010, the Company entered into licensing agreements of its MCDL. These MCDL sales also included consulting services and hosting services in the arrangement. The Company has applied

the recommendations in EIC-175 to these MCDL license arrangements and arrangement consideration has been allocated to the various deliverables based on their relative selling prices, as they were determined to be separate units of accounting. The selling price for contract services was determined using VSOE, for hosting services using TPE, and for data licenses BESP was used. Generally, revenues for MCDL sales are recognized on delivery and for consulting services and hosting services revenues are recognized as the services are provided. Had EIC-142 been applied, the Company would have used the residual method to determine the arrangement consideration allocated to data licenses.

The adoption of EIC-175 did not have a significant impact on the amount, pattern, and timing of revenue recognized during 2009 or the first quarter of 2010. The adoption of the standard may result in revenues being recognized earlier in future periods as a result of the simplified criteria to be used in determining units of accounting and the use of the relative selling price method.

FUTURE CHANGES IN ACCOUNTING POLICIES

The conversion from Canadian GAAP to International Financial Reporting Standards (IFRS) will be applicable to the Company's reporting for the first quarter of 2011, for which the current and comparative information will be prepared under IFRS.

The Company commenced its IFRS conversion project in 2008. The project consists of three main phases: project plan and scoping, evaluation and design, and implementation and review.

The Company has completed phase one, which includes a high-level conversion program and a scoping exercise to identify priorities, a diagnostic review of the Company's financial statements, and a preliminary determination of the expected accounting impact. Based on this exercise, the Company determined the required resources, training, and timeline for the project.

The Company has commenced phase two, which consists of a comprehensive analysis of the major differences between GAAP and IFRS applicable to the Company, identification of accounting policy alternatives, a review of information technology systems and the impact of the conversion on the business activities and internal control environment.

The Company has documented its initial assessment of expected differences between the standards, along with initial preferred accounting policies under IFRS, and the potential impacts. The assessments including quantification of expected differences are expected to be made during Q3 2010. The company has identified several areas that will be impacted by the conversion IFRS, including:

First-time Adoption of International Financial Reporting Standards (IFRS 1) - Our adoption of IFRS will require the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires that an entity apply all IFRS effective at the end of its first IFRS reporting period retrospectively. However, IFRS 1 includes certain mandatory exceptions and limited optional exemptions in specified areas of certain standards from this general requirement. The following are the significant optional exemptions available under IFRS 1 that we expect to apply in our first financial statements under IFRS: i) *business combinations* – we expect to elect to not re-state any business combinations that have occurred prior

to January 1, 2010, ii) *borrowing costs* – we expect to elect to apply the requirements of IAS 23 borrowing costs prospectively from January 1, 2010, and iii) *fair value or revaluation as deemed cost* – we expect to elect not to record property, plant and equipment at fair value at the date of transition and will continue to use a historical cost basis. The remaining optional exemptions are not expected to be significant to the Company's adoption of IFRS.

Impairment - A discounted cash flow analysis is required under IFRS to determine if an asset is impaired. Under Canadian GAAP, an undiscounted method is utilized. IFRS requires property, plant, equipment, intangibles, and goodwill to be assessed for impairment at the "cash generating unit" level, rather than the reporting unit level considered by Canadian GAAP. While the method to assess impairment is different from Canadian GAAP, the Company does not anticipate the results of the impairment analysis to differ under the IFRS.

Share Based Payments - IFRS requires that awards that vest in installments be measured and accounted for as though each installment is a separate award with the fair value being recognized over the vesting period of each installment. As a result, more compensation expense will be recognized under IFRS in the earlier portion of the vesting period than under Canadian GAAP.

Property Plant and Equipment - IFRS requires a "component" approach to classifying assets in which certain classes of assets may be separated into components and depreciated over separate useful lives. Based upon the preliminary assessment performed by the Company, the differences in depreciation amounts under IFRS are not expected to be significant.

Provisions - Recognition and measurement differences exist with respect to thresholds for establishing liabilities and the determination of the amount of provisions to be recorded. For example, IFRS requires liabilities to be established as a result of past practice or actions even if no legal obligation exists.

Functional Currency - IFRS requires each entity to determine its functional currency based on the primary economic environment in which the entity operates. This assessment is made by first evaluating primary indicators, which include: 1) currency which mainly influences sales prices; and 2) currency which mainly influences labor, material and other costs.

As the review of the accounting policies continues, additional areas may be identified that will be impacted by the conversion to IFRS. Phase three is planned for the second half of 2010 and will consist of implementation of the changes, evaluation, and revision of business processes, if required, and modification to the financial statements. The Company will also ensure that its key stakeholders are informed about the anticipated effects of the IFRS transition. In the current year, the Company will provide IFRS information as part of its Board of Director presentations to highlight such anticipated effects. The Company anticipates a significant increase in disclosure resulting from the adoption of IFRS as well as certain presentation differences. The IFRS project is on target to meet the changeover date.

OUTSTANDING SHARE DATA

The Corporation'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, 2010, 60,659,737 Class A common shares were issued and outstanding. There are no preferred shares currently issued and outstanding.

As of August 10, 2010, 3,830,600 stock options are outstanding in the Company's stock option plan with a weighted average exercise price of C$4.25. In addition, there are 75,000 warrants outstanding that are exercisable with a weighted average exercise price of C$5.80, and each warrant entitles the holder to purchase one Class A common share.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS

Disclosure Control Risks

Disclosure controls and procedures have been designed to provide reasonable assurance that information required to be disclosed is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure. Pursuant to Multilateral Instrument 52-109, the Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the effectiveness of the disclosure controls and procedures as at June 30, 2010, that disclosure controls and procedures provide reasonable assurance that material information is made known to them by others within the Company.

Internal Control Risks

Internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting. Management, including the Chief Executive Officer and Chief Financial Officer, reviewed and evaluated the design and operating effectiveness of the internal controls over financial reporting (as defined by Multilateral Instrument 52-109) and concluded that sufficient controls exist at June 30, 2010 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. There have been no changes in the design of internal controls over financial reporting that occurred during the quarter ended June 30, 2010 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS AND UNCERTAINTIES

The risks and uncertainties described in Management's Discussion and Analysis presented in the 2009 Annual Report and the Annual Information Form of the Company have not changed materially.

Consolidated Balance Sheets

(In thousands of United States dollars)

	June 30, 2010 (unaudited)	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	**$ 3,314**	$ 10,355
Amounts receivable	**4,745**	12,270
Unbilled revenue	**962**	343
Work in process	**1,935**	2,057
Prepaid expenses	**1,219**	1,481
	12,175	26,506
Property and equipment (Note 5)	**11,487**	13,380
Multi-client data library (Note 6)	**81,365**	85,276
Intangible assets (Note 7)	**700**	909
Future income taxes (Note 11)	**41**	136
	$ 105,768	$ 126,207
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 6,198**	$ 5,916
Current portion of deferred lease inducements	**185**	171
Deferred revenue	**434**	674
Income taxes payable	**34**	42
Current portion of obligations under capital lease (Note 8)	**178**	229
Current portion of long-term debt (Note 9)	**1,141**	1,383
	8,170	8,415
Deferred lease inducements	**311**	129
Obligations under capital lease (Note 8)	**44**	130
Other long-term liabilities (Note 13)	**250**	-
Long-term debt (Note 9)	**865**	1,121
Future income taxes (Note 11)	**133**	218
	9,773	10,013
Shareholders' equity:		
Share capital (Note 10)	**181,723**	181,623
Contributed surplus (Note 10(c))	**7,826**	6,882
Deficit	**(99,748)**	(78,505)
Accumulated other comprehensive income	**6,194**	6,194
	95,995	116,194
Commitments (Note 12)		
	$ 105,768	$ 126,207

See accompanying notes to consolidated interim financial statements.

Consolidated Statements of Operations, Comprehensive Loss and Deficit

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

	For the three months ended June 30,		For the six months ended June 30,	
	2010	2009	**2010**	2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue:				
Contract services	**$ 1,550**	$ 3,495	**$ 2,760**	$ 7,828
Multi-client data licenses	**3,720**	2,657	**5,987**	3,821
	5,270	6,152	**8,747**	11,649
Operating costs:				
Operations	**2,469**	1,629	**5,330**	3,378
Research and development	**629**	987	**1,396**	1,896
Sales, general and administrative	**6,906**	6,508	**12,886**	12,699
Depreciation of property and equipment	**1,194**	1,681	**2,392**	3,146
Amortization of multi-client data library	**3,762**	2,408	**7,274**	4,222
Amortization of intangible assets	**105**	105	**209**	209
Loss (gain) on disposal of equipment	**78**	(135)	**72**	(142)
	15,143	13,183	**29,559**	25,408
Loss before interest, foreign exchange and income taxes	**(9,873)**	(7,031)	**(20,812)**	(13,759)
Interest expense	**(40)**	(58)	**(85)**	(118)
Interest income	**-**	7	**1**	10
Gain (loss) on foreign currency translation	**(121)**	282	**(309)**	132
Loss before income taxes	**(10,034)**	(6,800)	**(21,205)**	(13,735)
Income tax expense (recovery):				
Current	**(6)**	49	**29**	101
Future	**52**	3	**9**	(3)
	46	52	**38**	98
Net loss and comprehensive loss	**(10,080)**	(6,852)	**(21,243)**	(13,833)
Deficit, beginning of period	**(89,668)**	(59,646)	**(78,505)**	(52,665)
Deficit, end of period	**$ (99,748)**	$ (66,498)	**$ (99,748)**	$ (66,498)
Basic and diluted loss per share	**$ (0.19)**	$ (0.14)	**$ (0.41)**	$ (0.28)
Weighted average number of Class A common shares - basic and diluted (Note 10(d))	**52,433,166**	50,226,912	**52,432,604**	48,734,947

See accompanying notes to consolidated interim financial statements.

Consolidated Statements of Cash Flows

(In thousands of United States dollars)

	For the three months ended June 30,		For the six months ended June 30,	
	2010	2009	**2010**	2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cash flows (used in) provided by:				
Operations:				
Net loss	**$ (10,080)**	$ (6,852)	**$ (21,243)**	$ (13,833)
Items not involving cash and cash equivalents:				
Depreciation of property and equipment	**1,194**	1,681	**2,392**	3,146
Amortization of multi-client data library	**3,762**	2,408	**7,274**	4,222
Amortization of intangible assets	**105**	105	**209**	209
Stock-based compensation	**533**	594	**1,044**	1,026
Loss (gain) on disposal of equipment	**78**	(135)	**72**	(142)
Amortization of deferred lease inducements	**(183)**	(61)	**(165)**	(116)
Future income taxes	**52**	3	**9**	(3)
Change in non-cash operating working capital	**(491)**	(1,591)	**7,878**	1,453
	(5,030)	(3,848)	**(2,530)**	(4,038)
Financing:				
Proceeds from issuance of common shares	**-**	9,540	**-**	9,540
Securities issuance costs	**-**	(835)	**-**	(835)
Repayment of obligations under capital lease	**(61)**	(97)	**(137)**	(197)
Repayment of long-term debt	**(244)**	(218)	**(483)**	(424)
	(305)	8,390	**(620)**	8,084
Investments:				
Purchase of property and equipment	**(460)**	(535)	**(674)**	(805)
Investment in multi-client data library	**(1,377)**	(2,959)	**(2,909)**	(7,959)
Proceeds from sale of equipment	**7**	1,000	**19**	1,008
	(1,830)	(2,494)	**(3,564)**	(7,756)
Effect of foreign exchange on cash	**(324)**	272	**(327)**	224
Increase (decrease) in cash and cash equivalents	**(7,489)**	2,320	**(7,041)**	(3,486)
Cash and cash equivalents, beginning of period	**10,803**	21,441	**10,355**	27,247
Cash and cash equivalents, end of period	**$ 3,314**	$ 23,761	**$ 3,314**	$ 23,761
Supplemental cash flow information:				
Cash paid for interest expense	**$ 39**	$ 58	**$ 84**	$ 118
Cash paid for income taxes	**$ 32**	$ 24	**$ 68**	$ 39

Cash and cash equivalents include deposits with financial institutions that can be withdrawn without prior notice or penalty.

See accompanying notes to consolidated interim financial statements.

Notes to Consolidated Financial Statements

(In thousands of United States dollars, except per share information)
First Quarter ended March 31, 2010

1. **Incorporation:**

   Intermap Technologies Corporation (the Company) is incorporated under the laws of Alberta, Canada. Intermap is a digital mapping company creating uniform high-resolution 3D digital models of the earth's surface. The Company is mapping entire countries and building a uniform national database, called NEXTMap®, consisting of elevation data and geometric images.

   These consolidated interim financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, it does not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts different from those shown in the financial statements. The continuing operations of the Company are dependent upon its ability to generate future profitable operations or obtain additional financing to fund future operations and, ultimately, to generate positive cash flows from operations. There can be no assurance that positive cash flow from operations will be attained or that financing will be available.

2. **Summary of significant accounting policies:**

   These interim consolidated financial statements have been prepared using the same accounting policies and methods as were used for the consolidated financial statements for the year ended December 31, 2009, except for the following new accounting pronouncement which has been adopted, effective April 1, 2010 and has been applied retro-actively to January 1, 2010.

   a. In December 2009, the Canadian Institute of Chartered Accountants (CICA) issued EIC-175, "Multiple Deliverable Revenue Arrangements." This Abstract addresses some aspects of the accounting by a vendor for arrangements under which it will perform multiple revenue-generating activities. Specifically, the Abstract addresses how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting. The provisions of EIC-175 must be applied beginning in the first annual fiscal period commencing on or after January 1, 2011, but early adoption is permitted.

   When the period of adoption is not the first reporting period of the fiscal year, the abstract should be applied retroactively from the beginning of the fiscal year.

   The criteria in the new standard for identifying deliverables in a multiple-element arrangement that represent separate units of accounting has been changed and entities are no longer required to have objective and reliable evidence of fair value for each deliverable. The allocation of arrangement consideration amongst the separate units will now be based on a hierarchy of selling prices which includes (1) vendor specific objective evidence (VSOE), if available, (2) third-party evidence (TPE) of

selling price, if VSOE is unavailable, and (3) best estimate of the selling price (BESP) if neither VSOE nor TPE is available. VSOE is generally limited to the price charged when the same or similar product is sold separately. If a product or service is seldom sold separately, it is unlikely VSOE can be determined. TPE is determined based on competitor prices for similar deliverables when sold separately. The Company determines BESP for data licenses by considering multiple factors including, but not limited to, ongoing pricing strategy and policies, market conditions and historical pricing practices.

Management believes it is appropriate to adopt EIC-175 early since it results in the measurement and recognition of revenues and cost of sales associated with data sales on a basis that is consistent with the way that management measures and monitors the performance of the Company.

Prior to the adoption of EIC-175, the Company applied EIC-142, "Revenue Arrangements with Multiple Deliverables," in concluding whether its sales arrangements containing multiple deliverables could be accounted for as separate units of accounting. The Company reviewed each deliverable to determine whether they represented separate units of accounting and reviewed the evidence of fair value for each unit. The Company previously applied the residual method to determine the arrangement consideration allocated to delivered Multi-client Data Library (MCDL) licenses in multi-element sales arrangements where objective and reliable evidence of the fair value of all undelivered elements existed.

During the second quarter of 2010, the Company entered into licensing agreements of its MCDL. These MCDL sales also included consulting services and hosting services in the arrangement. The Company has applied the recommendations in EIC-175 to these MCDL license sales and arrangement consideration has been allocated to the various deliverables based on their relative selling prices, as they were determined to be separate units of accounting. The selling price for contract services was determined using VSOE, for hosting services using TPE, and for data licenses BESP was used. Generally, revenues for MCDL sales are recognized on delivery and for consulting services and hosting services revenues are recognized as the services are provided. Had EIC-142 been applied, the Company would have used the residual method to determine the arrangement consideration allocated to data licenses.

The adoption of EIC-175 did not have a significant impact on the amount, pattern, and timing of revenue recognized during 2009 or the first quarter of 2010. The adoption of the standard may result in revenues being recognized earlier in future periods as a result of the simplified criteria to be used in determining units of accounting and the use of the relative selling price method.

b. The interim consolidated financial statements and related notes should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2009. When necessary, the financial statements include amounts based on informed estimates and best judgments of management. The results of operations and comprehensive loss for the interim periods reported are not necessarily indicative of results for the full year.

3. **Future accounting standards:**

The conversion from GAAP to International Financial Reporting Standards (IFRS) will be applicable to the Company's reporting for the first quarter of 2011, for which the current and comparative information will be prepared under IFRS. The Company plans to meet the required conversion date.

4. **Joint Venture:**

During 2008, the Company entered into a joint venture agreement with PASCO Corporation. The joint venture, PASCOMap LLC, is 49.9% owned by the Company and 50.1% owned by PASCO Corporation and was formed to develop, market, and license digital elevation model data using radargrammetry technology and satellite radar data. As of June 30, 2010, amounts included in the Company's consolidated financial statements related to PASCOMap were cash of $28 (year ended December 31, 2009 – $19), amounts receivable of $14 (year ended December 31, 2009 – $nil), accounts payable of $nil (year ended December 31, 2009 – $56), and operating income of $3 (year ended December 31, 2009 – operating cost of $39). As of June 30, 2010, the joint venture has no material commitments or contingencies.

5. **Property and equipment:**

June 30, 2010		**Cost**		**Accumulated depreciation**		**Net book value**
		(unaudited)		(unaudited)		(unaudited)
Aircraft	$	**13,543**	$	**8,319**	$	**5,224**
Mapping equipment and software		**18,874**		**15,195**		**3,679**
Radar equipment		**12,403**		**11,213**		**1,190**
Furniture and fixtures		**587**		**525**		**62**
Automobiles		**99**		**54**		**45**
Leasehold improvements		**1,468**		**978**		**490**
Assets held under capital leases:						
Mapping equipment and software		**1,430**		**1,215**		**215**
Assets under construction:						
Mapping equipment and software		**582**		**-**		**582**
	$	**48,986**	$	**37,499**	$	**11,487**

December 31, 2009		Cost		Accumulated depreciation		Net book value
Aircraft	$	13,543	$	7,819	$	5,724
Mapping equipment and software		22,409		17,484		4,925
Radar equipment		12,403		10,868		1,535
Furniture and fixtures		587		500		87
Automobiles		99		44		55
Leasehold improvements		1,228		918		310
Assets held under capital leases:						
Mapping equipment and software		1,880		1,527		353
Assets under construction:						
Mapping equipment and software		391		-		391
	$	52,540	$	39,160	$	13,380

During the six months ended June 30, 2010, property and equipment was acquired at an aggregate cost of $674 (year ended December 31, 2009 – $1,288). The Company also received $370 (year ended December 31, 2009 – $100) in leasehold improvements that were paid for by the landlord in connection with the signing of a new lease on the Calgary, Canada facility.

During the six months ended June 30, 2010, the Company received $19 in proceeds from the sale of equipment. The equipment had a net book value of $6, and the Company incurred $8 of cost in order to accommodate the sale.

During the second quarter of 2010, the Company disposed of equipment and leasehold improvements in connection with the closure of the Ottawa office with a cost of $4,366 and accumulated depreciation of $4,281. The Company received $7 in proceeds.

6. Multi-client data library:

	June 30, 2010	December 31, 2009
	(unaudited)	
Cost:		
Balance, beginning of year	**$ 115,093**	$ 100,899
Add:		
Direct costs and overhead	**2,909**	12,627
Capitalized depreciation	**454**	1,567
Balance, end of year	**118,456**	115,093
Accumulated amortization	**(37,091)**	(29,817)
	$ 81,365	$ 85,276

7. Intangible assets:

June 30, 2010	**Cost**	**Accumulated amortization**	**Net book value**
	(unaudited)	(unaudited)	(unaudited)
Technology	$ 1,747	$ 1,167	$ 580
Customer relationships	233	155	78
Contracts	126	84	42
	$ 2,106	**$ 1,406**	**$ 700**

December 31, 2009	Cost	Accumulated amortization	Net book value
Technology	$ 1,747	$ 992	$ 755
Customer relationships	233	133	100
Contracts	126	72	54
	$ 2,106	$ 1,197	$ 909

8. Obligations under capital lease:

Future minimum capital lease payments as of June 30 are:

		2010
Twelve months ended June 30:		(unaudited)
2011	$	**182**
2012		**44**
Total minimum lease payments		**226**
Less amount representing interest (at rates ranging from approximately 3.3% to 5.9%)		**(4)**
Present value of minimum lease payments		**222**
Less current portion of obligations under capital lease		**(178)**
	$	**44**

9. Long-term debt:

		June 30, 2010		December 31, 2009
		(unaudited)		
Bank term loan (a)	$	**1,342**	$	1,589
Term loans (b)		**664**		915
		2,006		2,504
Less current portion		**(1,141)**		(1,383)
	$	**865**	$	1,121

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

b. In January 2008, the Company obtained a term loan from a Canadian financing company in the amount of $605. The loan is repayable in monthly installments of principal and interest of $21 over a term of 31 months maturing on August 9, 2010. The loan bears interest at a rate of 7.86% and is secured by a general security agreement. As of June 30, 2010, $42 was outstanding on the loan.

In August 2005, the Company obtained a term loan from a Canadian financing company in the amount of $1,715. The loan is repayable in monthly installments of principal and interest of $25 over a term of 60 months maturing on August 9, 2010, at which point the remaining balance of $578 will be due. The loan bears interest at a rate of 6.5% and is secured by a general security agreement. As of June 30, 2010, $622 was outstanding on the loan.

Principal repayments of long-term debt are as follows:

Twelve months ended June 30,		
2011	$	1,141
2012		508
2013		357
	$	2,006

10. Share capital:

a. Authorized:

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

b. Issued:

	June 30, 2010			December 31, 2009		
Class A common shares	**Number of Shares**		**Amount**	Number of Shares		Amount
	(unaudited)		(unaudited)			
Balance, beginning of period	**52,432,037**	**$**	**181,623**	46,188,713	$	172,288
Stock-based compensation	**-**		**-**	493,324		813
Issuance of shares	**102,700**		**100**	5,750,000		9,540
Issuance costs	**-**		**(28)**	-		(1,018)
Balance, end of period	**52,534,737**	**$**	**181,695**	52,432,037	$	181,623

On June 30, 2010, 102,700 Class A common shares were issued to non-employee directors of the Company as compensation for services. Compensation expense for these Class A common shares has been included in sales, general and administrative expenses (see Note 10(e)).

On June 4, 2009, 73,338 Class A common shares were issued to non-employee directors of the Company as compensation for services. Compensation expense for these Class A common shares has been included in sales, general and administrative expenses (see Note 10(e)).

On May 15, 2009, 419,986 Class A common shares were issued to employees of the Company as compensation for services provided in 2008 following shareholder approval on May 12, 2009.

On April 27, 2009, the Company issued, on a bought deal basis, 5,000,000 units (Units) at a price of $2.00 CDN per unit, representing gross proceeds of $8,200 ($10,000 CDN). Each unit consisted of one Class A common share of the Company and one-half of one common share purchase warrant (Warrant). Each whole Warrant will be exercisable at a price of $3.00 CDN per common share for a period of one year after the closing date. The warrants expired on April 27, 2010 unexercised. The Company paid the underwriters a cash commission equal to 5.5% or $451 ($550 CDN) of the gross proceeds of the offering and incurred additional transaction-related fees of $310 ($368 CDN).

In connection with the April 27, 2009 share issuance, the Company issued a compensation option to its underwriters, entitling them to purchase an aggregate of 250,000 Class A common shares, at a price of $2.00 CDN per Class A common share, at any time for a period of 12 months following the closing of the offering. The Company recorded non-cash issuance costs related to these awards based on the fair value of the award at the date of the closing of $177 ($217 CDN). The warrants expired on April 27, 2010 unexercised.

In connection with the April 27, 2009 share issuance, the Company granted the underwriters an over-allotment option to purchase up to an additional 750,000 Units, resulting in the issuance of an additional 750,000 Class A common shares for gross proceeds of $1,340 ($1,500 CDN) on May 26, 2009. The Company recorded additional commission and transaction fees of $80 ($83 CDN) related to this issuance.

c. Contributed surplus:

		June 30, 2010 (unaudited)		December 31, 2009
Balance, beginning of period	**$**	**6,882**	$	4,590
Stock-based compensation related to stock options and warrants		**944**		2,115
Stock options issued to securities agent		**-**		177
Balance, end of period	**$**	**7,826**	$	6,882

d. Loss per share:

The calculation of the 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 have not been included in the calculation of diluted loss per share.

The options and warrants to purchase common shares are not included in the calculation of diluted loss per share because the Company was at a loss for each period presented and to do so would be anti-dilutive.

The underlying Class A common shares pertaining to the outstanding 3,830,600 stock options and 75,000 warrants could potentially dilute earnings.

e. Director's share compensation plan:

The Company has a director's share compensation plan allowing for the issuance of up to 200,000 shares of the Company's Class A common stock to non-employee directors of the Company as part of their annual compensation. At the Annual General and Special Meeting of the Shareholders on May 10, 2010, the amended share compensation plan was approved to increase the maximum number of Common Shares of the Corporation issuable there under from 200,000 common shares to 400,000 of the issued and outstanding common shares of the Corporation. As of June 30, 2010, 115,872 Class A common shares remain available under the plan. Compensation expense for issued shares is included in sales, general and administrative expense.

f. Employee share compensation plan:

The Company established an employee share compensation plan to compensate employees for services performed. The plan was approved by the shareholders of the Company at the Annual General Meeting on May 12, 2009. The plan permits the issuance of up to 1,500,000 shares of the Company's Class A common stock to employees. As of June 30, 2010, 1,080,014 Class A common shares remain available for issuance under the plan. Compensation expense for issued shares is included in operating costs. There were no shares granted in the periods presented.

g. Stock option plan:

The Company established a stock 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 shares of the Company. As of June 30, 2010, 5,253,474 Class A common shares were authorized under the plan, of which 75,000 warrants and 3,830,600 stock options are issued and outstanding, and 1,347,874 options remain available for issuance. Under the plan, no one individual shall be granted an option that exceeds 5% of the issued and outstanding Class A common shares of the Company. In addition, the exercise price of each option shall not be less than the market price of the Company's stock on the date of grant. The options are exercisable for a period of not greater than six years, and generally vest over a period of one to four years, with the first vesting occurring on the one-year anniversary of the date of the grant. Directors' options generally vest on the date of the grant and expire on the fifth anniversary of the date of the grant.

The following table summarizes information regarding stock options outstanding at June 30, 2010:

	June 30, 2010		December 31, 2009	
	Number of shares under option	**Weighted average exercise price (CDN)**	Number of shares under option	Weighted average exercise price (CDN)
	(unaudited)	(unaudited)		
Options outstanding, beginning of period	**4,135,217**	**$ 4.42**	3,232,086	$ 5.25
Granted	**152,000**	**1.60**	1,149,800	1.97
Expired	**(279,942)**	**5.48**	(246,669)	3.96
Forfeitures	**(176,675)**	**3.90**	-	-
Options outstanding, end of period	**3,830,600**	**$ 4.25**	4,135,217	$ 4.42

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
(unaudited)	(unaudited)	(unaudited)	(unaudited)
1.49	335,500	4.42 years	86,500
1.60	152,000	5.60 years	10,000
1.78	25,000	5.08 years	6,250
1.84	861,600	5.42 years	38,000
2.36	110,000	5.33 years	-
2.90	45,000	4.33 years	11,250
2.98	85,000	4.17 years	85,000
4.16	195,000	3.86 years	93,750
5.75	442,750	2.67 years	332,063
5.95	60,000	2.92 years	45,000
6.04	18,750	0.83 years	18,750
6.20	20,000	3.17 years	10,000
6.30	1,460,000	1.83 years	1,460,000
6.59	20,000	3.17 years	10,000
	3,830,600	3.44 years	2,206,563

For the six months ended June 30, 2010, 152,000 options were granted. The per share weighted-average fair value of the options granted during the six months ended June 30, 2010, was $1.17, determined using the Black-Scholes option pricing model on the date of grant with the following assumptions: expected dividend yield 0%, risk-free interest rate of ranging from 2.83% to 3.07%, volatilities ranging from 69.1% to 69.3%, and an expected life of five to six years.

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

	Three months ended June 30, 2010	Three months ended June 30, 2009	**Six months ended June 30, 2010**	Six months ended June 30, 2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Employees	**$ 433**	$ 461	**$ 935**	$ 893
Non-employees	**100**	133	**109**	133
Non-cash compensation	**$ 533**	$ 594	**$ 1,044**	$ 1,026

h. Class A common share purchase warrants:

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

	June 30, 2010	December 31, 2009
	(unaudited)	
Balance, beginning of year	**3,200,000**	75,000
Issued	**-**	3,150,000
Expired	**(3,125,000)**	(25,000)
Balance, end of year	**75,000**	3,200,000

Each warrant entitles its holder to one Class A common share upon payment of an exercise price ranging from $1.90 CDN to $7.75 CDN, with a weighted average exercise price of $5.80 CDN. The warrants expire as follows: 50,000 on February 22, 2011; and 25,000 on May 15, 2012.

11. Income taxes:

Future income taxes reflect the impact of temporary differences between amounts of assets and liabilities for financial reporting purposes, and such amounts as measured by tax laws. The tax effects of temporary differences that give rise to significant portions of the future tax asset and future tax liability at June 30, 2010 and December 31, 2009 are as follows:

	June 30, 2010	December 31, 2009
	(unaudited)	
Future tax asset:		
Tax effect of loss carryforwards	**$ 34,400**	$ 28,116
Tax effect of amounts deductible for tax purposes in excess of amounts deductible for accounting purposes	**1,832**	1,122
Tax effect of unrealized foreign exchange losses	**948**	943
Tax effect of scientific research expenditures	**1,601**	1,529
Future tax asset	**38,781**	31,710
Less valuation allowance	**(34,640)**	(27,369)
Net future tax asset	**4,141**	4,341
Future tax liability:		
Tax effect of amounts deductible for accounting purposes in excess of amounts deductible for tax purposes	**(4,233)**	(4,423)
Future tax liability	**(4,233)**	(4,423)
Net future tax liability	**$ (92)**	$ (82)

The differences in the amounts deductible for tax and accounting purposes relate primarily to differences in the values of property and equipment on these bases.

The recognition of intangible assets from an acquisition in 2007 resulted in a temporary difference between the assigned value for book purposes and the tax basis of the intangible assets. The carrying values of the intangible assets were grossed up, and a future tax liability of $505 was recorded to reflect this temporary difference. The future tax liability is utilized over a period of five years (consistent with the amortization of intangible assets) as future income tax recovery.

A valuation allowance is provided when it is more likely than not that some or all of the future tax asset will not be realized. The Company has established a valuation allowance for the future tax asset due to the uncertainty of future Company earnings.

At June 30, 2010 approximately $103,703 of loss carry forwards and $1,599 of tax credits were available in various jurisdictions.

Income tax expense varies from the amount that would be computed by applying the basic federal and provincial income tax rates to the net loss before taxes as follows:

	Three months ended June 30, 2010	Three months ended June 30, 2009	**Six months ended June 30, 2010**	Six months ended June 30, 2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Tax rate	**28.6%**	32.0%	**28.6%**	32.0%
Expected Canadian income tax (recovery) expense	**$ (2,870)**	$ (2,176)	**$ (6,065)**	$ (4,395)
Decrease resulting from:				
Change in valuation allowance	**3,431**	3,167	**7,271**	7,290
Change in Canadian statutory rate	**143**	155	**250**	486
Difference between Canadian statutory rate and those applicable to U.S. and other foreign subsidiaries	**(511)**	(222)	**(1,261)**	(450)
Security issuance costs	**-**	(267)	**-**	(267)
Non-deductible expenses and non-taxable income	**20**	13	**80**	34
Foreign exchange	**(33)**	(614)	**(57)**	(373)
Impact of US$ functional currency tax reporting election	**-**	-	**-**	(2,218)
Adjustment for prior years income tax matters	**(148)**	(12)	**(174)**	(17)
Other	**14**	8	**(6)**	8
	$ 46	$ 52	**$ 38**	$ 98

12. 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:

2011	$	1,244
2012		531
2013		530
2014		388
2015		91
	$	2,784

13. Restructuring:

The Company expects to incur in excess of $950 of restructuring costs in connection with the production workforce reduction implemented during the fourth quarter of 2009 and first quarter of 2010. The Company incurred $290 during the six months ended June 30, 2010 (year ended December 31, 2009 – $673). The Company paid $626 of the total costs during the six months ended June 30, 2010 (year ended December 31, 2009 – $231), and $106 (year ended December 31, 2009 – $442) is included in accrued liabilities at June 30, 2010.

In June 2010, the Company closed the Ottawa facility, resulting in the recognition of a liability for future lease payments of $714. The amounts have been recorded as sales, general and administrative cost in the current period. Of the total obligation, $250 is recorded as other long-term liabilities and $464 is included in accrued liabilities on the balance sheet.

14. Segmented information:

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

Geographic segments of revenue are as follows:

		Contract Services 3 months ended June 30, 2010		**Data Licenses 3 months ended June 30, 2010**		Contract Services 3 months ended June 30, 2009		Data Licenses 3 months ended June 30, 2009
		(unaudited)		(unaudited)		(unaudited)		(unaudited)
United States of America	**$**	**1,283**	**$**	**575**	$	72	$	314
Asia/Pacific		**-**		**1,229**		3,253		1,058
Europe		**267**		**1,916**		170		1,285
	$	**1,550**	**$**	**3,720**	$	3,495	$	2,657

		Contract Services 6 months ended June 30, 2010		**Data Licenses 6 months ended June 30, 2010**		Contract Services 6 months ended June 30, 2009		Data Licenses 6 months ended June 30, 2009
		(unaudited)		(unaudited)		(unaudited)		(unaudited)
United States of America	**$**	**2,026**	**$**	**1,202**	$	286	$	1,109
Asia/Pacific		**39**		**1,459**		7,231		1,082
Europe		**695**		**3,326**		311		1,630
	$	**2,760**	**$**	**5,987**	$	7,828	$	3,821

Property and equipment of the Company are located as follows:

		June 30, 2010		December 31, 2009
		(unaudited)		
Canada	$	1,227	$	1,638
United States of America		9,513		10,686
Asia/Pacific		616		882
Europe		131		174
	$	11,487	$	13,380

The multi-client data library is located in the United States of America and the intangible assets are located in the Czech Republic.

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

		Three months ended June 30, 2010		Three months ended June 30, 2009		Six months ended June 30, 2010		Six months ended June 30, 2009
		(unaudited)		(unaudited)		(unaudited)		(unaudited)
Customer A	$	1,268	$	-	$	1,268	$	-
Customer B		1,161		419		1,161		-
Customer C		928		-		928		-
Customer D		543		-		1,751		-
Customer E		268		3,322		692		7,487
Customer F		-		741		-		741
Customer G		52		622		112		622
	$	4,220	$	5,104	$	5,912	$	8,850

15. Financial risk management:

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk, and liquidity risk. Management, the Board of Directors, and the Audit Committee monitor risk management activities and review the adequacy of such activities. There have been no significant changes to the Company's risk management strategies since December 31, 2009.

Amounts receivable as of June 30, 2010 and December 31, 2009 are comprised of:

		June 30, 2010		December 31, 2009
		(unaudited)		
Trade amounts receivable	$	4,495	$	11,982
Employee receivables		44		51
Other miscellaneous receivables		206		237
	$	4,745	$	12,270

Trade amounts receivable by geography are comprised of:

	June 30, 2010	December 31, 2009
	(unaudited)	
United States of America	$ **651**	$ 8,863
Canada	**5**	-
Asia/Pacific	**2,499**	2,550
Europe	**1,340**	569
	$ **4,495**	$ 11,982

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

	June 30, 2010	December 31, 2009
	(unaudited)	
Current	$ **3,301**	$ 9,068
31-60 days	**62**	417
61-90 days	**75**	1,208
Over 91 days	**1,057**	1,289
	$ **4,495**	$ 11,982

As of June 30, 2010, $1,132 of trade amounts receivable were past due, but not impaired (year ended December 31, 2009 – $2,497).

16. Subsequent Events:

On July 6, 2010, the Company issued, on a bought deal basis, 8,125,000 Common Shares at a price of $0.80 CDN per Common Share to Canaccord Capital Corporation (the Underwriter), representing gross proceeds to the Company of $6,500 CDN. Estimated transaction costs related to the issuance are $723. The Underwriter was issued a compensation option to purchase 500,000 common shares at a price of $0.80 CDN per Common Share for a period expiring one year after the closing date. In addition, the Company granted the Underwriter an over-allotment option exercisable for a period of 30 days following the closing of the Offering, to purchase up to an additional 1,218,750 shares.

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Stock Exchange
Intermap stock is listed on the Toronto Stock Exchange under the symbol "IMP."