Intermap Technologies Corporation
First Quarter Ended March 31, 2012

Intermap Technologies 2012 First Quarter Results Summary

CONTRACT SERVICES INCREMENTAL REVENUE INCREASES BY 53%
WEB-STORE INCREMENTAL REVENUE INCREASES BY 16%
PERSONNEL EXPENSE DECREASES BY 37%
$12.6 MILLION OF BACKLOG FOR DELIVERY IN 2012

The financial information presented herein has been prepared on the basis of International Financial Reporting Standards (IFRS) for interim financial reporting and is expressed in United States dollars, unless otherwise noted.

Intermap reported total revenue of $4.2 million for the first quarter of 2012, a 38% decrease compared to $6.8 million in the first quarter of 2011. Net loss for the first quarter of 2012 was $5.1 million or ($0.06) per share, compared with a net loss of $4.9 million, or ($0.08) per share, for the first quarter of 2011. First quarter adjusted EBITDA, a non IFRS financial measure, was a loss of $2.9 million, compared with a loss of $1.1 million for the same period last year. Adjusted EBITDA excludes restructuring costs, share-based compensation, gain or loss on the disposal of equipment, and gain or loss on foreign currency translation.

"Total revenue in the first quarter was lower due to contract modifications that delayed certain expected data licensing shipments totaling more than $1.5 million," said Todd Oseth, Intermap's president and chief executive officer. "Those shipments have since been completed. Our contract services business remained strong with a 53% increase in incremental revenue over the fourth quarter of last year and a 14% increase on a year-over-year basis. We enter the second quarter of this year with $12.6 million of backlog, most of which will be recognized as revenue during the second and third quarters of this year. During the quarter, we continued our development efforts on creating commercial solutions around our customers' needs, rather than simply delivering data. We introduced a new advertising application at the end of April that integrates our elevation data with a multitude of other location based information that we believe will deliver a comprehensive solution to the outdoor advertising market. Additionally, we continued to improve our LinkPro, RiskPro and web-delivery applications and have begun development on new commercial 3D business intelligence applications that are expected to produce increasing revenue in future periods."

Financial Review

Contract services revenue in the first quarter increased to $3.4 million from $2.9 million last year and data licensing revenue decreased to $0.9 million from $3.9 million last year. As of March 31, 2012, there remained $12.6 million in backlog contracts ($3.4 million in contract services and $9.2 million in data licensing) to be recognized in future periods.

For the first quarter 2012, personnel expense was $3.5 million, a 37% decrease from $5.5 million last year. The decrease was primarily due to workforce reductions associated with the Company's restructuring activities during 2011.

For the first quarter 2012, purchased services and materials expense was $3.0 million, a 7% increase from $2.8 million last year. The increase from 2011 is primarily related to increased job and subcontractor expenses associated with a large mapping services contract in Southeast Asia. The increased expenses associated with this contract were partially offset by major cost cutting measures initiated throughout 2011. Purchased services and materials includes (i) aircraft related costs (ii) professional and consulting costs (iii) third-party support services related to the collection, processing and editing of the Company's airborne data collection activities, and (iv) software expenses (including maintenance and support).

The cash position of the Company at March 31, 2012 (cash and cash equivalents) was $0.5 million, compared to $0.6 million at December 31, 2011. Amounts receivable and unbilled revenue at March 31, 2012 was $3.5 million, compared to $6.4 million at December 31, 2011. Working capital decreased to ($4.4) million at March 31, 2012, compared to ($1.0) million at December 31, 2011 (see "Intermap Reader Advisory" below).

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

First Quarter Business Highlights

The Company announced enterprise contracts totaling US$850,000 from two leading global telecommunications companies. These global carriers licensed Intermap's LinkPro™ 3D business intelligence application and the Company's highly accurate NEXTMap terrain and surface models for the planning and development of their 4G Long Term Evolution (LTE) wireless networks in Europe.

The Company was awarded a USD $2.0 million task order from Dewberry & Davis to perform airborne radar mapping in Alaska. The work will be performed during the summer months of 2012 and is the second phase of a multi-year mapping program in Alaska. Intermap will use its proprietary Interferometric Synthetic Aperture Radar (IFSAR) technology to collect orthorectified radar imagery and high resolution elevation data for an area of Alaska that has never been mapped to this level of accuracy. The elevation data and imagery collected by Intermap will be used in economic development, infrastructure development and homeland security applications.

The Company announced the launch of its NEXTMap® Web Store 2.0. Web Store 2.0 offers an expanded suite of hosted tools and even gives those unfamiliar with geographic information systems (GIS) the ability to quickly and easily download terrain data based on an area of interest, or access their county and state via a subscription service.

As of May 9, 2012, there were 79,064,333 common shares outstanding.

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

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

Intermap Reader Advisory

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

Reference is made to the Company's audited Consolidated Financial Statements for the years ended December 31, 2011 and 2010, together with the accompanying notes, which includes a going concern disclosure and such disclosure remains applicable as of the date of the financial statements included herein.

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Management's Discussion and Analysis

For the quarter ended March 31, 2012

For purposes of this discussion, "Intermap®" or the "Company" refers to Intermap Technologies® Corporation and its subsidiaries.

This management's discussion and analysis (MD&A) is provided as of May 7, 2012, and should be read together with the Company's unaudited Condensed Consolidated Interim Financial Statements and the accompanying notes for the three months ended March 31, 2012, and the audited Consolidated Financial Statements for the years ended December 31, 2011 and 2010, together with accompanying notes. The results reported herein have been prepared in accordance with IFRS and, unless otherwise noted, are expressed in United States dollars.

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

FORWARD-LOOKING STATEMENTS

In the interest of providing the shareholders and potential investors of Intermap with information about the Company and its subsidiaries, including Management's assessment of Intermap's and its subsidiaries' future plans and operations, certain information provided in this MD&A constitutes forward-looking statements or information (collectively, "forward-looking statements"). Forward-looking statements are typically identified by words such as "may," "will," "should," "could," "anticipate," "expect," "project," "estimate," "forecast," "plan," "intend," "target," "believe," and similar words suggesting future outcomes or statements regarding an outlook. Although Intermap believes that these forward-looking statements are based upon assumptions that Intermap believes to be reasonable based on the information available on the date such statements are made, such statements are not guarantees of future performance, and readers are cautioned against placing undue reliance on forward-looking statements. By their nature, these statements involve a variety of assumptions, known and unknown risks and uncertainties, and other factors, which may cause actual results, levels of activity, and achievements to differ materially from those expressed or implied by such statements. The forward-looking information contained in this MD&A is based on certain assumptions and analysis by management of the Company in light of its experience and perception of historical trends, current conditions, and expected future developments and other factors that it believes are appropriate.

The material factors and assumptions used to develop the forward-looking statements herein include, but are not limited to, the following: (i) the Company will continue to maintain sufficient and effective production capabilities with respect to the cost to produce its products; (ii) there will be no significant reduction in the availability of qualified and cost-effective human resources; (iii) the continued sales success of Intermap's products and services; (iv) the continued success of business development activities; (v) the continued existence and productivity of subsidiary operations; (vi) there will be no significant delays in the development and commercialization of the Company's products; (vii) new products and services will continue to be added to the Company's portfolio; (viii) demand for 3D geospatial products and services will continue to grow in the foreseeable future; (ix) there will be no significant barriers to the integration of the Company's products and services into customers' applications; and (x) superior 3D geospatial technologies / products do not develop that would render the Company's current product offerings obsolete.

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

BUSINESS OVERVIEW

Intermap is a location-based information (LBI) company creating geospatial solutions from uniform, high-resolution 3D digital models of the earth's surface called NEXTMap®. The Company uses these 3D digital models, together with integrated third party data, to create geospatial solutions for its customers. The NEXTMap database consists of high accuracy elevation data and geometric images as well as other geospatial related information that the Company uses to enhance the value of this database. These geospatial solutions are used in a wide range of applications, including, but not limited to location-based information, geographic information systems (GIS), engineering, GPS maps, insurance risk assessment, oil and gas, renewable energy, hydrology, environmental planning, wireless communications, transportation, advertising, and 3D visualization. The products are also used to improve the positional accuracy of airborne and satellite images.

Working for private industry, governments, and individual consumers worldwide, Intermap employs its own proprietary airborne interferometric synthetic aperture radar (IFSAR) mapping technology to build its NEXTMap database. IFSAR provides the ability to digitally map large areas accurately and quickly, and acquire data at any time of the day including overcast and dark conditions. The Company also aggregates data into its NEXTMap dataset from other mapping sensor types such as those of light detection and ranging (LiDAR) technologies, aerial photography, and satellite imagery.

The Company has refocused its sales and marketing disciplines and believes the value of the NEXTMap data lies in application solutions for specific vertical markets, and not solely in the data as a standalone product. As a part of this refocus, the Company changed its pricing strategy and product offerings to make the purchase of its data more affordable to a wider array of potential users. To help facilitate these changes, the Company has expanded its Web services offerings to allow its NEXTMap 3D terrain products and related location-based information to be accessible via cloud-computing. These Web services offer a suite of hosted tools that give even those unfamiliar with GIS the ability to quickly and easily perform terrain analysis based on an area of interest such as a county or an entire state. Subscribers to the Company's Web services can access the Company's 3D terrain information using their current Web browsers and through popular desktop GIS software applications.

NEXTMap

The NEXTMap datasets are included in the Company's data library, which was built from the acquisition, processing and aggregation of elevation data and geometric images. The NEXTMap datasets include terrain elevation and imagery data as well as other geospatial related information that the Company uses to enhance the value of the database. The Company maintains ownership rights to the data, and sells licenses to the data on a non-transferable basis. The data library includes data from the NEXTMap USA and NEXTMap Europe programs.

NEXTMap USA, the largest NEXTMap program to date, covers an area of nearly 8.0 million square kilometers of the contiguous United States and Hawaii. The NEXTMap Europe dataset represents 2.5 million square kilometers of area and includes the 17 countries of Austria, Belgium, Czech Republic, Denmark, England, France, Germany, Irish Republic, Italy, Luxembourg, Netherlands, Northern Ireland, Portugal, Spain, Scotland, Switzerland, and Wales.

As of March 31, 2012, the net book values of the NEXTMap USA and NEXTMap Europe datasets were $9.7 million (year ended December 31, 2011 - $10.4 million) and $7.6 million (year ended December 31, 2011 - $8.0 million), respectively.

FINANCIAL INFORMATION

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

U.S. $ millions, except per share data		March 31, 2012		March 31, 2011
Revenue:				
Contract services	$	3.3	$	2.9
Data licenses		0.9		3.9
Total revenue	$	4.2	$	6.8
Net loss	$	(5.1)	$	(4.9)
EPS basic and diluted	$	(0.06)	$	(0.08)
Adjusted EBITDA	$	(2.9)	$	(1.1)
Assets:				
Data library	$	17.3	$	21.9
Total assets	$	26.9	$	38.6
Total long-term liabilities (including finance lease obligations)	$	2.2	$	1.4

Revenue

Consolidated revenue for the quarter ended March 31, 2012, totaled $4.2 million compared to $6.8 million for the same period in 2011, representing a 38% decrease. As of March 31, 2012, there remained $12.6 million in revenue from existing contracts ($3.4 million in contract services and $9.2 million in data licensing) to be recognized in future periods.

Contract services revenue for the quarter ended March 31, 2012, totaled $3.3 million, a 14% increase over the $2.9 million that was recorded during the same period in 2011. The increase was primarily due to increased revenue generated from an on-going mapping services project in Southeast Asia.

Data licenses revenue for the quarter ended March 31, 2012, was $0.9 million, a decrease of 77% over the same period in 2011, which totaled $3.9 million. The decrease was primarily the result of revenue recognized during the quarter ended March 31, 2011, on two significant sales of the Company's NEXTMap dataset in the U.S. and Asia Pacific, which generated revenue of $2.0 million and $0.8 million, respectively. There were no new significant sales contracts closed during the quarter ended March 31, 2012, that would have generated similar amounts of revenue; and the revenue from the backlog amounts identified above is not expected to begin to be recognized until the second quarter of 2012.

In an effort to adapt to the current economic environment, the Company has significantly modified its pricing strategy and product offerings to make the purchase of data more affordable to a wider array of potential users. Additionally, the Company is developing new low cost, market specific applications that utilize its NEXTMap data to address customers' specific geospatial needs.

Classification of Operating Costs

The composition of the operating costs classification is as follows:

U.S. $ millions		Three Months ended March 31, 2012		Three Months ended March 31, 2011
Personnel	**$**	**3,458**	$	5,465
Purchased services and materials		**2,975**		2,786
Travel		**455**		457
Facilities and other expenses		**443**		699
	$	**7,331**	$	9,407

Personnel

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

Personnel expense for the quarters ended March 31, 2012 and 2011, totaled $3.5 million and $5.5 million, respectively. The 37% decrease in the quarter ended March 31, 2012, from the same period in 2011, is primarily due to workforce reductions associated with the Company's restructuring activities during 2011. The amount shown for the quarter ended March 31, 2011, includes $1.0 million of severance and termination costs.

Consolidated active employee headcount was 236 at March 31, 2012 (including 125 in Jakarta, Indonesia), a 27% decrease from 324 at March 31, 2011 (including 183 in Jakarta, Indonesia). The decrease in personnel count was driven by a decrease in the following functional areas: operations 33%, or 56 personnel; sales and marketing 26%, or 12 personnel; engineering, research and development 17%, or 11 personnel; and administrative 20%, or 9 personnel.

Non-cash compensation expense is included in operating costs and relates to share options and shares granted to employees and non-employees. Non-cash share-based compensation for the quarters ended March 31, 2012 and 2011, totaled $0.3 million and $0.4 million, respectively. The decrease of $0.1 million in the year ended December 31, 2011, was primarily due to the expiration, forfeiture and full vesting of share options that were granted in earlier periods.

Purchased Services and Materials

Purchased services and materials (PS&M) includes (i) aircraft related costs, (ii) professional and consulting costs, (iii) third-party support services related to the collection, processing, and editing of the Company's airborne data collection activities, and (iv) software expenses (including maintenance and support).

For the quarters ended March 31, 2012 and 2011, PS&M expense was $3.0 million and $2.8 million, respectively. The increase from 2011 is primarily related to increased job and subcontractor expenses associated with a large mapping services contract in Southeast Asia. The increased expenses associated with this contract were partially offset by major cost cutting measures initiated throughout 2011.

Travel

For the quarters ended March 31, 2012 and 2011, travel expense was $0.5 million for both periods. Increase in operations personnel travel associated with a large mapping services contract in Southeast Asia during the first quarter of 2012 were offset by decreases in travel for sales and administrative personnel resulting from the Company's cost cutting measures.

Facilities and Other Expenses

For the quarters ended March 31, 2012 and 2011, facilities and other expenses were $0.4 million and $0.7 million, respectively. The decrease for the quarter ended March 31, 2012, compared to the same period in 2011, is primarily due to an early lease termination of the Company's Munich, Germany facility, decreased office space in the Company's Denver office, and other cash conservation efforts to reduce facility related costs.

Adjusted EBITDA

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is not a recognized performance measure under IFRS. The term EBITDA consists of net income (loss) and excludes interest, taxes, depreciation and amortization. Adjusted EBITDA also excludes restructuring costs, share-based compensation, gain or loss on the disposal of equipment, and gain or loss on foreign currency translation. Adjusted EBITDA is included as a supplemental disclosure because Management believes that such measurement provides a better assessment of the Company's operations on a continuing basis by eliminating certain non-cash charges and charges or gains that are nonrecurring. The most directly comparable measure to adjusted EBITDA calculated in accordance with IFRS is net income (loss). The following is a reconciliation of the Company's net loss to adjusted EBITDA.

U.S. $ millions	Three months ended March 31, 2012	Three months ended March 31, 2011
Net loss	**$ (5.1)**	$ (4.9)
Depreciation of property and equipment	**0.6**	1.0
Amortization of data library	**1.2**	1.2
Amortization of intangible assets	**0.1**	0.1
Restructuring costs	**(0.1)**	1.0
Stock-based compensation	**0.3**	0.4
Loss on foreign currency translation	**0.1**	0.1
Adjusted EBITDA	**$ (2.9)**	$ (1.1)

Adjusted EBITDA for the quarter ended March 31, 2012, was negative $2.9 million, compared to negative $1.1 million for the same period in 2011. The increase in the adjusted EBITDA loss for the three months ended March 31, 2012, as compared to the same period in 2011 is primarily attributable to a decrease in revenue of $2.6 million from the prior year that impacted net loss and a reduction of restructuring costs of $1.1 million on a year over year basis.

Depreciation of Property and Equipment

Depreciation expense for the quarter ended March 31, 2012, totaled $0.6 million, compared to $1.0 million for the same period in 2011. The decrease in depreciation expense is primarily the result of certain NEXTMap dedicated assets reaching the end of their useful lives.

Amortization of Data Library

For the quarters ended March 31, 2012 and 2011, amortization expense relating to the data library was $1.2 million for both periods. The asset is amortized on a straight-line basis, and no additions or adjustments were made to the asset during the periods shown.

Financing Costs

Financing expense for the quarter ended March 31, 2012, totaled $49 thousand, compared to $27 thousand for the same period in 2011. The increase in financing expense in the quarter ended March 31, 2012, compared to the same period in 2011 is due to interest on an outstanding promissory note, offset by the reduction of principal resulting from recurring payments on long-term debt.

Gain (Loss) on Foreign Currency Translation

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

During the quarter ended March 31, 2012, a foreign currency translation loss of $117 thousand was recorded compared to a loss of $83 thousand for the same period in 2011. The losses for 2012 and 2011 were primarily the result of losses on the accounts payable balances held in foreign currencies.

Income Tax

Current income tax expense of $38 thousand was incurred during the quarter ended March 31, 2012, compared to an expense of $34 thousand during the same period in 2011. This expense relates to taxable income generated from the Company's Indonesian, German, United Kingdom, Czech Republic and Australian subsidiaries.

During the quarter ended March 31, 2012, a deferred income tax recovery of $13 thousand, compared to an expense of $20 thousand for the same period in 2011, was recorded. The changes were the result of a deferred income tax recovery resulting from the amortization of intangible assets held in the Czech Republic subsidiary, which have no tax basis.

Amounts Receivable and Unbilled Revenue

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

Amounts receivable and unbilled revenue decreased from $6.4 million at December 31, 2011, to $3.5 million at March 31, 2012. The decrease was primarily due to large cash collections after year-end and decreased revenue for the three months ended March 31, 2012. These amounts represent 83 days' sales at March 31, 2012, compared to 66 days sales at December 31, 2011, and reflect specific project billing milestones on current contracts that were in progress on those dates.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities generally include trade payables, project-related accruals and personnel-related costs. Accounts payable and accrued liabilities increased from $5.1 million at December 31, 2011, to $6.7 million at March 31, 2012. This increase is due primarily to the timing of payments against the Company's trade payables.

	March 31, 2012	December 31, 2011
Accounts payable	$ 3,496	$ 2,384
Accrued liablities	3,177	2,665
Other taxes payable	-	48
	$ 6,673	$ 5,097

Provisions

Provisions decreased to $0.9 million at March 31, 2012, compared to $1.1 million at December 31, 2011. The decrease is the result of separation payments made to former employees of $0.1 million, facility payments of $0.1 million, and a reversal of facility expense of $0.1 million due to the early lease termination of the Company's Munich, Germany facility.

Note Payable

The note payable balance at March 31, 2012, and December 31, 2011, was $1.7 million, and is payable to a service provider for an outstanding balance. The principal balance is payable beginning at the end of the fourth quarter of 2012 and matures in November 2014.

Unearned Revenue

The unearned revenue balance at March 31, 2012, decreased to $0.4 million from $1.5 million at December 31, 2011. This balance consists of payments received from customers on revenue contracts for which the Company has not yet fulfilled its obligations, or which the necessary revenue recognition criteria has not been met. The decrease from December 31, 2011, is primarily due to revenue recognized on a contract services project during the quarter ended March 31, 2012.

Finance Lease Obligations and Long-Term Debt

Finance lease obligations and long-term debt at March 31, 2012, decreased to $1.0 million from $1.2 million at December 31, 2011. The decrease is due to recurring payments on outstanding finance lease obligations and a long-term bank loan obligation.

QUARTERLY FINANCIAL INFORMATION

Selected Quarterly Information

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

U.S. $ millions, except per share data	Q2 2010 (1)	Q3 2010 (1)	Q4 2010 (1)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	**Q1 2012**
Revenue:								
Contract services	$ 1.6	$ 0.7	$ 0.8	$ 2.9	$ 2.4	$ 3.2	$ 2.3	**$ 3.3**
Data licenses	3.7	0.9	2.8	3.9	2.0	4.9	2.5	**0.9**
Total revenue	$ 5.3	$ 1.6	$ 3.6	$ 6.8	$ 4.4	$ 8.1	$ 4.8	**$ 4.2**
Depreciation and amortization	$ 5.0	$ 4.9	$ 4.5	$ 2.1	$ 2.1	$ 2.0	$ 1.8	**$ 1.8**
Impairment of data library	$ -	$ 39.1	$ 16.3	$ -	$ -	$ -	$ -	**$ -**
Net loss	$ (9.2)	$ (51.1)	$ (27.0)	$ (4.9)	$ (3.4)	$ (0.8)	$ (4.5)	**$ (5.1)**
Net loss per share basic and diluted	$ (0.18)	$ (0.85)	$ (0.48)	$ (0.08)	$ (0.05)	$ (0.01)	$ (0.06)	**$ (0.06)**
Adjusted EBITDA	$ (3.3)	$ (5.8)	$ (5.2)	$ (1.1)	$ (2.9)	$ 1.5	$ (2.0)	**$ (2.9)**

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

LIQUIDITY AND CAPITAL RESOURCES

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

Cash provided by operations during the quarter ended March 31, 2012, totaled $0.2 million, compared to cash used by operations of $3.1 million during the same period in 2011. In the first quarter of 2012, non-cash operating working capital increased by $3.9 million due to a significant decrease in amounts receivable and unbilled revenue of $2.9 million and an increase in accounts payable. Total cash used in operations during the first quarter of 2011 was impacted by a negative change to non-cash operating working capital as compared to a positive change in the same period in 2012.

Net cash used in investing activities totaled $0.1 million for the quarters ended March 31, 2012, and 2011. Cash used in investing activities during the quarter ended March 31, 2012, was primarily for the development of intangible assets (the Company's NEXTMap WebStore™) of $83 thousand. Cash used in investing activities during the quarter ended March 31, 2011, was for the purchase of property and equipment of $67 thousand.

Net cash used in financing activities totaled $0.2 million during the quarters ended March 31, 2012, and 2011. The net cash used in financing activities during the quarter ended March 31, 2012, was due to repayment of long-term debt and capital leases of $214 thousand. The net cash used in financing activities during the quarter ended March 31, 2011, was due to repayment of long-term debt and capital leases of $178 thousand.

The cash position of the Company at March 31, 2012 (cash and cash equivalents), was $0.5 million, compared to $0.6 million at December 31, 2011. Working capital decreased to a negative $4.4 million as of March 31, 2012, from a negative $1.0 million as of December 31, 2011, due to a decrease in accounts receivable of $2.8 million and an increase in the accounts payable and accrued liability balance of $1.6 million.

During the quarter ended March 31, 2012, the Company incurred a loss of $5.1 million and had positive cash flow from operations of $0.2 million. In addition, the Company has an accumulated deficit of $188.4 million. The Company's continuing operations are dependent on its ability to obtain future profitable operations and generate positive cash flows from operations. The Company is also considering the selling of excess capacity assets to improve its cash position. If these activities are not adequate to fund the Company's ongoing operations, the Company may be required to explore additional financing alternatives. Failure to achieve one or more of these requirements could have a material adverse effect on the Company's financial condition and / or results of operations in future periods.

The above factors raise significant doubt about the Company's ability to continue as a going concern. Management has taken actions to address these issues including organizational restructurings, the sale of excess capacity assets, company-wide cost-reductions, introduction of new products and services, and has a revised approach to pricing and selling of the Company's projects and services. However, the Company cannot be certain that its future cash generated from operations will be sufficient to satisfy its liquidity requirements on a go-forward basis.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Revenue Recognition

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

Goods Sold

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

Subscriptions

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

Fixed-price Contracts

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

Multiple Component Arrangements

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

Data Library (NEXTMap)

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

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

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

USA and NEXTMap Europe datasets represent separate cash generating units for impairment testing purposes. The Company has identified addressable markets for each of these datasets and has estimated future data library licenses sales and cash flows within these addressable markets. The forecasts of estimated data library cash flows are reviewed each quarter taking into account economic and market trends, technical advances, competitive developments, and actual sales versus forecasts.

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

OUTSTANDING SHARE DATA

The Company's authorized capital consists of an unlimited number of Class A common shares without par value and an unlimited number of Class A participating preferred shares without par value. At the close of business on May 7, 2012, 79,064,333 Class A common shares were issued and outstanding. There are no preferred shares currently issued and outstanding.

As of May 7, 2012, 5,427,720 share options are outstanding in the Company's share option plan with a weighted average exercise price of C$1.23. In addition, there are 17,375,000 warrants outstanding that are exercisable with a weighted average exercise price of C$0.48, and each warrant entitles the holder to purchase one Class A common share.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS

Disclosure Control Risks

Disclosure controls and procedures have been designed to provide reasonable assurance that information required to be disclosed is accumulated and communicated to Management as appropriate to allow timely decisions regarding required disclosure. Pursuant to Multilateral Instrument 52-109, the Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the effectiveness of the disclosure controls and procedures as at March 31, 2012, that disclosure controls and procedures provide reasonable assurance that material information is made known to them by others within the Company.

Internal Control Risks

Internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting. Management, including the Chief Executive Officer and Chief Financial Officer, reviewed and evaluated the design and operating effectiveness of the internal controls over financial reporting (as defined by Multilateral Instrument 52-109) and concluded that sufficient controls exist at March 31, 2012, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There have been no significant changes in the design of internal controls over financial reporting that occurred during the quarter ended March 31, 2012, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

RISKS AND UNCERTAINTIES

The risks and uncertainties described in the Management's Discussion and Analysis presented in the 2011 Annual Report and the Annual Information Form of the Company have not changed materially.

Condensed Consolidated Interim Balance Sheets

(In thousands of United States dollars)

	March 31, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	$ 485	$ 597
Amounts receivable	2,727	5,512
Unbilled revenue	781	865
Work in process	21	26
Prepaid expenses	673	616
	4,687	7,616
Property and equipment (Note 4)	4,664	5,273
Data library (Note 5)	17,287	18,439
Intangible assets (Note 6)	294	290
Deferred tax assets	5	5
	$ 26,937	$ 31,623
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (Note 7)	$ 6,673	$ 5,097
Current portion of provisions (Note 14)	710	888
Current portion of note payable (Note 8)	277	69
Current portion of deferred lease inducements	92	97
Unearned revenue	413	1,544
Income taxes payable	60	43
Current portion of obligations under finance lease (Note 9)	335	323
Current portion of long-term debt (Note 10)	519	548
	9,079	8,609
Long-term note payable (Note 8)	1,442	1,629
Deferred lease inducements	437	363
Long-term provisions (Note 14)	156	223
Obligations under finance lease (Note 9)	173	262
Long-term debt (Note 10)	-	95
Deferred tax liabilities	-	13
	11,287	11,194
Shareholders' equity:		
Share capital (Note 12)	194,049	193,992
Accumulated other comprehensive income	77	46
Contributed surplus (Note 12(c))	9,906	9,663
Deficit	(188,382)	(183,272)
	15,650	20,429
Going concern (Note 2(a))		
Commitments (Note 13)		
	$ 26,937	$ 31,623

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Comprehensive Income

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

For the three months ended March 31,		**2012**		2011
Revenue:				
Contract services	**$**	**3,353**	$	2,945
Data licenses		**872**		3,883
		4,225		6,828
Expenses:				
Operating costs (Note 11)		**7,331**		9,407
Depreciation of property and equipment		**602**		956
Amortization of data library		**1,152**		1,152
Amortization of intangible assets		**79**		104
		9,164		11,619
Operating loss		**(4,939)**		(4,791)
Gain on disposal of equipment		**20**		-
Financing costs, net		**(49)**		(27)
Loss on foreign currency translation		**(117)**		(83)
Loss before income taxes		**(5,085)**		(4,901)
Income tax (expense) recovery:				
Current		**(38)**		(34)
Deferred		**13**		20
		(25)		(14)
Net loss for the period	**$**	**(5,110)**	$	(4,915)
Other comprehensive loss:				
Foreign currency translation differences		**31**		-
Total comprehensive loss for the period	**$**	**(5,079)**	$	(4,915)
Basic and diluted loss per share	**$**	**(0.06)**	$	(0.08)
Weighted average number of Class A common shares - basic and diluted (Note 12(d))		**79,047,892**		60,955,575

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Equity

(In thousands of United States dollars)

	Share Capital	Contributed Surplus	Cumulative Translation Adjustments	Deficit	Total
Balance at December 31, 2010	$ 187,253	$ 8,700	$ 128	$ (169,676)	$ 26,405
Comprehensive loss for the period	-	-	-	(4,915)	(4,915)
Share-based compensation	326	114	-	-	440
Balance at March 31, 2011	187,579	8,814	128	(174,591)	21,930
Comprehensive loss for the period	-	-	(82)	(8,681)	(8,763)
Share-based compensation	271	584	-	-	855
Issuance of shares	6,791	-	-	-	6,791
Issuance costs	(384)	-	-	-	(384)
Compensation options issued to agent	(265)	265	-	-	-
Balance at December 31, 2011	$ 193,992	$ 9,663	$ 46	$ (183,272)	$ 20,429
Comprehensive loss for the period	-	-	31	(5,110)	(5,079)
Share-based compensation	57	243	-	-	300
Balance at March 31, 2012	$ 194,049	$ 9,906	$ 77	$ (188,382)	$ 15,650

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

(In thousands of United States dollars)

For the Three Months Ended March 31,	**2012**	2011
Cash flows (used in) provided by:		
Operating activities:		
Net loss for the period	**$ (5,110)**	$ (4,915)
Adjusted for the following non-cash items:		
Depreciation of property and equipment	**602**	956
Amortization of data library	**1,152**	1,152
Amortization of intangible assets	**79**	104
Share-based compensation expense	**275**	440
Gain on disposal of equipment	**(20)**	(1)
Amortization of deferred lease inducements	**77**	(7)
Deferred taxes	**(13)**	(20)
Financing costs	**49**	27
Current income tax expense	**38**	34
Interest paid	**(28)**	(22)
Income tax paid	**(15)**	(45)
Change in non-cash operating working capital	**3,065**	(777)
	151	(3,074)
Investing activities:		
Purchase of property and equipment	**-**	(67)
Investment in intangible assets	**(83)**	-
Proceeds from sale of equipment	**27**	1
	(56)	(66)
Financing activities:		
Repayment of obligations under finance lease	**(77)**	(48)
Repayment of long-term debt	**(137)**	(130)
	(214)	(178)
Effect of foreign exchange on cash	**7**	33
Decrease in cash and cash equivalents	**(112)**	(3,285)
Cash and cash equivalents, beginning of period	**597**	4,356
Cash and cash equivalents, end of period	**$ 485**	$ 1,071

See accompanying notes to condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

For the quarter ended March 31, 2012
(In thousands of United States dollars, except per share information)

1. Reporting entity:

Intermap Technologies® Corporation (the Company) is incorporated under the laws of Alberta, Canada. The head office of Intermap is located at 8310 South Valley Highway, Suite 400, Englewood, Colorado, USA 80112. Its registered office is located at 1250 Standard Life Building, 639 – 5th Avenue S.W., Calgary, Alberta, T2P 0M9.

The Company is a provider of location-based information (LBI) solutions created from its uniform, high-resolution 3D digital models of the earth's surface. Using a combination of the Company's proprietary airborne interferometric synthetic aperture radar (IFSAR) data collection technology, third party sensors, and other available geospatial related information, the Company is aggregating this information and creating a database of elevation data, geometric images, and location-based information called NEXTMap®. This NEXTMap database is the foundation for the Company's 3D business intelligence solutions created to help solve the geospatial related challenges of its customers.

2. Basis of preparation:

a. Going concern:

These financial statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. During the three months ended March 31, 2012, the Company incurred a loss of $5,110 and had positive cash flow from operations of $151. In addition, the Company has an accumulated deficit of $188,382.

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

The Company cannot be certain that cash generated from its operations will be sufficient to satisfy its liquidity requirements, and it may need to continue to raise capital by selling additional equity and / or by securing credit facilities. The Company's future capital requirements will depend on many factors, including, but not limited to, the market acceptance of its products and services and the timing of collections. No assurance can be given that any such additional funding will be available or that, if available, it can be obtained on terms favorable to the Company.

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

b. Statement of compliance:

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

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

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 7, 2012.

c. Measurement basis:

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

3. Summary of significant accounting policies:

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

4. Property and equipment:

Property and equipment	Aircraft	Mapping equipment	Furniture, fixtures & auto	Leases	Under construction	Total
Balance at December 31, 2010	$ 3,629	$ 3,771	$ 77	$ 400	$ 31	$ 7,908
Additions	-	102	-	42	-	144
Finance Lease	-	614	-		-	614
Disposals	-	(16)	-	-	-	(16)
Depreciation	(661)	(2,518)	(46)	(152)	-	(3,377)
Transfer from under construction	-	31	-	-	(31)	-
Balance at December 31, 2011	2,968	1,984	31	290	-	5,273
Disposals	-	-	(7)	-	-	(7)
Depreciation	(143)	(424)	(5)	(30)	-	(602)
Balance at March 31, 2012	$ 2,825	$ 1,560	$ 19	$ 260	$ -	$ 4,664

The gross amount of property and equipment at March 31, 2012, was $40,637 (year ended December 31, 2011 – $41,088). The accumulated depreciation at March 31, 2012, was $35,973 (year ended December 31, 2011 – $35,815).

5. Data library:

Data library	
Balance at December 31, 2010	$ 23,049
Amortization	(4,610)
Balance at December 31, 2011	18,439
Amortization	(1,152)
Balance at March 31, 2012	$ 17,287

6. Intangible assets:

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

The gross amount of intangible assets at March 31, 2012, was $2,389 (year ended December 31, 2011 – $2,306). The accumulated amortization at March 31, 2012, was $2,095 (year ended December 31, 2011 – $2,016).

7. Accounts payable and accrued liabilities:

		March 31, 2012		December 31, 2011
Accounts payable	**$**	**3,496**	$	2,384
Accrued liablities		**3,177**		2,665
Other taxes payable		**-**		48
	$	**6,673**	$	5,097

8. Note payable:

At March 31, 2012, note payable includes a promissory note with a service provider that defines the payment terms of an outstanding balance. The note bears interest at 5% per annum and is secured by a second priority lien on an aircraft owned by the Company. The term of the note payable is thirty-six months ending November 2014. The balance of the promissory note at March 31, 2012, was $1,719 (year ended December 31, 2011 – $1,698), of which $89 is accrued interest (year ended December 31, 2011 – $68).

		March 31, 2012		December 31, 2011
Note Payable	**$**	**1,719**	$	1,698
		1,719		1,698
Less current portion		**(277)**		(69)
	$	**1,442**	$	1,629

9. Finance lease liabilities:

Finance lease liabilities are payable as follows:

	March 31, 2012			December 31, 2011		
	Future minimum lease payments	Interest (1)	Present value of minimum lease payments	Future minimum lease payments	Interest (1)	Present value of minimum lease payments
Less than one year (current portion)	$ 382	$ 47	$ 335	$ 381	$ 58	$ 323
Between one and five years (long-term portion)	180	7	173	276	14	262
	$ 562	$ 54	$ 508	$ 657	$ 72	$ 585

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

10. Long-term debt:

	March 31, 2012	December 31, 2011
Bank term loan	$ 519	$ 643
	519	643
Less current portion	(519)	(548)
	$ -	$ 95

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.

11. Operating costs:

For the three months ended March 31,	2012	2011
Personnel (1)	$ 3,458	$ 5,465
Purchased services and materials (2)	2,975	2,786
Travel	455	457
Facilities and other expenses	443	699
	$ 7,331	$ 9,407

(1) Includes $Nil and $987 of separation costs during the quarters ended March 31, 2012 and 2011, respectively.

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

12. Share capital:

a. **Authorized:**

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

b. **Issued:**

	March 31, 2012			December 31, 2011		
Class A common shares	**Number of Shares**		**Amount**	Number of Shares		Amount
Balance, beginning of period	**78,988,234**	**$**	**193,992**	60,796,507	$	187,253
Stock-based compensation	**132,701**		**57**	1,484,027		597
Restricted shares held in escrow	**(56,602)**		**-**	582,700		-
Issuance of shares	**-**		**-**	16,125,000		6,791
Compensation warrants issued to agent	**-**		**-**	-		(265)
Issuance costs	**-**		**-**	-		(384)
Balance, end of period	**79,064,333**	**$**	**194,049**	78,988,234	$	193,992

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

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

c. **Contributed surplus:**

		March 31, 2012		December 31, 2011
Balance, beginning of period	**$**	**9,663**	$	8,700
Stock-based compensation		**243**		698
Compensation warrants issued to agent/underwriter		**-**		265
Balance, end of period	**$**	**9,906**	$	9,663

d. **Loss per share:**

The calculation of loss per share is based on the weighted average number of Class A common shares outstanding. Where the impact of the exercise of options or warrants is anti-dilutive, they are not included in the calculation of diluted loss per share. The Company has incurred a net loss for each period presented and the inclusion of outstanding options and warrants in the loss per share calculation are considered to be anti-dilutive and are therefore not included in the calculation.

The underlying Class A common shares pertaining to 5,427,720 outstanding share options and 17,375,000 outstanding warrants could potentially dilute earnings.

e. Director's share compensation plan:
The Company has a director's share compensation plan allowing for the issuance of up to 400,000 shares of the Company's Class A common shares to non-employee directors of the Company as part of their annual compensation. At the Annual General and Special Meeting of the Shareholders on August 3, 2011, the amended share compensation plan was approved to increase the maximum number of Class A common shares of the Corporation issuable there under from 400,000 to 1,400,000. As of March 31, 2012, 456,093 Class A common shares remain available under the plan. Compensation expense for issued shares is included in operating costs.

f. Employee share compensation plan:
The Company established an employee share compensation plan to compensate employees for services performed. The plan was approved by the shareholders of the Company at the Annual General Meeting on May 12, 2009. The plan permits the issuance of up to 1,500,000 shares of the Company's Class A common shares to employees. At the Annual General and Special Meeting of the Shareholders on August 3, 2011, an amended share compensation plan was approved to increase the maximum number of Class A common shares of the Corporation issuable there under from 1,500,000 to 4,000,000. As of March 31, 2012, 2,794,812 Class A common shares remain available for issuance under the plan. Compensation expense for issued shares is included in operating costs.

g. Share option plan:
The Company established a share option plan to provide long-term incentives to attract, motivate, and retain certain key employees, officers, directors, and consultants providing services to the Company. The plan permits the granting of options to purchase up to 10% of the outstanding Class A common shares of the Company. As of March 31, 2012, 7,906,433 Class A common shares were authorized under the plan, of which 25,000 warrants (See Note 12(i)) and 5,427,720 share options are issued and outstanding and 2,478,713 options remain available for future issuance. Under the plan, no one individual shall be granted an option which exceeds 5% of the issued and outstanding Class A common shares of the Company. In addition, the exercise price of each option shall not be less than the market price of the Company's Class A common shares on the date of grant. The options are exercisable for a period of not greater than six years, and generally vest over a period of one to four years. Options granted to directors generally vest on the date of the grant and expire on the fifth anniversary of the date of such grant.

The following table summarizes information regarding share options outstanding at March 31, 2012:

	March 31, 2012			December 31, 2011		
	Number of shares under option		**Weighted average exercise price (CDN)**	Number of shares under option		Weighted average exercise price (CDN)
Options outstanding, beginning of period	**5,489,220**	**$**	**1.49**	3,844,800	$	3.98
Granted	**325,000**		**0.44**	3,624,050		0.45
Expired	**(340,450)**		**4.70**	(1,468,875)		5.46
Forfeitures	**(46,050)**		**0.56**	(510,755)		1.66
Options outstanding, end of period	**5,427,720**	**$**	**1.23**	5,489,220	$	1.49
Options excercisable, end of period	**2,641,370**	**$**	**1.94**	2,114,910	$	2.97

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.25	20,000	5.44 years	-
0.33	200,000	4.38 years	200,000
0.43	1,445,440	5.00 years	698,920
0.44	325,000	4.95 years	325,000
0.46	1,011,730	5.71 years	-
0.48	450,000	4.76 years	112,500
0.50	450,000	4.69 years	112,500
0.66	300,000	4.56 years	131,250
1.49	129,000	2.70 years	98,250
1.60	76,000	3.80 years	43,000
1.84	329,050	3.75 years	245,950
2.98	61,000	2.45 years	61,000
4.16	100,000	2.14 years	82,500
5.75	197,000	0.95 years	197,000
5.95	20,000	1.16 years	20,000
6.30	313,500	0.11 years	313,500
	5,427,720	4.35 years	2,641,370

During the three months ended March 31, 2012, 325,000 options were granted at a weighted-average fair value of $0.44 per share, determined using the Black-Scholes option pricing model on the date of grant with the following assumptions: expected dividend yield 0%, risk-free interest rate of 1.32%, volatility of 85.9%, and an expected life of five years. The estimated forfeiture rate was 5.43%.

h. Share-based compensation expense:

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

Three months ended March 31,		**2012**		2011
Employees	**$**	**148**	$	440
Non-employees		**127**		-
Non-cash compensation	**$**	**275**	$	440

i. Class A common share purchase warrants:

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

	March 31, 2011	December 31, 2010
Balance, beginning of year	**17,375,000**	575,000
Issued	**-**	17,350,000
Expired	**-**	(550,000)
Balance, end of year	**17,375,000**	17,375,000

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

13. Commitments:

The Company has commitments related to operating leases for office space and equipment which require the following payments for each year ending March 31:

2013	$	1,165
2014		912
2015		709
2016		553
2017		232
	$	3,571

During the quarter ended March 31, 2012, the Company recognized $180 (year ended December 31, 2011 - $1,767) in operating lease expense for office space.

14. Restructuring:

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

In June 2011, in an effort to continue to transform into a sales- and marketing-driven organization, the Company announced the closure and liquidation of its Munich, Germany operations. The closure allows the Company to increase its sales agility on a distributed basis throughout Europe in the short-term while reducing fixed operating costs for the long-term.

A summary of the cost related to the restructuring events is as follows:

	Workforce Reduction	Excess Facility	Total
Amounts recorded for the twelve months ended December 31, 2011	$ 1,266	$ 349	$ 1,615
Amounts recorded for the three months ended March 31, 2012	-	(90)	(90)
Total	$ 1,266	$ 259	$ 1,525

At March 31, 2012, the provision associated with the restructuring and other related charges consisted of the following:

	Workforce Reduction	Excess Facility	Total
Balance at December 31, 2010	$ 828	$ 812	$ 1,640
2011 provisions	1,266	349	1,615
Payments	(1,915)	(229)	(2,144)
Balance at December 31, 2011	179	932	1,111
2012 provisions (reversals)	-	(90)	(90)
Payments	(66)	(89)	(155)
Balance at March 31, 2012	113	753	866
Current portion of provisions	113	597	710
Long-term provisions	-	156	156
	$ 113	$ 753	$ 866

The workforce reduction accrual of $113 is scheduled to be paid in installments through January 2013. The excess facility accrual of $753 is scheduled to be relieved by November 2013, the Ottawa, Canada lease termination date. During the three months ended March 31, 2012, the Company successfully revised the Munich, Germany lease termination date to April 2012, resulting in a reduction to the provision of $90.

15. Segmented information:

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

Geographic segments of revenue are as follows:

	Contract Services 3 months ended March 31, 2012	**Data Licenses 3 months ended March 31, 2012**	Contract Services 3 months ended March 31, 2011	Data Licenses 3 months ended March 31, 2011
United States	**$ 428**	**$ 397**	$ 63	$ 2,615
Asia/Pacific	**2,925**	**92**	2,673	838
Europe	**-**	**383**	209	430
	$ 3,353	**$ 872**	$ 2,945	$ 3,883

Property and equipment of the Company are located as follows:

		March 31, 2012		December 31, 2011
Canada	$	234	$	258
United States		4,233		4,774
Asia/Pacific		180		218
Europe		17		23
	$	4,664	$	5,273

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

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

Three months ended March 31,		2012		2011
Customer A	$	3,013	$	2,673
Customer B		25		2,000
Customer C		-		764
Customer D		14		27
Customer E		-		8
	$	3,052	$	5,472

16. Financial risk management:

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

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

		March 31, 2012		December 31, 2011
Trade amounts receivable	$	2,488	$	5,222
Employee receivables		23		16
Other miscellaneous receivables		216		274
	$	2,727	$	5,512

Trade amounts receivable by geography consist of:

		March 31, 2012		December 31, 2011
United States	$	514	$	1,704
Canada		15		22
Asia/Pacific		1,663		2,005
Europe		296		1,491
	$	2,488	$	5,222

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

		March 31, 2012		December 31, 2011
Current	$	**1,993**	$	3,612
31-60 days		**230**		1,034
61-90 days		**38**		112
Over 91 days		**227**		464
	$	**2,488**	$	5,222

As of March 31, 2012, $265 of trade amounts receivable (year ended December 31, 2011 - $576) were past due. The balance of the past due amounts relate to reoccurring, and historically slow paying customers, and are considered collectible.

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