Intermap Technologies Corporation
Third Quarter Ended September 30, 2010

DENVER – (TSX: IMP.TO) – Intermap Technologies Corporation ("Intermap" or the "Company") today reported financial results for the third quarter ended September 30, 2010. A conference call will be held today, November 12, 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.

"The third quarter of 2010 proved very difficult with significant declines in revenue from both contract services and NEXTMap Multi Client Data Licensing (MCDL) businesses. We continue to diligently work to close several material contracts in the fourth quarter of 2010, the majority of which will generate revenue and cash in 2011," stated Howard Nellor, interim CEO of Intermap. "We have restructured the organization and reduced our expenses in order to reach our objective of positive cash flow in 2011. Management and the board of directors are evaluating all strategic alternatives to preserve the Corporation's ability to realize the value of the NEXTMap data bases and its unique 3D data collection and processing systems. This includes reducing operating and overhead costs to a level that will result in achieving positive cash flow from projected contract and MCDL sales in 2011."

Intermap's contract services business, which is substantially government oriented, has historically had uneven revenue distribution. While the global financial crisis has resulted in several weak quarters, the Company believes it is well positioned for the coming year and is currently actively engaged in the bidding process on numerous projects around the world.

Mr. Nellor explained, "We expect a rebound in our contract services business in 2011 with several projects already in the bidding process in the U.S., Australia, Central America, South America, and Asia. On a large project we are bidding on in Asia, Intermap was the only firm that qualified against the technical specification on an international tender and we are now in contract negotiations. If successfully awarded, this contract services project would be expected to generate revenues of approximately $12 million to Intermap in 2011. While we have not been awarded this contract to date, we believe it is important to share where we are in the process with our shareholders at this time."

With NEXTMap completed, Intermap has been undergoing the transition from an engineering and production company to a streamlined customer- and market-driven organization. "We are focused on the federal and civil government, national mapping programs, defense and intelligence mapping, insurance and risk management, telecommunication, the automotive industry, and cloud-based Web services," added Mr. Nellor. "We anticipate announcing meaningful progress in each of these markets during this and future quarters."

FINANCIAL REVIEW

For the quarter ended September 30, 2010, Intermap reported total revenue of $1.6 million, down 85% from $10.4 million for the third quarter of 2009. As of September 30, 2010, there remained $3.4 million in revenue from existing contracts, $1.1 million in contract services and $2.3 million in multi-client data library (MCDL) license contracts, to be recognized in future periods. MCDL license revenue for Q3 2010 was $0.9 million, compared to $3.0 million for Q3 2009, representing a decrease of 72% year over year. During the third quarter of 2010, approximately 28% of MCDL license revenue was associated with the NEXTMap Europe dataset, 39% was associated with the NEXTMap USA dataset, and 33% was associated with the Asia dataset.

Revenue from contract services work during the third quarter of 2010 decreased to $0.7 million from $7.5 million for the third quarter of 2009. The decrease was primarily the result of a reduction in revenue from mapping projects in Southeast Asia where the Company had $6.6 million in revenue during the third quarter of 2009, compared to $nil in the third quarter of 2010. The revenue recognized in the third quarter of 2010 related primarily to a mapping project in Alaska totaling $0.4 million. Several new contract service projects are under bid in various global regions, providing anticipated increases in contract services revenue in future quarters. World economic difficulties continued to affect the Company's revenues during 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 into the fourth quarter of 2010.

Gross operations expense, prior to capitalization, for the quarter ended September 30, 2010 was $2.7 million, compared to $5.1 million during the same period in 2009. Net operations expense for the quarter ended September 30, 2010 totaled $1.8 million compared to $2.8 million for the same period in 2009. The decrease in both gross and net operations expense during the third quarter of 2010 was primarily the result of the reduction in production operations that reflects the completion of the NEXTMap Europe and NEXTMap USA programs. The change in net operations expense was also offset with a decrease in costs of $1.5 million capitalized to the NEXTMap Europe and NEXTMap USA programs.

Sales, general and administrative ("SG&A") expense for the quarter ended September 30, 2010 was $6.2 million, a decrease from $6.9 million for the same period in 2009. The decrease in SG&A expense in Q3 2010 resulted primarily from a reduction in personnel-related costs and a reduction in external consulting and professional services costs offset partially by an increase in one-time expenses associated with the reduction in workforce, which resulted in a charge of $1.1 million during the third quarter of 2010. Consolidated active employee headcount was 568 at September 30, 2010, a decrease from 874, or 35% from September 30, 2009. The decrease in operations personnel resulted from the Company's completion of the NEXTMap Europe and NEXTMap USA programs. Before the end of the third quarter, Intermap completed an organizational restructuring, further decreasing employee head count by 17%, including a significant reduction at the executive level. The restructuring supports management's effort to lower expenses in alignment with current revenues. Total active employee head count of the Company is now approximately 533 worldwide, with 191 in North America and Europe, and 342 in Jakarta, Indonesia.

Salaries and related personnel costs for the third quarter of 2010 and 2009 were $5.7 million and $6.2 million respectively. For 2011, the Company expects to realize an additional annual savings of approximately $2.1 million in personnel-related expense as a result of the headcount reduction implemented during 2010. Intermap has reduced its annual cash expenditure from $52 million in 2009 to a current run rate of approximately $34 million.

Adjusted EBITDA, a non-GAAP measure, for the quarter ended September 30, 2010 was a loss of $5.7 million compared to income of $0.5 million for the same period in 2009. The adjusted EBITDA loss for the three months ended September 30, 2010 is primarily attributable to the decrease in revenue of $8.8 million as compared to the same period in 2009.

Amortization expense of the MCDL database increased to $3.5 million from $2.6 million in the third 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 third quarter of 2010, Intermap reported a net loss of $11.8 million, or ($0.20) per share, compared to a net loss of $4.3 million, or ($0.08) per share, for the third quarter of 2009.

On a year-to-date basis, consolidated revenue was $10.3 million compared to $22.1 million for the nine months ended September 30.

Contract services revenue was $3.5 million compared to $15.3 million for the same period in 2009, and MCDL was $6.8 million in both 2010 and 2009. On a year-to-date basis, gross operations expense, prior to capitalization totaled $10.5 million in 2010 down from $15.5 million for the same period in 2009. On a year-to-date basis, net operations expense totaled $7.2 million in 2010, compared to $6.2 million for the same period in 2009. Capitalized costs decreased by $5.9 million on a year-to-date basis for 2010 as compared to 2009 due to the completion of the NEXTMap Europe and NEXTMap USA programs. SG&A expense decreased to $19.1 million from $19.6 million, and adjusted EBITDA was a loss of $14.5 million, compared to a loss of $4.6 million for the same period in 2009.

The cash position of the Company at September 30, 2010 (cash and cash equivalents) was $2.5 million, compared to $10.4 million at December 31, 2009. Working capital decreased to $3.1 million as at September 30, 2010, from $18.1 million as of December 31, 2009.

Net cash generated by financing activities totaled $4.7 million during the third quarter of 2010, and was primarily due to the completion of a share issuance of 8,125,000 shares for total gross consideration of $6.2 million (C$6.5 million), offset by $0.7 million of securities issuance costs and $0.8 million due to the repayment of long-term debt. Subsequent to the close of the third quarter Intermap announced the sale of one of its three aircraft, a King Air 200T, which was no longer required following completion of the Company's NEXTMap Europe and NEXTMap USA mapping programs. Intermap sold the aircraft for $3.5 million, which will be received in three installments during the fourth quarter of 2010.

Management is making every effort to ensure that the existing cash resources of $2.5 million, together with the $3.5 million proceeds from the aircraft sale, anticipated contract services and NEXTMap license revenue, combined with cost reductions, and anticipated further sales of surplus production capability and equipment will be sufficient to continue to fund operations. Management will continue to monitor the level of sales and take appropriate actions to facilitate the funding of 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 together with the hiring of a seasoned CEO and CFO that will support this objective. Gross operating costs have come down year over year and further reductions will be implemented as dictated by secured and anticipated revenue levels.

As of November 12, 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.

A full pdf version (including financials) can be found at: http://www.intermap.com/uploads/1289594960.pdf

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 September 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 November 10, 2010, and should be read together with the Company's Consolidated Interim Financial Statements for the three and nine months ended September 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 more than 8.0 million square kilometers of the contiguous United States and Hawaii.

Both the NEXTMap Europe and NEXTMap USA programs include elevation data and images predominately accurate to one meter or better in the vertical dimension and two 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 September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
Revenue:				
Contract services	$ 0.7	$ 7.4	$ 3.5	$ 15.3
Multi-client data licenses	0.9	3.0	6.8	6.8
Total revenue	$ 1.6	$ 10.4	$ 10.3	$ 22.1
Net loss	$ (11.8)	$ (4.3)	$ (33.0)	$ (18.1)
EPS basic and diluted	$ (0.20)	$ (0.08)	$ (0.60)	$ (0.35)
Adjusted EBITDA	$ (5.7)	$ 0.5	$ (14.5)	$ (4.6)

Revenue

Consolidated revenue for the third quarter of 2010 totaled $1.6 million, compared to $10.4 million for the same period in 2009, representing an 85% decrease. As of September 30, 2010, there remained $3.4 million in revenue from existing contracts ($1.1 million in contract services and $2.3 million in multi-client data library (MCDL) license contracts) to be recognized in future periods.

Contract services revenue for the third quarter of 2010 decreased to $0.7 million from $7.4 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 $6.6 million in revenue during the third quarter of 2009, compared to $nil in the third quarter of 2010. The revenue recognized in the third quarter of 2010 related primarily to a mapping project in Alaska totaling $0.4 million.

MCDL license revenue for the third quarter of 2010 totaled $0.9 million, compared to $3.0 million for the same period in 2009. The decrease resulted primarily from a single sale of Asia data during the third quarter of 2009 totaling $1.8 million. During the third quarter of 2010, approximately 28% of MCDL license revenue was associated with the NEXTMap Europe dataset, 39% was associated with the NEXTMap USA dataset, and 33% was associated with the Asia dataset. For the same period in 2009, approximately 16% of the MCDL license revenue was associated with the NEXTMap Europe dataset, 24% was associated with the NEXTMap USA dataset, and 60% was associated with the Asia dataset.

On a year-to-date basis, consolidated revenue decreased by $11.8 million from $22.1 during the nine months ended September 30, 2009 to $10.3 million during the same period in 2010.

Contract services revenue on a year-to-date basis was $3.5 million in 2010, compared to $15.3 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 $14.2 million in revenue for the nine months ended September 30, 2009, compared to $0.8 million for the same period in 2010. The contract services revenue recognized on a year-to-date basis in 2010 includes a mapping project in Alaska totaling $1.7 million and contract work performed in relation to the Company's risk management initiatives in Europe totaling $0.8 million.

MCDL revenue on a year-to-date basis was $6.8 million in 2010 and 2009. During the nine months ended September 30, 2010, approximately 52% of the MCDL license revenue was associated with the NEXTMap Europe program, 22% was associated with the NEXTMap USA program, and 26% was associated with the Asia dataset. For the same period in 2009, approximately 31% of the MCDL license revenue was associated with the NEXTMap Europe program, 27% was associated with the NEXTMap USA program, and 42% was associated with the Asia dataset.

World economic difficulties continued to affect the Company's revenues during 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 into the fourth 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 third quarter of 2010 and 2009 was $2.7 million and $5.1 million, respectively. On a year-to-date basis, gross operations expense, prior to capitalization totaled $10.5 million in 2010, compared to $15.5 million for the same period in 2009. The decrease in gross operations expense during the third quarter and year-to-date periods in 2010 was primarily the result of the reduction in production operations (see "Personnel") that reflects the completion of the NEXTMap Europe and NEXTMap USA programs. Net operations expense for the third quarter of 2010 totaled $1.8 million, compared to $2.8 million for the same period in 2009. On a year-to-date basis, net operations expense totaled $7.2 million in 2010, compared to $6.2 million for the same period in 2009. The increase in net operations expense on a year-to-date basis resulted from a reduction of the capitalization of costs to the NEXTMap programs. Capitalized costs decreased by $1.5 million from the third quarter of 2010 as compared to the same period in 2009, and by $5.9 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 third quarter of 2010 and 2009, R&D expense was $0.6 and $0.9 million, respectively. On a year-to-date basis in 2010 and 2009, R&D expense was $2.0 million and $2.8 million, respectively. The R&D costs incurred in 2010 are primarily for Web services 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 (including 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 third quarter of 2010, SG&A expense was $6.2 million, compared to $6.9 million for the same period in 2009. SG&A expense totaled $19.1 million on a year-to-date basis in 2010, compared to $19.6 million for the same period in 2009. The decrease in SG&A expense for 2010 resulted primarily from a reduction in personnel-related costs (see "Personnel") and a reduction in external consulting and professional services costs offset partially by an increase in one-time expenses associated with the reduction in workforce (see "Personnel") which resulted in a charge of $1.1 million during the third quarter of 2010, as well as closing the Ottawa facility which resulted in the recognition of a liability for future lease payments of $0.7 million during the second quarter of 2010, net of estimated future sub-lease rents.

Personnel

Consolidated active employee headcount was 568 at September 30, 2010, a decrease from 874 at September 30, 2009. The decrease was primarily driven by a decrease in operations personnel by approximately 37%, or 233 full-time personnel. The decrease in operations personnel resulted from the Company's completion of the NEXTMap Europe and NEXTMap USA programs. R&D, strategic business, and administrative personnel decreased by 30%, or 73 employees during the year. Salaries and related personnel costs for the third quarter of 2010 and 2009 were $5.7 million (year-to-date $16.3 million) and $6.2 million (year-to-date $18.8 million), respectively. Salaries and related personnel costs decreased primarily due to workforce and salary reductions initiated in the fourth quarter of 2009. In September 2010, the Company initiated further workforce reductions, which resulted in approximately $1.1 million in related severance and termination costs that are included in accrued liabilities at the end of the third quarter. For 2011, the Company expects to realize annual savings of approximately $2.1 million in personnel-related expense as a result of the headcount reduction implemented during 2010.

Non-cash stock-based compensation for the third quarter of 2010 and 2009 totaled $0.3 million and $0.7 million, respectively (year-to-date 2010 and 2009 of $1.3 million and $1.7 million, respectively).

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 September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
Net loss	$ (11.8)	$ (4.3)	$ (33.0)	$ (18.1)
Depreciation of property and equipment	1.2	1.6	3.6	4.8
Amortization of multi-client data library	3.5	2.5	10.8	6.7
Amortization of intangible assets	0.1	0.1	0.3	0.3
Restructuring costs	1.1	-	2.1	-
Interest expense	-	0.1	-	0.3
Income tax expense (recovery)	-	0.1	0.1	0.2
Stock-based compensation	0.3	0.7	1.3	1.7
Loss on disposal of property and equipment	-	-	0.1	(0.1)
Loss (gain) on foreign currency translation	(0.1)	(0.3)	0.2	(0.4)
Adjusted EBITDA	$ (5.7)	$ 0.5	$ (14.5)	$ (4.6)

Adjusted EBITDA for the third quarter of 2010 was a loss of $5.7 million, compared to income of $0.5 million for the same period in 2009. On a year-to-date basis, adjusted EBITDA was a loss of $14.5 million, compared to a loss of $4.6 million for the same period in 2009. The increase in the adjusted EBITDA loss for the third quarter of 2010 is primarily attributable to a decrease in revenue of $8.8 million (year-to-date $11.8 million) as compared to the same period in 2009.

Depreciation of Property and Equipment

Depreciation expense for the third quarter of 2010 totaled $1.2 million (year-to-date $3.6 million), compared to $1.6 million (year-to-date $4.8 million) for the same period in 2009. The decrease in depreciation expense is primarily the result of many of the assets that were purchased specifically for the building of the NEXTMap datasets reaching the end of their useful lives, and the Company not replacing these assets due to the decreased production requirements. The capitalization of depreciation was $0.1 million for the third quarter of 2010 (year-to-date $0.6 million), compared to $0.4 million for the same period in 2009 (year-to-date $1.3 million). The capitalization of depreciation expense relates to the creation of the MCDL, and specifically relates to the dedication of internal resources (i.e., 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 third quarter of 2010 increased to $3.5 million (year-to-date $10.8 million) from $2.6 million (year-to-date $6.8 million) for the same period in 2009. The increase in amortization expense was primarily due to the application of the Company's amortization policy and the 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 its Ottawa production 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"). The investment of these funds earned the Company $6 thousand (year-to-date $7 thousand) in interest income during the third quarter of 2010, compared to $9 thousand (year-to-date $19 thousand) during the same period in 2009.

Interest expense for the third quarter of 2010 totaled $38 thousand (year-to-date $123 thousand), compared to $56 thousand (year-to-date $174 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 third quarter of 2010, a foreign currency translation gain of $69 thousand (year-to-date loss of $0.2 million) was recognized, compared to a gain of $0.3 million (year-to-date gain of $0.5 million) for the same period in 2009. The year-to-date 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 September 30, 2010, the Company held approximately $1.0 million in cash and amounts receivable, net of liabilities denominated in Euros.

Income Tax

Current income tax expense of $16 thousand (year-to-date expense of $45 thousand) was incurred during the third quarter of 2010, compared to $51 thousand (year-to-date $152 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 third quarter of 2010, future income tax recovery of $20 thousand (year-to-date $11 thousand), compared to $4 thousand income tax expense (year-to-date $1 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 nine months ended September 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 $2.6 million at September 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 $6.8 million in January 2010 and the collection for a NEXTMap Europe data sale for $1.1 million. These amounts represent 97 days' sales at September 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.

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 September 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 remained consistent at $5.9 million at December 31, 2009 and September 30, 2010. Accrued liabilities at September 30, 2010 included $1.2 million for costs related to the reduction in force that occurred on September 22, 2010 and $0.5 million related to the closure of the Ottawa facility. At December 31, 2009, accrued liabilities included $0.5 million in costs related to the reduction in work force that occurred in the fourth quarter of 2009.

Capital Lease Obligations and Long-term Debt

Capital lease obligations and long-term debt totaled $1.5 million at September 30, 2010, compared to $2.9 million at December 31, 2009. The decrease is the result of two outstanding term loans maturing in August of 2010 with final payments totaling $0.6 million to pay off the loans and recurring payments, partially offset by an increase to capital lease of $74 for data storage equipment.

Other Long-term Liabilities

Other long-term liabilities totaled $0.3 million at September 30, 2010, compared to $nil at December 31, 2010. In June 2010, the Company closed a 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 was recorded as other long-term liabilities, and $0.4 million was included in accrued liabilities in June of 2010.

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	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010
Revenue:								
Contract services	$ 7.5	$ 4.3	$ 3.5	$ 7.4	$ 4.9	$ 1.2	$ 1.6	$ 0.7
Multi-client data licenses	2.1	1.2	2.7	3.0	3.3	2.3	3.7	0.9
Total revenue	$ 9.6	$ 5.5	$ 6.2	$ 10.4	$ 8.2	$ 3.5	$ 5.3	$ 1.6
Depreciation and amortization	$ 3.1	$ 3.4	$ 4.2	$ 4.3	$ 4.9	$ 4.8	$ 5.1	$ 4.8
Net income (loss)	$ (3.7)	$ (7.0)	$ (6.9)	$ (4.3)	$ (7.6)	$ (11.2)	$ (10.1)	$ (11.8)
Net income (loss) per share basic and diluted	$ (0.08)	$ (0.15)	$ (0.14)	$ (0.08)	$ (0.15)	$ (0.21)	$ (0.21)	$ (0.20)

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 third quarter of 2010 totaled $4.6 million (year-to-date $7.1 million used), compared to cash used in operations of $4.6 million (year-to-date $8.6 million used) during the same period in 2009. The total cash used in operations during the third quarter of 2010 was impacted by higher operating losses as compared to the same period in 2009. The total cash used in operations stayed consistent at $4.6 million quarter over quarter due to higher net operating loss during 2010 offset by increases in non-cash working capital from the third quarter of 2009. On a year-to-date basis cash used in operations decreased $1.5 million from $8.6 million during 2009 to $7.1 million in 2010. This decrease is the result of higher net operating losses in 2010 being offset by changes in working capital, specifically a decrease in amounts receivable and unbilled revenue of $9.6 million.

Net cash generated by financing activities totaled $4.7 million during the third quarter of 2010, compared to net cash used in financing activities totaling $0.3 million during the same period in 2009. The net cash generated by financing activities during the third quarter of 2010 is primarily due to the completion of a share issuance of 8,125,000 shares for total gross consideration of $6.2 million (C$6.5 million), offset by $0.7 million of securities issuance costs and $0.8 million due to the repayment of long-term debt. The cash used in financing activities during the third quarter of 2009 was due to the repayment of long-term debt and capital leases. Net cash generated by financings activities totaled $4.1 million during the year-to-date period in 2010, compared to $7.8 million generated by financing activities during the same period in 2009. The cash generated from financing activities during the nine months ended September 30, 2009 is primarily 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 $0.7 million of securities issuance costs.

Net cash used in investing activities totaled $1.2 million (year-to-date $4.7 million) for the third quarter of 2010, compared to $3.0 million (year-to-date $10.8 million) during the same period in 2009. Cash used during the third quarter of 2010 in investing activities was primarily for investment in the MCDL of $1.0 million ($2.7 million in 2009), purchase of property and equipment of $0.2 million ($0.3 million in 2009). Cash used in investing activities during the year-to-date period in 2010 was primarily for investment in MCDL of $3.9 million ($10.7 million in 2009), purchase of property and equipment of $0.9 million ($1.1 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 third 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 September 30, 2010 (cash and cash equivalents) was $2.5 million, compared to $10.4 million at December 31, 2009. Working capital decreased to $3.1 million as of September 30, 2010 from $18.1 million as of December 31, 2009.

During the nine months ended September 30, 2010, the Company incurred a loss of $33.1 million, and had negative cash flow from operations of $7.1 million. In addition, the Company has an accumulated deficit of $111.6 million and its continuing operations are dependent on its ability to generate future profitable operations, sell excess capacity assets, or obtain additional financing to fund future operations and, ultimately, generate positive cash flows from operations.

The above factors raise significant doubt about the Company's ability to continue as a going concern. Management has taken action to address these issues including an organizational restructuring, sale of excess capacity assets, and a company-wide cost-reduction program. 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 raise additional financing. Failure to achieve one or more of these requirements could have a material adverse effect on the Company's financial condition and / or results of operations.

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. 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.

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"). 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 has determined the NEXTMap USA and NEXTMap Europe datasets represent separate asset groups for impairment testing purposes. The Company has identified addressable markets for each of its datasets and has estimated future MCDL License sales and cash flows within these addressable markets over a five-year period. The forecasts of estimated MCDL cash flows are reviewed each quarter taking into account economic and market trends, technical advances, competitive developments, and actual sales versus forecasts. An impairment of the MCDL could result in subsequent periods if such a review determines that the Company is not able to recover the carrying amount of one or both of the datasets through estimated future cash flows. No impairment adjustments have been recorded against the net book value of the MCDL to date.

Operations expenses that were capitalized for NEXTMap programs totaled $0.8 million during the third quarter of 2010 (year-to-date $3.4 million) and $2.3 million (year-to-date $9.2 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 that includes (i) vendor-specific objective evidence (VSOE), if available; (ii) third-party evidence (TPE) of selling price, if VSOE is unavailable; and (iii) 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 MCDL licenses in multi-element sales arrangements in which 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 using BESP. 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 the fourth quarter of 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 of 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 does not include 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 the Company expects to apply in its first financial statements under IFRS: (i) business combinations – the Company expects to elect to not re-state any business combinations that have occurred prior to January 1, 2010; (ii) borrowing costs – the Company expects 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 – the Company expects 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. Recognizing that the method to assess impairment is different from Canadian GAAP, the Company is currently evaluating the potential impact of adopting IFRS on the carrying value of its MCDL datasets.

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. The main assets identified for further componentization are the Company's aircraft. Based on 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. Management has identified restructuring provisions that would have to be recognized earlier under IFRS, compared to Canadian GAAP.

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: (i) currency that mainly influences sales prices; and (ii) currency that 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 currently on-going and consists 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 Company's authorized capital consists of an unlimited number of Class A common shares without par value and an unlimited number of Class A participating preferred shares without par value. At the close of business on November 10, 2010, 60,796,507 Class A common shares were issued and outstanding. There are no preferred shares currently issued and outstanding.

As of November 10, 2010, 3,441,050 stock options are outstanding in the Company's stock option plan with a weighted average exercise price of C$4.30. 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 September 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 September 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 September 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)

	September 30, 2010 (unaudited)	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 2,507	$ 10,355
Amounts receivable	2,542	12,270
Unbilled revenue	513	343
Work in process	1,926	2,057
Prepaid expenses	1,219	1,481
Assets held for sale (Note 5)	1,700	-
	10,407	26,506
Property and equipment (Note 6)	8,690	13,380
Multi-client data library (Note 7)	78,962	85,276
Intangible assets (Note 8)	594	909
Future income taxes (Note 12)	41	136
	$ 98,694	$ 126,207
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 5,949	$ 5,916
Current portion of deferred lease inducements	154	171
Deferred revenue	496	674
Income taxes payable	38	42
Current portion of obligations under capital lease (Note 9)	194	229
Current portion of long-term debt (Note 10)	502	1,383
	7,333	8,415
Deferred lease inducements	300	129
Obligations under capital lease (Note 9)	45	130
Other long-term liabilities (Note 14)	250	-
Long-term debt (Note 10)	766	1,121
Future income taxes (Note 12)	113	218
	8,807	10,013
Shareholders' equity:		
Share capital (Note 11)	187,192	181,623
Contributed surplus (Note 11(c))	8,083	6,882
Deficit	(111,582)	(78,505)
Accumulated other comprehensive income	6,194	6,194
	89,887	116,194
Going concern (Note 1)		
Commitments (Note 13)		
Subsequent event (Note 17)		
	$ 98,694	$ 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 September 30,		For the nine months ended September 30,	
	2010	2009	**2010**	2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue:				
Contract services	**$ 713**	$ 7,451	**$ 3,473**	$ 15,279
Multi-client data licenses	**845**	2,983	**6,832**	6,804
	1,558	10,434	**10,305**	22,083
Operating costs:				
Operations	**1,841**	2,838	**7,171**	6,217
Research and development	**630**	924	**2,026**	2,819
Sales, general and administrative	**6,200**	6,885	**19,086**	19,585
Depreciation of property and equipment	**1,159**	1,613	**3,551**	4,759
Amortization of multi-client data library	**3,497**	2,556	**10,771**	6,777
Amortization of intangible assets	**106**	106	**315**	315
Loss (gain) on disposal of equipment	**-**	24	**72**	(118)
	13,433	14,946	**42,992**	40,354
Loss before interest, foreign exchange and income taxes	**(11,875)**	(4,512)	**(32,687)**	(18,271)
Interest expense	**(38)**	(56)	**(123)**	(174)
Interest income	**6**	9	**7**	19
Gain (loss) on foreign currency translation	**69**	334	**(240)**	466
Loss before income taxes	**(11,838)**	(4,225)	**(33,043)**	(17,960)
Income tax expense (recovery):				
Current	**15**	51	**44**	152
Future	**(19)**	4	**(10)**	1
	(4)	55	**34**	153
Net loss and comprehensive loss	**(11,834)**	(4,280)	**(33,077)**	(18,113)
Deficit, beginning of period	**(99,748)**	(66,498)	**(78,505)**	(52,665)
Deficit, end of period	**$ (111,582)**	$ (70,778)	**$ (111,582)**	$ (70,778)
Basic and diluted loss per share	**$ (0.20)**	$ (0.08)	**$ (0.60)**	$ (0.35)
Weighted average number of Class A common shares - basic and diluted (Note 10(d))	**60,218,161**	52,432,037	**55,056,308**	51,696,995

See accompanying notes to consolidated interim financial statements.

Consolidated Statements of Cash Flows

(In thousands of United States dollars)

	For the three months ended September 30, **2010**	2009	For the nine months ended September 30, **2010**	2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Cash flows (used in) provided by:				
Operations:				
Net loss	**$ (11,834)**	$ (4,280)	**$ (33,077)**	$ (18,113)
Items not involving cash and cash equivalents:				
Depreciation of property and equipment	**1,159**	1,613	**3,551**	4,759
Amortization of multi-client data library	**3,497**	2,556	**10,771**	6,777
Amortization of intangible assets	**106**	106	**315**	315
Stock-based compensation	**284**	669	**1,328**	1,695
Loss (gain) on disposal of equipment	**-**	24	**72**	(118)
Amortization of deferred lease inducements	**(57)**	(62)	**(222)**	(178)
Future income taxes	**(20)**	4	**(10)**	1
Change in non-cash operating working capital	**2,310**	(5,186)	**10,187**	(3,732)
	(4,555)	(4,556)	**(7,085)**	(8,594)
Financing:				
Proceeds from issuance of common shares	**6,157**	-	**6,157**	9,540
Securities issuance costs	**(688)**	(3)	**(688)**	(838)
Repayment of obligations under capital lease	**18**	(70)	**(119)**	(267)
Repayment of long-term debt	**(783)**	(225)	**(1,266)**	(649)
	4,704	(298)	**4,084**	7,786
Investments:				
Purchase of property and equipment	**(186)**	(311)	**(860)**	(1,116)
Investment in multi-client data library	**(970)**	(2,743)	**(3,879)**	(10,702)
Proceeds from sale of equipment	**-**	32	**19**	1,040
	(1,156)	(3,022)	**(4,720)**	(10,778)
Effect of foreign exchange on cash	**200**	622	**(127)**	846
Decrease in cash and cash equivalents	**(807)**	(7,254)	**(7,848)**	(10,740)
Cash and cash equivalents, beginning of period	**3,314**	23,761	**10,355**	27,247
Cash and cash equivalents, end of period	**$ 2,507**	$ 16,507	**$ 2,507**	$ 16,507
Supplemental cash flow information:				
Cash paid for interest expense	**$ 33**	$ 53	**$ 117**	$ 171
Cash paid for income taxes	**$ 43**	$ 27	**$ 111**	$ 66

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)
Third Quarter ended September 30, 2010

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.

1. **Going concern:**

   These financial statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. During the nine months ended September 30, 2010, the Company incurred a loss of $33,077, and had negative cash flow from operations of $7,085. In addition, the Company has an accumulated deficit of $111,582 and its continuing operations are dependent on its ability to generate future profitable operations, sell excess capacity assets or obtain additional financing to fund future operations and, ultimately, generate positive cash flows from operations.

   The above factors raise significant doubt about the Company's ability to continue as a going concern. Management has taken action to address these issues including an organizational restructuring, sale of excess capacity assets, and a company-wide cost reduction program. The Company's ability to continue as a going concern is dependent on Management's ability to successfully generate profit from operations, sell assets, or raise additional financing. Failure to achieve one or more of these requirements could have a material adverse effect on the Company's financial condition and or results of operations.

   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. 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 in the carrying value of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used.

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 retroactively 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 (i) vendor-specific objective evidence (VSOE), if available; (ii) third-party evidence (TPE) of selling price, if VSOE is unavailable; and (iii) 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 in which 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 using BESP. 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 is on schedule 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 September 30, 2010, amounts included in the Company's consolidated financial statements related to PASCOMap LLC were cash of $28 (year ended December 31, 2009 – $19), amounts receivable of $14 (year ended December 31, 2009 – $nil), accounts payable of $3 (year ended December 31, 2009 – $56), and operating cost of $2 (year ended December 31, 2009 – $39). As of September 30, 2010, the joint venture has no material commitments or contingencies.

5. Assets held for sale:

During the third quarter of 2010, the Company committed to sell its King Air aircraft and the associated radar equipment which is no longer required following the completion of the NEXTMap Europe and NEXTMap USA datasets. The aircraft and radar have a net book value of $1,354 and $346, respectively. The aircraft and radar equipment are available for immediate sale and are classified as other current assets on the balance sheet. The assets held for sale were determined to have a fair value, less estimated costs to sell in excess of their carrying value. Therefore, they have been recorded at their carrying value at September 30, 2010.

6. Property and equipment:

September 30, 2010		Cost		Accumulated depreciation		Net book value
		(unaudited)		(unaudited)		(unaudited)
Aircraft	**$**	**10,824**	**$**	**7,177**	**$**	**3,647**
Mapping equipment and software		**18,811**		**15,969**		**2,842**
Radar equipment		**6,302**		**5,631**		**671**
Furniture and fixtures		**587**		**536**		**51**
Automobiles		**99**		**59**		**40**
Leasehold improvements		**1,468**		**1,023**		**445**
Assets held under capital leases:						
Mapping equipment and software		**1,504**		**1,267**		**237**
Assets under construction:						
Mapping equipment and software		**757**		**-**		**757**
	$	**40,352**	**$**	**31,662**	**$**	**8,690**

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 nine months ended September 30, 2010, property and equipment was acquired at an aggregate cost of $860 (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 nine months ended September 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. Additionally, 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.

7. Multi-client data library:

	September 30, 2010	December 31, 2009
	(unaudited)	
Cost:		
Balance, beginning of year	$ **115,093**	$ 100,899
Add:		
Direct costs and overhead	**3,879**	12,627
Capitalized depreciation	**578**	1,567
Balance, end of year	**119,550**	115,093
Accumulated amortization	**(40,588)**	(29,817)
	$ **78,962**	$ 85,276

8. Intangible assets:

September 30, 2010	**Cost**	**Accumulated amortization**	**Net book value**
	(unaudited)	(unaudited)	(unaudited)
Technology	$ 1,747	$ 1,254	$ 493
Customer relationships	233	167	66
Contracts	126	91	35
	$ 2,106	**$ 1,512**	**$ 594**

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

9. Obligations under capital lease:

Future minimum capital lease payments as of September 30 are:

	2010
Twelve months ended September 30:	(unaudited)
2011	$ **207**
2012	**31**
2013	**21**
Total minimum lease payments	**259**
Less amount representing interest (at rates ranging from approximately 3.3% to 17.0%)	**(20)**
Present value of minimum lease payments	**239**
Less current portion of obligations under capital lease	**(194)**
	$ **45**

In July 2010, the Company entered into a capital lease to finance the purchase of $74 of data storage. The lease bears interest at an implicit rate of 17.0% and is secured by the underlying assets.

10. Long-term debt:

	September 30, 2010 (unaudited)	December 31, 2009
Bank term loan (a)	$ **1,268**	$ 1,589
Term loans (b)	**-**	915
	1,268	2,504
Less current portion	**(502)**	(1,383)
	$ **766**	$ 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 was repayable in monthly installments of principal and interest of $21 over a term of 31 months and matured on August 9, 2010. The loan bore interest at a rate of 7.86% and was secured by a general security agreement. The loan was paid in full on August 9, 2010.

In August 2005, the Company obtained a term loan from a Canadian financing company in the amount of $1,715. The loan was repayable in monthly installments of principal and interest of $25 over a term of 60 months and matured on August 9, 2010, at which point the remaining balance of $578 was due. The loan bore interest at a rate of 6.5% and was secured by a general security agreement. The loan was paid in full on August 13, 2010.

Principal repayments of long-term debt are as follows:

Twelve months ended September 30,	(unaudited)
2011	$ 502
2012	534
2013	232
	$ 1,268

11. 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:

Class A common shares	**September 30, 2010** Number of Shares	**September 30, 2010** Amount		December 31, 2009 Number of Shares	December 31, 2009 Amount
	(unaudited)	(unaudited)			
Balance, beginning of period	**52,432,037**	**$**	**181,623**	46,188,713	$ 172,288
Stock-based compensation	**102,700**		**100**	493,324	813
Issuance of shares	**8,125,000**		**6,157**	5,750,000	9,540
Issuance costs	**-**		**(688)**	-	(1,018)
Balance, end of period	**60,659,737**	**$**	**187,192**	52,432,037	$ 181,623

On July 6, 2010, the Company issued, on a bought deal basis, 8,125,000 Class A common shares at a price of $0.80 CDN per Class A common share, representing gross proceeds to the Company of $6,157 ($6,500 CDN). In connection with the share issuance, the Company issued a compensation option to its underwriters, entitling them to purchase an aggregate of 500,000 Class A common shares, at a price of $0.80 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 $110, bringing total costs of the issuance to $688.

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:

		September 30, 2010 (unaudited)		December 31, 2009
Balance, beginning of period	$	**6,882**	$	4,590
Stock-based compensation related to stock options and warrants		**1,091**		2,115
Stock options issued to securities agent		**110**		177
Balance, end of period	$	**8,083**	$	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 incurred a loss for each period presented and to do so would be anti-dilutive.

The underlying Class A common shares pertaining to the outstanding 3,677,150 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 September 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 September 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 September 30, 2010, 6,065,974 Class A common shares were authorized under the plan, of which 75,000 warrants and 3,677,150 stock options were issued and outstanding, and 2,313,824 options remain available for 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 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 September 30, 2010:

	September 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	**(320,192)**		**5.46**	(246,669)		3.96
Forfeitures	**(289,875)**		**3.28**	-		-
Options outstanding, end of period	**3,677,150**	**$**	**4.30**	4,135,217	$	4.42
Options exercisable, end of period	**2,202,875**	**$**	**5.66**	1,953,042	$	5.61

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
(unaudited)	(unaudited)	(unaudited)	(unaudited)
1.49	310,250	4.17 years	84,000
1.60	126,000	5.34 years	10,000
1.78	25,000	4.83 years	6,250
1.84	829,400	5.17 years	38,000
2.36	110,000	5.08 years	0
2.90	22,500	4.08 years	11,250
2.98	85,000	3.92 years	85,000
4.16	185,000	3.59 years	113,750
5.75	429,750	2.42 years	330,375
5.95	60,000	2.67 years	45,000
6.04	18,750	0.58 years	18,750
6.20	20,000	2.92 years	10,000
6.30	1,435,500	1.58 years	1,435,500
6.59	20,000	2.92 years	15,000
	3,677,150	3.16 years	2,202,875

For the nine months ended September 30, 2010, 152,000 options were granted. The per share weighted-average fair value of the options granted during the nine months ended September 30, 2010, was $1.90, 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 September 30, 2010	Three months ended September 30, 2009	**Nine months ended September 30, 2010**	Nine months ended September 30, 2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Employees	**$ 174**	$ 669	**$ 1,119**	$ 1,562
Non-employees	**110**	-	**209**	133
Non-cash compensation	**$ 284**	$ 669	**$ 1,328**	$ 1,695

h. Class A common share purchase warrants:

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

	September 30, 2010	December 31, 2009
	(unaudited)	
Balance, beginning of year	**3,200,000**	75,000
Issued	**500,000**	3,150,000
Expired	**(3,125,000)**	(25,000)
Balance, end of year	**575,000**	3,200,000

Each warrant entitles its holder to one Class A common share upon payment of an exercise price ranging from $0.80 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; 500,000 on July 6, 2011; and 25,000 on May 15, 2012. The per share fair value of the warrants issued during the nine months ended September 30, 2009 was $0.23 CDN on the date of grant, determined using the Black-Sholes option pricing model with the following assumptions: expected dividend yield 0%, risk-free interest rate of 2.41%, volatility of 70.2%, and an expected life of one year.

12. 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 September 30, 2010 and December 31, 2009 are as follows:

	September 30, 2010 (unaudited)	December 31, 2009
Future tax asset:		
Tax effect of loss carryforwards	$ 38,473	$ 28,116
Tax effect of amounts deductible for tax purposes in excess of amounts deductible for accounting purposes	1,961	1,122
Tax effect of unrealized foreign exchange losses	943	943
Tax effect of scientific research expenditures	1,601	1,529
Future tax asset	42,978	31,710
Less valuation allowance	(38,875)	(27,369)
Net future tax asset	4,103	4,341
Future tax liability:		
Tax effect of amounts deductible for accounting purposes in excess of amounts deductible for tax purposes	(4,175)	(4,423)
Future tax liability	(4,175)	(4,423)
Net future tax liability	$ (72)	$ (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 September 30, 2010 approximately $115,621 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 September 30, 2010	Three months ended September 30, 2009	**Nine months ended September 30, 2010**	Nine months ended September 30, 2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Tax rate	**28.6%**	32.0%	**28.6%**	32.0%
Expected Canadian income tax (recovery) expense	**$ (3,385)**	$ (1,353)	**$ (9,450)**	$ (5,748)
Decrease resulting from:				
Change in valuation allowance	**4,235**	1,049	**11,506**	8,338
Change in Canadian statutory rate	**135**	(1)	**385**	485
Difference between Canadian statutory rate and those applicable to U.S. and other foreign subsidiaries	**(819)**	(212)	**(2,080)**	(662)
Security issuance costs	**(197)**	(1)	**(197)**	(268)
Non-deductible expenses and non-taxable income	**(27)**	78	**53**	112
Foreign exchange	**38**	(3)	**(19)**	(376)
Impact of US$ functional currency tax reporting election	**-**	-	**-**	(2,218)
Adjustment for prior years income tax matters	**(19)**	478	**(193)**	461
Other	**35**	20	**29**	29
	$ (4)	$ 55	**$ 34**	$ 153

13. Commitments:

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

2011	$ 999
2012	546
2013	545
2014	312
2015	46
	$ 2,448

14. Restructuring:

During the three months ended September 30, 2010, the Company announced an organizational restructuring. Total employee headcount was decreased by 17%, including a significant reduction at the executive level. The restructuring follows the Company's completion of the NEXTMap Europe and NEXTMap USA datasets, and supports the Company's effort to lower expenses.

In the fourth quarter of 2009, a previous restructuring occurred to reduce the capacity of data collection and production operations. This restructuring program included workforce reductions and the closure of the Ottawa, Canada facility.

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

	Workforce Reduction	Excess Facity	Total
	(unaudited)	(unaudited)	(unaudited)
Amounts incurred in 2009	$ 673	$ -	$ 673
Amounts incurred in the six months ended June 30, 2010	290	714	1,004
Amounts incurred in the three months ended September 30, 2010	1,131	48	1,179
Total	$ 2,094	$ 762	$ 2,856

At September 30, 2010, the accrued liability associated with the restructuring and other related charges consisted of the following:

	Workforce Reduction	Excess Facility	Total
	(unaudited)	(unaudited)	(unaudited)
Balance at December 31, 2009	$ 442	$ -	$ 442
Charges	1,421	762	2,183
Payments	(706)	(229)	(935)
Accrued liablity at September 30, 2010	$ 1,157	$ 533	$ 1,690

The workforce reduction accrual of $1.2 million will be paid in installments through September 2012. The excess facility accrual will be relieved by November 2013. Total restructuring related costs of $1,179 and $2,183 have been recorded in operating costs for the three and nine months ended September 30, 2010, respectively.

15. Segmented information:

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

Geographic segments of revenue are as follows:

	Contract Services 3 months ended September 30, 2010	**Data Licenses 3 months ended September 30, 2010**	Contract Services 3 months ended September 30, 2009	Data Licenses 3 months ended September 30, 2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
United States of America	**$ 480**	**$ 328**	$ 250	$ 708
Asia/Pacific	**-**	**280**	7,012	1,786
Europe	**233**	**237**	189	489
	$ 713	**$ 845**	$ 7,451	$ 2,983

	Contract Services 9 months ended September 30, 2010	**Data Licenses 9 months ended September 30, 2010**	Contract Services 9 months ended September 30, 2009	Data Licenses 9 months ended September 30, 2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
United States of America	**$ 2,505**	**$ 1,530**	$ 536	$ 1,817
Asia/Pacific	**40**	**1,738**	14,243	2,867
Europe	**928**	**3,564**	500	2,120
	$ 3,473	**$ 6,832**	$ 15,279	$ 6,804

Property and equipment of the Company are located as follows:

	September 30, 2010 (unaudited)	December 31, 2009
Canada	**$ 979**	$ 1,638
United States of America	**7,100**	10,686
Asia/Pacific	**508**	882
Europe	**103**	174
	$ 8,690	$ 13,380

The MCDL is located in the United States of America, the intangible assets are located in the Czech Republic, and the assets held for sale are located in the United States of America.

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

	Three months ended September 30, 2010 (unaudited)	Three months ended September 30, 2009 (unaudited)	Nine months ended September 30, 2010 (unaudited)	Nine months ended September 30, 2009 (unaudited)
Customer A	**$ 424**	$ -	**$ 1,691**	$ -
Customer B	**15**	11	**1,161**	430
Customer C	**-**	-	**1,752**	-
Customer D	**206**	136	**317**	766
Customer E	**-**	6,580	**692**	14,067
Customer F	**-**	1,608	**-**	1,608
	$ 645	$ 8,335	**$ 5,613**	$ 16,871

16. 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 September 30, 2010 and December 31, 2009 consist of:

	September 30, 2010 (unaudited)	December 31, 2009
Trade amounts receivable	**$ 2,346**	$ 11,982
Employee receivables	**25**	51
Other miscellaneous receivables	**171**	237
	$ 2,542	$ 12,270

Trade amounts receivable by geography consist of:

		September 30, 2010		December 31, 2009
		(unaudited)		
United States of America	$	**249**	$	8,863
Asia/Pacific		**1,667**		2,550
Europe		**430**		569
	$	**2,346**	$	11,982

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

		September 30, 2010		December 31, 2009
		(unaudited)		
Current	$	**1,895**	$	9,068
31-60 days		**64**		417
61-90 days		**38**		1,208
Over 91 days		**349**		1,289
	$	**2,346**	$	11,982

As of September 30, 2010, $712 of trade amounts receivable (year ended December 31, 2009 - $2,497) were past due, of which $261 was deemed uncollectible and was fully reserved.

17. Subsequent Event:

Subsequent to September 30, 2010, the Company announced the sale of the King Air aircraft from $3,500, which is scheduled to be received in three installments during the fourth quarter of 2010. As of September 30, 2010, the carrying value of the aircraft was included in assets held for sale.

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Stock Exchange

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