Condensed Consolidated Interim Financial Statements of

INTERMAP TECHNOLOGIES CORPORATION

First Quarter Ended March 31, 2018

NOTICE: The condensed consolidated interim financial statements and notes thereto for the three months ended March 31, 2018 have not been reviewed by the Company's external auditors.

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Intermap Technologies Reports 2018 First Quarter Financial Results

DENVER – May 14, 2018 (TSX: IMP) (ITMSF:BB) – Intermap Technologies Corporation ("Intermap" or the "Company") reported financial results for the first quarter ended March 31, 2018.

Financial Review

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

For the first quarter of 2018, Intermap reported revenue of $3.4 million, a 32% increase compared to the same period last year. The Company also reported $21 thousand of operating income for the quarter, compared to a $1.5 million loss for the same period last year.

Commercial subscription revenue increased 148% for the quarter, compared to the same period last year.

First quarter adjusted EBITDA, a non-GAAP and non-IFRS financial measure, was positive $0.4 million, compared to a $0.8 million loss for the same period last year, a $1.2 million improvement. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, and excludes non-recurring and non-cash payments. Adjusted EBITDA is not a recognized performance measure under IFRS. The most directly comparable measure to adjusted EBITDA calculated in accordance with IFRS is net loss. See Non-IFRS Measures below for a reconciliation of the Company's net loss to adjusted EBITDA for the first quarter of 2018 as compared to 2017.

The Company finished the first quarter with $5.9 million of cash, accounts receivable and unbilled revenue, compared to $6.9 at December 31, 2017. Working capital improved to $0.4 million at the end of the first quarter, compared to a deficit of $0.4 million at yearend. Accounts payable and accrued liabilities improved 40%, down to $2.4 million from $4.0 million at yearend.

For the three-month period, personnel expense, the largest component of the Company's cost structure, increased slightly to $2.0 million, compared to $1.9 million last year, representing investment in key talent required to support continuous growth.

"The Company is advancing its transition towards predictable and profitable high growth revenue. Our commercial subscription business, which includes recurring sales of software and value-added data products, primarily from the US market, increased more than 170%. We expect commercial growth to continue because our partners value Intermap's ability to make complex, multi-sourced geospatial data simple and usable. At the same time, for our government clients, we have augmented our core radar collection capability and bundled multi-sensor integration, processing and solutions, to deliver valuable answers, rather than merely data. We will be making further announcements shortly about our newest generation solution called NextMap One, a global one-meter resolution digital elevation model", commented Patrick Blott, Chairman & CEO of Intermap.

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

Non-IFRS Measures

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

(UNAUDITED)	Three months ended March 31,			
U.S. $ millions		**2018**		2017
Net income loss	**$**	**(0.6)**	$	(1.9)
Financing costs		**0.6**		0.7
Income tax recovery		**-**		(0.2)
Depreciation of property and equipment		**0.3**		0.2
EBITDA	**$**	**0.3**	$	(1.2)
Non-recurring payments		**-**		0.5
Change in value of derivative instruments		**-**		(0.1)
Share-based compensation		**0.1**		-
Adjusted EBITDA	**$**	**0.4**	$	(0.8)

About Intermap Technologies

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

Intermap Reader Advisory

Certain information provided in this news release, including statements in relation to the Company's profitability and revenue generating activities, constitute forward-looking statements. The words "anticipate", "expect", "project", "estimate", "forecast", "will be" 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 forwardlooking

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 March 31, 2018

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

This management's discussion and analysis (MD&A) is provided as of May 9, 2018 and should be read together with the Company's unaudited Condensed Consolidated Interim Financial Statements and the accompanying notes as at and for the three months ended March 31, 2018 and the audited Consolidated Financial Statements as at and for the years ended December 31, 2017 and 2016, together with the accompanying notes. The results reported herein have been prepared in accordance with International Financial Reporting Standards (IFRS) and, unless otherwise noted, are expressed in United States dollars.

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

FORWARD-LOOKING STATEMENTS

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

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

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

BUSINESS OVERVIEW

Intermap is a global geospatial information company, creating a wide variety of geospatial solutions and analytics for its customers. Intermap is a premier worldwide provider of geospatial data solutions.

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

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

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

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

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

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

FINANCIAL INFORMATION

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

Selected Annual Information

Revenue:				
Acquisition services	**$**	**1.9**	$	1.8
Value-added data		**0.9**		0.5
Software and solutions		**0.6**		0.3
Total revenue	**$**	**3.4**	$	2.6
Operating loss	**$**	**-**	$	(1.5)
Change in fair value of derivative instruments	**$**	**-**	$	0.1
Financing costs	**$**	**(0.6)**	$	(0.7)
Net loss	**$**	**(0.6)**	$	(1.9)
EPS basic and diluted (1)	**$**	**(0.04)**	$	(0.13)
Adjusted EBITDA	**$**	**0.4**	$	(0.8)
Assets:				
Cash, amounts receivable, unbilled revenue	**$**	**5.9**	$	6.3
Total assets	**$**	**10.6**	$	8.9
Liabilities:				
Long-term liabilities (including finance lease obligations)	**$**	**27.4**	$	25.0
Total liabilities	**$**	**33.3**	$	32.1

(1) Amounts have been adjusted following the rights offering and share consolidation that occurred during 2017.

Revenue

Consolidated revenue for the quarter ended March 31, 2018 totaled $3.4 million, compared to $2.6 million for the same period in 2017, representing an 32% increase. Approximately 31% of consolidated revenue was generated outside the United States, compared to 63% for the same period in 2017.

Acquisition services revenue for the quarter ended March 31, 2018 totaled $1.9 million, compared to $1.8 million for the same period in 2017. The difference is due the timing of delivery of the underlying services.

Value-added data revenue for the quarter ended March 31, 2018 was $0.9 million, an increase from the same period in 2017 which totaled $0.5 million. The increase primarily resulted from recurring service contracts that reflect growing global demand for our advanced data processing.

Software and solutions revenue increased for the quarter ended March 31, 2018 to $0.6 million from $0.3 million for the same period in 2017. The growth is consistent with management expectations for adding subscriptions and achieving positive renewal rates from existing customers.

Classification of Operating Costs

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

U.S. $ millions	For the three months ended March 31, 2018		2017	
Personnel	$	**2.1**	$	1.9
Purchased services & materials		**0.5**		0.9
Facilities and other expenses		**0.4**		1.0
Travel		**0.1**		0.1
	$	**3.1**	$	3.9

Personnel

Personnel expense includes direct labor, employee compensation, employee benefits, and commissions. Personnel expense for the quarters ended March 31, 2018 and 2017, totaled $2.1 million and $1.9 million, respectively. The 9% increase in personnel expense is primarily due to an increase in headcount year-over-year.

Non-cash compensation expense is included in operating costs and relates to the Company's long-term incentive plan, share options, and shares granted to employees and non-employees. Non-cash share-based compensation for the quarters ended March 31, 2018 and 2017, increased slightly from $10 thousand to $53 thousand.

Purchased Services and Materials

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

For the quarters ended March 31, 2018 and 2017, PS&M expense was $0.5 million and $0.9 million, respectively. The decrease was partially due to the reversal of some excess vendor payables and accruals recorded in prior years.

Facilities and Other Expenses
For the quarters ended March 31, 2018 and 2017, facilities and other expenses were $0.4 million and $1.0 million, respectively. The decrease was due to non-recurring payments during the first quarter of 2017 associated with the 2017 restructuring efforts.

Travel
For the quarters ended March 31, 2018 and 2017, travel expense remained unchanged at $0.1 million for both periods.

Adjusted EBITDA

Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) is not a recognized performance measure under IFRS. The term EBITDA consists of net income (loss) and excludes interest (financing costs), taxes, and depreciation. Adjusted EBITDA also excludes share-based compensation, change in fair value of derivative instruments, restructuring costs and related non-recurring payments supporting the corporate restructuring, and gain or loss on foreign currency translation. Adjusted EBITDA is included as a supplemental disclosure because Management believes that such measurement provides a better assessment of the Company's operations on a continuing basis by eliminating certain non-cash charges and charges or gains that are nonrecurring. The most directly comparable measure to Adjusted EBITDA calculated in accordance with IFRS is net income (loss). The following is a reconciliation of the Company's net loss to Adjusted EBITDA.

U.S. $ millions	Three months ended March 31, 2018	Three months ended March 31, 2017
Net loss	**$ (0.6)**	$ (1.9)
Financing costs	**0.6**	0.7
Income tax recovery	**-**	(0.2)
Depreciation of property and equipment	**0.3**	0.2
EBITDA	**$ 0.3**	$ (1.2)
Non-recurring payments	**-**	0.5
Change in value of derivative instruments	**-**	(0.1)
Share-based compensation	**0.1**	-
Adjusted EBITDA	**$ 0.4**	$ (0.8)

Adjusted EBITDA for the quarter ended March 31, 2018 was positive $0.4 million, compared to negative $0.8 million for the same period in 2017. The improvement in adjusted EBITDA is primarily attributable to an increase in revenue and decrease in operating costs.

Financing Costs
Financing costs for the quarter ended March 31, 2018 totaled $0.6 million, compared to $0.7 million for the same period in 2017. The increase in year-over-year financing costs is attributable to the normal accretion of

the notes payable interest.

Depreciation of Property and Equipment

Depreciation expense for the quarters ended March 31, 2018 and 2017 was $0.3 million and $0.2 million, respectively. The increase was due to placing the upgraded radar system into service during the third quarter of 2017.

Derivative Instruments

The Company has issued non-broker warrants that are considered to be derivative liabilities as the warrants are exercisable in a currency (Canadian dollar) other than the Company's functional currency (United States dollar). Accordingly, the warrants are measured at fair value at each reporting date, with changes in fair value included in the consolidated statement of profit and loss and other comprehensive income for the applicable reporting period. During the quarters ended March 31, 2018 and 2017, the change in the fair value of derivative instruments was $Nil and a gain of $0.1 million, respectively. See Selected Quarterly Information for the change recognized each reporting period.

Gain (Loss) on Foreign Currency Translation

The Company continuously monitors the level of foreign currency assets and liabilities carried on its consolidated balance sheet in an effort to minimize as much of the foreign currency translation exposure as possible. The difference between any amounts incurred in one currency and settled in a different currency is recognized as a gain or loss in the period it is settled.

During the quarter ended March 31, 2018, a foreign currency translation loss of $21 thousand was recorded, compared to a loss of $41 thousand for the same period in 2017.

Amounts Receivable and Unbilled Revenue

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

Amounts receivable and unbilled revenue increased from $0.6 million at December 31, 2017, to $2.9 million at March 31, 2018. Trade amounts receivable due in the current period represent 99% for both the quarter ended March 31, 2018 and the year ended December 31, 2017. Trade amounts receivable aged greater than 90 days relate to historically slow paying, but reliable customers. The Company reviews the amounts receivable aging monthly and monitors the payment status of each invoice. The Company also communicates with slow paying or delinquent customers on a regular basis regarding the schedule of future payments. At the balance sheet date, $Nil has been reserved as uncollectible as all amounts receivable balances greater than 90 days are considered to be collectible.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities generally include trade payables, project-related accruals and personnel-related costs. Accounts payable and accrued liabilities decreased to $2.4 million at March 31, 2018, from

$4.0 million at December 31, 2017.

U.S. $ millions		March 31 2018		December 31, 2017
Accounts payable	$	1.6	$	1.9
Accrued liablities		0.8		2.1
	$	2.4	$	4.0

The accounts payable balance decreased from $1.9 million at December 31, 2017 to $1.6 million at March 31, 2018 due to the timing of trade payables and the reversal of a vendor payable recorded in prior periods. The accrued liabilities balance decreased from $2.1 million at December 31, 2017 to $0.8 million at March 31, 2018. The decrease is due to unbilled costs associated with the radar system upgrade at December 31, 2017 being paid during the first quarter of 2018 and the reversal of a project accrual recorded in a prior period.

Notes Payable

The increase in the notes payable balance from December 31, 2017 of $26.5 million to $27.1 million at March 31, 2018 is purely due to the accretion of the interest on the two notes outstanding.

The notes payable balance of $26.5 million at December 31, 2017 reflects the debt restructuring that occurred during the fourth quarter of 2016 and the first quarter of 2017 as follows:

- During the fourth quarter of 2016, the Company restructured the outstanding notes (July 8, 2016 note for $2.0 million and September 15, 2016 note for $25.8 million), which resulted in the extension of the maturity date to September 1, 2020 and the elimination of the interest. The restructuring also included the elimination of a 17.5% royalty agreement. The fair value of the notes at December 31, 2017 reflected in the balance sheet is $24.0 million, and is subject to prepayment provisions if the Company builds excess cash; if the Company's aggregate cash and cash equivalents balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be applied to reduce debt against the outstanding notes payable.

- During the first quarter of 2017, $2.9 million of proceeds from a Rights Offering was used to partially repay a $6.0 million Bridge Loan, received on December 14, 2016. The balance of the Bridge Loan was converted into a non-interest bearing note payable due September 1, 2020. The fair value of the note payable at December 31, 2017 was $2.5 million, following the recognition of a $0.7 million gain on the modification of the Bridge Loan, which was credited to contributed surplus. Additionally, the note is subject to the same prepayment provisions as the Company's other debt, should the Company build excess cash; if the Company's aggregate cash and cash equivalents balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be pre-paid against the outstanding notes payable. (See Note 7(a) to the Condensed Consolidated Interim Financial Statements for further discussion of the terms of the notes and Rights Offering).

Project Financing

The project financing balance at March 31, 2018 was $1.5 million, the same as December 31, 2017.

Unearned Revenue and Deposits

The unearned revenue balance at March 31, 2018 increased to $2.1 million from $1.6 million at December 31, 2017. This balance consists of payments received from customers for contracts that are in progress and have not yet fulfilled the necessary revenue recognition criteria.

QUARTERLY FINANCIAL INFORMATION

Selected Quarterly Information

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

U.S. $ millions, except per share data	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	**Q1 2018**
Total revenue	$ 0.9	$ 3.3	$ 1.4	$ 2.6	$ 4.5	$ 6.3	$ 5.9	**$ 3.4**
Depreciation	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 0.1	$ 0.3	$ 0.3	**$ 0.3**
Financing costs	$ 1.0	$ 1.4	$ 1.1	$ 0.7	$ 0.6	$ 0.6	$ 0.6	**$ 0.6**
Change in fair value of derivative intruments	$ (0.7)	$ (0.6)	$ (0.5)	$ (0.1)	$ -	$ -	$ -	**$ -**
Operating income (loss)	$ (3.5)	$ (1.0)	$ (2.3)	$ (1.5)	$ (0.2)	$ 1.8	$ 1.2	**$ -**
Net income (loss)	$ (3.8)	$ (2.0)	$ (0.2)	$ (1.9)	$ (0.9)	$ 1.1	$ 0.5	**$ (0.6)**
Net income (loss) per share - basic and diluted [(1)]	$ (0.33)	$ (0.17)	$ (0.02)	$ (0.13)	$ (0.06)	$ 0.07	$ 0.04	**$ (0.04)**
Adjusted EBITDA	$ (3.3)	$ (0.8)	$ (0.8)	$ (0.8)	$ 0.3	$ 2.1	$ 1.9	**$ 0.4**

(1) Amounts have been adjusted following the rights offering and share consolidation that occurred during 2017.

LIQUIDITY AND CAPITAL RESOURCES

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

During the quarter ended March 31, 2018, the Company generated operating income of $21 thousand, incurred positive adjusted EBITDA of $0.4, and had negative cash flow from operations of $3.1 million. Revenue for the quarter ended March 31, 2018 was $3.4 million, which represents a $0.8 million increase in revenue from the same period in 2017. At March 31, 2018, the Company has a shareholders' deficiency of $22.6 million that was generated by prior years' accumulated losses.

Cash used in operations during the quarter ended March 31, 2018 totaled $3.1 million, compared to cash provided by operations of $0.1 million during the same period in 2017. The year-over-year increase in cash used of $3.0 million is due primarily to the decrease in accounts payable and accrued liabilities and increase in amounts receivable.

Net cash used in investing activities totaled $0.3 million for the quarter ended March 31, 2018, compared to $0.9 million during the same period in 2017. Net cash used in investing activities for both periods related to the purchase of computer related equipment and radar system upgrades.

Net cash used in financing activities totaled $3 thousand for the quarter ended March 31, 2018 compared to $189 thousand during the same period in 2017. The net cash used during the quarter ended March 31, 2018 resulted from the repayment of finance leases of $3 thousand. The net cash used during the quarter ended March 31, 2017 resulted from $164 thousand of issuance costs and the repayment of finance leases of $25 thousand.

The Company is dependent upon its cash flow from operations to fund its business as it currently has no line of credit or credit facility in place, and access to equity capital markets is severely constrained. The cash position of the Company at March 31, 2018 was $2.9 million, compared to $6.4 million at December 31, 2017. Working capital improved slightly to positive $0.4 million at March 31, 2018 from positive $0.3 million as of December 31, 2017.

The Company expends cash when it mobilizes the aircraft for acquisition services contracts, which reverses when billing milestones are reached and cash is received. The Company is pursuing strategies to increase its available capital resources to bridge the timing between mobilization and cash collections.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Revenue Recognition
Revenue is recognized when a customer obtains control of the good or services. Determining the timing of the transfer of control, at a point in time or overtime, requires judgement.

Data Licenses
Revenue from the sale of data licenses in the ordinary course of business is measured at the fair value of the consideration received or receivable. Customers obtain control of data products upon receipt of a physical hard drive or download of the data from a web link provided. Invoices are generated and revenue is recognized at that point in time. Invoices are generally paid within 30 days.

Software Subscriptions
Software subscriptions are generally one year or less, with invoices issued and paid at the beginning of the license term. Revenue is recognized overtime, and payments for future months of service are recognized in unearned revenue. While the license agreements are for a fixed term, some agreements also contain a limited number of clicks or uses. If the limit is reached prior to the end of the term, the license ends early.

Acquisition Service Contracts
Revenue from acquisition service contracts is recognized overtime based on the ratio of costs incurred to estimated final contract costs. The use of this method of measuring progress towards complete satisfaction of the performance obligations requires estimates to determine the cost to complete each contract. These estimates are reviewed monthly and adjusted as necessary. Provisions for estimated losses, if any, are recognized in the

period in which the loss is determined. Contract losses are measured in the amount by which the estimated costs of the related project exceed the estimated total revenue for the project. Invoices are issued according to contractual terms and are usually payable within 30 days. Uninvoiced amounts are presented as unbilled revenue.

Data Library (NEXTMap)

The Company maintains a data library, which is the result of the acquisition and processing of digital map data. Ownership rights to this data are typically retained by the Company and the data is licensed to customers. Although the carrying value of the data library at December 31, 2017 is $Nil, management believes the asset generates significant value to the Company and the solutions it provides. In accordance with IFRS, the Company will review each reporting period for indications that an adjustment to the carrying value may be necessary.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Company adopted the following new accounting standards and amendments which are effective for the Company's interim and annual consolidated financial statements commencing January 1, 2018.

IFRS 9, Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, bringing together the classification and measurement, impairment and hedge accounting phases of the project to replace IAS 39, Financial Instruments: Recognition and Measurement. This standard simplifies the classification of a financial asset as either at amortized cost or at fair value as opposed to the multiple classifications which were permitted under IAS 39. This standard also requires the use of a single impairment method as opposed to the multiple methods in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The standard also adds guidance on the classification and measurement of financial liabilities. The adoption of this standard has not had a material impact on the condensed consolidated interim financial statements.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument is assessed for classification.

The following table summarizes the classification and measurement changes for each class of the Company's financial assets and financial liabilities upon adoption at January 1, 2018:

	IAS 39		IFRS 9	
Financial instrument	Category	Measurement	Category	Measurement
Cash	Loans and receivables	Amortized cost	Assets at amortized cost	Amortized cost
Amounts receivable	Loans and receivables	Amortized cost	Assets at amortized cost	Amortized cost
Unbilled revenue	Loans and receivables	Amortized cost	Assets at amortized cost	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost	Financial liabilities at amortized cost	Amortized cost
Obligations under finance leases	Other liabilities	Amortized cost	Financial liabilities at amortized cost	Amortized cost
Notes payable	Other liabilities	Amortized cost	Financial liabilities at amortized cost	Amortized cost
Other long-term liabilities	Other liabilities	Amortized cost	Financial liabilities at amortized cost	Amortized cost

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39. The financial assets at amortized cost consist of cash and amounts receivable.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company has elected to measure loss allowances for amounts receivable as an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and then estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on historical experience and forward-looking information.

The Company considers a financial asset to be in default when the customer is highly unlikely to pay its obligation in full.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 provides a single, principles-based five-step model for revenue recognition to be applied to all customer contracts, and requires enhanced disclosures. The standard also provides guidance relating to recognition of customer acquisition costs.

The Company has adopted this standard on the required effective date of January 1, 2018, using the modified retrospective approach. The Company is providing expanded disclosures related to the nature, amount and timing of the revenue (see Notes 8 and 13). In addition, the Company has elected to make use of the following practical expedients:

- IFRS 15 is only applied to revenue contracts that are not completed as the date of applying the standard of January 1, 2018; and
- The Company will expense sales commission costs when incurred if the amortization period is less than 12 months.

Under IFRS 15, revenue is recognized when a customer obtains control of the good or services. Determining the timing of the transfer of control, at a point in time or overtime, requires judgement. IFRS 15 did not have a significant impact on the Company's accounting policies. See Critical Policies and Estimates for the revenue recognition policy.

FUTURE ACCOUNTING STANDARDS AND INTERPRETATIONS

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

IFRS 16, Leases

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

OUTSTANDING SHARE DATA

The Company's authorized capital consists of an unlimited number of Class A common shares without par value and an unlimited number of Class A participating preferred shares without par value. At the close of business on May 9, 2018, 16,396,289 Class A common shares were issued and outstanding. There are no preferred shares currently issued and outstanding.

As of May 9, 2018, potential dilutive securities include (i) 1,389,954 outstanding share options with a weighted average exercise price of C$1.08, and (ii) 546,456 warrants outstanding with a weighted average exercise price of USD$0.70. Each option and warrant entitles the holder to purchase one Class A common share. Directors of the Company purchased an aggregate of 458,908 warrants from an arm's length holder of such warrants in January 2017. The warrants were subject to adjustment and resulted in 546,456 warrants currently being held by current Directors of the Company following the Rights Offering that was completed on March 30, 2017 and the expiration date of these warrants was extended to September 1, 2020.

INTERNAL CONTROLS AND DISCLOSURE CONTROLS AND PROCEDURES

Internal Control over Financial Reporting

The Company's Chairman and Chief Executive Officer and the Company's Chief Financial Officer have designed, or have caused to be designed under their supervision, internal control over financial reporting as defined under National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Changes in Internal Control over Financial Reporting

There have been no change in the Company's internal control over financial reporting that occurred during the period beginning on January 1, 2018 and ended on March 31, 2018 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure Controls and Procedures

The Company's Chairman and Chief Executive Officer and the Company's Chief Financial Officer have designed, or have caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that material information relating to the Company has been made known to them and that information required to be disclosed in the Company's annual filings, interim filings or other reports filed by it or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified by applicable securities legislation.

RISKS AND UNCERTAINTIES

Additional risks and uncertainties relating to the business and affairs of the Company are described in the Company's 2017 Annual Report and the Annual Information Form.

Additional Information

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

Condensed Consolidated Interim Balance Sheets

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

		March 31 2018		December 31, 2017
Assets				
Current assets:				
Cash	$	**2,912**	$	6,363
Amounts receivable		**1,783**		521
Unbilled revenue		**1,160**		65
Prepaid expenses		**334**		359
		6,189		7,308
Property and equipment (Note 5)		**4,456**		4,460
	$	**10,645**	$	11,768
Liabilities and Shareholders' Deficiency				
Current liabilities:				
Accounts payable and accrued liabilities (Note 6)	$	**2,404**	$	4,011
Current portion of project financing (Note 7(b))		**1,329**		1,303
Current portion of deferred lease inducements		**30**		30
Unearned revenue		**2,060**		1,604
Income taxes payable		**1**		2
Obligations under finance leases		**10**		10
		5,834		6,960
Long-term notes payable (Note 7(a))		**27,115**		26,496
Long-term project financing (Note 7(b))		**187**		191
Deferred lease inducements		**105**		120
Obligations under finance leases		**12**		14
		33,253		33,781
Shareholders' deficiency:				
Share capital (Note 10(a))		**199,634**		199,634
Accumulated other comprehensive income		**(143)**		(143)
Contributed surplus (Note 10(b))		**25,295**		25,242
Deficit		**(247,394)**		(246,746)
		(22,608)		(22,013)
Commitments (Note 12)				
Subsequent event (Note 16)				
	$	**10,645**	$	11,768

See accompanying notes to condensed consolidated interim financial statements.

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

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

(Unaudited/Not Reviewed)

For the three months ended March 31,		**2018**		2017
Revenue (Note 8)	**$**	**3,399**	$	2,578
Expenses:				
Operating costs (Note 9(a))		**3,061**		3,878
Depreciation of property and equipment		**317**		172
		3,378		4,050
Operating income (loss)		**21**		(1,472)
Financing costs (Note 9(b))		**(646)**		(682)
Loss on foreign currency translation		**(21)**		(41)
Change in fair value of derivative instruments		**-**		75
Loss before income taxes		**(646)**		(2,120)
Income tax expense:				
Current		**(2)**		(1)
Deferred		**-**		200
		(2)		199
Net loss for the period	**$**	**(648)**	$	(1,921)
Other comprehensive income:				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		**-**		10
Comprehensive loss for the period	**$**	**(648)**	$	(1,911)
Basic and diluted loss per share	**$**	**(0.04)**	$	(0.13)
Weighted average number of Class A common shares - basic and diluted (Note 10(c))		**16,396,289**		15,025,928

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency

(In thousands of United States dollars)

(Unaudited/Not Reviewed)

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
Balance at December 31, 2016	$ 196,686	$ 24,497	$ (146)	$ (245,591)	$ (24,554)
Comprehensive income (loss) for the period	-	-	10	(1,921)	(1,911)
Rights offering (Note 10(a))	2,890	-	-	-	2,890
Issuance costs (Note 10(a))	(164)	-	-	-	(164)
Gain on modification of debt (Note 7(a))	-	746	-	-	746
Deferred tax effect of notes payable	-	(200)	-	-	(200)
Share-based compensation	-	21	-	-	21
Balance at March 31, 2017	$ 199,412	$ 25,064	$ (136)	$ (247,512)	$ (23,172)
Comprehensive (loss) income for the period	-	-	(7)	766	759
LTIP issuance	162	(115)	-	-	47
Share-based compensation	60	293	-	-	353
Balance at December 31, 2017	$ 199,634	$ 25,242	$ (143)	$ (246,746)	$ (22,013)
Comprehensive loss for the period	-	-	-	(648)	(648)
Share-based compensation	-	53	-	-	53
Balance at March 31, 2018	$ 199,634	$ 25,295	$ (143)	$ (247,394)	$ (22,608)

See accompanying notes to condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

(In thousands of United States dollars)

(Unaudited/Not Reviewed)

For the three months ended March 31,	**2018**	2017
Operating activities:		
Net loss for the period	**$ (648)**	$ (1,921)
Adjusted for the following non-cash items:		
Depreciation of property and equipment	**317**	172
Share-based compensation expense	**53**	10
Amortization of deferred lease inducements	**(11)**	(10)
Deferred taxes	**-**	(200)
Change in fair value of derivative instruments	**-**	(75)
Financing costs	**646**	682
Current income tax expense	**2**	1
Interest paid	**-**	(4)
Income tax paid	**(3)**	(4)
Changes in working capital:		
Amounts receivable	**(1,260)**	(14)
Other assets	**(1,070)**	(157)
Accounts payable and accrued liabilities	**(1,621)**	(64)
Unearned revenue	**456**	1,689
Gain on foreign currency translation	**15**	2
Cash flows (used in) provided by operating activities	**(3,124)**	107
Investing activities:		
Purchase of property and equipment	**(313)**	(937)
Cash flows used in investing activities	**(313)**	(937)
Financing activities:		
Proceeds from issuance of common shares	**-**	2,890
Repayment of notes payable	**-**	(2,890)
Share issuance costs	**-**	(164)
Repayment of obligations under finance lease	**(3)**	(25)
Cash flows used in financing activities	**(3)**	(189)
Effect of foreign exchange on cash	**(11)**	-
Decrease in cash	**(3,451)**	(1,019)
Cash, beginning of period	**6,363**	6,527
Cash, end of period	**$ 2,912**	$ 5,508

See accompanying notes to condensed consolidated interim financial statements.

1. Reporting entity:

Intermap Technologies ® Corporation (the Company) is incorporated under the laws of Alberta, Canada. The head office of Intermap is located at 8310 South Valley Highway, Suite 400, Englewood, Colorado, USA 80112. Its registered office is located at 400, 3rd Avenue SW, Suite 3700, Calgary, Alberta, Canada T2P 4H2.

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

2. Basis of preparation:

(a) Statement of compliance:

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

The notes presented in these unaudited condensed consolidated interim financial statements include in general only significant changes and transactions occurring since the Company's last year-end, and are not fully inclusive of all disclosures required by IFRS for annual financial statements. These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual audited consolidated financial statements, including the notes thereto, for the year ended December 31, 2017 (the "2017 Annual Consolidated Financial Statements"). These statements include the application of IFRS 9, Financial Instruments (IFRS 9) and IFRS 15, Revenue from Contracts and Customers (IFRS 15). Changes to significant accounting policies are described in Note 3.

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and effective as of May 9, 2018, the date the Board of Directors approved the condensed consolidated interim financial statements.

(b) Measurement basis:

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

(c) Use of estimates:

Preparing consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 15 and IFRS 9, which are described in Note 3.

3. Changes in significant accounting policies:

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods that were used to prepare the Company's 2017 Annual Consolidated Financial Statements, except as described below.

The Company adopted the following new accounting standards and amendments which are effective for the Company's condensed consolidated interim financial statements commencing January 1, 2018. The changes in accounting policies will also be reflected in the Company's consolidated financial statements as at and for the year ended December 31, 2018.

(a) IFRS 9, Financial Instruments:

In July 2014, the IASB issued the final version of IFRS 9, bringing together the classification and measurement, impairment and hedge accounting phases of the project to replace IAS 39, Financial Instruments: Recognition and Measurement. This standard simplifies the classification of a financial asset as either at amortized cost or at fair value as opposed to the multiple classifications which were permitted under IAS 39. This standard also requires the use of a single impairment method as opposed to the multiple methods in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The standard also adds guidance on the classification and measurement of financial liabilities. The adoption of this standard has not had a material impact on the condensed consolidated interim financial statements.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument is assessed for classification.

i. Classification and measurement of financial assets and liabilities:

The following table summarizes the classification and measurement changes for each class of the Company's financial assets and financial liabilities upon adoption at January 1, 2018:

	IAS 39		IFRS 9	
Financial instrument	**Category**	**Measurement**	**Category**	**Measurement**
Cash	Loans and receivables	Amortized cost	Assets at amortized cost	Amortized cost
Amounts receivable	Loans and receivables	Amortized cost	Assets at amortized cost	Amortized cost
Unbilled revenue	Loans and receivables	Amortized cost	Assets at amortized cost	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost	Financial liabilities at amortized cost	Amortized cost
Obligations under finance leases	Other liabilities	Amortized cost	Financial liabilities at amortized cost	Amortized cost
Notes payable	Other liabilities	Amortized cost	Financial liabilities at amortized cost	Amortized cost
Other long-term liabilities	Other liabilities	Amortized cost	Financial liabilities at amortized cost	Amortized cost

ii. Impairment of financial assets:

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39. The financial assets at amortized cost consist of cash and amounts receivable.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company has elected to measure loss allowances for amounts receivable as an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and then estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on historical experience and forward-looking information.

The Company considers a financial asset to be in default when the customer is highly unlikely to pay its obligation in full.

(b) IFRS 15, Revenue from Contracts with Customers:

IFRS 15 provides a single, principles-based five-step model for revenue recognition to be applied to all customer contracts, and requires enhanced disclosures. The standard also provides guidance relating to recognition of customer acquisition costs.

The Company has adopted this standard on the required effective date of January 1, 2018, using the modified retrospective approach. The Company is providing expanded disclosures related to the nature, amount and timing of the revenue (see Notes 8 and 13). In addition, the Company has elected to make use of the following practical expedients:

- IFRS 15 is only applied to revenue contracts that are not completed as the date of applying the standard of January 1, 2018; and
- The Company will expense sales commission costs when incurred if the amortization period is less than 12 months.

Under IFRS 15, revenue is recognized when a customer obtains control of the good or services. Determining the timing of the transfer of control, at a point in time or overtime, requires judgement. IFRS 15 did not have a significant impact on the Company's accounting policies.

i. Data Licenses:

Revenue from the sale of data licenses in the ordinary course of business is measured at the fair value of the consideration received or receivable. Customers obtain control of data products upon receipt of a physical hard drive or download of the data from a web link provided. Invoices are generated and revenue is recognized at that point in time. Invoices are generally paid within 30 days.

ii. Software subscriptions:

Software subscriptions are generally one year or less, with invoices issued and paid at the beginning of the license term. Revenue is recognized overtime, and payments for future months of service are recognized in unearned revenue.

While the license agreements are for a fixed term, some agreements also contain a limited number of clicks or uses. If the limit is reached prior to the end of the term, the license ends early.

iii. Acquisition service contracts:

Revenue from acquisition service contracts is recognized overtime based on the ratio of costs incurred to estimated final contract costs. The use of this method of measuring progress towards complete satisfaction of the performance obligations requires estimates to determine the cost to complete each contract. These estimates are reviewed monthly and adjusted as necessary. Provisions for estimated losses, if any, are recognized in the period in which the loss is determined. Contract losses are measured in the amount by which the estimated costs of the related project exceed the estimated total revenue for the project. Invoices are issued according to contractual terms and are usually payable within 30 days. Uninvoiced amounts are presented as unbilled revenue.

4. Future IFRS accounting pronouncements:

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

(a) IFRS 16, Leases

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

5. Property and equipment:

Property and equipment	Aircraft and engines		Radar and mapping equipment		Furniture and fixtures		Leasehold improvements		Under construction		Total
Balance at December 31, 2017	$	468	$	3,549	$	8	$	29	$	406	$ 4,460
Additions		-		33		9		10		261	313
Depreciation		(86)		(226)		(1)		(4)		-	(317)
Balance at March 31, 2018	$	382	$	3,356	$	16	$	35	$	667	$ 4,456

Property and equipment	Aircraft and engines	Radar and mapping equipment		Furniture and fixtures		Leasehold improvements		Under construction		Total
Cost	$ 10,951	$	31,132	$	379	$	959	$	406	$ 43,827
Accumulated depreciation	(10,483)		(27,583)		(371)		(930)		-	(39,367)
Balance at December 31, 2017	$ 468	$	3,549	$	8	$	29	$	406	$ 4,460
Cost	$ 10,951	$	31,165	$	388	$	969	$	667	$ 44,140
Accumulated depreciation	(10,569)		(27,809)		(372)		(934)		-	(39,684)
Balance at March 31, 2018	$ 382	$	3,356	$	16	$	35	$	667	$ 4,456

6. Accounts payable and accrued liabilities:

		March 31, 2018		December 31, 2017
Accounts payable	**$**	**1,613**	$	1,910
Accrued liablities		**753**		2,043
Other taxes payable		**38**		58
	$	**2,404**	$	4,011

During the three months ended March 31, 2018, the Company reversed excess vendor payables of $165 and accrued liabilities of $223 recorded in prior years.

7. Financial liabilities:

The following table details the financial liabilities activity and balances at March 31, 2018:

	Notes Payable	Liabilities Project Financing	Finance Leases	Total
Balance at December 31, 2017	$ 26,496	$ 1,494	$ 24	$ 28,014
Changes from financing activities:				
Repayment of obligations under finance lease	-	-	(3)	(3)
Total changes from financing activities	-	-	(3)	(3)
Foreign exchange	-	(4)	-	(4)
Other changes:				
Financing costs	619	26	1	646
Balance at March 31, 2018	$ 27,115	$ 1,516	$ 22	$ 28,653

(a) Notes payable:

The following table details the liability and equity components of each note payable balance at March 31, 2018:

Closing Date of Note	March 30, 2017	December 14, 2016	December 14, 2016	Total
Proceeds from issuance of notes	$ -	$ 6,000	$ -	$ 6,000
Repayment	-	(2,890)	-	(2,890)
Note modification - 2016	-	-	27,800	27,800
Conversion to long-term note payable	3,110	(3,110)	-	-
Issuance of December 2016 note	-	-	3,000	3,000
Transaction costs	-	-	(168)	(168)
Discount on the note	(746)	(158)	(8,880)	(9,784)
Effective interest on note discount	198	158	2,801	3,157
Long-term portion of notes payable	$ 2,562	$ -	$ 24,553	$ 27,115

The following table details the liability and equity components of each note payable balance at December 31, 2017:

Closing Date of Note	March 30, 2017	December 14, 2016	December 14, 2016	Total
Proceeds from issuance of notes	$ -	$ 6,000	$ -	$ 6,000
Repayment	-	(2,890)	-	(2,890)
Note modification - 2016	-	-	27,800	27,800
Conversion to long-term note payable	3,110	(3,110)	-	-
Issuance of December 2016 note	-	-	3,000	3,000
Transaction costs	-	-	(168)	(168)
Discount on the note	(746)	(158)	(8,880)	(9,784)
Effective interest on note discount	147	158	2,233	2,538
Long-term portion of notes payable	$ 2,511	$ -	$ 23,985	$ 26,496

i. December 14, 2016 note payable:

On December 14, 2016, the Company received $6,000 as a bridge loan from Vertex. The loan is payable on the earlier of March 31, 2017 or the completion of the Rights Offering, which closed on March 30, 2017 (see Note 10(a)). All the proceeds of the Rights Offering were to be used to pay down this note payable, and any amounts which remain outstanding after the Rights Offering will be converted into a term loan due September 1, 2020.

The note is non-interest bearing, and therefore the fair value at inception must be estimated to account for an imputed interest factor. The value at inception was determined to be $5,842. The estimated discount rate was 9.21% and is subject to estimation uncertainty. The discount of $158 was recognized in contributed surplus and was amortized over the term of the note using the effective interest method. The note was subject to pre-payment provisions, if the Company's aggregate cash balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be pre-paid against the outstanding notes payable.

ii. December 14, 2016 note modification:

On December 14, 2016, the Company and Vertex restructured its September 15, 2016 note payable of $25,800 and July 8, 2016 note payable of $2,000. The original notes, bearing interest at 15% per annum each, were extended to mature on September 1, 2020 and the interest was eliminated. In addition, a promissory note payable for $3,000 was issued in exchange for the termination of the royalty agreement, executed on February 23, 2015, and the amending agreement, which established the cash sweep requirement, executed on April 28, 2015. The restructured notes were treated as an extinguishment for accounting purposes, and given they require for zero interest payments, the fair value at inception must be estimated to account for an imputed interest factor. The value of the remaining promissory notes ($25,800, $2,000 and $3,000) at inception was determined to be $21,752, net of transaction costs of $168. The estimated discount rate was 9.21% and is subject to estimation uncertainty. The discount to the note payable will be amortized over the term of the note using the effective interest method. For the three months ending March 31, 2018, $568 was recognized in financing costs. The note is subject to prepayment provisions, if the Company's aggregate cash balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be pre-paid against the outstanding notes payable.

iii. March 30, 2017 note payable:

On March 30, 2017, the Company executed an amended and restated promissory note with Vertex One Asset Management (Vertex), for $3,110 due September 1, 2020. The note represents the balance remaining from the December 14, 2016 bridge loan, following the completion of the Rights Offering (See Note 10(a)) and repayment of $2,890. The note is non-interest bearing, and therefore the fair value at inception must be estimated to account for an imputed interest factor. The value at inception was determined to be $2,364, based on the estimated discount rate of 8.05%, and is subject to estimation uncertainty. The resulting discount of $746 was recognized in contributed surplus as a gain on the modification of debt at March 30, 2017, and will be amortized over the term of the note using the effective interest method. For the three months ending March 31, 2018, $51 was recognized in financing costs. The note is subject to prepayment provisions, if the Company's aggregate cash balance exceeds $10.0 million at the end of any calendar quarter, 50% of the balance greater than $10.0 million must be pre-paid against the outstanding notes payable.

(b) Project financing:

Project financing includes a promissory note with a service provider. The note bears interest at 8% per annum and is secured by a last priority lien on an aircraft owned by the Company. As of March 31, 2018, the balance of the note is $1,329.

Additionally, the project financing balance includes reimbursable project development funds provided by a corporation designed to enable the development and commercialization of geomatics solutions in Canada. The funding is repayable upon the completion of a specific development project and the first sale of any of the resulting product(s). Repayment is to be made in quarterly installments equal to the lesser of 20% of the funding amount or 25% of the prior quarter's sales.

		March 31, 2018		December 31, 2017
Promissory note payable	$	1,329	$	1,303
Reimbursable project funding		187		191
		1,516		1,494
Less current portion		(1,329)		(1,303)
Long-term portion of project financing	$	187	$	191

8. Revenue:

Details of revenue are as follows:

For the three months ended March 31,		2018		2017
Acquisition services	$	1,917	$	1,732
Value-added data		930		523
Software and solutions		552		323
	$	3,399	$	2,578
Primary geographical market				
United States	$	2,345	$	961
Asia/Pacific		659		1,205
Europe		395		412
	$	3,399	$	2,578
Timing of revenue recognition				
Upon delivery	$	1,112	$	629
Services overtime		2,287		1,949
	$	3,399	$	2,578

9. Operating and financing costs:

(a) Operating costs:

For the three months ended March 31,		2018		2017
Personnel	$	2,042	$	1,867
Purchased services & materials[(1)]		508		950
Travel		123		98
Facilities and other expenses		388		963
	$	3,061	$	3,878

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

(b) Financing costs:

For the three months ended March 31,		2018		2017
Accretion of discounts recognized on notes payable	$	**619**	$	654
Interest on project financing		**26**		24
Interest on finance lease		**1**		4
	$	**646**	$	682

10. Share capital:

(a) Issued:

	March 31, 2018			December 31, 2017		
Class A common shares	Number of Shares		Amount	Number of Shares		Amount
Balance, beginning of period:	**16,396,289**	**$**	**199,634**	10,134,458	$	196,686
Issuance of common shares from						
Rights offering	-		-	6,011,273		2,890
Issuance costs	-		-	-		(164)
LTIP Issuance	-		-	149,293		162
Share-based compensation	-		-	101,250		60
Share consolidation rounding	-		-	16		-
Balance, end of period:	**16,396,289**	**$**	**199,634**	16,396,289	$	199,634

On December 1, 2017, the Company completed a previously approved share consolidation on a 10 for 1 basis. No partial shares were issued in the consolidation and quantities were either rounded up or down to the nearest share. As a result, sixteen additional shares were issued due to rounding. The share quantities and per share prices in these Consolidated Financial Statements for 2016 and forward have been adjusted to reflect the share consolidation for comparative purposes.

On June 20, 2017, 101,250 Class A common shares were issued to directors and employees of the Company as compensation for services. Compensation expense of $60 for these Class A common shares is included in operating costs.

On April 12 and June 29, 2017, the Company issued a total of 149,293 Class A common shares that were earned under the LTIP Plan.

On February 24, 2017, the Company announced its plans to proceed with the previously announced Rights Offering. The Rights Offering Notice was mailed on March 2, 2017 to all shareholders of record as of March 1, 2017. Pursuant to the Rights Offering, one right was issued for each common share of the Company held and each right entitles the holder to subscribe for one common share of the Company upon the payment of the subscription price of C$0.60 or US$0.50 per common share. An aggregate of 10,134,458 rights were issued pursuant to the Rights Offering, and the rights expired on March 27, 2017. On March 30, 2017, the Company issued 6,011,273 Class A common shares, with total proceeds of $2,890 and issuance costs of $164. All proceeds were used to reduce the $6,000 bridge loan, and the remaining balance of $3,110 was converted to a term note due on September 1, 2020, bearing zero interest (see Note 7(a(iii))).

(b) Contributed surplus:

		March 31, 2018		December 31, 2017
Balance, beginning of period	$	**25,242**	$	24,497
Gain on modification of notes payable (Note 7(a))		**-**		746
Share-based compensation		**53**		314
LTIP issuance		**-**		(115)
Deferred tax effect of notes payable		**-**		(200)
Balance, end of period	$	**25,295**	$	25,242

(c) Earnings (loss) per share:

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

The weighted average number of shares have been retrospectively adjusted for the bonus element of a 1.14 factor because of the rights issued pursuant to the Rights Offering (Note 11(b)).

The underlying Class A common shares pertaining to 1,389,954 outstanding share options and 1,632,366 outstanding warrants could potentially dilute earnings.

(d) Share option plan:

The Company established a share option plan to provide long-term incentives to attract, motivate, and retain certain key employees, officers, directors, and consultants providing services to the Company. The plan permitted granting options to purchase up to 10% of the outstanding Class A common shares of the Company. The share option plan was replaced at the Annual General Meeting on March 15, 2018 (see Note 10(e)), and all options issued and outstanding at that time will remain until such time they are exercised, expired or forfeited. As of March 31, 2018, 1,389,954 share options are issued and outstanding. No additional options will be issued under this plan.

The following tables summarize information regarding share options outstanding:

	March 31, 2018			December 31, 2017		
	Number of shares under option		**Weighted average exercise price (CDN)**	Number of shares under option		Weighted average exercise price (CDN)
Options outstanding, beginning of period	**1,396,079**	**$**	**1.09**	924,991	$	2.48
Granted	**-**		**-**	905,214		0.70
Expired	**(4,625)**		**3.53**	(423,126)		3.26
Forfeitures	**(1,500)**		**2.80**	(11,000)		2.78
Options outstanding, end of period	**1,389,954**	**$**	**1.08**	1,396,079	$	1.09
Options exercisable, end of period	**779,819**	**$**	**1.28**	766,944	$	1.26

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.70	905,214	9.04 years	330,204
0.80	291,732	8.64 years	291,732
1.70	2,500	2.38 years	1,875
2.30	12,381	3.38 years	12,381
2.70	48,250	3.55 years	13,750
2.90	69,625	1.97 years	69,625
4.40	60,252	0.95 years	60,252
	1,389,954	7.43 years	779,819

During the three months ended March 31, 2018, the estimated forfeiture rate was 10.36%. During the three months ended March 31, 2018, the Company recognized $53 (three months ended March 31, 2017 – $10) of non-cash compensation expense related to the share option plan.

(e) Omnibus plan:
The omnibus plan was approved by the shareholders at the Annual General Meeting on March 15, 2018 and replaces the share option plan, the employee share compensation plan and the director's share compensation plan. The omnibus plan permits the issuance of options, stock appreciation rights, restricted share units and other share based awards under one single plan.

The maximum number of common shares reserved under the omnibus plan is 3,363,631. Any common shares reserved under the predecessor share option plan related to awards that expire or forfeit will be rolled into the omnibus plan. As of March 31, 2018, 1,389,954 share options are issued and outstanding and 1,973,677 awards remain available for future issuance. Under the omnibus plan, there are no restrictions on the maximum number or percentage of common shares that can be awarded to one individual or all insiders. There were no issuances under the new plan as of March 31, 2018.

(f) Share-based compensation expense:
For the three months ended March 31, 2018 non-cash compensation expense of $53 has been included in operating costs with respect to share options granted to employees (three months ended March 31, 2017 – $10).

11. Class A common share purchase warrants:

The warrant amounts and prices have been adjusted because of the December 2017 share consolidation (see Note 10(a)). The following table details the number of Class A common share purchase warrants outstanding at each balance sheet date:

Grant Date	Expiry Date	Exercise Price	Granted	Anti-dilution Adjustment	Number of Warrants Outstanding December 31, 2017	Expired	Number of Warrants Outstanding March 31, 2018
1/14/2015	1/21/2018	C$ 0.80	146,983	28,041	175,024	(175,024)	-
4/1/2015	4/1/2018	US$ 0.70	458,919	87,550	546,469	-	546,469
4/1/2015	9/1/2020	US$ 0.70	458,907	87,549	546,456	-	546,456
5/1/2015	5/1/2018	US$ 0.60	453,017	86,424	539,441	-	539,441
			1,517,827	289,564	1,807,391	(175,024)	1,632,366

Each warrant entitles its holder to purchase one Class A common share. Vertex, the holder of all the Company's notes payable holds 546,469 of the warrants outstanding at March 31, 2018.

The 1,632,366 warrants denominated in United States dollars are recognized as part of share capital. At March 31, 2018 $385 is included in share capital related to these warrants. As the exercise prices are denominated in U.S. dollars, the Company's functional currency, the warrants are not considered a derivative liability and are not required to be recorded as a financial liability and revalued at each balance sheet date.

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

	Number of non-broker warrants	Warrant liability
Balance at December 31, 2017	175,024	$ -
Expired	(175,024)	-
Balance at March 31, 2018	-	$ -

12. Commitments:

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

2018	$	476
2019		386
2020		134
	$	996

13. Segmented information:

The operations of the Company are in one industry segment: digital mapping and related services. Revenue by geographic segment is included in Note 8.

Property and equipment of the Company are located as follows:

		March 31, 2018		December 31, 2017
United States	$	4,032	$	4,191
Canada		351		194
Europe		8		4
Asia/Pacific		65		71
	$	4,456	$	4,460

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

Three months ended March 31,		2018		2017
Customer A	$	-	$	1,071
Customer B		1,917		661
Customer C		647		47
	$	2,564	$	1,779

14. Financial risk management:

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk, liquidity risk, and capital risk. Management, the Board of Directors, and the Audit Committee monitor risk management activities and review the adequacy of such activities. There have been no significant changes to the Company's risk management strategies since December 31, 2017.

Amounts receivable as of March 31, 2018, and December 31, 2017, consist of:

		March 31, 2018		December 31, 2017
Trade amounts receivable	$	1,778	$	519
Other miscellaneous receivables		5		2
	$	1,783	$	521

Trade amounts receivable by geography consist of:

		March 31, 2018		December 31, 2017
United States	$	1,089	$	67
Asia/Pacific		3		103
Europe		495		349
Canada		191		-
	$	1,778	$	519

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

		March 31, 2018		December 31, 2017
Current	**$**	**791**	$	344
31-60 days		**984**		49
61-90 days		**-**		-
Over 91 days		**3**		126
	$	**1,778**	$	519

The balance of the past due amounts relates to reoccurring customers and are considered collectible.

15. Fair values:

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

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

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

(a) Fair value hierarchy:

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

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

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

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

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

16. Subsequent event:

During April and May 2018, 546,469 and 539,441warrants, respectively, naturally expired.

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