Condensed Consolidated Interim Financial Statements of

INTERMAP TECHNOLOGIES CORPORATION

Third Quarter Ended September 30, 2018

NOTICE: The condensed consolidated interim financial statements and notes thereto for the three and nine months ended September 30, 2018 have not been reviewed by the Company's external auditors.

INTERMAP TECHNOLOGIES CORPORATION

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

		September 30, 2018		December 31, 2017
Assets				
Current assets:				
Cash	**$**	**2,158**	$	6,363
Amounts receivable		**752**		521
Unbilled revenue		**1,052**		65
Prepaid expenses		**574**		359
		4,536		7,308
Property and equipment (Note 5)		**4,424**		4,460
	$	**8,960**	$	11,768
Liabilities and Shareholders' Deficiency				
Current liabilities:				
Accounts payable and accrued liabilities (Note 6)	**$**	**2,089**	$	4,011
Current portion of project financing (Note 7(b))		**1,383**		1,303
Current portion of deferred lease inducements		**32**		30
Unearned revenue		**598**		1,604
Income taxes payable		**1**		2
Obligations under finance leases		**11**		10
		4,114		6,960
Long-term notes payable (Note 7(a))		**28,400**		26,496
Long-term project financing (Note 7(b))		**186**		191
Deferred lease inducements		**81**		120
Obligations under finance leases		**6**		14
		32,787		33,781
Shareholders' deficiency:				
Share capital (Note 10(a))		**199,917**		199,634
Accumulated other comprehensive loss		**(149)**		(143)
Contributed surplus (Note 10(b))		**25,345**		25,242
Deficit		**(248,940)**		(246,746)
		(23,827)		(22,013)
Commitments (Note 12)				
	$	**8,960**	$	11,768

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2018	2017	**2018**	2017
Revenue (Note 8)	**$ 3,676**	$ 6,309	**$ 11,603**	$ 13,365
Expenses:				
Operating costs (Note 9(a))	**3,332**	4,204	**10,286**	12,550
Restructuring costs (Note 10(b))	**478**	51	**478**	102
Depreciation of property and equipment	**340**	270	**983**	599
	4,150	4,525	**11,747**	13,251
Operating (loss) income	**(474)**	1,784	**(144)**	114
Gain on disposal of equipment instruments (Note 10)	**6**	3	**6**	3
Financing costs (Note 9(b))	**(678)**	(618)	**(1,986)**	(1,905)
Loss on foreign currency translation	**(35)**	(93)	**(68)**	(263)
Change in fair value of derivative instruments	**-**	17	**-**	113
(Loss) income before income taxes	**(1,181)**	1,093	**(2,192)**	(1,938)
Income tax expense:				
Current	**-**	(3)	**(2)**	(4)
Deferred	**-**	-	**-**	200
	-	(3)	**(2)**	196
Net (loss) income for the period	**$ (1,181)**	$ 1,090	**$ (2,194)**	$ (1,742)
Other comprehensive income (loss):				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	**-**	23	**(6)**	90
Comprehensive (loss) income for the period	**$ (1,181)**	$ 1,113	**$ (2,200)**	$ (1,652)
Basic (loss) earnings per share	**$ (0.07)**	$ 0.07	**$ (0.13)**	$ (0.12)
Diluted (loss) earnings per share	**$ (0.07)**	$ 0.06	**$ (0.13)**	$ (0.12)
Weighted average number of Class A common				
shares - basic (Note 10(c))	**17,268,472**	16,269,640	**16,696,601**	14,231,561
shares - diluted (Note 10(c))	**17,268,472**	17,299,134	**16,696,601**	14,231,561

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

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

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Deficit	Total
Balance at December 31, 2016	$ 196,686	$ 24,497	$ (146)	$ (245,591)	$ (24,554)
Comprehensive income (loss) for the period	-	-	90	(1,742)	(1,652)
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)
LTIP issuance	78	-	-	-	78
Share-based compensation	60	267	-	-	327
Balance at September 30, 2017	$ 199,550	$ 25,310	$ (56)	$ (247,333)	$ (22,529)
Comprehensive (loss) income for the period	-	-	(87)	587	500
LTIP issuance	84	(115)	-	-	(31)
Share-based compensation	-	47	-	-	47
Balance at December 31, 2017	$ 199,634	$ 25,242	$ (143)	$ (246,746)	$ (22,013)
Comprehensive loss for the period	-	-	(6)	(2,194)	(2,200)
Share-based compensation	283	103	-	-	386
Balance at September 30, 2018	$ 199,917	$ 25,345	$ (149)	$ (248,940)	$ (23,827)

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

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

For the nine months ended September 30,	**2018**	2017
Operating activities:		
Net loss for the period	**$ (2,194)**	$ (1,742)
Adjusted for the following non-cash items:		
Depreciation of property and equipment	**983**	599
Share-based compensation expense	**386**	267
Gain on disposal of equipment	**(6)**	(3)
Amortization of deferred lease inducements	**(33)**	15
Deferred taxes	**-**	(200)
Change in fair value of derivative instruments	**-**	(113)
Financing costs	**1,986**	1,905
Current income tax expense	**2**	4
Interest paid	**(1)**	(7)
Income tax paid	**(3)**	(4)
Changes in working capital:		
Amounts receivable	**(234)**	(1,594)
Other assets	**(1,202)**	14
Accounts payable and accrued liabilities	**(1,932)**	991
Unearned revenue	**(1,006)**	2,452
Gain on foreign currency translation	**17**	8
Cash flows (used) provided by operating activities	**(3,237)**	2,592
Investing activities:		
Purchase of property and equipment	**(947)**	(3,627)
Proceeds from sale of equipment	**-**	3
Cash flows used in investing activities	**(947)**	(3,624)
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	**(9)**	(53)
Cash flows used in financing activities	**(9)**	(217)
Effect of foreign exchange on cash	**(12)**	16
Decrease in cash	**(4,205)**	(1,233)
Cash, beginning of period	**6,363**	6,527
Cash, end of period	**$ 2,158**	$ 5,294

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 November 12, 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.

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

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 after 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 right-of use-assets and lease 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. The Company is reviewing its leases to evaluate the impact of the standard. The Company will adopt the standard using the modified retrospective method, in which the cumulative effect of adoption will be recognized as an adjustment to the opening balance of retained earnings. Prior year period amounts will not be adjusted. While the assessment of the impact is still being determined, 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. The Company also expects an impact from the reclassification of lease expense from operating to depreciation and interest expense. There will be no impact on cash flows, however, cash flows from operating activities will increase as payments will be reclassified to cash flows from investing activities.

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	102	104	9	29	703	947
Transfer from under construction	30	131	-	86	(247)	-
Depreciation	(269)	(691)	(4)	(19)	-	(983)
Balance at September 30, 2018	$ 331	$ 3,093	$ 13	$ 125	$ 862	$ 4,424

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

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	$	11,083	$	31,334	$	388	$	1,074	$	862	$	44,741
Accumulated depreciation		(10,752)		(28,241)		(375)		(949)		-		(40,317)
Balance at September 30, 2018	$	331	$	3,093	$	13	$	125	$	862	$	4,424

During the nine months ended September 30, 2018, the Company disposed of an asset with an original cost of $33 and a net book value of $Nil and recognized a gain of $6 on the asset.

6. Accounts payable and accrued liabilities:

		September 30, 2018		December 31, 2017
Accounts payable	**$**	**1,078**	$	1,910
Accrued liablities		**1,009**		2,043
Other taxes payable		**2**		58
	$	**2,089**	$	4,011

During the nine months ended September 30, 2018, the Company reversed excess vendor payables of $222 and accrued liabilities of $223 recorded in prior years.

7. Financial liabilities:

The following table details the financial liabilities activity and balances at September 30, 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		-		-		(9)		(9)
Total changes from financing activities		-		-		(9)		(9)
Foreign exchange		-		(5)		-		(5)
Other changes:								
Financing costs		1,904		80		2		1,986
Balance at September 30, 2018	$	28,400	$	1,569	$	17	$	29,986

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

(a) Notes payable:

The following table details the liability and equity components of each note payable balance at September 30, 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	303	158	3,981	4,442
Long-term portion of notes payable	$ 2,667	$ -	$ 25,733	$ 28,400

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 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.

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 nine months ending September 30, 2018, $1,748 was recognized in financing costs. The note is secured by a first priority lien on all the assets of the Company and 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 nine months ending September 30, 2018, $156 was recognized in financing costs. The note is secured by a first priority lien on all the assets of the Company and 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 September 30, 2018, the balance of the note is $1,383. While the note is classified as a current liability on the balance sheet, the Company has disputed the amount owed and therefore has not committed to cash payments in the current period.

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.

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

		September 30, 2018		**December 31, 2017**
Promissory note payable	**$**	**1,383**	$	1,303
Reimbursable project funding		**186**		191
		1,569		1,494
Less current portion		**(1,383)**		(1,303)
Long-term portion of project financing	**$**	**186**	$	191

8. Revenue:

Details of revenue are as follows:

	For the three months ended September 30,				For the nine months ended September 30,			
		2018		2017		**2018**		2017
Acquisition services	**$**	**2,927**	$	5,533	**$**	**7,634**	$	10,304
Value-added data		**228**		368		**2,246**		2,026
Software and solutions		**521**		408		**1,723**		1,035
	$	**3,676**	$	6,309	**$**	**11,603**	$	13,365
Primary geographical market								
United States	**$**	**3,237**	$	4,026	**$**	**8,791**	$	5,692
Asia/Pacific		**21**		1,967		**1,425**		6,633
Europe		**418**		316		**1,387**		1,040
	$	**3,676**	$	6,309	**$**	**11,603**	$	13,365
Timing of revenue recognition								
Upon delivery	**$**	**240**	$	453	**$**	**2,579**	$	2,306
Services overtime		**3,436**		5,856		**9,024**		11,059
	$	**3,676**	$	6,309	**$**	**11,603**	$	13,365

9. Operating and non-operating costs:

(a) Operating costs:

	For the three months ended September 30, 2018				For the nine months ended September 30, 2018			
		2018		2017		**2018**		2017
Personnel	**$**	**1,780**	$	2,101	**$**	**6,046**	$	6,150
Purchased services & materials(1)		**1,098**		1,546		**2,817**		4,180
Travel		**175**		206		**423**		499
Facilities and other expenses		**279**		351		**1,000**		1,721
	$	**3,332**	$	4,204	**$**	**10,286**	$	12,550

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

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

(b) Restructuring costs:

During the nine months ended September 30, 2018, the Company continued organizational restructuring to lower on-going operating costs. As a result, the company recorded $478 of workforce reduction restructuring costs (nine months ended September 30, 2017 - $81).

(c) Financing costs:

	For the three months ended September 30, 2018		For the nine months ended September 30, 2018	
	2018	2017	**2018**	2017
Accretion of discounts recognized on notes payable	**$ 649**	$ 592	**$ 1,904**	$ 1,825
Interest on project financing	**28**	25	**80**	73
Interest on finance lease	**1**	1	**2**	7
	$ 678	$ 618	**$ 1,986**	$ 1,905

10. Share capital:

(a) Issued:

	September 30, 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	**872,183**	**283**	101,250	60
Share consolidation rounding	**-**	**-**	16	-
Balance, end of period:	**17,268,472**	**$ 199,917**	16,396,289	$ 199,634

On June 28, 2018, 872,183 Class A common shares were issued to directors of the Company as compensation for services. Compensation expense of $283 for these Class A common shares is included in operating costs.

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.

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

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:

		September 30, 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		**103**		314
LTIP issuance		**-**		(115)
Deferred tax effect of notes payable		**-**		(200)
Balance, end of period	**$**	**25,345**	$	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 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).

For the three and nine months ended September 30, 2018, the underlying Class A common shares pertaining to 1,328,704 outstanding share options, 430,200 restricted share units (RSUs) and 546,456 outstanding warrants could potentially dilute earnings.

For the three months ended September 30, 2017, there were 1,196,936 outstanding share options and 2,005,853 outstanding warrants that were included in the diluted weighted average number of shares calculation as their effect was dilutive. There were 263,429 outstanding share options and 135,415 outstanding warrants that were excluded from the diluted weighted average number of shares calculation as their effect would have been anti-dilutive.

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

For the nine months ended September 30, 2017, there were 1,460,365 outstanding share options and 2,141,268 outstanding warrants that were excluded from the diluted weighted average number of shares calculation as their effect would have been anti-dilutive.

The average market value of the Company's shares for purposes of calculating the dilutive effect of the share options and warrants was based on quoted market prices for the period during which the share options and warrants were outstanding.

(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 September 30, 2018, 1,328,704 share options are issued and outstanding. No additional options will be issued under this plan.

The following tables summarize information regarding share options outstanding:

	September 30, 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	**(12,125)**		**3.48**	(423,126)		3.26
Forfeitures	**(55,250)**		**0.89**	(11,000)		2.78
Options outstanding, end of period	**1,328,704**	**$**	**1.07**	1,396,079	$	1.09
Options exercisable, end of period	**976,114**	**$**	**1.17**	766,944	$	1.26

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.70	855,214	8.54 years	521,874
0.80	291,732	8.13 years	291,732
1.70	2,500	1.87 years	2,500
2.30	12,381	2.88 years	12,381
2.70	42,250	3.63 years	23,000
2.90	67,375	1.47 years	67,375
4.40	57,252	0.45 years	57,252
	1,328,704	7.52 years	976,114

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

During the nine months ended September 30, 2018, the estimated forfeiture rate was 10.36%. During the nine months ended September 30, 2018, the Company recognized $80 (nine months ended September 30, 2017 – $228) 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 September 30, 2018, 1,328,704 share options and 430,200 RSUs are issued and outstanding. During the nine months ended September 30, 2018, 51,500 RSUs were forfeited. In addition, 872,183 Class A common shares were issued (see Note 10(a)) under the plan, leaving 627,294 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.

(f) Share-based compensation expense:

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

	For the three months ended September 30,		For the six months ended June 30,	
	2018	2017	**2018**	2017
Employees	**$ 21**	$ 48	**$ 103**	$ 114
Directors and advisors	**-**	-	**283**	153
Non-cash compensation	**$ 21**	$ 48	**$ 386**	$ 267

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:

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

Grant Date	Expiry Date	Exercise Price	Granted	Anti-dilution Adjustment	Number of Warrants Outstanding December 31, 2017	Expired	Number of Warrants Outstanding September 30, 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	(1,260,934)	546,456

Each warrant entitles its holder to purchase one Class A common share. The 546,456 outstanding warrants denominated in United States dollars are recognized as part of share capital. At September 30, 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 September 30, 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 September 30:

2019	$ 441
2020	318
2021	9
	$ 768

During the nine months ended September 30, 2018, the Company recognized $636 (nine months ended September 30, 2017 - $698) in operating lease expense for office space.

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:

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

		September 30, 2018		December 31, 2017
United States	$	**3,749**	$	4,191
Canada		**584**		194
Europe		**12**		4
Asia/Pacific		**79**		71
	$	**4,424**	$	4,460

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

		Three months ended September 30, 2018		Three months ended September 30, 2017		**Nine months ended September 30, 2018**		Nine months ended September 30, 2017
Customer A	**$**	**2,926**	$	3,321	**$**	**7,364**	$	4,231
Customer B		**-**		117		**1,262**		634
Customer C		**-**		1,697		**-**		5,532
	$	**2,926**	$	5,135	**$**	**8,626**	$	10,397

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 September 30, 2018, and December 31, 2017, consist of:

		September 30, 2018		December 31, 2017
Trade amounts receivable	**$**	**751**	$	519
Other miscellaneous receivables		**1**		2
	$	**752**	$	521

Trade amounts receivable by geography consist of:

		September 30, 2018		December 31, 2017
United States	**$**	**316**	$	67
Europe		**190**		349
Canada		**189**		-
Asia/Pacific		**56**		103
	$	**751**	$	519

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

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

		September 30, 2018		December 31, 2017
Current	**$**	**353**	$	344
31-60 days		**190**		49
61-90 days		**10**		-
Over 91 days		**198**		126
	$	**751**	$	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.