Condensed Consolidated Interim Financial Statements of

INTERMAP TECHNOLOGIES CORPORATION

Three and six months ended June 30, 2020

NOTICE: The condensed consolidated interim financial statements and notes thereto for the three and six months ended June 30, 2020 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)

		June 30, 2020		December 31, 2019
Assets				
Current assets:				
Cash	**$**	**1,145**	$	1,230
Trade receivables		**823**		741
Unbilled revenue		**23**		410
Prepaid expenses		**703**		763
		2,694		3,144
Property and equipment (Note 4)		**4,282**		4,555
Right of use assets (Note 5)		**630**		406
Total assets	**$**	**7,606**	$	8,105
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities (Note 6)	**$**	**3,389**	$	3,085
Current portion of project financing (Note 7(b))		**120**		300
Lease obligations (Note 8)		**280**		369
Unearned revenue		**2,086**		1,274
Income taxes payable		**17**		-
Current portion of notes payable (Note 7(a))		**1,000**		31,884
		6,892		36,912
Long-term project financing (Note 7(b))		**176**		184
Lease obligations (Note 8)		**376**		96
Total liabilities		**7,444**		37,192
Shareholders' deficiency:				
Share capital (Note 11(a))		**199,917**		199,917
Accumulated other comprehensive loss		**(161)**		(154)
Contributed surplus (Note 11(b))		**25,585**		25,527
Deficit		**(225,179)**		(254,377)
Total shareholders' equity		**162**		(29,087)
Going concern (Note 2(a))				
Subsequent event (Note 16)				
Total liabilities and shareholders' equity	**$**	**7,606**	$	8,105

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

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

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	**2020**	2019
Revenue (Note 9)	**$ 1,160**	$ 1,916	**$ 2,793**	$ 2,756
Expenses:				
Operating costs (Note 10(a))	**2,144**	2,732	**4,411**	5,381
Restructuring costs	**-**	272	**-**	272
Depreciation of property and equipment	**284**	270	**554**	561
Depreciation of right of use assets	**116**	125	**256**	250
	2,544	3,399	**5,221**	6,464
Operating loss	**(1,384)**	(1,483)	**(2,428)**	(3,708)
Gain on modification of debt (Note 7(a))	**32,138**	-	**32,138**	-
Government grants	**663**	-	**663**	-
Gain on disposal of equipment	**150**	-	**150**	-
Financing costs (Note 10(b))	**(542)**	(717)	**(1,299)**	(1,415)
Loss on foreign currency translation	**(58)**	(35)	**(5)**	(61)
Gain (loss) before income taxes	**30,967**	(2,235)	**29,219**	(5,184)
Income tax expense:				
Current	**(17)**	(5)	**(21)**	(15)
	(17)	(5)	**(21)**	(15)
Net income (loss) for the period	**$ 30,950**	$ (2,240)	**$ 29,198**	$ (5,199)
Other comprehensive loss:				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	**10**	7	**(7)**	4
Comprehensive income (loss) for the period	**$ 30,960**	$ (2,233)	**$ 29,191**	$ (5,195)
Basic and diluted income (loss) earnings per share	**$ 1.79**	$ (0.13)	**$ 1.69**	$ (0.30)
Weighted average number of Class A common shares - basic and diluted (Note 11(c))	17,268,472	17,268,472	17,268,472	17,268,472

See accompanying notes to condensed consolidated interim financial statements.

INTERMAP TECHNOLOGIES CORPORATION

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

	Share Capital	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Deficit	Total
Balance at December 31, 2018	$ 199,917	$ 25,379	$ (154)	$ (249,564)	$ (24,422)
Comprehensive income (loss) for the period	-	-	4	(5,199)	(5,195)
Share-based compensation	-	56	-	-	56
Balance at June 30, 2019	$ 199,917	$ 25,435	$ (150)	$ (254,763)	$ (29,561)
Comprehensive (loss) income for the period	-	-	(4)	386	382
Share-based compensation	-	92	-	-	92
Balance at December 31, 2019	$ 199,917	$ 25,527	$ (154)	$ (254,377)	$ (29,087)
Comprehensive (loss) income for the period	-	-	(7)	29,198	29,191
Share-based compensation	-	58	-	-	58
Balance at June 30, 2020	$ 199,917	$ 25,585	$ (161)	$ (225,179)	$ 162

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 six months ended June 30,	**2020**	2019
Operating activities:		
Net income (loss) for the period	**$ 29,198**	$ (5,199)
Interest paid	**(12)**	(30)
Income tax paid	**(4)**	(15)
Adjusted for the following non-cash items:		
Gain on modification of debt	**(32,138)**	-
Depreciation of property and equipment	**554**	561
Depreciation of right of use assets	**256**	250
Share-based compensation expense	**58**	56
Gain on disposal of equipment	**(150)**	-
Financing costs	**1,299**	1,415
Current income tax expense	**21**	15
Changes in working capital:		
Trade receivables	**(118)**	2,097
Unbilled revenue and prepaid expenses	**445**	(130)
Accounts payable and accrued liabilities	**298**	637
Unearned revenue	**811**	1,094
Gain on foreign currency translation	**9**	(94)
Cash flows provided by operating activities	**527**	657
Investing activities:		
Purchase of property and equipment	**(281)**	(777)
Cash flows used in investing activities	**(281)**	(777)
Financing activities:		
Payment of lease obligations	**(298)**	(299)
Proceeds from sale of property and equipment	**150**	-
Repayment of project financing	**(180)**	-
Cash flows used in financing activities	**(328)**	(299)
Effect of foreign exchange on cash	**(3)**	1
Decrease in cash	**(85)**	(418)
Cash, beginning of period	**1,230**	1,284
Cash, end of period	**$ 1,145**	$ 866

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 240, 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 intelligence 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) Going concern:

These condensed consolidated interim financial statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and can realize its assets and discharge its liabilities and commitments in the normal course of business. During the six months ended June 30, 2020, the Company reported an operating loss of $2,428, net income of $29,198, and positive cash flows from operating activities of $527. In addition, the Company has a shareholders' equity of $162 and negative working capital of $4,198 at June 30, 2020.

The above factors in the aggregate indicate there are material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on management's ability to successfully secure sales with upfront payments, restructure the balance sheet (including a reduction of debt) and / or obtain additional financing. Failure to achieve one or more of these requirements could have a materially adverse effect on the Company's financial condition. The Board of Directors and management continue to take actions to address these issues including renegotiating the terms of the notes payable, resulting in the elimination of $32.9 million of debt, raising capital through a private placement and exploring options for additional capital and several strategic alternatives. Such alternatives could include, a sale of the Company, a sale of assets, a business combination, continuing as a standalone entity under a new capital structure. There can be no assurance that the consideration of strategic alternatives will result in the completion of any transaction or any other alternative.

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

(b) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance 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, 2019 (the "2019 Annual Consolidated Financial Statements").

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and effective as of August 13, 2020, the date the Board of Directors approved the condensed consolidated interim financial statements.

(c) 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.

(d) Use of estimates:

Preparing condensed consolidated interim 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 condensed consolidated interim 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.

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

3. Summary of significant accounting policies:

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods that were used to prepare the Company's 2019 Annual Consolidated Financial Statements, except as described below.

(a) Government grants

Government grants are recognized at fair value once there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes the costs for which the grants are intended to compensate. A forgivable loan from the government is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan.

4. 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, 2019	$ 290	$ 2,198	$ 7	$ 54	$ 2,006	$ 4,555
Additions	-	2	-	-	279	281
Transfer from under construction	-	331	-	-	(331)	-
Depreciation	(54)	(476)	(1)	(23)	-	(554)
Balance at June 30, 2020	$ 236	$ 2,055	$ 6	$ 31	$ 1,954	$ 4,282

Property and equipment	Aircraft and engines	Radar and mapping equipment	Furniture and fixtures	Leasehold improvements	Under construction	Total
Cost	$ 11,276	$ 31,460	$ 389	$ 1,074	$ 2,006	$ 46,205
Accumulated depreciation	(10,986)	(29,262)	(382)	(1,020)	-	(41,650)
Balance at December 31, 2019	$ 290	$ 2,198	$ 7	$ 54	$ 2,006	$ 4,555
Cost	$ 10,176	$ 31,791	$ 389	$ 1,074	$ 1,954	$ 45,384
Accumulated depreciation	(9,940)	(29,736)	(383)	(1,043)	-	(41,102)
Balance at June 30, 2020	$ 236	$ 2,055	$ 6	$ 31	$ 1,954	$ 4,282

During the six months ended June 30, 2020, the Company disposed of assets with an original cost of $1,102 and a net book value of $Nil and recognized a gain of $150 on those assets and received cash proceeds of $150.

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

5. Right of use assets:

		March 31, 2020		December 31, 2019
Beginning Balance	**$**	**406**	$	781
Depreciation		**(256)**		(495)
New leases		**480**		120
Ending Balance	**$**	**630**	$	406

During the six months ended June 30, 2020, the Company signed new leases at the Englewood office location and the Company's COLO facility. The leases mature June 2022 and August 2023, respectively.

6. Accounts payable and accrued liabilities:

		June 30, 2020		December 31, 2019
Accounts payable	**$**	**1,692**	$	1,383
Accrued liablities		**1,677**		1,702
Other taxes payable		**20**		-
	$	**3,389**	$	3,085

7. Financial liabilities:

The following table provides a reconciliation of movements of liabilities to cash flows arising from financing activities and balances at June 30, 2020:

		Notes Payable		Project Financing		Lease Obligations		Total
Balance at December 31, 2019	$	31,884	$	484	$	465	$	32,833
Changes from financing activities:								
Payment of lease obligations		-		-		(298)		(298)
Repayment of project financing		-		(180)		-		(180)
Total changes from financing activities		-		(180)		(298)		(478)
Foreign exchange		-		(8)		(4)		(12)
Other changes:								
Financing costs		1,254		-		13		1,267
Gain on modification of debt		(32,138)		-		-		(32,138)
New leases		-		-		480		480
Balance at June 30, 2020	$	1,000	$	296	$	656	$	1,952

(a) Notes payable:

The following table details the liability and equity components of each note payable balance at June 30, 2020:

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

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	685	158	8,337	9,180
Gain on modification of debt	(2,049)	-	(30,089)	(32,138)
Current portion of notes payable	$ 1,000	$ -	$ -	$ 1,000

The following table details the liability and equity components of each note payable balance at December 31, 2019:

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	584	158	7,184	7,926
Current portion of notes payable	$ 2,948	$ -	$ 28,936	$ 31,884

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. 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 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 six months ending June 30, 2020, $1,153 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 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 six months ending June 30, 2020, $111 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.

iv. June 3, 2020 settlement:

On June 3, 2020 the Company announced a settlement agreement with PenderFund Capital Management Ltd. (Pender), the manager of the Vertex fund. Under the terms of the agreement, following receipt of a $1,000 cash payment by September 1, 2020, Vertex and Pender shall release all liens, extinguish the December 14, 2016 and March 30, 2017 notes payable (see Notes 7(a)I, 7(a)ii and 7(a)iii), and the parties shall provide for a general release from all claims associated with the Vertex financings.

(b) Project financing:

Project financing includes a promissory note with a service provider. The Company repaid $180 during the first six months of 2020.

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

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.

		June 30 2020		December 31, 2019
Promissory note payable	**$**	**120**	$	300
Reimbursable project funding		**176**		184
		296		484
Less current portion		**(120)**		(300)
Long-term portion of project financing	**$**	**176**	$	184

8. Lease obligations:

The following table presents the contractual undiscounted cash flows for right of use asset lease obligations which require the following payments for each year ending June 30:

2021	$	288
2022		224
2023		143
2024		20
	$	675

Interest expense on lease obligations for the six months ended June 30, 2020 was $13. Total cash outflow for leases was $480, including $182 for short-term and low-value operating leases for equipment and office spaces. There are no variable payment components which are not included in the measurement of lease obligations.

The Company also has contractual undiscounted cash flows for short-term and low-value operating leases for equipment and office space that are not on the balance sheet which require the payments of $267 for the twelve months ending June 30, 2021.

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

9. Revenue:

Details of revenue are as follows:

	For the three months ended June 30,				For the six months ended June 30,			
		2020		2019		**2020**		2019
Acquisition services	**$**	**319**	$	1,128	**$**	**1,113**	$	1,182
Value-added data		**207**		320		**422**		473
Software and solutions		**634**		468		**1,258**		1,101
	$	**1,160**	$	1,916	**$**	**2,793**	$	2,756
Primary geographical market								
United States	**$**	**363**	$	1,413	**$**	**871**	$	1,807
Asia/Pacific		**343**		185		**1,003**		199
Europe		**454**		318		**919**		750
	$	**1,160**	$	1,916	**$**	**2,793**	$	2,756
Timing of revenue recognition								
Upon delivery	**$**	**376**	$	306	**$**	**704**	$	597
Services overtime		**784**		1,610		**2,089**		2,159
	$	**1,160**	$	1,916	**$**	**2,793**	$	2,756

10. Operating and non-operating costs:

(a) Operating costs:

	For the three months ended June 30,				For the six months ended June 30,			
		2020		2019		**2020**		2019
Personnel	**$**	**1,359**	$	1,455	**$**	**2,780**	$	2,953
Purchased services & materials(1)		**656**		1,010		**1,245**		1,900
Travel		**4**		77		**75**		134
Facilities and other expenses		**125**		190		**311**		394
	$	**2,144**	$	2,732	**$**	**4,411**	$	5,381

(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 June 30				For the six months ended June 30			
		2020		2019		**2020**		2019
Accretion of discounts recognized on notes payable	**$**	**508**	$	697	**$**	**1,254**	$	1,377
Interest on lease obligations		**7**		14		**13**		32
Interest on accounts payable		**-**		6		**5**		6
Interest on accounts receivable		**27**		-		**27**		-
	$	**542**	$	717	**$**	**1,299**	$	1,415

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

11. Share capital:

(a) Issued:

	June 30, 2020		December 31, 2019	
Class A common shares	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period:	**17,268,472**	**$ 199,917**	17,268,472	$ 199,917
Balance, end of period:	**17,268,472**	**$ 199,917**	17,268,472	$ 199,917

(b) Contributed surplus:

	June 30, 2020	December 31, 2019
Balance, beginning of period	**$ 25,527**	$ 25,379
Share-based compensation	**58**	148
Balance, end of period	**$ 25,585**	$ 25,527

(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.

For the three and six months ended June 30, 2020, there were Nil outstanding share options (three and six months ended June 30, 2019 – Nil), Nil restricted share units (RSUs) (three and six months ended June 30, 2019 – Nil) and Nil outstanding warrants (three and six months ended June 30, 2019 – Nil) that were included in the diluted weighted average number of shares calculation as their effect was dilutive.

For the three and six months ended June 30, 2020 there were 1,029,825 outstanding share options (three and six months ended June 30, 2019 – 1,208,076) and 546,456 outstanding warrants (three and six months ended June 30, 2019 – 546,456) 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 11(e)), and all options issued and outstanding at that time will remain until such time they are exercised, expired or forfeited. As of June 30, 2020, 1,029,825 share options are issued and outstanding. No additional options will be issued under this plan.

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

The following tables summarize information regarding share options outstanding:

	June 30, 2020			December 31, 2019		
	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	**1,180,575**	**$**	**0.89**	1,284,077	$	1.04
Expired	**(150,750)**		**1.48**	(81,376)		3.25
Forfeitures	**-**		**-**	(22,126)		0.89
Options outstanding, end of period	**1,029,825**	**$**	**0.81**	1,180,575	$	0.89
Options exercisable, end of period	**1,029,825**	**$**	**0.81**	1,018,989	$	0.91

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.70	750,612	6.79 years	750,612
0.80	231,332	6.38 years	231,332
1.70	2,500	0.12 years	2,500
2.30	12,381	1.13 years	12,381
2.70	33,000	1.88 years	33,000
	1,029,825	6.45 years	1,029,825

During the six months ended June 30, 2020, the estimated forfeiture rate was 10.36%. During the six months ended June 30, 2020, the Company recognized $8 (six months ended June 30, 2019 – $25) 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, which provided for shares to be issued to employees and directors as compensation for services. . 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 June 30, 2020, 1,029,825 share options and 1,092,508 RSUs are issued and outstanding. In addition, 872,183 Class A common shares were issued during 2018 under the plan, leaving 369,115 awards remain available for future issuance.

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

The following tables summarize information regarding RSUs outstanding:

	June 30, 2020	December 31, 2019
	Number of RSUs	Number of RSUs
RSUs outstanding, beginning of period	**1,050,400**	430,200
Issued	**92,108**	655,000
Forfeitures	**(50,000)**	(34,800)
RSUs outstanding, end of period	**1,092,508**	1,050,400

During the six months ended June 30, 2020, 92,108 RSUs were issued at a weighted average grant date fair value of C$0.39 per share. During the six months ended June 30, 2020, the Company recognized $50 (six months ended June 30, 2019 - $31) of non-cash compensation expense related to the RSUs.

(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 June 30,		For the six months ended June 30,	
	2020	2019	**2020**	2019
Employees	**$ 16**	$ 24	**$ 38**	$ 56
Directors and advisors	**20**	-	**20**	-
Non-cash compensation	**$ 36**	$ 24	**$ 58**	$ 56

12. Class A common share purchase warrants:

The warrant amounts and prices have been adjusted because of the December 2017 share consolidation. 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, 2019	Expired	Number of Warrants Outstanding June 30, 2020
4/1/2015	9/1/2020	US$ 0.70	458,907	87,549	546,456	-	546,456
			458,906	87,549	546,456	-	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 December 31, 2018 and 2019 $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.

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

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 9.

Property and equipment of the Company are located as follows:

		June 30, 2020		December 31, 2019
United States	$	4,169	$	4,399
Canada		52		75
Europe		31		38
Asia/Pacific		30		43
	$	4,282	$	4,555

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

		Three months ended June 30, 2020		Three months ended June 30, 2019		Six months ended June 30, 2020		Six months ended June 30, 2019
Customer A	$	250	$	-	$	820	$	-
Customer B		170		-		301		173
Customer C		68		1,127		292		1,181
	$	488	$	1,127	$	1,413	$	1,354

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, 2019.

Trade receivables as of June 30, 2020 and December 31, 2019, consist of:

		June 30, 2020		December 31, 2019
Trade receivables	$	815	$	703
Other miscellaneous receivables		8		38
	$	823	$	741

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

Trade receivables by geography consist of:

		June 30, 2020		December 31, 2019
United States	**$**	**523**	$	524
Europe		**261**		152
Canada		**22**		18
Asia/Pacific		**9**		9
	$	**815**	$	703

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

		June 30, 2020		December 31, 2019
Current	**$**	**781**	$	682
31-60 days		**-**		20
61-90 days		**20**		1
Over 91 days		**14**		-
	$	**815**	$	703

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:

On August 5, 2020, the Company announced the issuance of 3,571,428 Class A common shares (Shares) under a fully subscribed issuer private placement at a price of CAD$0.56 per Share, raising aggregate gross proceeds of CAD$2,000.

The Company also issued 139,284 warrants to certain finders under the private placement. Each warrant is exercisable for one Share at an exercise price of US$0.417 per Share, being the U.S. dollar equivalent to CAD$0.56 as of the date of issuance of the Warrants, at any time until July 31, 2022.

On August 12, 2020, the Company paid $1,000 to Pender to fully repay the outstanding balance in accordance with the amended settlement agreement and Pender provided a general release from all claims associated with the Vertex financings (see Note 7(a)iv).