2015

ANNUAL REPORT

Intermap Technologies Corporation

INTERMAP®

Corporate Information

OFFICES

Canadian Corporate Office
Intermap Technologies Corp.
840–6th Avenue SW
Suite 200
Calgary, AB T2P 3E5
Canada
Phone: (403) 266-0900
Fax: (403) 265-0499

Denver Worldwide Headquarters
Intermap Technologies, Inc.
8310 South Valley Highway
Suite 400
Englewood, CO 80112-5809
United States
Phone: (303) 708-0955
Fax: (303) 708-0952

P.T. ExsaMap Asia
Plaza City View - 2nd Floor
Jl. Kemang Timur No.22
Pejaten Barat, Jakarta
Selatan 12510
Phone: +62 21 719 3808
Fax: +62 21 719 3818

Intermap Technologies s.r.o.
Novodvorska 1010/14
142 00 Prague 4
Czech Republic
Phone: +420 261 341 411
Fax +420 261 341 414

BOARD OF DIRECTORS

Todd A. Oseth
President and CEO
Intermap Technologies
Colorado, USA

Larry G. Garberding
Chairman
Michigan, USA

Donald R. Gardner
Director
Alberta, Canada

Dr. John C. Curlander
Director
Colorado, USA

Michael A. Hoehn
Director
Ontario, Canada

TRANSFER AGENT

Computershare Trust
Company of Canada
600, 530 - 8th Avenue S.W.
Calgary, Alberta T2P 3S8
Canada

AUDITORS

KPMG LLP
150 Elgin Street
Suite 1800
Ottawa, ON K2P 2P8
Canada

STOCK EXCHANGE

INTERMAP STOCK IS LISTED
ON THE TORONTO STOCK
EXCHANGE UNDER THE
SYMBOL "IMP."

OFFICERS AND KEY PERSONNEL

Todd A. Oseth
President and CEO

Richard L. Mohr
Senior Vice President and CFO

President's Message

Financial information as discussed herein is in U.S. dollars unless otherwise noted.

The year 2015 was a success for Intermap. In June, we were awarded a $175 million Spatial Data Infrastructure (SDI) project with the final contract signing taking place in February of 2016. Under the terms of this contract, product and service deliveries are scheduled to commence by mid-year 2016, subsequent to the completion of the project financing by the contracting party. Large SDI's such as this will leverage the substantial intellectual property of Intermap and will position us as a clear leader in the SDI market.

The most important component of the SDI award is our Orion Platform® software that creates the geospatial infrastructure for the country. This infrastructure enables all of the country's geospatial data and metadata to be easily managed and manipulated to derive actionable results across the entire government. Additionally, our professional services capabilities will play a key role in maintaining the system once it has been implemented. Our professional services will also be used to bridge the gap between the country's information needs and the capabilities of the Orion Platform. The end result is an easy to use geospatial system that delivers answers for all users, not just geospatial experts. The aggregation of our products and services into an all-encompassing solution for a nation is what an Orion based SDI project is all about.

This SDI project will also utilize our proprietary airborne-based Interferometric Synthetic Aperture Radar (IFSAR) sensor technology to create a new three-dimensional digital elevation model (DEM) of the entire country. Once this highly accurate DEM is complete, our patent pending fusion technology will then be used to combine areas of Light Detection and Ranging (LiDAR) data into the IFSAR DEM for specified cities, utility corridors, and other key areas within the country that require greater accuracy. This IFSAR data will also be used to orthorectify satellite imagery over the entire country to correct for the inherent spatial inaccuracies of two-dimensional satellite imagery. This corrected imagery will then be included in the nationwide geospatial database. The end result will be a superior geospatial database for the entire country that can only be achieved by merging multiple sensor technologies into one seamless database.

In addition to our SDI success, we also had continued success during the year with our software-as-a-service (SaaS) based risk analysis software application called InsitePro™. InsitePro is now starting to make a real mark within the insurance industry, especially with insurance underwriters, as it can easily be customized for customer specific scoring. This scoring utilizes Intermap's standard flood model analysis and combines it with customer specific information, like distance to water, distance to perils, or claims data. This customization feature differentiates us from the competition and is powered by our Orion Platform capabilities.

In summary, the majority of Intermap's efforts during the year were focused on further development of our Orion Platform to be used in SDI's. The platform was further enhanced to handle more types of data, and new analytics were added to address the specific requirements of the recently announced SDI contract. The Orion Platform operates as a platform-as-a-service (PaaS), and the service it provides is an analysis of geospatial information for non-geospatial experts, allowing the untrained user to access unique actionable results. As an example, with our InsitePro application, non-geospatial users can use the results to determine if any given property or groups of properties are in a flood zone, and then take the appropriate action on pricing or deciding to quote or not quote any specific location.

And lastly, we continue to work on additional SDI opportunities around the world, however, due to the complexity and unique political aspects of each of these projects, it is difficult to predict the exact timing for the ultimate closing of any new SDI project. Beyond SDI's, we are also working to expand our base business in the coming months, which includes software, professional services, mapping services and archive data sales. We believe the success in any one of these components can be a catalyst for improved future sales in the other components of our business.

On behalf of myself and all of our employees, I'd like to thank our investors for their continued support during the year and for sharing our vision. We look forward to a successful and profitable 2016.

(Signed) Todd A. Oseth

Todd A. Oseth, President and Chief Executive Officer
Intermap Technologies

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Management's Discussion and Analysis

For the year ended December 31, 2015

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 March 29, 2016, and should be read together with the Company's audited Consolidated Financial Statements and the accompanying notes for the years ended December 31, 2015 and 2014. 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 and operations, certain information provided in this MD&A constitutes forward-looking statements or information (collectively, "forward-looking statements"). Forward-looking statements are typically identified by words such as "may", "will", "should", "could", "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe", and similar words suggesting future outcomes or statements regarding an outlook. Although these forward-looking statements are based on assumptions that Intermap considers 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) the continued sales success of Intermap's products and services; (iii) the continued success of business development activities; (iv) there will be no significant delays in the development and commercialization of the Company's products; (v) the Company will continue to maintain sufficient and effective production and software development capabilities to compete on the attributes and cost of its products; (vi) there will be no significant reduction in the availability of qualified and cost-effective human resources; (vii) the continued existence and productivity of subsidiary operations; (viii) new products and services will continue to be added to the Company's portfolio; (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 from its NEXTMap® database. The Company uses its NEXTMap 3D digital models, together with aggregated third-party data, to create geospatial solutions for its customers. These geospatial solutions can be used in a wide range of applications including, but not limited to, location-based information, geographic information systems (GIS), engineering, utilities, global positioning systems (GPS) maps, geospatial risk assessment, oil and gas, renewable energy, hydrology, environmental planning, land management, wireless communications, transportation, advertising, and 3D visualization. The NEXTMap data can also be used to improve the positional accuracy of airborne and satellite images.

Intermap has the ability to create its own digital 3D geospatial data using its proprietary IFSAR radar technology mounted in a Learjet aircraft. The Company has two IFSAR-equipped aircraft, which provide operational flexibility related to geographical location of data collection. Intermap's radar-based technology allows it to collect data at any time of the day, including under conditions such as cloud cover or darkness, which are conditions that limit most competitive technologies. The IFSAR radar technology also enables data to be collected over larger areas, at higher collection speeds, and at accuracy levels that are difficult to achieve with competitive systems. Once the raw digital data is collected, it is then processed to create three different geospatial datasets: digital surface models, digital terrain models, and orthorectified radar images. These datasets can then be further processed and/or augmented with additional data to create value-added products.

The Company has been actively transitioning its NEXTMap program from primarily an internally created IFSAR radar-only dataset to an aggregated dataset of IFSAR-derived data and third-party data collected by multiple sensor technologies, including light detection and ranging (LiDAR), photogrammetry, satellite, and other available sources. The NEXTMap database also includes information such as 3D city models, census data, real-time traffic, outdoor advertising assets, weather related hazards, points of interest, cellular towers, flood models and wildfire models. The Company has many years of experience aggregating data derived from a number of different sensor technologies and data sources. In addition, the Company is combining its mapping services capability and NEXTMap database, together with its software application development capability and system integration expertise, to create entire spatial data infrastructure (SDI) environments for its customers.

The Company believes the value of its NEXTMap data lies primarily in web-based application solutions for specific vertical markets, and not solely in the data as a standalone product. These web services offer a suite of hosted tools that gives even those unfamiliar with GIS the ability to quickly and easily perform geospatial analysis based on an area of interest such as a land development site, county, or an entire state. Subscribers to the Company's web-services can access NEXTMap information using their current web browsers and through popular desktop GIS software applications.

Unlike other geospatial companies, Intermap often retains ownership of its data and licenses the use of its products and services to its customers. Intermap currently has 5-meter 3D geospatial data commercially available for 17 countries in Western Europe, the contiguous United States, Hawaii, portions of Alaska, and significant areas in Southeast Asia. Intermap also has 30-meter and 10-meter products of the entire world, called NEXTMap World 30™ and NEXTMap World 10™.

FINANCIAL INFORMATION

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

Selected Annual Information

U.S. $ millions, except per share data		**2015**		2014		2013
Revenue:						
Mapping services	**$**	**3.8**	$	2.9	$	18.0
Professional services		**0.4**		0.9		1.0
Data licenses		**3.1**		3.3		3.9
3DBI software applications		**1.3**		1.2		1.5
Total revenue	**$**	**8.6**	$	8.3	$	24.4
Operating loss	**$**	**(9.2)**	$	(13.7)	$	(14.0)
Change in fair value of derivative instruments	**$**	**(2.6)**	$	2.0	$	1.8
Financing costs	**$**	**(6.7)**	$	(2.0)	$	(1.0)
Net loss before data library impairment	**$**	**(18.1)**	$	(12.8)	$	(4.3)
Data library impairment	**$**	**-**	$	-	$	(9.2)
Net loss	**$**	**(18.1)**	$	(12.8)	$	(13.5)
EPS basic and diluted	**$**	**(0.19)**	$	(0.14)	$	(0.16)
Adjusted EBITDA	**$**	**(7.6)**	$	(12.0)	$	1.2
Assets:						
Cash, restricted cash, amounts receivable, and unbilled revenue	**$**	**3.1**	$	2.1	$	9.0
Total assets	**$**	**5.3**	$	5.3	$	12.9
Liabilities:						
Long-term liabilities (including finance lease obligations)	**$**	**7.8**	$	0.5	$	0.4
Total liabilities	**$**	**27.7**	$	11.8	$	7.2

Revenue

Consolidated revenue for the year ended December 31, 2015 totaled $8.6 million, compared to $8.3 million for the same period in 2014, representing a 5% increase. As of December 31, 2015, there remained $1.2 million in revenue from existing contracts ($0.8 million in professional services and $0.4 million in 3DBI software applications contracts) to be recognized in future periods.

Mapping services revenue for the year ended December 31, 2015 totaled $3.8 million, compared to $2.9 million for the same period in 2014. Revenue was recognized on three contracts in North America for both periods, but the increase for the year ended December 31, 2015 was due to the size and timing of the contracts.

Professional services revenue for the year ended December 31, 2015 was $0.4 million in 2015, a decrease from $0.9 million for the same period in 2014. The majority of the decrease was the result of a project management contract for a utility corridor in North America during 2014, with no similar contract in place during the current year.

Data licensing revenue for the years ended December 31, 2015 and 2014 totaled $3.1 million and $3.3 million, respectively. The slight decrease was primarily the result of decreased sales from the Company's NEXTMap Europe and Asia datasets, offset by increased sales from the Company's NEXTMap USA dataset.

3DBI software applications revenue was $1.3 million for the year ended December 31, 2015, a slight increase from $1.2 million for the same period in 2014. The increase was primarily due to new 3DBI software application contracts in 2015 for the Company's risk management software application.

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	**2015**	2014
Personnel	**$ 11.0**	$ 12.1
Purchased services & materials	**3.6**	5.5
Travel	**0.5**	1.0
Facilities and other expenses	**1.8**	2.1
	$ 16.9	$ 20.7

Personnel

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

Personnel expense for the years ended December 31, 2015 and 2014, totaled $11.0 million and $12.1 million, respectively. The 9% year-over-year decrease in personnel expense is primarily due to decreases associated with fewer personnel in all of the Company's locations.

Consolidated active employee headcount was 158 (including 61 in Jakarta, Indonesia) at December 31, 2015, a 12% decrease from 180 (including 73 in Jakarta, Indonesia) at December 31, 2014. The decrease in personnel on a year-over-year basis was the result of reductions in (i) sales and marketing 27%, or 6 personnel; (ii) software development 13%, or 3 personnel; (iii) operations 10%, or 11 personnel; and (iv) general and administrative 11%, or 2 personnel.

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 years ended December 31, 2015 and 2014, totaled $0.6 million and $0.5 million, respectively.

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 years ended December 31, 2015 and 2014, PS&M expense was $3.6 million and $5.5 million, respectively. The decrease was primarily due to (i) decreases in job and subcontractor expenses, offset by an increase in software maintenance expenses due to increased 3DBI software development, and (ii) a royalty accrual reversal of $0.8 million during the fourth quarter of 2015.

Travel

For the years ended December 31, 2015 and 2014, travel expense was $0.5 million and $1.0 million, respectively. The decrease is primarily due to a decrease in sales and marketing travel during 2015.

Facilities and Other Expenses

For the years ended December 31, 2015 and 2014, facilities and other expenses were $1.8 and $2.1 million, respectively. The decrease is primarily due to a decrease in sales and marketing training activities and general office overhead expenses during 2015.

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, depreciation and amortization. Adjusted EBITDA also excludes share-based compensation, change in value of derivative instruments, gain or loss on the disposal of equipment, impairment losses or reversals, 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	**2015**	2014
Net loss	**$ (18.1)**	$ (12.8)
Financing costs	**6.7**	2.0
Depreciation of property and equipment	**1.0**	1.1
Amortization of intangible assets	**-**	0.1
Income tax recovery	**(0.1)**	(0.4)
EBITDA	**$ (10.5)**	$ (10.0)
Change in value of derivative instruments	**2.6**	(2.0)
Share-based compensation	**0.6**	0.5
Gain on disposal of equipment	**(0.1)**	(0.5)
Gain on foreign currency translation	**(0.2)**	-
Adjusted EBITDA	**$ (7.6)**	$ (12.0)

Adjusted EBITDA for the year ended December 31, 2015 was negative $7.6 million, compared to negative $12.0 million for the same period in 2014. The difference in the adjusted EBITDA loss is primarily attributable to a decrease in operating costs of $4.0 million.

Financing Costs

Financing costs for the year ended December 31, 2015 totaled $6.7 million, compared to $2.0 million for the same period in 2014. The increase in year-over-year financing costs is attributable to interest incurred, and accretion on, outstanding convertible and other notes payable issued during the last quarter of 2014 and during 2015.

Depreciation of Property and Equipment

Depreciation expense for the year ended December 31, 2015 and 2014 was $1.0 million and $1.1 million, respectively. The decrease in depreciation expense is primarily the result of certain assets dedicated to the Company's NEXTMap database development reaching the end of their useful lives, without the addition of comparable replacement assets.

Income Tax

Current income tax expense of $27 thousand was incurred during the year ended December 31, 2015, compared to an expense of $Nil during the same period in 2014. The expense for the year ended December 31, 2015 relates to taxable income generated from the Company's Czech Republic subsidiary.

During the year ended December 31, 2015, a deferred income tax recovery of $73 thousand, compared to a deferred income tax recovery of $383 thousand for the same period in 2014 was recorded. These recoveries were due to the deferred tax effect of the accounting for the convertible and other notes payable closed during the respective periods.

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 years ended December 31, 2015 and 2014, the change in the fair value of derivative instruments was a loss of $2.6 million and a gain of $2.0 million, respectively.

Gain on Disposal of Equipment

During 2015, the Company sold fully depreciated assets and recognized a gain of $94 thousand on the sale of the assets. The assets sold consisted of spare radar parts, a transmitter, and miscellaneous IT equipment.

During 2014, the Company (i) sold fully depreciated spare radar parts, a transmitter, and miscellaneous computer equipment and recognized a gain of $128 thousand; (ii) exited a leased facility in Calgary and recognized a loss on the disposal of leasehold with a net book value of $64 thousand and recognized a gain of $76 thousand on the disposal of the remaining deferred leasehold improvement; and (iii) recognized a gain of $316 thousand on proceeds from an insurance claim for water damaged computer and storage related equipment.

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 year ended December 31, 2015, a foreign currency translation gain of $136 thousand was recorded, compared to a gain of $7 thousand for the same period in 2014.

Amounts Receivable and Unbilled Revenue

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

Amounts receivable and unbilled revenue increased from $1.5 million at December 31, 2014, to $2.3 million at December 31, 2015. These amounts represent 81 days sales at December 31, 2015, compared to 88 days' sales at December 31, 2014, and reflect specific project billing milestones on current contracts that were in progress on those dates. Amounts receivable aged greater than 90 days reduced to $327 thousand at December 31, 2015 from $564 thousand at December 31, 2014. The balance relates 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, $14 thousand has been reserved as uncollectible and the balance of 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, personnel-related costs, and interest on outstanding debt obligations. Accounts payable and accrued liabilities increased to $6.9 million at December 31, 2015, from $3.8 million at December 31, 2014.

U.S. $ millions		**December 31, 2015**		December 31, 2014
Accounts payable	**$**	**2.4**	$	1.5
Accrued liablities		**4.5**		2.3
	$	**6.9**	$	3.8

The accounts payable balance increased from $1.5 million at December 31, 2014 to $2.4 million at December 31, 2015. The increase is due primarily to the timing of payments on trade payables. The accrued liabilities balance increased from $2.3 million at December 31, 2014 to $4.5 million at December 31, 2015. The increase is primarily due to increased royalties on a debt financing, interest accrued on notes payable, legal, and personnel related accruals.

Convertible and Other Notes Payable

The convertible and other notes payable balance of $16.4 million at December 31, 2015 reflects five private placement debt financings that closed during 2015. The first debt financing occurred on January 14, 2015 for $0.5 million; simple interest payable at maturity at an annual rate of 18%. The second debt financing occurred on February 23, 2015 for $7.3 million; simple interest payable at maturity at an annual rate of 25%, in which $5.8 million of the proceeds were used to retire the obligations of an outstanding $5.0 million note (plus accrued interest of $0.8 million) issued on February 6, 2014 and was due and payable on February 6, 2015. The third debt financing occurred on April 2, 2015 in the amount of $1.5 million; simple interest is payable at maturity at an annual rate of 20%. The fourth debt financing occurred on April 28, 2015 in the amount of $2.5 million; simple interest is payable at maturity at an annual rate of 20%. The fifth debt financing occurred on July 13, 2015 in the amount of $3.0 million; simple interest is payable at maturity at an annual rate of 15%. The two debt financings that occurred during December 2014 totaling $1.o million have been retired. See Note 7 to the Consolidated Financial Statements for further discussion of the terms of the notes.

The convertible and other notes payable balance of $5.3 million at December 31, 2014 is due to three private placement convertible debt financings that closed during 2014. The first was issued on February 7, 2014 for $5.0 million; simple interest was payable at maturity at an annual rate of 16%; convertible into 12,367,054 common shares of the Company, at any time, at the option of the holder. The second was issued on December 12, 2014 for $0.5 million; simple interest was payable at maturity at an annual rate of 16%; convertible into 5,741,187 common shares of the Company, at any time, at the option of the holder. The third was issued on December 26, 2014 for $0.5 million; simple interest was payable at maturity at an annual rate of 18%; convertible into 8,333,333 common shares of the Company, at any time, at the option of the holder.

Project Financing

The project financing balance at December 31, 2015 remained consistent at $1.3 million from December 31, 2014. The balance increased due to cash received from a reimbursable project development program entered into with the Canadian government, offset by netting a receivable against the promissory note with a service provider.

Unearned Revenue and Deposits

The unearned revenue balance at December 31, 2015 remained consistent at $0.5 million from December 31, 2014. This balance consists of payments received from customers on revenue contracts for which the Company has not yet fulfilled its obligations, or which the necessary revenue recognition criteria has not been met.

Finance Lease Obligations

Finance lease obligations at December 31, 2015 decreased to $0.1 million from $0.2 million at December 31, 2014 due to recurring payments on an outstanding finance lease obligation.

QUARTERLY FINANCIAL INFORMATION

Selected Quarterly Information

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

U.S. $ millions, except per share data	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	**Q4 2015**
Total revenue	$ 2.1	$ 2.4	$ 2.7	$ 1.1	$ 1.0	$ 0.7	$ 3.7	**$ 3.2**
Depreciation and amortization	$ 0.3	$ 0.3	$ 0.3	$ 0.2	$ 0.2	$ 0.2	$ 0.3	**$ 0.3**
Financing costs	$ 0.2	$ 0.3	$ 0.5	$ 1.0	$ 1.1	$ 0.9	$ 1.6	**$ 3.1**
Change in fair value of derivative intruments	$ (1.2)	$ (0.2)	$ (0.4)	$ (0.2)	$ -	$ 3.7	$ 0.4	**$ (1.5)**
Operating income (loss)	$ (4.0)	$ (3.2)	$ (2.5)	$ (4.0)	$ (4.0)	$ (4.4)	$ (1.0)	**$ 0.2**
Net loss	$ (2.3)	$ (3.4)	$ (2.5)	$ (4.6)	$ (4.9)	$ (9.0)	$ (2.8)	**$ (1.4)**
Net loss per share - basic and diluted	$ (0.02)	$ (0.04)	$ (0.03)	$ (0.05)	$ (0.05)	$ (0.10)	$ (0.03)	**$ -**
Adjusted EBITDA	$ (3.6)	$ (2.8)	$ (2.1)	$ (3.5)	$ (3.6)	$ (3.7)	$ (0.5)	**$ 0.2**

Revenue

Consolidated revenue for the fourth quarter of 2015 totaled $3.2 million, compared to $1.1 million for the same period in 2014, representing a 191% increase.

Mapping services revenue for the quarter ended December 31, 2015 totaled $0.4 million, compared to $0.6 million for the same period in 2014. Revenue was recognized on contracts in North America for both periods.

Professional services revenue was $Nil for the quarter ended December 31, 2015, a slight decrease from $0.1 million for the same period in 2014 due to timing of contracts.

Data licensing revenue for the quarters ended December 31, 2015 and 2014 totaled $2.2 million and $0.5 million, respectively. The increase was primarily the result of one large sale from the Company's NEXTMap USA dataset totaling $0.7 million and one large sale from the Company's NEXTMap Asia dataset totaling $1.0 million during the fourth quarter of 2015 with no similar size sales in the fourth quarter of 2014.

3DBI software applications revenue increased slightly for the quarter ended December 31, 2015 to $0.6 million from $0.5 million for the same period in 2014. The increase was primarily due to new 3DBI software application contracts in 2015 for the Company's risk management software application.

Personnel

Personnel expense for the three-month periods ended December 31, 2015 and 2014, totaled $2.3 million and $3.0 million, respectively. The decrease is primarily due to decreases in headcount on a year-over-year basis.

Non-cash compensation expense for the quarters ended December 31, 2015 and 2014, totaled negative $0.1 million and positive $0.1 million, respectively. The decrease was due to an adjustment in the cash-settled awards calculation for the Company's long-term incentive plan. See Note 12 (h) to the Consolidated Financial Statements for further discussion.

Purchased Services and Materials

For the three-month periods ended December 31, 2015 and 2014, PS&M expense was $0.1 million and $1.0 million, respectively. The decrease is primarily due to a royalty accrual reversal of $0.8 million during the fourth quarter of 2015.

Travel

Travel expenses for the three-month periods ended December 31, 2015 and 2014 totaled $0.1 million and $0.2 million, respectively. The decrease is primarily due to a decrease in sales and marketing travel during 2015.

Facilities and Other Expenses

For the three-month periods ended December 31, 2015 and 2014, facilities and other expenses were $0.4 and $0.5 million, respectively. The slight decrease is primarily due to a decrease in board of director compensation during 2015.

CONTRACTUAL OBLIGATIONS

Contractual obligations include (i) operating leases on office locations; (ii) notes payable; and (iii) finance leases on computer equipment and software. Principal and interest repayments of these obligations are as follows:

		Payments due by Period (US $ thousands)			
Contractual obligations	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Operating leases	$ 920	$ 542	$ 193	$ 185	$ -
Convertible and other notes payable	23,925	16,625	7,300	-	-
Project financing	1,295	1,121	174	-	-
Finance leases	121	82	24	12	3
Total	$ 26,261	$ 18,370	$ 7,691	$ 197	$ 3

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, 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.

Cash used in operations during the year ended December 31, 2015 totaled $8.2 million, compared to $7.4 million during the same period in 2014. The year-over-year increase in cash used of $0.8 million is due primarily to changes in working capital balances.

Net cash used in investing activities totaled $50 thousand for the year ended December 31, 2015, compared to $249 thousand during the same period in 2014. Net cash used in investing activities for the year ended December 31, 2015, was for the purchase of computer related equipment of $50 thousand. Net cash used in investing activities during the year ended December 31, 2014, was for the purchase of computer related equipment of $609 thousand, offset by proceeds from the sale of property and equipment of $360 thousand.

Net cash generated from financing activities totaled $7.8 million for the year ended December 31, 2015 compared to $5.8 million during the same period in 2014. The net cash generated from financing activities during the year ended December 31, 2015 resulted from the closing of debt financing arrangements from which $8.5 million in proceeds were received by the Company, proceeds from the exercise of warrants of $0.2 million, and proceeds from a long-term reimbursable project funding of $0.1 million; offset by $0.1 million of issuance costs, $0.8 million of transfer to restricted cash and $0.1 million on the repayment of capital leases. The net cash generated from financing activities during the year ended December 31, 2014 resulted from the closing of a convertible note debt financing totaling $6.0 million and $0.1 million received on a long-term note payable. These amounts were offset by $0.1 million of issuance costs and repayment of long-term debt and capital leases of $0.2 million.

The cash position of the Company at December 31, 2015 (cash and cash equivalents) was $Nil, compared to $0.5 million at December 31, 2014. Working capital decreased to negative $16.4 million as of December 31, 2015 from negative $8.7 million as of December 31, 2014 primarily due to accounts payable and accrued liabilities increasing by $3.1 million and the current portion of convertible and other notes payable increasing by $3.8 million. Also, at December 31, 2015 and 2014, working capital includes $2.1 million and $0.2 million, respectively, of warrant liabilities that are non-cash and will be settled in equity of the Company, if exercised.

During the year ended December 31, 2015, the Company generated an operating loss of $9.2 million, incurred negative adjusted EBITDA of $7.6 million, and negative cash flow from operations of $8.2 million. Revenue for the year ended December 31, 2015 was $8.6 million, which represents only a $0.3 million increase in revenue from the year ended December 30, 2014. The Company has a shareholders' deficiency of $22.4 million and a working capital deficiency of $16.6 million. In addition, the Company has scheduled debt repayments of $16.6 million due within twelve months from the balance sheet date upon the contractual maturity of convertible and other notes payable.

The above factors in the aggregate raise 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, or obtain further financing, including financing to replace the debt maturing in 2016. Failure to achieve one or more of these requirements could have a materially adverse effect on the Company's financial condition and or results of operations. Management has taken actions to address these issues including a shift in organizational wide focus from the historical approach of licensing raw data, to providing customers with complete geospatial solutions with a focus on software applications. The Company obtained financing during the year to fund the development of new product offerings and further financing is required to continue these development and sales efforts until profitable operations are achieved or product sales with upfront payments are secured.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Revenue Recognition

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

Goods Sold

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

Software Subscriptions

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

Fixed-price Contracts

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

Multiple Component Arrangements

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

Data Library (NEXTMap)

The Company maintains a data library, which 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. As at December 31, 2015, the carrying value of the data library is $Nil. In accordance with IFRS, the Company will review each reporting period for indications that an adjustment to the carrying value may be necessary.

Use of Estimates

Preparing 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 financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year include the following:

Depreciation and amortization rates

In calculating the depreciation and amortization expense, management is required to make estimates of the expected useful lives of property and equipment and intangible assets.

Amounts receivable

The Company uses historical trends and performs specific account assessments when determining the allowance for doubtful accounts. These accounting estimates are in respect to the amounts receivable line item in the Company's consolidated balance sheet. At December 31, 2015, amounts receivable represented 43% of total assets.

The estimate of the Company's allowance for doubtful accounts could change from period to period due to the allowance being a function of the balance and composition of amounts receivable.

Share-based compensation

The Company uses the Black-Scholes option-pricing model to determine the grant date fair value of share-based compensation. The following assumptions are used in the model: dividend yield; expected volatility; risk-free interest rate; expected option life; and fair value.

Changes to assumptions used to determine the grant date fair value of share-based compensation awards can affect the amounts recognized in the consolidated financial statements.

Derivative financial instruments

The Company has determined that its functional currency is the United States dollar and has issued (i) non-broker warrants, and (ii) debt with a conversion option denominated in a currency other than its functional currency. The Company measures the cost of the derivative financial instruments by reference to the fair value of the instruments at the date at which they are granted and revalues them at each reporting date. In determining the fair value of the non-broker warrants, the Company used the Black-Scholes option pricing model with the following assumptions: average volatility rate; market price at the reporting date; risk-free interest rate; the remaining expected life of the warrant; and an exchange rate at the reporting date. The inputs used in the Black-Scholes model are taken from observable markets. In particular, changes in estimates of the fair value of the warrants can have a material impact on the reported loss and comprehensive loss for a given period. Any impact reported has no net effect on cash flows or the operating results of the Company.

Provisions

A provision is recognized, if as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the future settlement were to adversely differ from management's expectations, the Company could incur either an additional expense or reversal of the expense previously recorded.

Other long-term liabilities

The Company uses a Monte Carlo simulation model to estimate the grant date and balance sheet date fair value of share awards allocated under the Company's long-term incentive plan (LTIP). The following assumptions are used in the model: dividend yield; expected volatility; risk-free interest rate; grant date of August 8, 2014; expiration date of December 31, 2015; discount rate.

Compound financial instruments

The Company has issued compound financial instruments which comprise convertible notes denominated in United States dollars that can be converted to share capital at the option of the holder. The valuation and accounting for the notes is complex and requires the application of management estimates and judgments with respect to the determination of appropriate valuation models, certain assumptions applied within such valuation models, and certain aspects of the accounting method applied on initial recognition. The assumptions and models used for estimating fair value of convertible note transactions are disclosed in Note 7 to the Consolidated Annual Financial Statements.

Revenue

Changes to the assumptions used to measure revenue could impact the amount of revenue recognized in the consolidated financial statements.

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, 2015. The standards and amendments did not have a significant impact on the financial statements of the Company.

Amendments to IFRS 2, *Share-based payments*

In December 2013, the International Accounting Standards (IASB) issued amendments to IFRS 2, Share-based payments. The amendments clarify vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition. The Company adopted these amendments effective January 1, 2015. The adoption of these amendments did not have a material impact on the consolidated financial statements.

Amendments to IFRS 13, *Fair Value Measurements*

In December 2013, the IASB issued amendments to IFRS 13, Fair Value Measurements, which relate to the measurement of short-term receivables and payables, and the scope of the portfolio exemption. Short term receivables and payables with no stated interest rate can still be measured at the invoice amount without discounting, if the effect of discounting is immaterial. The portfolio exemption permits an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis. The amendment clarifies that the portfolio exemption applies to all contracts within the scope of IAS 39, Financial Instruments: Recognition and Measurement (or IFRS 9, Financial Instruments if this has been adopted early), regardless of whether they meet the definition of financial assets or financial liabilities in IAS 32, Financial Instruments: Presentation. The Company adopted these amendments effective January 1, 2015. The adoption of these amendments did not have a material impact on the consolidated financial statements.

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 Consolidated Financial Statements, as their effective dates fall within annual periods beginning subsequent to the current reporting period.

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. IFRS 9 is to be applied retrospectively for annual periods beginning on or after January 1, 2018. Early application is permitted. The Company does not intend to adopt this standard early and is currently evaluating the impact of adopting this standard on the consolidated financial statements.

IFRS 15, *Revenue from Contracts with Customers*

In May 2014, the International Standards Board issued IFRS 15, Revenue from Contracts with Customers, which provides a single, principles-based five-step model for revenue recognition to be applied to all customer contracts, and requires enhanced disclosures. This standard is effective January 1, 2017 and allows early adoption. The Company does not intend to adopt this standard early and is currently evaluating the impact of adopting this standard on the consolidated financial statements.

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 on the consolidated financial statements.

Amendments to IAS 16, Property, Plant and Equipment and IAS 38, *Intangible Assets*

In May 2014, the International Accounting Standards Board issued amendments to IAS 16, Property, Plant and Equipment and IAS 38, Intangible Assets. These amendments prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. They also introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. The amendments explain that an expected future reduction in selling prices could be indicative of a reduction of the future economic benefits embodied in an asset. These amendments are to be applied prospectively for annual periods beginning on or after January 1, 2016. Early adoption is allowed. The Company is currently evaluating the impact of adopting these amendments on 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 March 29, 2016, 100,237,372 Class A common shares were issued and outstanding. There are no preferred shares currently issued and outstanding.

As of March 29, 2016, potential dilutive securities include (i) 6,823,850 outstanding share options in the Company's share option plan with a weighted average exercise price of C$0.41, and (ii) 24,713,130 warrants outstanding with a weighted average exercise price of C$0.08. Each option and warrant entitles the holder to purchase one Class A common share.

INTERNAL CONTROLS AND DISCLOSURE CONTROLS AND PROCEDURES

Internal Control over Financial Reporting

The Company's President and Chief Executive Officer and the Company's Senior Vice President and 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. The Company's President and Chief Executive Officer and the Company's Senior Vice President and Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's internal control over financial reporting and have determined, based on the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission (2013) and on this evaluation, that such internal controls over financial reporting were effective at December 31, 2015.

Changes in Internal Control over Financial Reporting

During the quarter ended March 31, 2015, Management updated the internal control procedures related to complex financial instruments to ensure they are appropriately accounted for in accordance with IFRS on a quarterly basis. There have been no additional significant changes in the design of internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure Controls and Procedures

The Company's President and Chief Executive Officer and the Company's Senior Vice President and 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. The Company's President and Chief Executive Officer and the Company's Senior Vice President and Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's disclosure controls and procedures and have determined, based on that evaluation, that such disclosure controls and procedures were effective at December 31, 2015.

RISKS AND UNCERTAINTIES

The risks and uncertainties described below are not exhaustive. Additional risks not presently known currently deemed immaterial may also impair the Company's business operation. If any of the events described in the following business risks actually occur, overall business, operating results, and the financial condition of the Company could be materially adversely affected.

Availability of Capital

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

The Company currently has no commitments for additional working capital funding and therefore its ability to meet any unexpected liquidity needs is uncertain. If additional funds are raised through the issuance of equity securities, the Company's shareholders may experience significant dilution. Furthermore, if additional financing is not available when required, or is not available on acceptable terms, the Company may be unable to develop or market its products, take advantage of business opportunities, or may be required to significantly curtail its business operations.

Revenue Fluctuations

Intermap's revenue has fluctuated over the years. Mapping services projects, the purchase of archived data, and the purchase of geospatial solutions by the Company's customers are all scheduled according to customer requirements and the timing of regulatory and/or budgetary decisions. The commencement or completion of mapping projects within a particular quarter or year, the timing of regulatory approvals, operating decisions of clients, and the fixed-cost nature of Intermap's business, among other factors, may cause the Company's results to vary significantly between fiscal years and between quarters in the same fiscal year.

Nature of Government Contracts

Intermap conducts a significant portion of its business either directly or in cooperation with the United States government, other governments around the world, and international funding agencies. In many cases, the terms of these contracts provide for cancellation at the option of the government or agency at any time. In addition, many of Intermap's products and services require government appropriations and regulatory licenses, permits, and approvals, the timing and receipt of which are not within Intermap's control. Any of these factors could have an effect on Intermap's revenue, earnings, and cash flow.

General Economic Trends

The worldwide economic slowdown and tightening of credit in the financial markets may impact the business of our customers, which could have an adverse effect on Intermap's business, financial condition, or results of operations. Adverse changes in general economic or political conditions in any of the major countries in which the Company does business could also adversely affect Intermap's operating results.

Key Customers

During 2015, the Company had one key customer that accounted for 44% of total revenue. During 2014, 35% of the revenue was attributable to the same customer. To the extent that significant customers cancel or delay orders, Intermap's revenue, earnings, and cash flow could be materially and adversely affected.

Executive Talent

Intermap is in a repositioning phase in its markets. This repositioning, coupled with the development of new product lines, Web services, and developing software applications, requires the retention of executive talent. The Company will continue to invest in training and leadership development in response to the changes within the Company to retain talent. Although Intermap has a talented team of experienced executives, it may not be able to further develop executive talent internally or attract and retain enough executive talent to effectively manage the anticipated growth and changes within the Company.

New Competing Technologies

It is possible that commercially available satellite images could, in the future, match or come close to the image resolution offered by the Company's radar technology. Intermap continues to evaluate its data collection capabilities and look for improvements to the performance of its radar technology. Although there are only a few direct Intermap competitors currently, the industry is characterized by rapid technological progress. Intermap's ability to continue to develop and introduce new products and services, or incorporate enhancements to existing products and services, may require significant additional research and development expenditures and investments in support infrastructure.

Another approach to production of digital elevation models is the use of auto correlation software to analyze common points in two or more optical images of the same area taken from different viewing angles. Essentially this is the same principle that is used by technicians as they extract elevation points using stereo photogrammetric techniques, but in this case it is automated using computer software image matching algorithms. This process is well known and has been used with limited success over small areas. Advances in computing power, coupled with massive storage solutions, may make this technology useful over larger areas in the future, and if so, could represent a significant competing technology.

Any required additional financing needed by the Company to remain competitive with these other technologies may not be available or, if available, may not be on terms satisfactory to the Company.

Common Share Price Volatility

The market price of the Company's common shares has fluctuated widely in recent periods and is likely to continue to be volatile. A number of factors can affect the market price of Intermap's common stock including (i) actual or anticipated variations in operating results, (ii) the strength of the Company's balance sheet, (iii) the announcement of material contract(s), (iv) the low daily trading volume of the Company's stock, (v) announcement of technological innovations or new products by the Company or its competitors, (vi) competition, including pricing pressures and the potential impact of competitors products on sales, (vii) changing conditions in the digital mapping and related industries, (viii) unexpected production difficulties, (ix) changes in financial estimates or recommendations by stock market analysts regarding Intermap or its competitors, (x) announcements by Intermap or its competitors of acquisitions, strategic partnerships, or joint ventures, (xi) additions or departures of senior management, and (xii) changes in economic or political conditions.

Additionally, in recent years, the stock market in general and shares of technology companies in particular, have experienced extreme price and volume fluctuations. These fluctuations have often been unrelated or disproportionate to the operating performance of these technology companies. These broad market and industry fluctuations may harm the market price of Intermap's common stock, regardless of its operating results.

Loss of Proprietary Information

Intermap does not currently hold patents on the technology used in its operations and relies principally on trade secrets, know-how, expertise, experience, and the marketing ability of its personnel to remain competitive. Although Intermap requires all employees, consultants, and third parties to agree to keep its proprietary information confidential, no assurance can be given that the steps taken by Intermap will be effective in deterring misappropriation of its technologies. Additionally, no assurance can be given that employees or consultants will not challenge the legitimacy or scope of their confidentiality obligations, or that third parties, in time, could not independently develop and deploy equivalent or superior technologies.

Information Technology Security

The Company has accumulated a significant amount of data that is part of the NEXTMap database. While Intermap has invested in database management, information technology security, firewalls, and offsite duplicate storage, there is a risk of a loss of data through unauthorized access or a customer violating the terms of the Company's end user licensing agreements and distributing unauthorized copies of its data. Intermap has, and will continue to invest, in both legal resources to strengthen its licensing agreements with its customers and in overall information technology protection.

Breakdown of Strategic Alliances

Intermap has fostered a number of key alliances over the past several years and intends to enter into new alliances in the future. The Company believes these new alliances will help enable access to significant scalable markets that would not otherwise be accessible in a timely manner. The breakdown or termination of some or all of those alliances could have a material impact on the Company. At this time, the Company is not aware of any material issues in its strategic relationships. Should any one of these companies be unable to continue its alliance with Intermap, or otherwise choose to dissolve the relationship, the Company would seek to replace the connection with other entities, but there is no guarantee such replacement would occur.

Exporting Products – Political Considerations

Intermap's data collection systems contain technology that is classified as a defense article under the International Traffic and Arms Regulations. All mapping efforts undertaken outside the United States, therefore, constitute a temporary export of a defense article, requiring prior written approval by the United

States Department of State for each country within which mapping operations are to be performed. The Company does not currently anticipate that requirements for export permits will have a material impact on the Company's operations, although either government policy or government relations with select foreign countries may change to the point of affecting the Company's operational opportunities. The data produced by Intermap's airborne radar system falls under Department of Commerce regulations and is virtually unrestricted.

Foreign Operations

A significant portion of Intermap's revenue is expected to come from customers outside of the United States and is therefore subject to additional risks, including foreign currency exchange rate fluctuations, agreements that may be difficult to enforce, receivables difficult to collect through a foreign country's legal system, and the imposition of foreign-country-imposed withholding taxes or other foreign taxes. Intermap relies on contract prepayments or letters of credit to secure payment from certain of its customers when deemed necessary. The Company has in the past secured export credit insurance on certain of its international receivables, which greatly reduces the commercial and political risks of operating outside of North America.

Political Instability

Intermap understands that not every region enjoys the political stability that is taken for granted in North America. Political or significant instability in a region where Intermap is conducting data collection activities, or where Intermap has clients, could adversely impact Intermap's business.

Regulatory Approvals

The development and application of certain of the Company's products requires the approval of applicable regulatory authorities. A failure to obtain such approval on a timely basis, or material conditions imposed by such authority in connection with the approval, would materially affect the prospects of the Company.

Aircraft / Radar Lost or Damaged

Although the Company believes that the probability of one of the Company's aircraft or radar sustaining significant damage or being lost in its entirety is extremely low, such damage or loss could occur. The Company expects to have available to it, for data collection purposes, one additional aircraft at any given time. The risk to the Company of loss from the damage of an aircraft is therefore considered to be minimal. In the event that a radar mapping system is lost in its entirety through the destruction of the aircraft, it would take the Company approximately six to nine months to replace the lost equipment, if required.

Global Positioning System (GPS) Failure

GPS satellites have been available to the commercial market for many years. The continued unrestricted access to the signals produced by these GPS satellites is a requirement in the collection of the Company's radar data. A loss of GPS would have such a global impact that it is believed that controlling authorities would almost certainly make another system available to GPS receivers in relatively short order.

Information Openly Available to the Public

The Company accesses information available to the public via the Internet and may incorporate portions of such information into its products. If a source of public information determined that the Company was profiting from free information, there is risk it could seek compensation.

Force Majeure

The Company's projects may be adversely affected by risks outside the control of the Company including labor unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, or quarantine restrictions.

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.

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Management's Report

The accompanying financial statements of Intermap Technologies Corporation and all the information in this annual report are the responsibility of the Company's management. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, using best estimates and judgments, where appropriate. Management has prepared the financial information presented elsewhere in this annual report and has ensured that it is consistent with the financial statements.

Management maintains appropriate systems of internal control that provide reasonable assurance that assets are adequately safeguarded and that the financial reports are sufficiently well-maintained for the timely preparation of the consolidated financial statements.

The Audit Committee members, all of whom are non-management directors, are appointed by the Board of Directors. The Committee has reviewed these statements with the Auditors and management. The Board of Directors has approved the financial statements of the Company, which are contained in this report.

(Signed) Todd Oseth

Todd A. Oseth
President and Chief Executive Officer

(Signed) Richard L. Mohr

Richard L. Mohr
Senior Vice President and Chief Financial Officer

Independent Auditors' Report

TO THE SHAREHOLDERS OF INTERMAP TECHNOLOGIES CORPORATION

We have audited the accompanying consolidated financial statements of Intermap Technologies Corporation, which comprise the consolidated balance sheets as at December 31, 2015 and December 31, 2014, the consolidated statements of profit and loss and other comprehensive income, changes in shareholders' deficiency and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Intermap Technologies Corporation as at December 31, 2015 and December 31, 2014, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2(a) in the consolidated financial statements which indicates that Intermap Technologies Corporation incurred an operating loss of $9,205,000 and negative cash flows from operations of $8,223,000 for the year ended December 31, 2015 and as at December 31, 2015 had a shareholders' deficiency of $22,421,000 and a working capital deficiency of $16,581,000. In addition, the Company has scheduled debt repayments of $16,625,000 due within twelve months from the balance sheet date upon the contractual maturity of convertible and notes payable. These conditions along with other matters as set forth in Note 2(a) in the consolidated financial statements, indicate the existence of a material uncertainty that casts significant doubt about Intermap Technologies Corporation's ability to continue as a going concern.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
March 29, 2016
Ottawa, Canada

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Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS

(In thousands of United States dollars)

	December 31, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	**$ -**	$ 537
Restricted cash	**801**	-
Amounts receivable	**2,283**	1,453
Unbilled revenue	**11**	63
Prepaid expenses	**295**	412
	3,390	2,465
Property and equipment (Note 5)	**1,922**	2,833
Intangible assets	**-**	13
	$ 5,312	$ 5,311
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (Note 6)	**$ 6,872**	$ 3,785
Current portion of convertible and other notes payable (Note 7)	**9,087**	5,313
Current portion of project financing (Note 8)	**1,121**	1,168
Current portion of deferred lease inducements	**101**	137
Unearned revenue and deposits	**467**	451
Warrant liability (Note 13)	**2,085**	226
Income taxes payable	**5**	2
Obligations under finance leases (Note 9)	**75**	131
Current portion of long-term liabilities (Note 12(h))	**158**	-
	19,971	11,213
Long-term convertible and other notes payable (Note 7)	**7,300**	-
Long-term project financing (Note 8)	**174**	122
Deferred lease inducements	**162**	311
Obligations under finance leases (Note 9)	**34**	96
Other long-term liabilities (Note 12(h))	**92**	6
	27,733	11,748
Shareholders' deficiency:		
Share capital (Note 12(b))	**196,409**	194,377
Accumulated other comprehensive income	**(102)**	(57)
Contributed surplus (Note 12(c))	**11,578**	11,395
Deficit	**(230,306)**	(212,152)
	(22,421)	(6,437)
Going concern (Note 2(a))		
Commitments (Note 15)		
Subsequent events (Note 20)		
	$ 5,312	$ 5,311

See accompanying notes to consolidated financial statements.

On behalf of the Board:

(Signed) Larry G. Garberding

Larry G. Garberding
Director

(Signed) Donald R. Gardner

Donald R. Gardner
Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

For the years ended December 31,		**2015**		2014
Revenue (Note 10)	**$**	**8,642**	$	8,254
Expenses:				
Operating costs (Note 11(a))		**16,860**		20,718
Depreciation of property and equipment		**974**		1,123
Amortization of intangible assets		**13**		103
		17,847		21,944
Operating loss		**(9,205)**		(13,690)
Gain on disposal of equipment		**94**		456
Change in fair value of derivative instruments		**(2,572)**		2,035
Financing costs (Note 11(b))		**(6,661)**		(2,006)
Financing income		**8**		15
Gain on foreign currency translation		**136**		7
Loss before income taxes		**(18,200)**		(13,183)
Income tax (expense) recovery:				
Current		**(27)**		-
Deferred		**73**		383
		46		383
Net loss for the period	**$**	**(18,154)**	$	(12,800)
Other comprehensive loss:				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		**(45)**		(94)
Comprehensive loss for the period	**$**	**(18,199)**	$	(12,894)
Basic and diluted loss per share	**$**	**(0.19)**	$	(0.14)
Weighted average number of Class A common shares - basic & diluted (Note 12(d))		**96,102,755**		91,707,540

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

(In thousands of United States dollars)

	Share Capital	Contributed Surplus	Cumulative Translation Adjustments	Deficit	Total
Balance at December 31, 2013	$ 194,337	$ 10,671	$ 37	$ (199,352)	$ 5,693
Comprehensive loss for the period	-	-	(94)	(12,800)	(12,894)
Share-based compensation	40	408	-	-	448
Issuance costs	-	(5)	-	-	(5)
Deferred tax effect of convertible note	-	(383)	-	-	(383)
Conversion option of convertible note	-	704	-	-	704
Balance at December 31, 2014	$ 194,377	$ 11,395	$ (57)	$ (212,152)	$ (6,437)
Comprehensive loss for the period	-	-	(45)	(18,154)	(18,199)
Share-based compensation	30	294	-	-	324
Exercise of warrants	1,004	-	-	-	1,004
Exercise of options	57	(22)	-	-	35
Note conversion (Note 7(a))	556	(16)	-	-	540
New warrant issuance	385	-	-	-	385
Deferred tax effect of convertible note	-	(73)	-	-	(73)
Balance at December 31, 2015	$ 196,409	$ 11,578	$ (102)	$ (230,306)	$ (22,421)

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of United States dollars)

For the years ended December 31,	2015	2014
Cash flows provided by:		
Operating activities:		
Net loss for the period	$ (18,154)	$ (12,800)
Adjusted for the following non-cash items:		
Depreciation of property and equipment	974	1,123
Amortization of intangible assets	13	103
Share-based compensation expense	638	454
Gain on disposal of equipment	(94)	(456)
Amortization of deferred lease inducements	(144)	(41)
Deferred taxes	(73)	(383)
Change in fair value of derivative instruments	2,572	(2,035)
Financing costs	6,661	2,006
Current income tax expense	27	-
Interest paid	(18)	(22)
Income tax paid	(24)	(10)
Changes in working capital:		
Amounts receivable	(896)	5,008
Work in process and other assets	169	116
Accounts payable and accrued liabilities	73	(784)
Unearned revenue and deposits	16	341
Loss (gain) on foreign currency translation	37	(42)
	(8,223)	(7,422)
Investing activities:		
Purchase of property and equipment	(50)	(609)
Proceeds from sale of equipment	-	360
	(50)	(249)
Financing activities:		
Proceeds from convertible notes and notes payable	8,500	6,000
Issuance costs of convertible notes and notes payable	(99)	(158)
Proceeds from reimbursable project funding	93	130
Proceeds from exercise of warrants	156	-
Proceeds from exercise of options	35	-
Increase in restricted cash	(801)	-
Repayment of obligations under finance lease	(146)	(115)
Repayment of long-term debt and notes payable	-	(65)
	7,738	5,792
Effect of foreign exchange on cash	(2)	(4)
Decrease in cash and cash equivalents	(537)	(1,883)
Cash and cash equivalents, beginning of period	537	2,420
Cash and cash equivalents, end of period	$ -	$ 537

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

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

1. Reporting entity:

Intermap Technologies® Corporation (the Company) is incorporated under the laws of Alberta, Canada. The head office of Intermap is located at 8310 South Valley Highway, Suite 400, Englewood, Colorado, USA 80112. Its registered office is located at Livingston Place, Suite 1000, 250 – 2nd Street Southwest, Calgary, Alberta, Canada, T2P 0C1.

Intermap is a global location-based information company, creating a wide variety of geospatial solutions and analytics from its NEXTMap® database. The Company uses its NEXTMap 3D digital models, together with aggregated third party data, to create geospatial solutions for its customers. These geospatial solutions can be used in a wide range of applications including, but not limited to, location-based information, geographic information systems, engineering, utilities, global positioning systems maps, geospatial risk assessment, oil and gas, renewable energy, hydrology, environmental planning, wireless communications, transportation, advertising, and 3D visualization.

2. Basis of preparation:

a. Going concern:

These consolidated financial statements have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. During the year ended December 31, 2015, the Company incurred an operating loss of $9,205 and negative cash flows from operating activities of $8,223. The Company has a shareholders' deficiency of $22,421 and a working capital deficiency of $16,581. In addition, the Company has scheduled debt repayments of $16,625 due within twelve months from the consolidated balance sheet date upon the contractual maturity of convertible and other notes payable.

The above factors in the aggregate raise 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 or obtain additional financing, including financing to replace the debt maturing in 2016. Failure to achieve one or more of these requirements could have a materially adverse effect on the Company's financial condition and / or results of operations. Management has taken actions to address these issues including a shift in organization wide focus from the historical approach of licensing raw data, to providing customers with complete geospatial solutions with a focus on software applications. The Company obtained financing in 2015 (see Note 7) to fund the development and sales efforts of new product and services offerings and further financing is required to continue these development and sales efforts until profitable operations are achieved or product sales with upfront payments are secured.

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

The consolidated 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 consolidated 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The significant accounting policies are summarized in Note 3.

The policies applied in these consolidated financial statements are based on IFRS issued and effective as of March 29, 2016, the date the Board of Directors approved the consolidated financial statements.

c. Measurement basis:

The consolidated 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 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.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in Note 3(g) – Leases and Note 7 –Convertible and Other Notes Payable.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year include the following:

i. Depreciation and amortization rates:

In calculating the depreciation and amortization expense, management is required to make estimates of the expected useful lives of property and equipment and intangible assets.

ii. Amounts receivable:

The Company uses historical trends and performs specific account assessments when determining the allowance for doubtful accounts. These accounting estimates are in respect to the amounts receivable line item in the Company's consolidated balance sheet. At December 31, 2015, amounts receivable represented 43% of total assets.

The estimate of the Company's allowance for doubtful accounts could change from period to period due to the allowance being a function of the balance and composition of amounts receivable.

iii. Share-based compensation:

The Company uses the Black-Scholes option-pricing model to determine the grant date fair value of share-based compensation. The following assumptions are used in the model: dividend yield; expected volatility; risk-free interest rate; expected option life; and fair value.

Changes to assumptions used to determine the grant date fair value of share-based compensation awards can affect the amounts recognized in the consolidated financial statements.

iv. Derivative financial instruments:

The Company has determined that its functional currency is the United States dollar and has issued (i) non-broker warrants, and (ii) debt with a conversion option denominated in a currency other than its functional currency. The Company measures the cost of the derivative financial instruments by reference to the fair value of the instruments at the date at which they are granted and revalues them at each reporting date. In determining the fair value of the non-broker warrants, the Company used the Black-Scholes option pricing model with the following assumptions: average volatility rate; market price at the reporting date; risk-free interest rate; the remaining expected life of the warrant; and an exchange rate at the reporting date. The inputs used in the Black-Scholes model are taken from observable markets. In particular, changes in estimates of the fair value of the warrants can have a material impact on the reported loss and comprehensive loss for a given period. Any impact reported has no net effect on cash flows or the operating results of the Company.

v. Provisions:

A provision is recognized, if as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the future settlement were to adversely differ from management's expectations, the Company could incur either an additional expense or reversal of the expense previously recorded. (see Note 3(h)).

vi. Other long-term liabilities:

The Company uses a Monte Carlo simulation model to estimate the grant date and balance sheet date fair value of share awards allocated under its long-term incentive plan (LTIP). The following assumptions are used in the model: dividend yield; expected volatility; risk-free interest rate; grant date of August 8, 2014; expiration date of December 31, 2015; discount rate (see Note 12(h)).

vii. Compound financial instruments:

The Company has issued compound financial instruments which comprise convertible notes denominated in United States dollars that can be converted to share capital at the option of the holder. The valuation and accounting for the notes is complex and requires the application of management estimates and judgments with respect to the determination of appropriate valuation models, certain assumptions applied within such valuation models, and certain aspects of the accounting method applied on initial recognition. The assumptions and models used for estimating fair value of convertible note transactions are disclosed in Note 7.

viii. Revenue:

Changes to the assumptions used to measure revenue could impact the amount of revenue recognized in the consolidated financial statements. (see Note 3(k)).

e. Functional and presentation currency:

These consolidated financial statements are presented in United States dollars, which is the Company's functional currency. All financial information presented in United States dollars has been rounded to the nearest thousand.

f. Foreign currency translation:

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in net loss for the period.

Assets and liabilities of entities with functional currencies other than United States dollars are translated at the period end rates of exchange, and the results of their operations are translated at exchange rates prevailing at the dates of transactions. The resulting translation adjustments are included in accumulated other comprehensive income in shareholders' equity.

3. Summary of significant accounting policies:

a. Consolidation:

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Intermap Technologies Inc. (a U.S. corporation); Intermap Technologies UK Limited (a U.K. corporation); Intermap Technologies PTY Ltd (a Australian corporation); Intermap Technologies s.r.o. (a Czech Republic corporation); and a 90% owned subsidiary, PT ExsaMap Asia (a Indonesian corporation).

With respect to PT ExsaMap Asia (a 90% owned subsidiary), the non-controlling shareholder owns a written put option for which the Company has recognized as a liability in the consolidated financial statements in accordance with IAS 32, Financial Instruments: Presentation. The Company has elected to use the anticipated acquisition method to account for the arrangement, in which the recognition of the liability implies that the interests subject to the put option are deemed to have already been acquired, even though legally they are still non-controlling interests. Therefore, PT ExsaMap Asia is presented in the consolidated financial statements as fully owned by the Company for accounting purposes, and profits and losses attributable to the holder of the non-controlling interest subject to the put option are presented as attributable to the owners of the parent and not as attributable to those non-controlling shareholders.

Inter-company balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. The accounting policies of all subsidiaries are consistent with the Company's policies.

b. Cash and cash equivalents:

Cash and cash equivalents include unrestricted cash balances and highly liquid marketable securities with maturity at the date of purchase of 30 days or less.

c. Restricted cash:

Restricted cash are amounts to be used to repay promissory notes upon maturity (note 7(f)) and include cash balances and highly liquid marketable securities with maturity at the date of purchase of 30 days or less.

d. Work in process:

Work in process is measured at the lower of cost or net realizable value. When work in process is sold, the carrying amount of the work in process is recognized as an expense in the period in which the related revenue is recognized. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completing and selling expenses. The amount of any write-down of work in process to net realizable value is recognized as an expense in the period in which the write-down or loss occurs.

e. Property and equipment:

Property and equipment are measured at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of aircraft overhauls are capitalized and depreciated over the period until the next overhaul. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items. Depreciation is calculated over the depreciable amount which is the cost of an asset, less its residual value. Depreciation is provided on the straight-line basis over the following useful lives of the assets:

Assets	Years
Aircraft	10
Aircraft engines	7
Mapping equipment - hardware and software	3
Radar equipment	5
Furniture and fixtures	5
Leasehold improvements	Shorter of useful life or term of lease

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

Assets under construction are not depreciated until available for use by the Company. Expenditures for maintenance and repairs are expensed when incurred.

The cost of replacing an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Gains and losses on disposal of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net of costs associated with the disposal within other income in net loss for the period.

f. Intangible assets:

Identifiable intangible assets represent assets acquired in a business combination, and internally developed assets. Upon acquisition, identifiable intangible assets are recorded at fair value and are carried at cost less accumulated amortization. These intangible assets held by the Company are amortized on a straight-line basis, based on the estimated useful life of the asset.

The intangible assets internally developed represent Web site development costs, which are amortized over a period of three years. The amortization method, estimate of the useful life, and residual values of intangible assets are reviewed annually.

g. Leases:

Leases are classified as either finance or operating in nature. Management exercises judgment to determine whether substantially all the risks and rewards incidental to ownership have been transferred to the Company.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under an operating lease (net of any incentives received from the lessor) are recognized in net loss on a straight-line basis over the period of the lease.

Finance leases are those that substantially transfer the benefits and risks of ownership to the lessee. Assets acquired under finance leases are measured at the lower of the present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Obligations recorded under finance leases are reduced by the principal portion of lease payments. The imputed interest portion of lease payments is charged to finance costs.

h. Provisions:

A provision is recognized, if as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

i. Restructuring:

A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

ii. Onerous contracts:

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

i. Deferred lease inducements:

Deferred lease inducements represent the unamortized cost of lease inducements on certain of the Company's leased commercial office space. Amortization is provided on the straight-line basis over the term of the lease and recognized as a reduction in rent expense.

j. Income taxes:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

k. Revenue recognition:

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

i. Goods sold:

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

ii. Software subscriptions:

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

iii. Fixed-price contracts:

Revenue from fixed-price contracts is recognized using the percentage-of-completion method, based on the ratio of costs incurred to estimated final costs. The use of the percentage of completion method requires estimates to determine the cost to complete each contract. The stage of completion is determined by costs incurred and labor hours worked in comparison to total expected costs and hours. 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.

iv. Multiple component arrangements:

When a single sales transaction requires the delivery of more than one product or service (multiple components), the revenue recognition criteria are applied separately to identifiable components. A component is considered to be separately identifiable if the product or service delivered has stand-alone value to that customer. The consideration is allocated to deliverables based on their relative fair values. The fair value of each component is determined using vendor specific objective evidence, third party evidence of selling price, or estimated selling price.

l. Research and development:

Research costs are expensed as incurred. Development costs are expensed in the year incurred unless management believes a development project meets the specified criteria for deferral and amortization.

m. Share-based compensation:

The grant date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The grant date fair value of the equity-settled portion of the LTIP is recognized as an employee expense, with a corresponding increase in equity, over the service period, and the liability is re-measured at each reporting date. The fair value of the optional settlement portion of the LTIP is recognized as an employee expense, with a corresponding increase in liabilities, over the service period, and is re-measured to the current fair value at each reporting date.

n. Earnings per share:

The basic earnings per share is computed by dividing net earnings (loss) by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings per share, except the weighted average number of common shares outstanding are increased to include additional shares from the assumed exercise of share options and warrants, if dilutive.

o. Financial instruments:

i. Non-derivative financial assets:

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets are recognized initially on the date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

ii. Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

iii. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. The Company has issued non-broker warrants that are considered to be derivative liabilities due to the warrants being 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.

iv. Other liabilities:

The Company initially recognizes debt liabilities on the date that they are originated. All other financial liabilities are recognized initially on the date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The following is a summary of the classification the Company has applied to each of its significant categories of financial instruments outstanding:

Financial instrument:	Classification:
Cash and cash equivalents	Loans and receivables
Amounts receivable	Loans and receivables
Unbilled revenue	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Obligations under finance leases	Other liabilities
Convertible and other notes payable	Other liabilities
Other long-term liabilities	Other liabilities
Warrant liability	Financial liability at fair value through profit and loss

v. Share capital:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

vi. Compound financial instruments:

Compound financial instruments issued by the Company comprise convertible notes denominated in United States dollars that can be converted to share capital at the option of the holder.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

Interest related to the financial liability is recognized in profit or loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognized.

p. Segments:

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

4. New standards and interpretations:

a. New accounting standards:

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, 2015.

i. Amendments to IFRS 2, *Share-based Payments*

In December 2013, the International Accounting Standards (IASB) issued amendments to IFRS 2, Share-based Payments. The amendments clarify vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition. The Company adopted these amendments effective January 1, 2015. The adoption of these amendments did not have a material impact on the consolidated financial statements.

ii. Amendments to IFRS 13, *Fair Value Measurements*

In December 2013, the IASB issued amendments to IFRS 13, Fair Value Measurements, which relate to the measurement of short-term receivables and payables, and the scope of the portfolio exemption. Short term receivables and payables with no stated interest rate can still be measured at the invoice amount without discounting, if the effect of discounting is immaterial. The portfolio exemption permits an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis. The amendment clarifies that the portfolio exemption applies to all contracts within the scope of IAS 39, Financial Instruments: Recognition and Measurement (or IFRS 9, Financial Instruments if this has been adopted early), regardless of whether they meet the definition of financial assets or financial liabilities in IAS 32, Financial Instruments: Presentation. The Company adopted these amendments effective January 1, 2015. The adoption of these amendments did not have a material impact on the consolidated financial statements.

b. Future pronouncements:

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

i. 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. IFRS 9 is to be applied retrospectively for annual periods beginning on or after January 1, 2018. Early application is permitted. The Company does not intend to adopt this standard early and is currently evaluating the impact of adopting this standard on the consolidated financial statements.

ii. IFRS 15, *Revenue from Contracts with Customers*

In May 2014, the International Standards Board issued IFRS 15, Revenue from Contracts with Customers, which provides a single, principles-based five-step model for revenue recognition to be applied to all customer contracts, and requires enhanced disclosures. This standard is effective January 1, 2017 and allows early adoption. The Company does not intend to adopt this standard early and is currently evaluating the impact of adopting this standard on the consolidated financial statements.

iii. 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 on the consolidated financial statements.

iv. Amendments to IAS 16, Property, Plant and Equipment and IAS 38, *Intangible Assets*

In May 2014, the International Accounting Standards Board issued amendments to IAS 16, Property, Plant and Equipment and IAS 38, Intangible Assets. These amendments prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. They also introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. The amendments explain that an expected future reduction in selling prices could be indicative of a reduction of the future economic benefits embodied in an asset. These amendments are to be applied prospectively for annual periods beginning on or after January 1, 2016. Early adoption is allowed. The Company is currently evaluating the impact of adopting these amendments on the consolidated financial statements.

5. Property and equipment:

Property and equipment	Aircraft and engines	Radar and mapping equipment	Furniture and fixtures	Leases	Under construction	Total
Balance at December 31, 2013	$ 2,101	$ 1,175	$ -	$ 102	$ -	$ 3,378
Additions	95	276	8	112	118	609
Finance Lease	-	35	-	-	-	35
Disposals	-	(2)	-	(64)	-	(66)
Depreciation	(488)	(544)	(2)	(89)	-	(1,123)
Transfer from under construction	-	-	-	118	(118)	-
Balance at December 31, 2014	$ 1,708	$ 940	$ 6	$ 179	$ -	$ 2,833
Additions	-	36	-	-	14	50
Finance Lease	-	13	-	-	-	13
Depreciation	(462)	(434)	(1)	(77)	-	(974)
Balance at December 31, 2015	$ 1,246	$ 555	$ 5	$ 102	$ 14	$ 1,922

Property and equipment	Aircraft and engines	Radar and mapping equipment	Furniture and fixtures	Leases	Under construction	Total
Cost	$ 10,951	$ 27,393	$ 372	$ 921	$ -	$ 39,637
Accumulated depreciation	(9,243)	(26,453)	(366)	(742)	-	(36,804)
Balance at December 31, 2014	$ 1,708	$ 940	$ 6	$ 179	$ -	$ 2,833
Cost	$ 10,951	$ 27,346	$ 372	$ 921	$ 14	$ 39,604
Accumulated depreciation	(9,705)	(26,791)	(367)	(819)	-	(37,682)
Balance at December 31, 2015	$ 1,246	$ 555	$ 5	$ 102	$ 14	$ 1,922

During the twelve months ended December 31, 2015, the Company disposed of fully depreciated assets of $96, recognized a gain of $94 on the sale of those assets, and received cash proceeds of $Nil. The balance of the proceeds is included in accounts receivable at December 31, 2015.

6. Accounts payable and accrued liabilities:

		December 31, 2015		December 31, 2014
Accounts payable	$	2,362	$	1,513
Accrued liablities[1]		4,509		2,259
Other taxes payable		1		13
	$	6,872	$	3,785

(1) Accrued liabilities include $2,421 of accrued interest and $1,129 of accrued royalties on convertible and other notes payable (2014 – $737 and nil).

7. Convertible and other notes payable:

The following table details the liability and equity components of each convertible and other notes payable balance at December 31, 2015:

Closing Date of Note	July 13, 2015	April 28, 2015	April 1, 2015	February 23, 2015	January 14, 2015	Total
Issuance of notes payable	$ 3,000	$ 2,500	$ 1,500	$ 7,300	$ 500	**$ 14,800**
Transaction costs	(14)	(31)	(5)	(20)	(29)	**(99)**
Net proceeds	2,986	2,469	1,495	7,280	471	**14,701**
Fair value of warrants recorded in equity	-	-	(271)	-	-	**(271)**
Warrant liability (on date of issuance)	-	-	-	-	(118)	**(118)**
Effective interest incurred on note discount	12	21	110	1,829	103	**2,075**
Carrying amount of notes payable	$ 2,998	$ 2,490	$ 1,334	$ 9,109	$ 456	$ 16,387
Less current portion	(2,998)	(2,490)	(1,334)	(1,809)	(456)	**(9,087)**
Long-term portion of notes payable	$ -	$ -	$ -	$ 7,300	$ -	$ 7,300

The following table details the liability and equity components of each convertible and other notes payable balance at December 31, 2014:

	December 26, 2014	December 12, 2014	February 7, 2014	Total
Proceeds from convertible note	$ 500	$ 500	$ 5,000	**$ 6,000**
Transaction costs	(31)	(34)	(93)	**(158)**
Net proceeds	469	466	4,907	**5,842**
Contributed surplus-conversion option	(83)	(16)	(598)	**(697)**
Warrant liability (on date of issuance)	(100)	(57)	(673)	**(830)**
Effective interest incurred on note discount	9	6	983	**998**
Carrying amount of notes payable	$ 295	$ 399	$ 4,619	**$ 5,313**

a. February 7, 2014 convertible promissory note:

On February 7, 2014, the Company issued convertible promissory notes totaling $5,000. Simple interest is payable at maturity at an annual rate of 16%. The notes are convertible into 12,367,054 common shares of the Company at any time at the option of the holders. Under the terms of the notes, the accrued interest payable on any converted principal balances will be waived at the time of conversion. The notes also include 3,091,572 detachable warrants to purchase Class A common shares at a per share price of C$0.56 that expire on February 7, 2017. The notes are secured by a second priority security interest in the Company's amounts receivable and its two aircraft. The noteholder has a general security interest in the remaining assets of the Company on a pari pasu basis with the December 12, 2014 and December 26, 2014 convertible note holder. Any unconverted principal and accrued interest balance is payable at maturity on February 6, 2015. The Company has the option, after six months from the closing date of the notes, and upon sixty days' notice, to repay the note at 116% of the outstanding principal balance. The fair value of the prepayment option at December 31, 2014 was $Nil. At December 31, 2014, $733 of accrued interest is included in accrued liabilities.

The convertible notes represent hybrid instruments that need to be bifurcated between their liability and equity components. The warrants and notes are considered liabilities and the conversion option is equity. In determining the fair value of the warrant liability, the Company used the Black-Scholes option pricing model with the following assumptions: average volatility rate of 109.3%; risk-free interest rate of 0.98%; expected life of three years; and an exchange rate of 0.904. The value of $673 was established on February 7, 2014. The fair value of the convertible notes at February 7, 2014 was determined to be $3,636 net of transaction costs of $93. The estimated discount rate is 29% which is subject to estimation uncertainty. The discount to the convertible notes is being amortized over the term of the notes using the effective interest method. The amount of the convertible note classified as equity is $598 and has been recorded in contributed surplus.

On February 23, 2015, the note and related accrued interest were retired (see Note 7(e)) and the 12,367,054 conversion shares were canceled.

b. December 12, 2014 convertible promissory note:

On December 12, 2014, the Company issued a convertible promissory note for $500. Simple interest was payable at maturity at an annual rate of 16%. The note was convertible into 5,741,187 common shares of the Company at any time at the option of the holder. Under the terms of the note, the accrued interest payable on any converted principal balances was waived at the time of conversion. The note also included 1,137,202 detachable warrants to purchase Class A common shares at a per share price of C$0.10 that expire on December 12, 2017. On June 12, 2015, the holder converted the note into 5,741,187 Class A common shares at a value of $540, which included accrued interest of $40, which was waived upon conversion. The amount of the convertible note classified as equity of $16 has been reclassified from contributed surplus to share capital upon conversion.

c. December 26, 2014 convertible promissory note:

On December 26, 2014, the Company issued a convertible promissory note for $500. Simple interest was payable at maturity at an annual rate of 18%. The note was convertible into 8,333,333 common shares of the Company at any time at the option of the holder. Under the terms of the note, the accrued interest payable on any converted principal balances will be waived at the time of conversion. The note also includes 1,666,667 detachable warrants to purchase Class A common shares at a per share price of C$0.07 that expire on December 26, 2017. The note matured on March 31, 2015 and was rolled into the April 1, 2015 note. The related conversion shares were canceled.

d. January 14, 2015 note payable:

On January 14, 2015, the Company issued a promissory note for $500. Simple interest is payable at maturity at an annual rate of 18%. The note also includes 6,000,000 detachable warrants to purchase Class A common shares of the Company, of which 1,469,834 warrants were issued at a per share price of C$0.08 and expire on January 21, 2018. The remaining 4,530,166 warrants were issued at a per share price of US$0.06 and expire on May 1, 2018. The principal and accrued interest balance is payable at maturity on January 14, 2016. The Company has the option upon sixty days' notice, to repay the note at 118% of the outstanding principal balance. The fair value of the prepayment option at December 31, 2015 was $Nil. At December 31, 2015, $87 of accrued interest is included in accrued liabilities.

In determining the fair value of the warrants at inception, the Company used the Black-Scholes option pricing model with the following assumptions: average volatility rate of 58.6%; risk-free interest rate of 1.00%; expected life of three years; and an exchange rate of 0.78672. The value of $118 was established on January 14, 2015. The estimated discount rate is 28% which is subject to estimation uncertainty. The discount to the note payable is being amortized over the term of the note using the effective interest method.

e. February 23, 2015 note payable:

On February 23, 2015, the Company entered into promissory note agreements with Vertex One Asset Management Inc. (Vertex) totaling $7,300 that will mature 12 months from the date of issuance. Simple interest is payable at maturity at an annual rate of 25.0%. As additional consideration for the note, the Company entered into a royalty agreement, pursuant to which the Company agreed to pay a 17.5% royalty on net revenues into perpetuity. Of the $7,300 proceeds, $5,800 was used to retire a $5,000 convertible promissory note (plus accrued interest of $800) which was issued on February 7, 2014, and became due on February 6, 2015. 12,367,054 conversion shares associated with the February 7, 2014 note were cancelled with the retirement of the note. The net proceeds to the Company were $1,500. The promissory note is subject to a prepayment right by the Company at 125% of the principal amount at any time, subject to a 30 day notice period. The fair value of the prepayment option at December 31, 2015 was $Nil. At December 31, 2015, $1,550 of accrued interest and $1,129 of accrued royalty payable is included in accrued liabilities.

As a result of the 17.5% royalty of net revenue being payable in perpetuity, the Company has recognized the $7,300 promissory note as a perpetual debt instrument with a floating rate of interest. In the initial year of the debt, interest recognized will be equal to the stated interest rate of 25%, the amortized portion of the scheduled repayment of $7,300 on February 25, 2016 plus related transaction costs using the effective interest method, and 17.5% of net revenue recognized during the period. Subsequent to the initial year, interest will be recognized in an amount equal to 17.5% of net revenue earned during the period. The face amount of the debt will be carried as a liability until such time as the royalty is either retired, or it is projected that future royalty streams will be insufficient to support the carrying amount of the liability.

In connection with the closing of the February 23, 2015 note payable, the December 12, 2014 and December 26, 2014 notes and associated warrants were assigned to Vertex pursuant to an agreement between Vertex and the December 12 and December 26 note holder. The notes are secured by a first priority position in the Company's amounts receivable and its two aircraft, and a general security interest in the remaining assets of the Company.

f. April 1, 2015 note payable:

On April 1, 2015, the Company issued a promissory note for $1,500 to Vertex. Simple interest is payable at maturity at an annual rate of 20%. The note also includes 9,178,266 detachable warrants to purchase Class A common shares of the Company at a per share price of US$0.07 and expire on April 1, 2018. Under the terms of the financing, the holder retired an outstanding $500 note (see Note 7(c)). The net proceeds to the Company were $1,000. The principal and accrued interest balance is payable at maturity on April 1, 2016. The Company has the option upon thirty days' notice, to repay the note at 120% of the outstanding principal balance. The fair value of the prepayment option at December 31, 2015 was $Nil. At December 31, 2015, $225 of accrued interest is included in accrued liabilities.

In determining the fair value of the warrants at inception, the Company used the Black-Scholes option pricing model with the following assumptions: average volatility rate of 62.0%; risk-free interest rate of .49%; expected life of three years; and an exchange rate of 0.79289. The value of $271 was established on April 1, 2015. The estimated discount rate is 23% which is subject to estimation uncertainty. The discount to the note payable is being amortized over the term of the note using the effective interest method.

g. April 28, 2015 note payable:

On April 28, 2015, the Company issued a promissory note for $2,500 to Vertex. Simple interest is payable at maturity at an annual rate of 20%. The principal and accrued interest balance is payable at maturity on April 27, 2016. The Company has the option upon thirty days' notice, to repay the note at 120% of the outstanding principal balance. The fair value of the prepayment option at December 31, 2015 was $Nil. At December 31, 2015, $344 of accrued interest is included in accrued liabilities.

In addition, the Company entered into an amending agreement with Vertex, by which the Company agreed to establish a cash sweep account to restrict a certain portion of the Company's cash collections from net revenues generated subsequent to the execution of the agreement, to be used to repay the promissory notes upon maturity. At December 31, 2015 $801 is included in restricted cash subject to the amending agreement, which is $449 short of the balance required under the terms of the agreement, resulting in a breach in the terms of the amending agreement. At December 31, 2015, $8,631 is included in current portion of convertible and other notes payable subject to the amending agreement. There was no change in the status of this agreement as of March 29, 2016.

h. July 13, 2015 note payable:

On July 13, 2015, the Company issued a promissory note for $3,000 to Vertex. Simple interest is payable at maturity at an annual rate of 15%. The principal and accrued interest balance is payable at maturity on January 9, 2016. The Company has the option upon thirty days' notice, to repay the note at 107.5% of the outstanding principal balance. The fair value of the prepayment option at December 31, 2015 was $Nil. At December 31, 2015, $215 of accrued interest is included in accrued liabilities.

8. 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 December 31, 2015, the balance of the note is $1,110.

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. During the twelve months ended December 31, 2015, two quarterly installments totaling $93 were received. 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.

		December 31, 2015		December 31, 2014
Promissory note payable	**$**	**1,110**	$	1,168
Reimbursable project funding		**185**		122
		1,295		1,290
Less current portion		**(1,121)**		(1,168)
Long-term portion of project financing	**$**	**174**	$	122

9. Finance lease liabilities:

Finance lease liabilities are payable as follows:

	December 31, 2015			December 31, 2014		
	Future minimum lease payments	**Interest (1)**	**Present value of minimum lease payments**	Future minimum lease payments	Interest (1)	Present value of minimum lease payments
Less than one year (current portion)	**$ 82**	**$ 7**	**$ 75**	$ 150	$ 19	$ 131
Between one and five years (long-term portion)	**39**	**5**	**34**	105	9	96
	$ 121	**$ 12**	**$ 109**	$ 255	$ 28	$ 227

(1) Interest rate ranging from 7.48% to 8.20%.

In October 2015, the Company entered into a finance lease to purchase a new copy machine for $13 (computer hardware). The lease bears interest at an implicit rate of 7.48% and is secured by the underlying assets. The lease matures in October 2020.

In December 2014, the Company entered into a finance lease to purchase $35 of new telephone equipment (computer hardware). The lease bears interest at an implicit rate of 9.65% and is secured by the underlying assets. The lease matures in December 2019.

10. Revenue:

Details of revenue are as follows:

For the twelve months ended December 31,	**2015**	2014
Mapping services	**$ 3,822**	$ 2,886
Professional services	**365**	869
Data licenses	**3,084**	3,275
3DBI software applications	**1,371**	1,224
	$ 8,642	$ 8,254

11. Operating and financing costs:

a. Operating costs:

For the twelve months ended December 31,	**2015**	2014
Personnel	**$ 10,998**	$ 12,096
Purchased services & materials(1)	**3,565**	5,532
Travel	**530**	1,025
Facilities and other expenses	**1,767**	2,065
	$ 16,860	$ 20,718

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

b. Financing costs:

For the twelve months ended December 31,	**2015**	2014
Interest on notes payable	**$ 2,668**	$ 1,228
Accretion of discounts recognized on notes payable	**2,751**	650
Royalty associated with note payable	**1,129**	-
Interest on project financing	**94**	99
Interest on finance lease	**19**	29
	$ 6,661	$ 2,006

12. Share capital:

a. Authorized:

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

b. Issued:

	December 31, 2015		December 31, 2014	
Class A common shares	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period:				
Unrestricted shares	**91,782,665**	**$ 194,377**	91,613,401	$ 194,337
Restricted shares held in escrow	**-**	**-**	526,098	-
Issuance of common shares from conversion of convertible note	**5,741,187**	**540**	-	-
Conversion option of convertible note	**-**	**16**	-	-
Issuance of warrants	**-**	**385**	-	-
Warrant exercise	**2,508,020**	**1,004**	-	-
Option exercise	**116,250**	**57**	-	-
Share-based compensation	**89,250**	**30**	169,264	40
Restricted shares released from escrow and cancelled	**-**	**-**	(526,098)	-
Balance, end of period:	**100,237,372**	**$ 196,409**	91,782,665	$ 194,377

On September 15, 2015, 108,750 Class A common shares were issued upon the exercise of options with a grant date fair value of $21 for cash proceeds of $33.

On August 28, 2015, 7,500 Class A common shares were issued upon the exercise of options with a grant date fair value of $1 for cash proceeds of $2.

On August 20, 2015, 958,020 Class A common shares were issued upon the exercise of warrants for cash proceeds of $59. The value attributed to the warrant liability of $439 was transferred to share capital upon exercise.

On July 2, 2015, 89,250 Class A common shares were issued to directors of the Company as compensation for services. Compensation expense of $30 for these Class A common shares is included in operating costs (see Note 13(e)).

On June 29, 2015, 1,550,000 Class A common shares were issued upon the exercise of warrants for cash proceeds of $97. The value attributed to the warrant liability of $409 was transferred to share capital upon exercise.

On June 12, 2015, 5,741,187 Class A common shares were issued upon conversion of a convertible promissory note issued on December 12, 2014. The value attributed to the conversion was $556 and includes the accrued interest of $40, which was forgiven upon conversion, and $16 for the proportionate share of the conversion option of the convertible note originally classified in contributed surplus (see Note 12(c)).

On April 1, 2015, the Company issued 9,178,266 warrants to purchase Class A common shares of the Company in connection with a promissory note (see Note 7(e)) with a value of $271 allocated to share capital.

On May 1, 2015, the Company issued 4,530,166 warrants to purchase Class A common shares of the Company in connection with a promissory note (see Note 7(c)) with a value of $114 allocated to share capital.

On June 11, 2014, 169,264 Class A common shares were issued to directors of the Company as compensation for services. Compensation expense of $40 for these Class A common shares is included in operating costs (see Note 12(e)).

On March 13, 2014, 526,098 Class A common shares originally issued in 2011, pursuant to the five year employment agreement with the Company's Chief Executive Officer and held in escrow for release upon achievement of certain market performance conditions, were released from escrow and cancelled.

c. **Contributed surplus:**

		December 31, 2015		December 31, 2014
Balance, beginning of period	$	11,395	$	10,671
Share-based compensation		294		408
Exercise of options		(22)		-
Conversion option of convertible note (Note 7(a))		(16)		704
Issuance costs of convertible note		-		(5)
Deferred tax effect of convertible note		(73)		(383)
Balance, end of period	$	11,578	$	11,395

d. **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 considered to be anti-dilutive and are therefore not included in the calculation.

The underlying Class A common shares pertaining to 6,864,850 outstanding share options and 24,713,130 outstanding warrants could potentially dilute earnings.

e. **Director's share compensation plan:**

The Company has a director's share compensation plan which originally allowed for the issuance of up to 400,000 shares of the Company's Class A common shares to non-employee directors of the Company as part of their annual compensation and was amended in 2011 to 1,400,000 shares. At the Annual General and Special Meeting of the Shareholders on August 9, 2012, an amendment to the share compensation plan was approved to increase the maximum number of Class A common shares of the Corporation issuable thereunder from 1,400,000 to 2,400,000. As of December 31, 2015, 637,889 Class A common shares remain available under the plan. Compensation expense for issued shares is included in operating costs.

f. **Employee share compensation plan:**

The Company established an employee share compensation plan to compensate employees for services performed. The plan was approved by the shareholders of the Company at the Annual General Meeting on May 12, 2009. The plan originally allowed for the issuance of up to 1,500,000 shares of the Company's Class A common shares to employees. At the Annual General and Special Meeting of the Shareholders on August 3, 2011, an amendment to the share compensation plan was approved to increase the maximum number of Class A common shares of the Corporation issuable thereunder from 1,500,000 to 4,000,000. At the Annual General and Special Meeting of the Shareholders on August 14, 2014, an amendment to the share compensation plan was approved to increase the maximum number of Class A common shares of the Corporation issuable thereunder from 4,000,000 to 8,000,000. As of December 31, 2015, 6,794,812 Class A common shares remain available for issuance under the plan. Compensation expense for issued shares is included in operating costs.

g. Share option plan:

The Company established a share option plan to provide long-term incentives to attract, motivate, and retain certain key employees, officers, directors, and consultants providing services to the Company. The plan permits the granting of options to purchase up to 10% of the outstanding Class A common shares of the Company. As of December 31, 2015, 10,023,737 Class A common shares were authorized under the plan, of which 6,864,850 share options are issued and outstanding and 3,158,887 options remain available for future issuance. Under the plan, no one individual shall be granted an option resulting in cumulative grants in excess of 5% of the issued and outstanding Class A common shares of the Company. In addition, the exercise price of each option shall not be less than the market price of the Company's Class A common shares on the date of grant. The options are exercisable for a period of not greater than six years, and generally vest over a period of one to four years. Options granted to directors generally vest on the date of the grant and expire on the fifth anniversary of the date of such grant.

The following table summarizes information regarding share options outstanding:

	December 31, 2015			December 31, 2014		
	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	**7,427,400**	**$**	**0.46**	6,287,320	$	0.55
Granted	**-**		**-**	1,839,630		0.28
Exercised	**(116,250)**		**0.40**	-		-
Expired	**(390,050)**		**1.40**	(462,550)		1.04
Forfeitures	**(56,250)**		**0.26**	(237,000)		0.33
Options outstanding, end of period	**6,864,850**	**$**	**0.46**	7,427,400	$	0.46
Options exercisable, end of period	**5,006,100**	**$**	**0.44**	4,398,592	$	0.53

Exercise Price (CDN$)	Options outstanding	Weighted average remaining contractual life	Options exercisable
0.17	25,000	4.62 years	6,250
0.25	134,630	3.12 years	134,630
0.27	20,000	2.36 years	15,000
0.29	1,478,750	4.02 years	368,750
0.33	700,000	2.66 years	600,000
0.38	40,000	3.37 years	20,000
0.43	1,012,240	1.25 years	1,012,240
0.44	1,535,000	2.50 years	930,000
0.46	753,230	1.96 years	753,230
0.48	450,000	1.01 years	450,000
0.50	450,000	0.93 years	450,000
0.66	225,000	1.11 years	225,000
1.60	41,000	0.18 years	41,000
	6,864,850	1.96 years	5,006,100

During the twelve months ended December 31, 2015, no options were granted. The estimated forfeiture rate was 5.43%. During the twelve months ended December 31, 2015, the Company recognized $211 (twelve months ended December 31, 2014 - $416) of non-cash compensation expense related to the share option plan.

h. Long-term incentive plan:

During the third quarter of 2014, the Board of Directors approved the terms of a long-term incentive plan (LTIP) intended to retain and compensate senior management of the Company. The LTIP is a share-based payments plan, based on the average stock price of the Company during the last quarter of the year ended December 31, 2015, and includes the award of up to 2,398,000 common shares to be issued as equity-settled share-based compensation and up to 3,597,000 common shares to be settled in either cash or common shares, at the discretion of the Board of Directors. Any awards settled in cash will be determined by multiplying the number of shares earned under the optional settlement portion by the Company's closing stock price on December 31, 2015 and paid 50% of the earned award on March 31, 2016 and 50% of the earned award on March 31, 2017, subject to predetermined working capital thresholds. To receive the awards, the eligible employees must be employed by the Company on the scheduled payment dates. At December 31, 2015 1,058,165 shares were earned under the equity-settled portion of the LTIP and 1,587,248 shares were earned under the optional settlement portion of the LTIP.

The fair value of the awards is subject to estimation uncertainty and was calculated using a Monte Carlo simulation model with the following assumptions at the grant date: expected dividend yield 0%, risk-free interest rate of 1.02%, volatility of 94.35%, grant date of August 8, 2014 and expiration date of December 31, 2015. Volatilities are calculated based on the actual historical trading statistics of the Company's Class A common shares with a 1.4 year historical look back, commensurate with the term of the LTIP.

The grant date fair value of the equity-settled portion of the LTIP was $133 and is charged to non-cash compensation expense over the service period, which ends March 31, 2016, with a corresponding charge to contributed surplus. For the twelve months ending December 31, 2015, $82 has been charged to non-cash compensation expense and as of December 31, 2015, $113 is included in contributed surplus.

The grant date fair value of the optional settlement portion of the LTIP was $88 for the 50% that will be paid in 2016 and $81 for the 50% that will be paid in 2017, subject to predetermined working capital thresholds, and was determined using a discount rate of 8.97%. The fair value of the amount estimated to be payable to employees under the optional settlement portion of the LTIP is charged to non-cash compensation expense with a corresponding increase in liabilities, over the service period, and is re-measured to the current fair value at each reporting date.

The fair value of the awards is subject to estimation uncertainty and at December 31, 2015 a liability of $250 has been recorded representing the vested portion of the fair value of the optional settlement portion of the LTIP.

Any changes in the liability are recognized in profit or loss over the service period. For the twelve months ended December 31, 2015, $244 has been charged to non-cash compensation expense and as of December 31, 2015, $158 is included in other short-term liabilities and $92 is included in other long-term liabilities.

i. Share-based compensation expense:

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

For the twelve months ended December 31,		**2015**		2014
Employees	**$**	**538**	$	389
Non-employees		**100**		65
Non-cash compensation	**$**	**638**	$	454

13. Class A common share purchase warrants:

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	Expired	Exercised	Number of Warrants Outstanding
December 31, 2013						19,050,000
2/7/2014	2/7/2017	C$ 0.08	3,091,572	-	-	3,091,572
4/28/2011	4/28/2014	C$ 0.40	-	(1,225,000)	-	(1,225,000)
4/28/2011	4/28/2014	C$ 0.48	-	(16,125,000)	-	(16,125,000)
12/12/2014	12/12/2017	C$ 0.10	1,137,202	-	-	1,137,202
12/26/2014	12/26/2017	C$ 0.07	1,666,667	-	-	1,666,667
December 31, 2014			5,895,441	(17,350,000)	-	7,595,441
1/6/2015	2/6/2017	C$ 0.08	4,597,443	-	(958,020)	3,639,423
1/14/2015	1/21/2018	C$ 0.08	1,469,834	-	-	1,469,834
4/1/2015	4/3/2018	US$ 0.07	9,178,266	-	-	9,178,266
5/1/2015	5/1/2018	US$ 0.06	4,530,166	-	-	4,530,166
6/26/2012	6/26/2015	C$ 0.08	-	(150,000)	(1,550,000)	(1,700,000)
December 31, 2015			19,775,709	(150,000)	(2,508,020)	24,713,130

Each warrant entitles its holder to purchase one Class A common share. Vertex, the holder of all of the Company's convertible and other notes payable with the exception of the January 14, 2015 note, holds 18,713,130 of the warrants outstanding at December 31, 2015. The 11,004,698 warrants denominated in Canadian dollars, a currency different from the Company's functional currency, are recognized as a financial liability at fair value through profit and loss. The 13,708,432 warrants denominated in United States dollars are recognized as part of share capital. At December 31, 2015 $385 is included in share capital related to these warrants (December 31, 2014 – $Nil).

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, 2014	7,595,441	$ 226
Issued	6,067,277	162
Expired	(150,000)	(40)
Exercised	(2,508,020)	(835)
Revaluation	-	2,572
Balance at December 31, 2015	11,004,698	$ 2,085

On January 6, 2015, the Company issued warrants to purchase up to 4,597,443 common shares of the Company to certain holders of previously-issued promissory notes and warrants. The warrant issuance was in consideration for the release by the note holders of a first priority lien in certain of the Company's secured assets and the sharing of security on the remainder of the Company's assets, on a pro-rata basis, with a new lender under a debt financing completed December 26, 2014 (Note 7(c)). The new warrants are exercisable into common shares at C$0.08 per share until February 6, 2017.

On January 15, 2015, the Company amended the exercise price to C$0.08 per share for outstanding warrants to purchase 4,791,572 common shares of the Company. The original number of underlying shares and exercise price of these warrants was (i) 3,091,572 common shares with an exercise price of C$0.56 per share, and (ii) 1,700,000 common shares with an exercise price of C$0.31 per share. Other than the exercise price, the original terms of these warrants remain unchanged. The amendment to the warrant exercise price was given as consideration for the release by the warrant holders of a first priority lien in certain of the Company's secured assets and the sharing of security on the remainder of the Company's assets on a pro-rata basis with the new lender under the Company's debt financing completed on December 26, 2014 (Note 7(c)).

On December 31, 2015, the 5,895,441 non-broker warrants issued in 2014 were re-valued to $1,117 using the Black-Scholes option pricing model with the following assumptions: exercise price of C$0.07-C$0.10; average volatility rate of 94.5%-116.7%; risk-free interest rate of 0.62%; expected life of 14-24 months; and an exchange rate of 0.7225.

In determining the fair value of the 1,469,834 non-broker warrants issued on January 14, 2015, the Company used the Black-Scholes option pricing model with the following assumptions: exercise price of C$0.08; average volatility rate of 58.6%; risk-free interest rate of 1.00%; expected life of three years; and an exchange rate of 0.787. The value of $29 was established on January 14, 2015 and subsequently revalued to $281 on December 31, 2015 utilizing the Black-Scholes option pricing model with the following assumptions: exercise price of C$0.08; average volatility rate of 93.6%; risk-free interest rate of 0.62%; expected life of 26 months; and an exchange rate of 0.7225.

In determining the fair value of the 4,597,443 non-broker warrants issued on January 6, 2015, the Company used the Black-Scholes option pricing model with the following assumptions: exercise price of C$0.08; average volatility rate of 108.0%; risk-free interest rate of 1.00%; expected life of two years; and an exchange rate of 0.8472. The value of $133 was established on January 6, 2015. On August 20, 2015, 958,020 of these warrants were exercised, leaving 3,639,423 warrants outstanding at December 31, 2015. The warrants were revalued to $687 on December 31, 2015 utilizing the Black-Scholes option pricing model with the following assumptions: exercise price of C$0.08; average volatility rate of 116.7%; risk-free interest rate of 0.62%; expected life of 14 months; and an exchange rate of 0.7225.

The Company also issued 9,178,266 non-broker warrants on April 1, 2015 and 4,530,166 non-broker warrants on May 1, 2015. As the exercise price for both of these issuances is 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 liability and revalued quarterly.

14. Income taxes:

a. Current tax (expense) recovery:

December 31		**2015**		2014
Current period	**$**	**(25)**	$	-
Adjustment for prior periods		**(2)**		-
	$	**(27)**	$	-

b. Deferred tax recovery:

December 31		**2015**		2014
Origination and reversal of temporary differences	**$**	**73**	$	383

During 2015, the Company recognized $73 (2014 - $383) in deferred tax expense related to the convertible and other notes payable directly in equity.

c. Reconciliation of effective tax rate:

Income tax expense varies from the amount that would be computed by applying the basic federal and provincial income tax rates to the net loss before taxes as follows:

December 31,		2015		2014
Losses, excluding income tax	$	(18,200)	$	(12,420)
Tax rate		26.0%		25.0%
Expected Canadian income tax recovery	$	4,732	$	3,105
Decrease resulting from:				
Change in unrecognized temporary differences		(5,549)		(4,417)
Change in Canadian statutory rate		1,465		-
Difference between Canadian statutory rate and those applicable to U.S. and other foreign subsidiaries		1,176		1,595
Non-deductible expenses and non-taxable income		(1,809)		185
Other		31		(85)
	$	46	$	383

d. Recognized deferred tax assets and liabilities:

Deferred income taxes reflect the impact of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws. Deferred tax assets and liabilities recognized at December 31, 2015 and 2014, are as follows:

	Assets		Liabilities		Net	
December 31,	2015	2014	2015	2014	2015	2014
Property and equipment	$ -	$ -	$ 148	$ 209	$ 148	$ 209
Convertible note		-	43	132	43	132
Tax loss carryforwards	(191)	(341)		-	(191)	(341)
Tax (assets) liabilities	$ (191)	$ (341)	$ 191	$ 341	$ -	$ -
Set off of tax	191	341	(191)	(341)	-	-
Net tax (assets) liabilities	$ -	$ -	$ -	$ -	$ -	$ -

e. Unrecognized deferred tax assets:

Deferred tax assets have not been recognized in respect of the following items:

December 31		2015		2014
Deductible temporary differences	$	18,556	$	18,327
Tax loss carryforwards		216,241		205,521
	$	234,797	$	223,848

The deferred tax asset is recognized when it is probable that future taxable profit will be available to utilize the benefits. The Company has not recognized deferred tax assets with respect to these items due to the uncertainty of future Company earnings.

i. Loss carry forwards:

At December 31, 2015, approximately $216,791 of loss carry forwards and $2,346 of tax credits were available in various jurisdictions. A summary of losses by year of expiry are as follows:

Twelve months ended December 31,		
2018	$	3,135
2020		2,812
2021-2034		210,844
	$	216,791

f. Movement in deferred tax balances during the year:

	Balance at December 31, 2014	Recognized in Profit and Loss	Recognized in Equity	Balance at December 31, 2015
Property and equipment	$ 209	$ (61)	$ -	**$ 148**
Convertible note	132	(89)	-	**43**
Tax loss carryforwards	(341)	150	-	**(191)**
Net tax (assets) liabilities	$ -	$ -	$ -	**$ -**

15. Commitments:

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

2016	$ 566
2017	103
2018	104
2019	105
2020	87
	$ 965

During the twelve months ended December 31, 2015, the Company recognized $1,123 (year ended December 31, 2014 - $1,114) in operating lease expense for office space.

16. Segmented information:

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

Geographic segments of revenue are as follows:

Year ended December 31,	2015	2014
United States	**$ 5,636**	$ 4,499
Asia/Pacific	**1,787**	2,424
Europe	**1,219**	1,331
	$ 8,642	$ 8,254

Property and equipment of the Company are located as follows:

December 31,	2015	2014
Canada	**$ 117**	$ 200
United States	**1,791**	2,609
Asia/Pacific	**5**	7
Europe	**9**	17
	$ 1,922	$ 2,833

Intangible assets are located in the United States.

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

Year ended December 31,	2015	2014
Customer A	**$ 3,823**	$ 2,873
Customer B	**1,001**	-
Customer C	**-**	986
	$ 4,824	$ 3,859

17. 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. This note presents information about the Company's exposure to each of the risks as well as the objectives, policies and processes for measuring and managing those risks.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

a. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Company consisting of outstanding trade receivables and investment securities.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

Approximately 44 percent of the Company's revenue is attributable to transactions with one key customer (year ended December 31, 2014 - 35 percent of the revenue was attributable to the same customer), approximately 20 percent of the Company's trade amounts receivable at year end are attributable to customers located in Asia/Pacific (December 31, 2014 – approximately 45 percent), and approximately 13 percent of the Company's trade amounts receivable at year end are attributable to customers located in Europe (December 31, 2014 – approximately 18 percent).

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

A significant portion of the Company's customers have transacted with the Company in the past or are reputable large Companies and losses have occurred infrequently.

The maximum exposure to credit risk of the Company at period end is the carrying value of these financial assets.

i. Trade receivables

Provisions for doubtful accounts are made on a customer-by-customer basis. All write downs against receivables are recorded within sales, general and administrative expense in the statement of operations. The Company is exposed to credit-related losses on sales to customers outside North America due to potentially higher risks of collectability.

Amounts receivable as of December 31, 2015, and December 31, 2014, consist of:

	December 31, 2015	December 31, 2014
Trade amounts receivable	**$ 2,282**	$ 1,386
Employee receivables	**7**	9
Other miscellaneous receivables	**8**	70
Allowance for doubtful accounts	**(14)**	(12)
	$ 2,283	$ 1,453

Trade amounts receivable by geography consist of:

	December 31, 2015	December 31, 2014
United States	$ 1,421	$ 454
Canada	123	59
Asia/Pacific	449	620
Europe	289	253
	$ 2,282	$ 1,386

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

	December 31, 2015	December 31, 2014
Current	$ 1,795	$ 760
31-60 days	156	48
61-90 days	4	14
Over 91 days	327	564
	$ 2,282	$ 1,386

As of December 31, 2015, $331 of trade amounts receivable (year ended December 31, 2014 - $578) were past due. The balance of the past due amounts relates to reoccurring customers and are considered collectible.

ii. Investments in securities

The Company manages its credit risk surrounding cash and cash equivalents by dealing solely with what management believes to be reputable banks and financial institutions, and limiting the allocation of excess funds into financial instruments that management believes to be highly liquid, low risk investments. The balance at December 31, 2015, is held in cash at banks within the United States, Canada, Europe, Asia, and Australia to facilitate the payment of operations in those jurisdictions.

b. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holding of financial instruments.

i. Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk from various currencies, primarily the Canadian dollar, Euro, British pound, Indonesian rupiah, Czech Republic koruna, Philippines peso, Malaysian ringgit and Australian dollar. Foreign exchange risk arises from sales and purchase transactions as well as recognized financial assets and liabilities that are denominated in a currency other than the United States dollar, which is the functional currency of the Company and the majority of its subsidiaries.

The Company's primary objective in managing its foreign exchange risk is to preserve sales values and cash flows and reduce variations in performance. Although management monitors exposure to such fluctuations, it does not employ any external hedging strategies to counteract the foreign currency fluctuations.

The balances in foreign currencies at December 31, 2015, are as follows:

(in USD)	Australian Dollar	Canadian Dollar	Euro	British Pound	Indonesian Rupiah	Czech Republic Koruna	Malaysian Ringgit
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amounts receivable	-	19	13	206	1	48	-
Accounts payable and	(1)	(604)	(157)	(44)	(167)	(114)	-
accrued liabilities	-	-	-	-	-	-	-
	$ (1)	$ (585)	$ (144)	$ 162	$ (166)	$ (66)	$ -

The balances in foreign currencies at December 31, 2014, are as follows:

(in USD)	Australian Dollar	Canadian Dollar	Euro	British Pound	Indonesian Rupiah	Czech Republic Koruna	Malaysian Ringgit
Cash and cash equivalents	$ -	$ (4)	$ 5	$ -	$ 13	$ 23	$ -
Amounts receivable	53	81	17	139	-	80	66
Accounts payable and accrued liabilities	(11)	(478)	(188)	(725)	(152)	(124)	-
	$ 42	$ (401)	$ (166)	$ (586)	$ (139)	$ (21)	$ 66

Based on the net exposures at December 31, 2015 and 2014, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the United States dollar against the following currencies would result in an increase / (decrease) in net earnings by the amounts shown below:

December 31, 2015 (in USD)	Australian Dollar	Canadian Dollar	Euro	British Pound	Indonesian Rupiah	Czech Republic Koruna	Malaysian Ringgit
United States dollar:							
Depreciates 10%	$ -	$ 59	$ 14	$ (16)	$ 17	$ 7	$ -
Appreciates 10%	-	(59)	(14)	16	(17)	(7)	-

December 31, 2014 (in USD)	Australian Dollar	Canadian Dollar	Euro	British Pound	Indonesian Rupiah	Czech Republic Koruna	Malaysian Ringgit
United States dollar:							
Depreciates 10%	$ (4)	$ 40	$ 17	$ 59	$ 14	$ 2	$ (7)
Appreciates 10%	4	(40)	(17)	(59)	(14)	(2)	7

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company's cash and cash equivalents include short-term highly liquid investments that earn interest at market rates. The Company does not have any debt instruments outstanding with variable interest rates at December 31, 2015, or December 31, 2014.

Financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. No currency hedging relationships have been established for the related monthly interest and principal payments.

The Company manages its interest rate risk by minimizing financing costs on its borrowings and maximizing interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis.

c. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due (see Note 2(a) – Going Concern). The Company's approach to managing capital is to ensure, as far as possible, that it will have sufficient liquidity to meets its obligations.

The Company manages its liquidity risk by evaluating working capital availability and forecasting cash flows from operations and anticipated investing and financing activities. At December 31, 2015, the Company has a cash and cash equivalent balance of $Nil (year ended December 31, 2014 – $537) and working capital of negative $16,581 (year ended December 31, 2014 – negative $8,748). All of the Company's financial liabilities, other than convertible notes and notes payable, obligations under finance leases, and other long-term liabilities have a contractual maturity of less than 45 days.

The following are the contractual maturities of the undiscounted cash flows of financial liabilities as of December 31, 2015:

	Payment due:				
	In less than 3 months	Between 3 months and 6 months	Between 6 months and 1 year	Between 1 year and 2 years	Between 2 years and 5 years
Accounts payable and accrued liabilities	$ 6,521	$ -	$ 351	$ -	$ -
Warrant liabilities[(1)]	-	-	-	1,804	281
Convertible and other notes payable	-	7,500	7,300	7,300	-
Future interest on convertible and other notes payable	-	380	927	-	-
Project financing	1,121	-	-	174	-
Other long-term liabilities	189	-	-	189	-
Obligations under finance leases	38	38	6	12	27
	$ 7,869	$ 7,918	$ 8,584	$ 9,479	$ 308

(1) The warrant liabilities are 100% vested and can be exercised by the holders at any time; however, the obligation is non-cash and will be settled in equity (see Note 13).

The following are the contractual maturities of the undiscounted cash flows of financial liabilities as of December 31, 2014:

	Payment due:				
	In less than 3 months	Between 3 months and 6 months	Between 6 months and 1 year	Between 1 year and 2 years	Between 2 years and 5 years
Accounts payable and accrued liabilities	$ 2,749	$ -	$ 1,036	$ -	$ -
Warrant liabilities[(1)]	226	$ -	$ -	$ -	$ -
Convertible Note	5,500	500	-	-	-
Note payable	1,168	-	-	122	-
Other long-term liabilities	-	-	-	3	3
Obligations under finance leases	38	38	75	79	26
	$ 9,681	$ 538	$ 1,111	$ 204	$ 29

(1) The warrant liabilities are 100% vested and can be exercised by the holders at any time; however, the obligation is non-cash and will be settled in equity (see Note 13).

d. Capital risk

The Company's objectives when managing its capital risk is to safeguard its assets, while at the same time maintaining investor, creditor, and market confidence, and to sustain future development of the business and ultimately protect shareholder value. The Company manages its risks and exposures by implementing the strategies below.

The Company includes shareholders' deficiency, long-term convertible and other notes payable and long-term portion of obligations under finance leases in the definition of capital. Total capital at December 31, 2015, was negative $14,913 (December 31, 2014 – negative $6,219). To maintain or adjust the capital structure, the Company may issue new shares, issue new debt with different characteristics, acquire or dispose of assets, or adjust the amount of cash and short-term investment balances held.

The Company has established a budgeting and planning process with a focus on cash, working capital, and operational expenditures and continuously assesses its capital structure in light of current economic conditions and changes in the Company's short-term and long-term plans. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

18. Fair values:

a. Fair value:

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the Consolidated Balance Sheet:

	December 31, 2015		December 31, 2014	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial assets				
Loans and receivables:				
Cash and cash equivalents	**$ 801**	**$ 801**	$ 537	$ 537
Accounts receivable	**2,283**	**2,283**	1,453	1,453
	$ 3,084	**$ 3,084**	$ 1,990	$ 1,990
Financial liabilities				
Derivative financial liabilities at fair value through profit and loss:				
Non-broker warrants	**$ 2,085**	**$ 2,085**	$ 226	$ 226
Other financial liabilities:				
Convertible notes and notes payable	**16,387**	**20,193**	5,313	5,313
Accounts payable and accrued liabilities	**6,872**	**6,872**	3,785	3,785
	$ 25,344	**$ 29,150**	$ 9,324	$ 9,324

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 and cash equivalents, accounts receivable, accounts payable and accrued liabilities and provisions approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Convertible notes 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 are estimated using the Black-Scholes option pricing model incorporating various inputs including the underlying price volatility and discount rate (see Note 13).

b. Fair value hierarchy:

Financial instruments recorded at fair value on the Consolidated 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).

The fair value hierarchy of financial instruments recorded at fair value on the Consolidated Balance Sheet are as follows:

	December 31, 2015			December 31, 2014		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities						
Non-broker warrants	**$ -**	**$ 2,085**	**$ -**	$ -	$ 226	$ -

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

19. Key management personnel and director compensation:

The Company's compensation program specifically provides for total compensation for executive officers, which is a combination of base salary, performance-based incentives and benefit programs that reflect aggregated competitive pay in light of business achievement, fulfillment of individual objectives and overall job performance. Executive officers participate in the Company's share compensation and share option plans (Note 12).

As of December 31, 2015, the Chief Executive Officer and Chief Financial Officer are each entitled to an amount equal to one year's annual base salary in the event the Company were to terminate their employment agreement, other than due to a material breach of the employment agreement or in the event the Company becomes insolvent.

The compensation of non-employee directors consists of a cash component and a share component. Directors participate in the Company's share option plan and director's share compensation plan (Note 12).

The following summarizes key management personnel and directors compensation for the years ended December 31, 2015 and 2014:

Year ended December 31,	**2015**	2014
Short-term employee benefits	**$ 1,540**	$ 1,414
Share-based payments	**178**	204
LTIP	**325**	37
	$ 2,043	$ 1,655

The following summarizes key management personnel and directors share ownership of the Company as of December 31, 2015 and 2014:

December 31,	**2015**	2014
Number of Class A Common shares held	**3,528,520**	1,931,679
Percentage of total Class A Common shares issued	**3.52%**	2.10%

20. Subsequent events:

On February 4, 2016, the Company amended the July 13, 2015 note payable, with an original maturity of January 9, 2016. The maturity was extended to April 9, 2016, with all other terms remaining unchanged.

On February 4, 2016, the Company amended the January 14, 2015 note payable, with an original maturity of January 14, 2016. The maturity was extended to April 14, 2016, with all other terms remaining unchanged.

On March 3, 2016, the Company restructured and consolidated the February 23, 2015 notes payable of $5,800 and $1,500 into one note. The original notes, bearing interest at 25% per annum, were canceled with the related principal of $7,300 and accrued interest of $1,825 consolidated into a new note payable of $9,125, bearing interest at a rate of 15% and maturity date of August 24, 2016. The royalty agreement (note 7(e)) and agreement to restrict a certain portion of cash collections (note 7(g)) are not affected by this restructuring and consolidation.

Intermap Technologies
8310 South Valley Highway, Suite 400
Englewood, Colorado 80112-5809
United States

Phone: +1 (303) 708-0955
Fax: +1 (303) 708-0952
E-mail: info@intermap.com
Web: www.intermap.com

Denver · Calgary · Jakarta · Prague