



Five things you should
know about Geoscience BC...

AR/2016

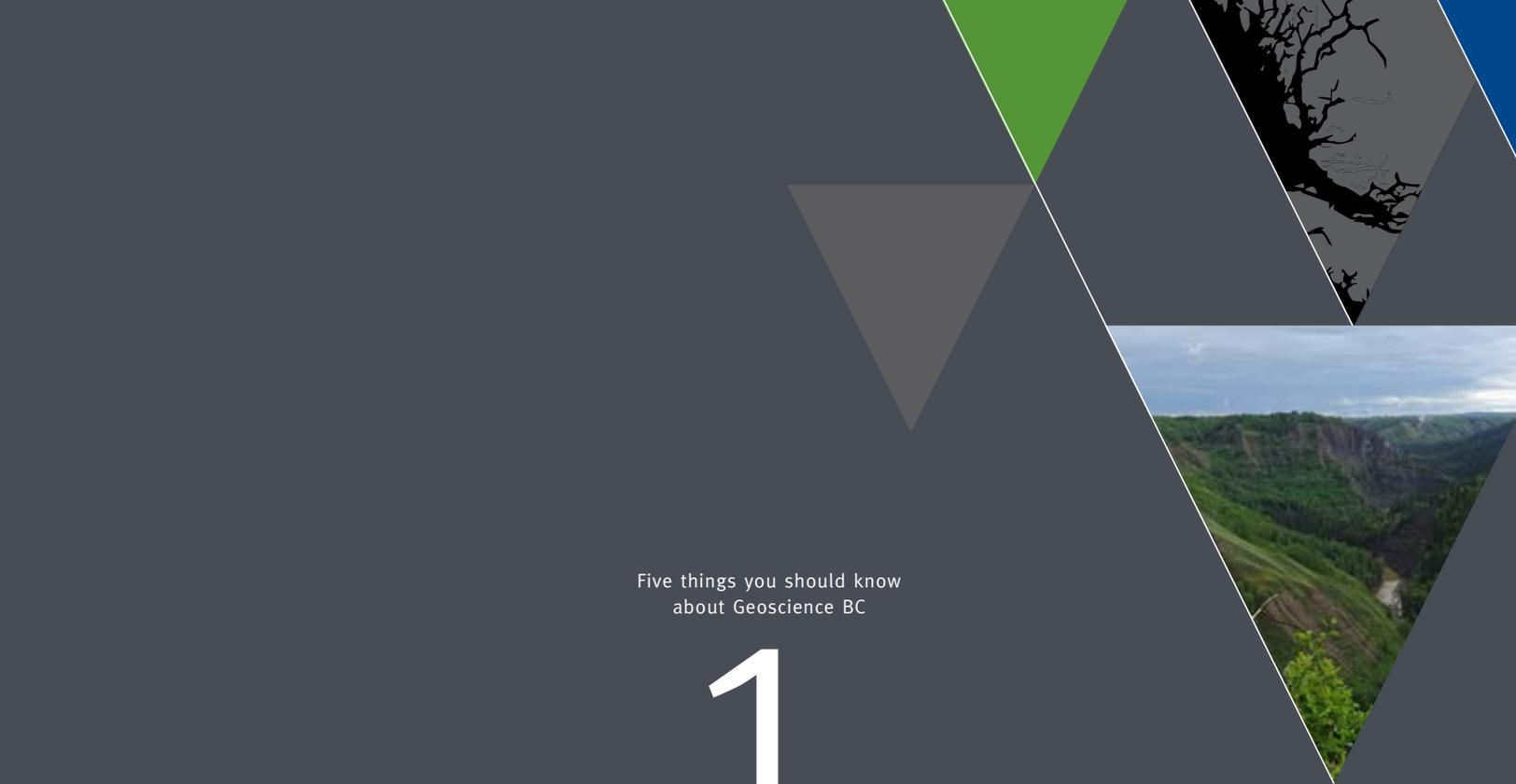
Geoscience BC Annual Report

**Geoscience BC**

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We gratefully acknowledge the financial support of the Province of British Columbia.



Five things you should know
about Geoscience BC

1

We see the big picture.

Sound management decisions require good information. Geoscience BC provides trusted, evidence-based earth science to the public that enables informed resource management decisions supporting a healthy environment and vibrant economy. Our applied research sheds new light on the province's mineral, energy and water resources, guiding resource decisions by First Nations, local communities, governments and the resource sector. It helps attract investment, stimulates economic growth, and creates jobs for the benefit of all British Columbians, now and into the future.



Michael Cathro
Chair of the Board, Geoscience BC

Geoscience BC continues to provide long-term benefits to BC through its trusted, publicly available earth science. A strong and successful resource sector is vital to the provincial economy. Although 2016 has been a year with ups and downs, there are promising signs of recovery. High quality innovative earth science is critical for attracting new resource investment, stimulating economic activity and creating jobs. Our independent data also addresses environmental and social concerns related to resource development.

At the foundation of Geoscience BC's success is cooperation and partnerships. As Chair of the Board, I would like to express sincere appreciation to the provincial government for its ongoing support and confidence, marked by its \$5 million investment in Geoscience BC in spring 2016. Working with the government, we look forward to establishing long term predictable funding for Geoscience BC, while we continue to seek leveraged funding opportunities. I want to acknowledge First Nations, local communities and others who have shared their experiences, concerns and ideas with us. As well, a sincere thank you to our funding partners from the resource sector, academia, regional development organizations and the many respected researchers and experts who provide the vital scientific expertise for our projects.

I am grateful to our volunteer board and technical advisory committees, staff, consultants and all others we work with, for their dedication, ideas and energy. I also want to welcome our new board members Jared Kuehl, John Milne and Alan Winter. Together we are looking forward to new exciting opportunities in 2017, continuing to attract investment and providing independent, credible earth science for the benefit of all British Columbians.



Robin Archdekin
President and CEO, Geoscience BC

This year has been both inspiring and productive. Geoscience BC is a valued, independent and trusted provider of credible public earth science, enabling informed resource management decisions. As a nimble and innovative organization we continue to evolve to best serve the users of our earth science. Our earth science is a foundation for exploration, investment and job creation, but also to address environmental and social concerns from First Nations and local communities. We take pride in the fact that all our earth science is accessible for everyone.

Among the 15 datasets Geoscience BC released this year, several are worthy of highlighting. National and international media noticed when our researchers cut tree tops from helicopters, an innovative study to determine the presence of minerals in the soil. We concluded the second phase of our Search Project, which has generated high quality mineral survey data from a vast area in BC of over 24,000 square kilometers. This data will support further regional exploration and mining investments that will lead to jobs for British Columbians. Local communities showed great interest in our analysis of direct-use geothermal hotspots in the province, together with a practical roadmap on how to develop these resources. Meanwhile the Peace Project continues to generate critical groundwater information from BC's Peace Region. This enables the natural gas sector to use groundwater more sustainably and supports the protection of aquifers that are vital to First Nations and local communities.

Geoscience BC can only play its vital role thanks to the great contributions from our partners, volunteers and staff.



“First Nations are the custodians of the resources on their traditional territories. Geoscience BC’s earth science data can be a key foundation for well-informed decisions by Nations and communities on resource development and land use management.”

Nalaine Morin, Project Manager, Tahltan Central Government
Principal, ArrowBlade Consulting Services and Geoscience BC Director

How We Collaborate: A Four Step Process



Engage
Listen to First Nations, local communities, all levels of government, academia and the resource sector about concerns and opportunities



Identify
Priorities and projects with our Technical Advisory Committees



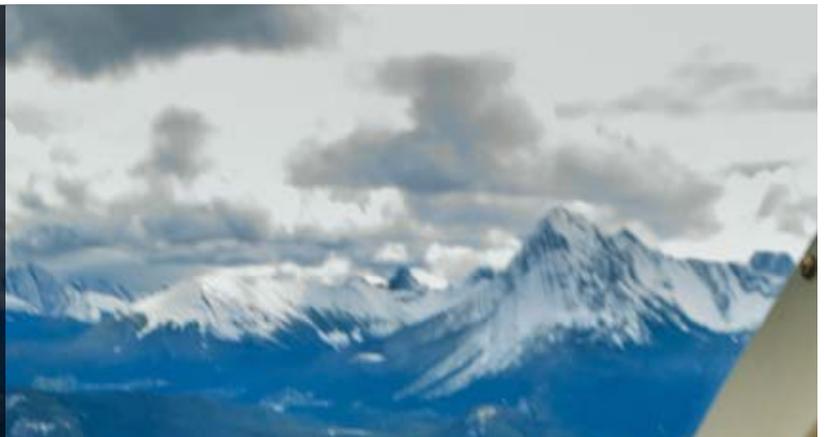
Produce
Independent, credible earth science with recognized experts

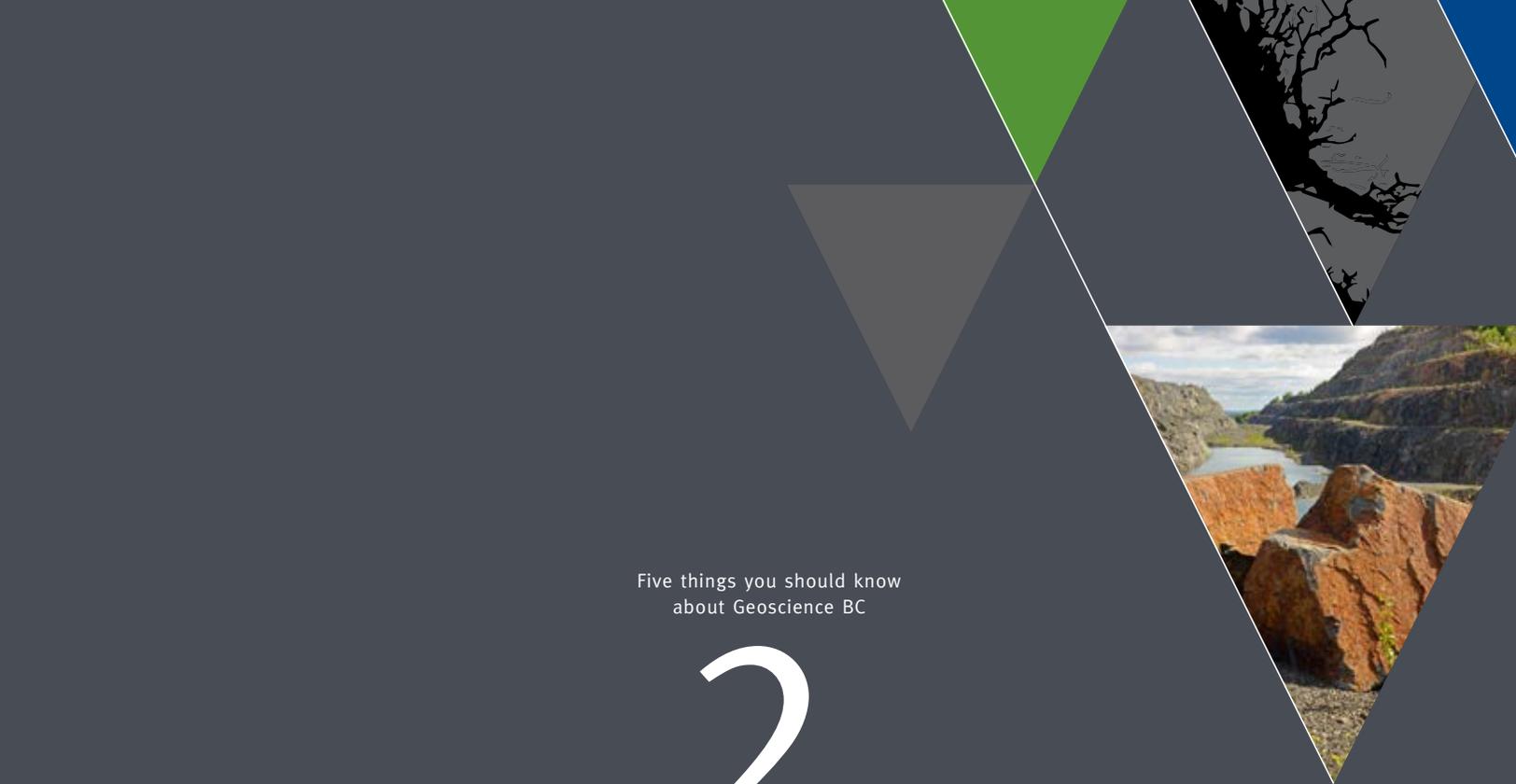


Share
Make our earth science available to everyone

“Geoscience BC is an essential partner for us, by providing critical funding support and advice for our research programs. Geoscience BC consistently identifies and addresses important earth and environmental issues in BC such as our quest to quantify the sources and emissions of greenhouse gases.”

Dr. Michael Whiticar, Professor, Biogeochemistry
School of Earth and Ocean Sciences, University of Victoria





Five things you should know
about Geoscience BC

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We rock innovation.

Innovation is the foundation of discovery. Geoscience BC works collaboratively with First Nations, local communities, governments, academia, the resource sector and others to pioneer new technology and exploration techniques that enables us to deliver world-class independent earth science.

New research conducted by Geoscience BC is helping the province's energy sector minimize its carbon footprint and promote responsible economic growth. Data from our Natural Gas Atlas project will enable the energy sector to reduce greenhouse gas emissions to meet stringent environmental requirements.



BC NATURAL GAS ATLAS HELPS TO REDUCE
GREENHOUSE GAS EMISSIONS AND PRESERVES
ENERGY SECTOR JOBS

BC is Canada's second largest natural gas producer, accounting for billions of dollars in revenue and thousands of jobs. The province's largest gas reserves, the Horn River and Montney basins in northeastern BC, are estimated to contain up to 349 trillion cubic feet¹ of marketable natural gas resources; enough to last 300-plus years at current demand levels.

Bringing these vast reserves into production in an economic and environmentally responsible manner requires innovative solutions to minimize climate impacts and keep people employed.

In 2016, Geoscience BC embarked on the first project of its kind in the province to sample and profile natural gas from producing wells in northeastern BC. This information will improve our understanding of the types and distributions of natural gas deposits in BC enabling producers to identify and target higher-value gas streams and optimize gas revenues — which means keeping people employed. It will also help producers pinpoint the original source of unintended gas

emissions leaking from wellbores and other areas of the natural gas supply chain, referred to as fugitive gas emissions, which will enhance remediation efforts and reduce greenhouse gas emissions.

Researchers started systematically cataloguing the molecular composition and signature of natural gases in BC last summer to establish their unique geochemical “fingerprint.” University of Victoria researchers will analyze, categorize and map over 2,000 samples from the BC Oil and Gas Commission's database of natural gas samples. Results from this research project will be incorporated into the BC Natural Gas Atlas, which is expected to be publicly available on Geoscience BC's website starting in 2018, significantly improving our understanding of the province's valuable gas reserves.

¹ Canadian Association of Petroleum Producers 2015
<http://www.capp.ca/canadian-oil-and-natural-gas/industry-across-canada/british-columbia>
(December 2016)



TREK PROJECT EVALUATES IN-THE-FIELD
WATER ANALYSIS TECHNOLOGY AS A NEW
EXPLORATION TOOL

It's well known that surface water can carry small amounts of metals and other pathfinder elements away from their source. Mineral explorers can trace these back to the point of origin, but water analysis has traditionally been time consuming and expensive.

Research conducted as part of Geoscience BC's TREK project assessed the applicability of in-the-field water analysis technology as a viable mineral exploration tool.

Geoscience BC completed its second year of evaluating the effectiveness of using portable photometers to provide good quality, same-day water analyses, at a lower cost and with shorter turnaround time than a laboratory analysis.

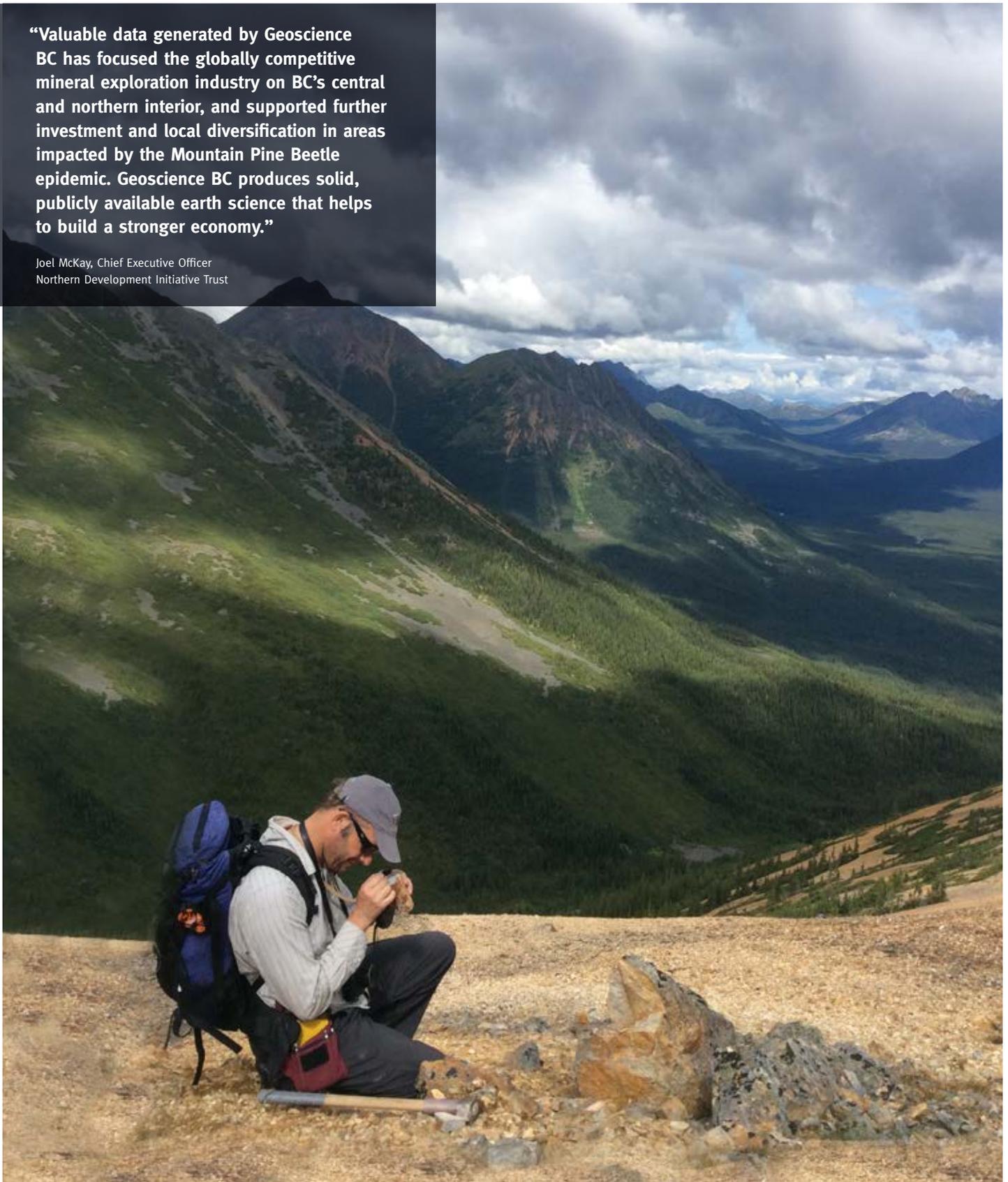
Portable photometers measure light as it passes through a water sample. By adding a few drops of various compounds to the water sample, testers are able to detect tiny quantities of elements.

From May to October 2016, researchers collected approximately 100 water samples from lakes and streams in the Nazko River valley in BC's northern interior. Water samples were analyzed in the field and compared with laboratory analysis of the same samples. Results showed the portable photometer to be an effective means of obtaining rapid and low-cost detection of elements in surface waters. This provides an additional tool for explorers searching for surface and buried mineralization.

This technology could potentially be a significant benefit to the resource sector on a number of fronts, providing a faster and more economical way to obtain information that helps increase the chance of exploration success.

“Valuable data generated by Geoscience BC has focused the globally competitive mineral exploration industry on BC’s central and northern interior, and supported further investment and local diversification in areas impacted by the Mountain Pine Beetle epidemic. Geoscience BC produces solid, publicly available earth science that helps to build a stronger economy.”

Joel McKay, Chief Executive Officer
Northern Development Initiative Trust





Five things you should know
about Geoscience BC

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Less dig, more discover.

Mineral discovery is elusive work. The metals we need for modern industry, technology and consumer products often lie beneath rugged, inaccessible terrain. Unlocking BC's hidden resource potential requires innovation, ingenuity and, at times, unconventional methods.

This is the approach taken by Geoscience BC to identify new mineral resources. From sampling tree-tops using helicopters to provide clues on what mineral deposits may lie deep beneath the soil to more conventional survey techniques, Geoscience BC's exploration surveys are providing explorers with a valuable roadmap to the province's untapped mineral potential.



SEARCH II PUTS EXTENSIVE RESOURCE
KNOWLEDGE INTO THE PUBLIC DOMAIN

Three Cessna Grand Caravan planes outfitted with ultra-sensitive magnetometers flew out of the Burns Lake and Smithers airports in the summer of 2016, crisscrossing a 24,000-square-kilometre expanse of west-central British Columbia and marking the launch of Geoscience BC's largest airborne magnetic survey to date—the Search Phase II Project.

Search Phase II is an extension to the original Search Project flown in 2015, which covered a particularly rugged 6,700 square-kilometre area between Terrace, Kitimat and Smithers in west-central BC to identify mineral potential in this under-explored region.

Portions of the Search Project area haven't seen regional magnetic surveying since the 1960's and much of it was originally surveyed prior to the availability of GPS. The Search II survey was flown at 250-metre line spacing using more sophisticated equipment resulting in a more precise examination of the region's geology.

The magnetometer used in the survey detects and records local disturbances in the earth's magnetic field that are caused by magnetic minerals in the upper regions of the earth's crust. These magnetic signatures are then mapped for prospectors to analyze and help focus their on-the-ground exploration activities.

High-resolution data from the Search Phase II survey will be made publicly available in early 2017. The survey data, mineral tenures, mineral occurrences, geology and geochemistry, can be viewed or downloaded in a variety of formats putting vital earth science data directly in the hands of the end user.

The release of the Search Phase II survey results will bridge a significant distance between Search Phase I and the TREK survey conducted in 2013. Together, these three adjoining surveys will provide continuous high-quality magnetic data covering a 55,500 square kilometre area—equivalent to the size of Nova Scotia.

Delivering Vital Mapping Data

Over the past decade, Geoscience BC has completed over 100 mineral projects delivering vital regional mapping information covering 25 percent of the province. Our mapping activities and research are focused in areas that were previously underexplored, due to highly complex geology covered by thick till and soil.

Mineral exploration is a key driver of the provincial economy. Not only does our research significantly increase exploration investment but communities benefit from procurement of local goods and services and employment opportunities.



TARGETING TREE TOPS FOR CLUES ON MINERAL POTENTIAL

² Blackwater Project Fact Sheet January 2016 http://s1.q4cdn.com/240714812/files/documents_properties/blackwater/2016-01-12_Fact-sheet-final-DRAFT.pdf (December 2016)

Mineral explorers looking to hit pay dirt may want to set their sights on the surrounding trees for indications of mineral deposits underground.

A pilot project conducted by Geoscience BC recently looked at whether concentrations of trace amounts of elements found in tree branches could lead prospectors to promising new mineral deposits hidden in remote or inaccessible regions of the province. As part of the TREK project, researchers using a helicopter flying over a 1,000 square-kilometre area in the Chilcotin Plateau of central BC collected 421 side-branch samples near the tops of healthy, 80 to 100 year old spruce trees to be analyzed for trace amounts of elements that could indicate larger concentrations of specific minerals in the area.

The survey area is relatively flat with few lakes and limited road access that restricts traditional sampling options. This highly-prospective area is also located approximately 15-kilometres south of the Blackwater Gold project, site of a proposed

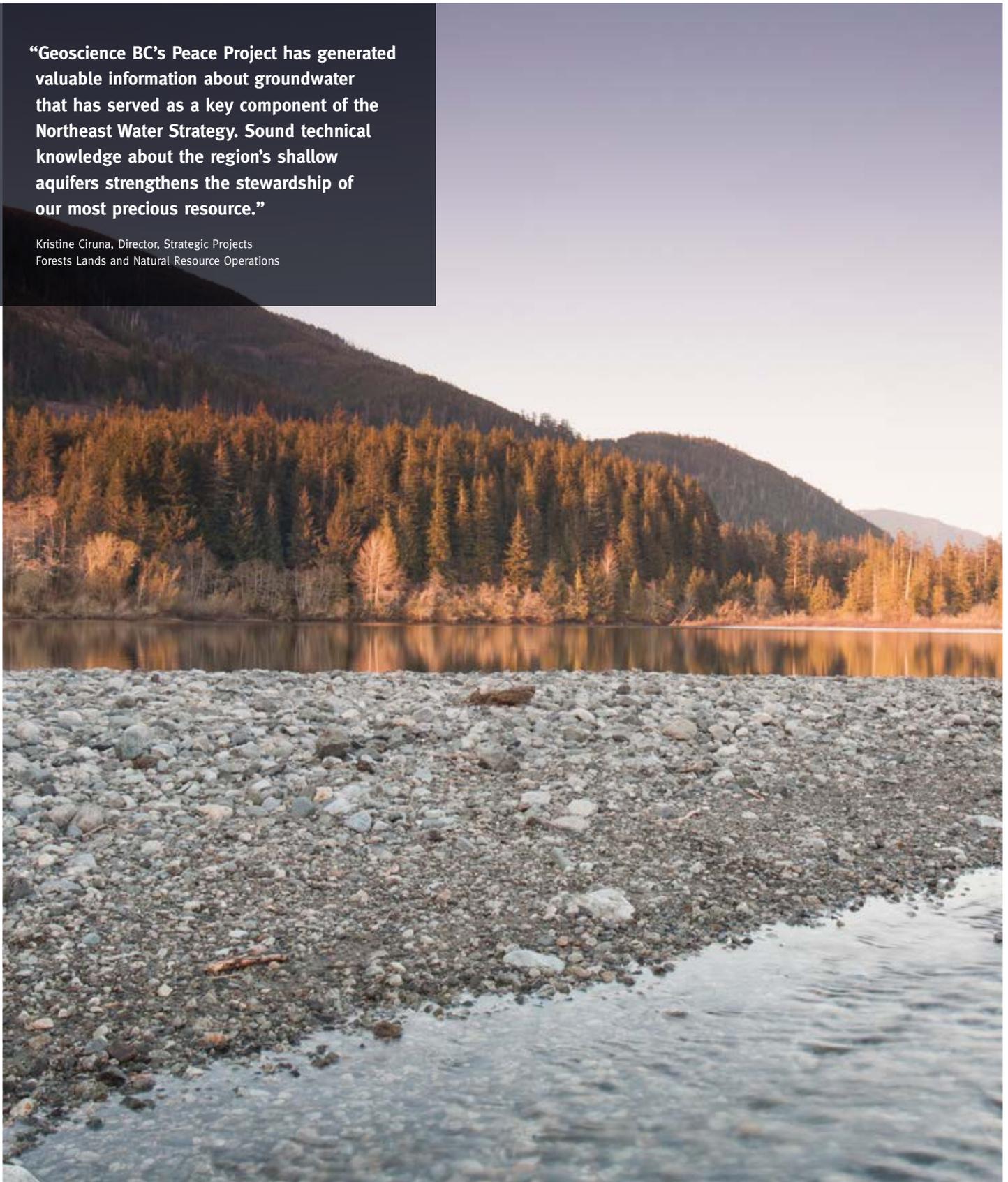
open pit gold and silver mine with proven and probable reserves of 8.2 million ounces of gold and 60.8 million ounces of silver.²

Coniferous trees have long been known to absorb metals and other elements from the surrounding soil and concentrate them in twigs, bark and needles. This new sampling method offers another way for mineral exploration companies to quickly study and evaluate larger regions where terrain is either too remote to reach on foot or is hidden by a thick cover of till and soil.

Analysis of the tree top samples showed some elevated traces of copper, gold and other metals, which could be indicative of mineralization in the area. To ascertain whether trees can actually play a useful role in prospecting, this new data must now be cross referenced with more traditional exploration methods to see if it helps narrow down the search for BC's next big mineral deposit.

“Geoscience BC’s Peace Project has generated valuable information about groundwater that has served as a key component of the Northeast Water Strategy. Sound technical knowledge about the region’s shallow aquifers strengthens the stewardship of our most precious resource.”

Kristine Ciruna, Director, Strategic Projects
Forests Lands and Natural Resource Operations





Five things you should know
about Geoscience BC

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The balance of sustainability.

The hallmark of a progressive community is its ability to balance protecting the environment with responsible development. Geoscience BC's research leads to better decision-making about how to protect the environment while supporting the resource sector and the jobs and investments that go with it.

Our Peace Project provided a more comprehensive understanding of northeastern BC's shallow groundwater resources for First Nations, local communities, governments, and the resource sector. In other areas of the province, water surveys identified deep saline aquifers that could be used for natural gas development protecting local fresh water resources.

To encourage alternative energy use, we documented geothermal potential across the province and produced comprehensive guidelines for communities to evaluate, plan and pursue local geothermal sources for space heating that provide economic development opportunities.



THE PEACE PROJECT: MAPPING AND PROTECTING BC'S GROUNDWATER RESOURCES

Water is fundamental to our daily lives, essential to the health of our ecosystems and our economy. With the introduction of the *Water Sustainability Act*, there is a focus on water conservation and infrastructure management outside of urban areas as demand for this precious resource grows.

In northeastern BC, the location, extent and quality of groundwater is not particularly well understood. This prompted Geoscience BC to embark on the largest groundwater mapping project in the province's history, known as the Peace Project, to gain a greater understanding of where groundwater is likely to be found so it can be adequately protected. This airborne survey covered an 8,000 square kilometre area in the Peace region—equivalent to a quarter the size of Vancouver Island—and when completed will provide First Nations and others with a stronger foundation of knowledge on these essential water sources.

Data from the Peace Project is an integral component of the Northeast Water Strategy developed in cooperation with First Nations, local communities, governments and the energy sector to effectively monitor and manage the northeast's water resources. At the request of First Nations and regional governments, the Peace Project was extended to four areas where First Nations and local community representatives asked for more information about their groundwater.

Detailed groundwater mapping is also essential for natural gas development in BC. Through our research, we have identified and mapped underground fresh water sources in the northeast as well as deep saline aquifers, which are not suitable for drinking but could be used to support responsible energy development.

Geoscience BC is playing an integral role in providing vital information that will help guide water management practices in the northeast ensuring groundwater is effectively safeguarded as resource opportunities continue to grow and demand increases.

“The data gathered by Geoscience BC's Peace Project is helping to address key knowledge gaps in northeastern BC's groundwater. This baseline information is vital to our understanding of groundwater in the region.”

Elizabeth Johnson, Project Manager,
Northeast Water Strategy
Ministry of Natural Gas Development



DIRECT-USE GEOTHERMAL: HARNESSING THE HEAT BENEATH OUR FEET

Reducing reliance on expensive diesel fuel in remote regions of BC is a priority for many communities. Throughout the province, new options for space heating may lie just a couple of metres underground.

Warm water from direct-use geothermal has considerable potential in BC for everything from commercial, industrial and residential space heating to drying lumber, aquaculture, and greenhouse applications bringing with it the prospect of fostering new business growth.

To encourage development of geothermal sources, Geoscience BC conducted an extensive analysis of existing direct-use geothermal data to identify sites with economically feasible potential for space-heating applications and other economic forms of utilizing the earth's heat energy. Traditionally, direct-use geothermal applications in BC have been limited to recreational and therapeutic settings such as spas and hot springs.

Our researchers identified and ranked 11 regions and communities deemed to have the best potential for direct-use geothermal development in BC. This led to the creation of the Direct-Use Geothermal Roadmap, a comprehensive guide for communities and businesses to help them evaluate, plan and pursue local geothermal energy projects to stimulate economic development and reduce greenhouse gas emissions.

This informative manual contains practical guidelines for communities on geothermal surface exploration, land acquisition and permitting, drilling and testing wells required for the design and development of direct-use geothermal resources in BC.

To help communities harness the full potential of the heat beneath their feet, Geoscience BC will be developing a series of webinars which will provide hands-on information and tools on how communities can pursue viable direct-use geothermal projects with the most promising economic potential.

“Geoscience BC’s Search survey and geothermal study was a significant stimulus for the Terrace economy. This important research has attracted new investment to the region from mineral exploration companies and opened up new opportunities for local businesses.”

Carol Leclerc Mayor of Terrace

Surveying the numbers.

103
50
08

Since inception Geoscience BC has managed 103 Minerals Projects; 50 Oil and Gas Projects and 8 Geothermal Projects

15

Reports published

21

Projects launched

\$435K

Awarded 87 scholarships to post-graduate students totaling \$435,000 since 2005

18%

Overall administration costs for Geoscience BC are 18 percent

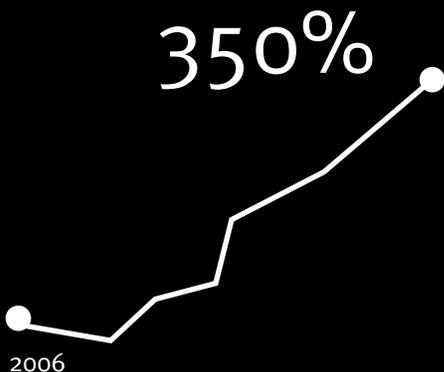
3x

Contributed to three times increase in BC's share of Canadian mineral exploration spending—from 6 percent in 2005 to 21 percent in 2015

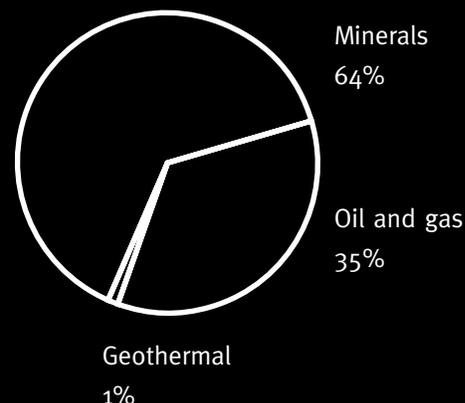
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Increased the number of seismicity monitoring stations from 6 to 13 since 2012

Over the last decade, BC's share of Canada's mineral exploration investment has increased



Distribution of project spending to date



3X



Geoscience BC's geophysical survey work has covered more than 228,000 km², an area equivalent to three times the size of Ireland.

2.8m



Geoscience BC's geochemistry program has added over 2.8 million results to the provincial database from over 55,000 samples significantly improving our understanding of BC's mineral geology.

\$5



Every public dollar spent on geoscience attracts approximately \$5 of private investment.

20,000

Geoscience BC's work in the oil and natural gas sector contributes to jobs for more than 20,000 British Columbians.

30,000

Geoscience BC's research helps support more than 30,000 people working in over 50 communities dependent on mining and mineral exploration.

\$22m

Geoscience BC has attracted \$22 million in additional funding since 2005.

\$86m

The QUEST project set off a staking rush in 2008 and has since attracted \$86 million of exploration investment within the project area.

\$150m

Our deep groundwater studies in northeastern BC led to a \$150 million investment by the oil and gas sector for new water treatment plants.



Five things you should know
about Geoscience BC

5

Geoscience is vital to our future as we look to 2017.

Geoscience BC continues to work collaboratively with First Nations, local communities, all levels of government, the resource sector and academia to identify emerging issues and deliver unbiased scientific data. The following are two examples of topical projects that will be launched in 2017.

MEASURING GREENHOUSE GAS EMISSIONS

In 2017, Geoscience BC along with a consortium of partners will launch a project to develop an instrument that will cost-effectively measure greenhouse gas emissions in real time through the use of drones and satellite technology.

This project will further our understanding of methane emissions in northeastern BC. Gathering this data will help identify the source of greenhouse gases, aid the resource sector in remediation efforts and ultimately allow the province to attain greenhouse gas reduction targets.

MORE ACCURATE, SAFER TESTING OF STEEL-MAKING COAL QUALITY

In 2017, Geoscience BC, in collaboration with the Canadian Carbonization Research Association and its partners, will test the viability of an innovative water-based technology to clean coal samples as part of the quality evaluation process. This first-in-Canada apparatus, has the potential to eliminate both the use of organic compounds during the washing process and the need to ship larger amounts of coal to a laboratory for testing. The benefits to the resource sector are considerable cost-savings and enhanced workplace safety.

Financials

Management's Responsibility for Ongoing Financial Reporting and the Accompanying Summary Financial Statements

The summary financial statements and the information contained in the annual report are the responsibility of the management of Geoscience BC Society (the "Society").

The summary financial statements have been prepared in accordance with Canadian accounting standards applicable to summary financial statements for not-for-profit organizations. As part of its responsibilities, the Society maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate, and that the Society's assets are appropriately accounted for and adequately safeguarded.

The Society carries out its responsibilities with regard to these summary financial statements and the audited financial statements upon which they are based mainly through its Finance Committee (the "Committee"). The Committee reviews the summary and annual financial statements and other information contained in the annual report and recommends these to the members of the Society for approval. The Committee meets periodically with management and the external auditors. Following these meetings, the Committee may meet privately with the auditors to ensure free and open discussion of any subject the Committee or the auditors wish to pursue. The Committee also recommends the engagement or re-appointment of the external auditors, reviews the scope of the audit and approves the fees of the external auditors for audit and non-audit services.

The accompanying summary financial statements, and the audited financial statements on which they are based, have been audited by Beauchamp & Company LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards, and have been approved by the Society on the recommendation of the Finance Committee.

January 6, 2017



Director



Director

Report of the Independent Auditor on the Summary Financial Statements

To the Members of Geoscience BC Society

The accompanying Summary Financial Statements, which comprise the Summary Statements of Financial Position as at March 31, 2016 and the Summary Statements of Revenues and Expenditures and Changes in Net Assets for the year then ended, and related notes, are derived from the audited Financial Statements of Geoscience BC Society as at and for the year ended March 31, 2016. We expressed an unmodified audit opinion on those Financial Statements in our report dated September 15, 2016. Those Financial Statements, and the Summary Financial Statements, do not reflect the effects of events that occurred subsequent to the date of our report on those Financial Statements.

The Summary Financial Statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations as included in Parts II and III of the CPA Handbook. Reading the Summary Financial Statements, therefore, is not a substitute for reading the audited Financial Statements of Geoscience BC Society.

MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

Management is responsible for the preparation of a summary of the audited Financial Statements in accordance with the Basis of Preparation disclosed in footnote 2 to the Summary Financial Statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Summary Financial Statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards 810, 'Engagements to Report on Summary Financial Statements'.

OPINION

In our opinion, the Summary Financial Statements derived from the audited Financial Statements of Geoscience BC Society as at and for the year ended March 31, 2016 are a fair summary of those Financial Statements, in accordance with the criteria described in the Basis of Preparation.



Chartered Professional Accountants
Vancouver, British Columbia
January 6, 2017

Summary Statements of Financial Position as at March 31, 2016 and 2015

	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 108,454	\$ 608,715
Investments	12,074,113	12,459,862
Accrued interest receivable	30,552	33,651
Amounts receivable	5,742,035	5,271,766
Prepaid expenses and deposits	124,856	80,742
	18,080,010	18,454,736
Capital Assets	74,858	16,012
	\$ 18,154,868	\$ 18,470,748
LIABILITIES AND DEFERRED CONTRIBUTIONS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 381,778	\$ 437,418
Deferred Revenue Contributions	5,000,000	125,308
	5,381,778	562,726
NET ASSETS		
Net Assets Restricted For Approved Programs	6,001,481	6,684,997
Unrestricted Net Assets	6,771,609	11,223,025
	12,773,090	17,908,022
	\$ 18,154,868	\$ 18,470,748

Nature Of Operations And Going Concern (Note 1)
Basis Of Preparation (Note 2)

Approved By The Board:



Director



Director

Summary Statements of Revenues and Expenditures for the Years Ended March 31, 2016 and 2015

	2016	2015
Revenues		
Grants—BC Ministry of Energy and Mines	\$ 100,000	\$ 5,000,000
Grants—other, and program reimbursements	712,191	395,643
Investments	166,482	1,154,288
Sublease rent and other	23,262	14,104
	1,001,935	6,564,035
Expenditures—Programs		
Program costs incurred	3,950,313	2,215,120
Program management	447,358	380,979
GST/HST, non-refundable portion	67,697	16,436
GIS Server—implementation & maintenance	15,729	16,792
Publishing costs	74,002	40,312
	4,555,099	2,669,639
Expenditures—Administration		
Amortization of capital assets	26,733	10,911
Communications and marketing	62,340	50,915
Consulting	64,964	74,849
Gifts and promotion	15,801	14,534
Dues and memberships	12,628	12,557
Equipment lease	7,022	5,344
GST/HST, non-refundable portion	23,177	19,221
Insurance	7,944	5,426
Investment management fees	44,046	47,882
Office and sundry	26,288	21,169
Office relocation	20,764	—
Outreach—First Nations and Government Relations	182,418	105,206
Professional fees	107,651	108,725
Recruitment	921	—
Rent and utilities	163,241	131,183
Salaries and benefits	577,871	549,642
Scholarship awards	50,000	35,000
Sponsorship	20,353	15,720
Staff training and professional development	1,287	4,419
Travel, conferences and meetings	134,108	171,041
Website, internet and e-mail	19,005	12,639
Workshops	13,206	—
	1,581,768	1,396,383
(Deficiency) Excess Of Revenues Over Expenditures	\$ (5,134,932)	\$ 2,498,013

See accompanying notes to the summary financial statements

Summary Statements of Changes in Net Assets for the Years Ended March 31, 2016 and 2015

	Restricted For Approved Programs	Unrestricted	Total
Balance, March 31, 2014	\$ 4,144,643	\$ 11,265,366	\$ 15,410,009
Internally-imposed restrictions	4,812,490	(4,812,490)	—
(Deficiency) Excess of revenues over expenditures	(2,272,136)	4,770,149	2,498,013
Balance, March 31, 2015	6,684,997	11,223,025	17,908,022
Internally-imposed restrictions	3,421,362	(3,421,362)	—
Deficiency of revenues over expenditures	(4,104,878)	(1,030,054)	(5,134,932)
Balance, March 31, 2016	\$ 6,001,481	\$ 6,771,609	\$ 12,773,090

See accompanying notes to the summary financial statements

Notes to Summary Financial Statements March 31, 2016 and 2015

1. NATURE OF OPERATIONS AND GOING CONCERN

Geoscience BC Society (“Geoscience BC” or “the Society”) was incorporated under the *Society Act* (British Columbia) on April 26, 2005 as a not for profit organization. The Society is exempt from taxation under subsection 149(1) of the *Income Tax Act* (Canada). The purpose of the Society is to promote, fund and otherwise support applied geoscience research in British Columbia. The Society had its genesis in a \$25 million funding commitment announced by the government of British Columbia in January 2005, which unrestricted funding was subsequently received and the Society incorporated. The Society has had certain members and directors in common with, and its creation was promoted by, both the Association for Mineral Exploration British Columbia and the Mining Association of British Columbia. However, the Society operates independently of both organizations and is controlled by a separate board of up to 13 directors, which also comprises the Society’s membership. Although it functions to complement the efforts of pre-existing provincial and federal agencies, Geoscience BC also operates on an arms-length basis from the governments of both British Columbia and Canada.

The Society has no source of operating revenue and its future operations are therefore dependent upon the receipt of continued unrestricted and non-repayable funding, anticipated to be from government sources. In the event such funding is not received, the Society would in due course deplete its cash reserves and be required to cease operations. At March 31, 2016 the Society expects to maintain operations for a period sufficient to complete all existing commitments to fund programs from liquid asset balances currently on hand.

Management believes that these actions make the use of the going concern basis appropriate; however, it is not possible at this time to predict the outcome of these matters. If the going concern basis is not appropriate, adjustments could be necessary to the carrying amounts and/or classification of assets, liabilities, revenues and expenditures in these summary financial statements, and these adjustments could be material.

2. BASIS OF PREPARATION

The Summary Statement of Financial Position and Summary Statements of Revenues and Expenditures and Changes in Net Assets are derived from, and are consistent with, the audited Financial Statements of Geoscience BC Society as at and for the year ended March 31, 2016. Omitted from this presentation are certain other financial statements and footnote disclosures, all of which are required in order for a complete and formal presentation pursuant to Canadian accounting standards for not-for-profit organizations. Accordingly, readers are directed to read the Summary Financial Statements in conjunction with these annual audited Financial Statements, available for viewing at <http://www.geosciencebc.com/s/FinancialStatements.asp>.

In the opinion of management, the Summary Financial Statements included herein faithfully reflect the financial information considered material to the expected users of the information, and accordingly the summarized presentation is not misleading in these circumstances.

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AR/2016

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