

Geoscience BC
Interim Balance Sheet
As at June 30, 2011
(Unaudited - internally-prepared)

Exhibit 'A'

Assets	\$	31-Mar-11 \$ (audited)
<i>Current assets:</i>		
Cash and cash equivalents	85,853	83,923
Investments (Note 2)	21,450,696	10,198,811
Accrued interest receivable	16,672	13,623
Amounts receivable	104,816	12,073,539
Prepaid expenses	2,123	3,647
	<u>21,660,160</u>	<u>22,373,543</u>
Capital assets	11,598	11,687
	<u><u>21,671,758</u></u>	<u><u>22,385,230</u></u>
 Liabilities		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities	<u>122,177</u>	<u>110,839</u>
 Members' Equity		
Net assets restricted for approved programs (Note 3)	7,104,098	2,873,470
Unrestricted net assets (Exhibit 'B', Note 4)	14,445,483	19,400,921
	<u>21,549,581</u>	<u>22,274,391</u>
	<u><u>21,671,758</u></u>	<u><u>22,385,230</u></u>
 Basis of presentation (Note 1)		
Subsequent events (Note 5)		

Refer also to accompanying notes - Exhibit 'C'

Geoscience BC
Interim Operations Statement
For the three months ended June 30, 2011
(Unaudited - internally-prepared)

Exhibit 'B'

	Actuals	Forecast to March 31, 2012
	\$	\$
<i>Revenues:</i>		
Investment income	42,068	42,068
Sublease income	3,600	15,380
	45,668	57,448
<i>Expenditures:</i>		
<u>Program:</u>		
Publishing costs	-	50,000
Project funding awarded expended:		7,657,489 *
Project 2006-046	28,500	
Project 2008-012	6,520	
Project 2008-027	14,271	
Project 2008-031	12,194	
Project 2009-020	10,874	
Project 2009-023	10,364	
Project 2009-029	4,708	
Project 2009-030	3,919	
Project 2009-044	12,956	
Project 2010-007	5,550	
QUEST-NW003 BCGS/MDRU bedrock mapping program	73,353	
QUEST projects - consultants, logistics	5,368	
QUEST projects - community consultations	10,959	
Horn River Basin - Phase 2 (water study, airborne EM and marketing)	279,839	
Montney Basin Aquifer Study and related components	45,052	
Oil & Gas - consultants, logistics, and community engagement	28,964	
	(553,391)	(7,707,489)
<u>Scholarships:</u>	15,000	
	(15,000)	(40,000)
<u>Administration:</u>		
Salaries & Benefits	112,462	650,000
Rent and utilities	29,787	125,000
Accounting, legal, insurance	12,626	55,000
Investment management fees	12,192	50,000
Travel & Conferences/Conventions	9,573	80,000
Office/miscellaneous	4,745	20,000
Communications, Marketing and Community Engagement	4,724	60,000
Non-refundable GST/HST	4,293	75,000
Amortization of capital assets	2,605	15,000
Consulting	2,488	55,000
Telephone	2,215	9,000
Computer maintenance, internet and email	1,656	11,000
Meeting expenses	1,011	5,000
Photocopier	760	3,200
Sponsorships	500	20,000
Staff training & professional development	450	6,000
Dues/Memberships	-	3,500
	(202,087)	(1,242,700)
Expenditures in excess of income earned	(724,810)	(8,932,741)
Net increase in unexpended funding commitments from March 31, 2011	(4,230,628)	
Add back: March 31, 2011 unexpended funding, restricted at that date	n/a	2,873,470
Balance, unrestricted net assets, March 31, 2011, audited	19,400,921	19,400,921
Balance, unrestricted net assets, June 30, 2011	(refer also to Note 4)	14,445,483
		(to Exhibit 'A')
Projected unrestricted net assets, March 31, 2012		13,341,650

* inclusive of \$2,873,470 in unexpended funding commitments at March 31, 2011.

Refer also to accompanying notes - Exhibit 'C'

1. Basis of presentation - lack of independence

These financial statements have been internally-prepared by Geoscience BC and have not been audited or reviewed by an independent public accountant. These statements are designed for the internal use of Geoscience BC members only and are not necessarily presented in a manner consistent with generally accepted accounting principles.

2. Investments

	30-Jun-11 Market value \$	31-Mar-11 Market value \$
1.4% GIC, TD Mortgage Corp., due May 7, 2012	3,750,000	3,750,000
1.3% GIC, Advisor's Advantage Trust, due May 22, 2012	6,000,000	-
Dundee investment savings account	-	255,111
	<u>9,750,000</u>	<u>4,005,111</u>
Connor, Clark and Lunn aggregate portfolio, at market value	11,700,696	6,193,700
	<u>21,450,696</u>	<u>10,198,811</u>

Geoscience BC considers these to be 'available for sale' securities and hence they are required to be carried at current market values. The Connor, Clark and Lunn value is net of investment management fees of \$12,192, year to date, and included in the Statement of Operations as an expense.

3. Funding Commitments

Geoscience BC had approved the following undisbursed funding at June 30, 2011:

Project 2005-060B - Arcis	\$ 30,000
Committed during the year ended March 31, 2006:	<u>30,000</u>
Project 2006-005	3,633
Project 2006-029	13,307
Committed during the year ended March 31, 2007:	<u>16,940</u>
Project 2007-012	9,575
Project 2007-016	7,500
Project 2007-017	12,000
Project 2007-019	3,000
Committed during the year ended March 31, 2008:	<u>32,075</u>
QUEST, QUEST-West, QUEST-South consultants, logistics	13,762
QUEST, QUEST-West, QUEST-South community engagement	199,170
Data Compilations	151,634
Project 2007-026	41,240
Project 2008-012	1,630
Project 2008-018	36,475
Project 2008-025	7,337
Project 2008-027	9,513
Project 2008-014	110,757
Project 2009-003	15,000
Committed during the year ended March 31, 2009:	<u>586,518</u>
Project 2008-013	150,000
Project 2008-024	5,966
Project 2008-028	14,011
2009-HR005-HRB Well Data Purchases	300,000
Montney Basin Aquifer Study and related components	91,151
Project 2008-031	101,033
Project 2009-009	25,833
Project 2009-024	42,912
Project 2009-029	77,289
Project 2009-033	13,538
Project 2009-040	79,150
Project 2009-041	16,125
Project 2009-044	8,638
Project 2009-046	25,554
Project 2009-048	45,853
Oil & Gas consultants and logistics	95,161
Committed during the year ended March 31, 2010:	<u>1,092,214</u>
Project 2009-001	21,000
Project 2010-001	13,300
Project 2010-002 - QUEST, QW, QS consultants and logistics	200,000
Project 2010-004	76,470
Project 2010-005	20,000
Project 2010-007	3,700
Project 2010-008	106,867
Horn River Basin - Phase 2 (water study, airborne EM and marketing)	168,367
Committed in the year ended March 31, 2011:	<u>609,704</u>
QUEST-NW002 New regional geochem studies in Dease Lake/North Iskut area	500,000
QUEST-NW003 BCGS/MDRU bedrock mapping program	426,647
QUEST-NW004 high resolution airborne magnetic survey - Dease Lake/N Iskut are:	1,000,000
QUEST-NW005 high resolution airborne magnetic survey - Telegraph Creek area	1,000,000
QUEST-NW006 purchase of existing company aeromagnetic data	250,000
Project 2011-004-Horn River Basin - Phase 2 subsurface water monitoring program	1,250,000
Project 2011-011-OGC Regional Hydrology Study of NE BC by Allan Chapman	60,000
SEEK Proposal - Phase 1 - East Kootenay Chamber of Mines	250,000
Committed in the three months ended June 30, 2011:	<u>4,736,647</u>
Restricted Funding commitments at June 30, 2011 - unspent	<u>7,104,098</u>

These funds remain on hand at June 30, 2011 but are now considered to be internally-restricted from the perspective of Geoscience BC. Refer to Note 5.

4. Summarized net unrestricted assets from inception:

BC government grants received	48,700,000
Investment income earned, net	3,607,966
Income from other sources (third party funding, recoveries, sublease rent, etc.)	3,478,909
Publishing costs incurred	(176,858)
Administrative expenses incurred	(5,519,634)
Net program expenditures - actual and commitments	(35,644,900)
Unrestricted net assets, June 30, 2011	<u>14,445,483</u>

5. Subsequent events

Between July 1st and September 13th, 2011 Geoscience BC disbursed an aggregate of \$1,203,164 in previously approved program spending.