

**Geoscience BC**  
**Interim Balance Sheet**  
**As at June 30, 2007**  
**(Unaudited - internally-prepared)**

**Exhibit 'A'**

<b>Assets</b>	\$	31-Mar-07 \$ (audited)
<i>Current assets:</i>		
Cash and cash equivalents	1,853,287	2,014,849
Temporary investments (Note 2)	18,638,606	18,558,520
Accrued interest receivable	9,986	68,416
GST rebate receivable	23,971	23,971
Other accounts receivable	-	30,742
Prepaid expenses	3,521	3,337
	20,529,371	20,699,835
 Net assets invested in equipment	 25,494	 28,452
	20,554,865	20,728,287
 <b>Liabilities</b>		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities	38,128	41,913
	38,128	41,913
 <b>Members' Equity</b>		
Net assets invested in equipment	25,494	28,452
Funding commitments - restricted (Note 3)	4,990,986	929,988
Unrestricted net assets (Exhibit 'B', Note 4)	15,500,257	19,727,934
	20,516,737	20,686,374
	20,554,865	20,728,287
 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, 2007**  
**(Unaudited - internally-prepared)**

Exhibit 'B'

	Actuals	Budget to March 31, 2008
	\$	\$
Investment income		174,579
Unrealized investment loss		(61,154)
Unspent project funding returned:		
Project 2005-014	14,412	
Project 2005-047	13,500	
Project 2005-059	2,830	
	30,742	
 <i>Expenditures:</i>		
<u>Program:</u>		
Publishing costs	-	50,000
Project funding awarded expended:		7,808,399 *
Project 2005-052	5,030	
Project 2006-004	7,500	
Project 2006-012	1,917	
Project 2006-028	36,000	
Project 2007-Q002	10,034	
	60,481	7,858,399
 <u>Administration:</u>		
Salaries & Benefits	70,299	375,000
Consulting - other	13,596	200,000
Travel & Conferences/Conventions	18,165	78,000
Communications & Marketing	13,800	60,000
Office space (rent, property tax, CAE, security, parking)	9,450	42,800
Accounting & Legal (including insurance)	11,338	49,522
Non-refundable GST	4,714	55,925
Meeting expenses	1,069	2,000
Office/miscellaneous	8,374	10,000
Investment management fees	14,357	20,000
Amortization	2,958	10,700
Computer maintenance, internet and email	1,733	7,000
Telephone	1,900	5,000
Xerox lease	772	3,161
Dues/Memberships	55	3,900
Scholarships	50,000	50,000
Workshop expenses	-	15,000
Executive recruitment	-	-
	222,580	988,008
Expenditures in excess of income earned	(138,894)	(8,039,638)
Net increase in unexpended funding commitments from March 31, 2007	(4,091,740)	
Net decrease in amounts invested in equipment	2,958	
Add back: March 31, 2007 unexpended funding, restricted at that date	n/a	929,989
Balance, unrestricted net assets, March 31, 2007	19,727,934	19,727,934
Balance, unrestricted net assets, June 30, 2007	(refer also to Note 4) <u>15,500,257</u>	
	(to Exhibit 'A')	
Projected unrestricted net assets, March 31, 2008		12,618,285

\* inclusive of \$929,989 in unexpended funding commitments at March 31, 2007

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. Temporary investments

	Maturity value \$	Market value \$
Banker's acceptance, BNS, due July 30, 2007	3,143,000	3,131,085
Banker's acceptance, RBC, due October 19, 2007	2,808,000	2,768,663
Banker's acceptance, RBC, due January 14, 2008	2,368,000	2,308,836
	<u>8,319,000</u>	<u>8,208,583</u>
Connor, Clark and Lunn aggregate portfolio, at market value	n/a	10,430,023
		<u>18,638,606</u>

In November 2006 Geoscience BC invested an aggregate of \$18.0 million, as to \$8.0 million in three Banker's acceptances (which are of approximately equal amount and which are staggered to mature at 3, 6 and 12 month intervals, respectively), and \$10.0 million to pooled funds managed by Connor, Clark and Lunn Private Capital.

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 current investment management fees charged of \$14,357 and included in the Statement of Operations as an expense.

### 3. Funding Commitments

Geoscience BC had approved the following undisbursed funding at June 30, 2007:

	\$
Project 2005 - 003	20,000
Project 2005 - 027	9,592
Project 2005 - 030	22,500
Project 2005 - 031	23,125
Project 2005 - 032	30,925
Project 2005 - 052	3,354
Project 2005 - 053	289,000
Project 2005 - 054	21,044
Project 2005 - 058	15,350
Project 2005-060B - Arcis	30,000
<b>Committed during the year ended March 31, 2006:</b>	<u>464,890</u>
Project 2006-003	78,500
Project 2006-005	9,083
Project 2006-012	1,278
Project 2006-013	33,912
Project 2006-014	125,025
Project 2006-015	5,000
Project 2006-016	50,000
Project 2006-020	6,125
Project 2006-028	36,000
Project 2006-029	37,229
Project 2006-032	82,500
Project 2006-046	57,000
<b>Committed during the year ended March 31, 2007:</b>	<u>521,652</u>
Project 2007-Q002 (QUEST)	76,491
Project 2007-Q003 (QUEST)	1,272,000
Project 2007-Q004 (QUEST)	2,136,453
Project 2007-Q005 (QUEST)	519,500
<b>Committed in the three months ended June 30, 2007:</b>	<u>4,004,445</u>
Restricted Funding commitments at June 30, 2007 - unspent	<u>4,990,986</u>

These funds remain on hand at June 30, 2007 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 grant received	25,000,000
Investment income earned, net	1,860,574
Income from other sources (R2R, Workshops, etc.)	20,316
Publishing costs incurred	(54,937)
Purchases of furniture and equipment	(25,494)
Administrative expenses incurred	(1,399,892)
Net program expenditures - actual and commitments	(9,900,310)
Unrestricted net assets, June 30, 2007	<u>15,500,257</u>

### 5. Subsequent events

Between July 1st and October 5th, 2007, Geoscience BC disbursed an aggregate of \$1,546,985 in previously approved program spending.

The Board approved an additional \$250,000 in funding at its July 11th, 2007 meeting, of which an aggregate of \$3,411 was disbursed by October 5th, 2007.

Geoscience BC received a commitment of \$750,000 from the Northern Trust, a non-profit organization established by the British Columbia government in 2004 to support regional economic development in north-central BC, to extend the work to be carried out on the Quesnellia Exploration Strategy ("QUEST") program.

Mr. Gordon Loverin was added to the Board at the Annual General Meeting held on September 20th, 2007.