

Geoscience BC
Interim Balance Sheet
As at June 30, 2009
(Unaudited - internally-prepared)

Exhibit 'A'

	\$	31-Mar-09 \$ (audited)
Assets		
<i>Current assets:</i>		
Cash and cash equivalents	1,224,288	554,786
Temporary investments (Note 2)	17,650,735	16,991,131
Accrued interest receivable	28,199	202,990
Amounts receivable	201,898	1,695,182
Prepaid expenses	2,391	13,500
	19,107,511	19,457,589
 Net assets invested in equipment	 27,456	 30,787
	19,134,967	19,488,376
 Liabilities		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities	134,510	115,638
	134,510	115,638
 Members' Equity		
Net assets invested in equipment	27,456	30,787
Funding commitments - restricted (Note 3)	5,747,241	4,142,621
Unrestricted net assets (Exhibit 'B', Note 4)	13,225,760	15,199,330
	19,000,457	19,372,738
	19,134,967	19,488,376
 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, 2009
(Unaudited - internally-prepared)

Exhibit 'B'

	Actuals		Budget
	<u>\$</u>	<u>\$</u>	<u>to March 31, 2010</u>
			<u>\$</u>
<i>Revenues:</i>			
Investment income		158,056	424,778
Unrealized investment gain		585,979	
Realized investment loss		(40,593)	
Sublease income		3,600	14,400
		<u>707,042</u>	<u>439,178</u>
<i>Expenditures:</i>			
<u>Program:</u>			
Publishing costs	669		(50,000)
Project funding awarded expended:			(15,871,369) *
Project 2006-016	12,032		
Project 2007-005	98,745		
Project 2007-019	4,500		
Project 2007-024	16,774		
Project 2007-027	285		
BCGS Retreat - Bodega Resort	99		
QUEST Data comp, GIS	7,683		
QUEST, QUEST-West, QUEST-South consultants, logistics	27,120		
QUEST-South Geochem Program	315,000		
QUEST-South Compilation	4,125		
Vancouver Island Compliation	5,848		
Nechako - consultants, logistics, and community engagement	23,047		
Nechako - seismic survey processing	137,991		
Horn River Basin Aquifers Study - Petrel Roberston	86,054		
Horn River Basin Aquifers Study - Canadian Discovery	3,229		
Horn River Basin Aquifers Study - JC Consulting	4,228		
		<u>(747,429)</u>	<u>(15,921,369)</u>
Project funding expended, unrestricted (approved in principal)			
Northeastern BC-consultants, logistics and community engagement	14,454		
QUEST-South-consultants, logistics and community engagement	1,271		
		<u>(15,725)</u>	
<u>First Nations & Community Engagement:</u>	<u>-</u>		5,000
<u>Scholarships:</u>	<u>45,000</u>		50,000
		<u>(45,000)</u>	
<u>Administration:</u>			
Salaries & Benefits	111,461		450,000
Travel & Conferences/Conventions	37,366		110,000
Office space (rent, property tax, CAE, security, parking)	31,267		100,000
Consulting - other	31,232		125,000
Investment management fees	12,175		50,000
Sponsorships	10,300		30,000
Accounting, legal, insurance	9,458		51,000
Office/miscellaneous	7,974		42,500
Communications & Marketing	6,857		60,000
Amortization	4,056		15,800
Meeting expenses	3,162		10,000
Non-refundable GST	2,956		28,101
Telephone	1,442		7,500
Xerox lease	777		3,250
Computer maintenance, internet and email	685		6,000
Dues/Memberships	-		5,000
Recruitment expenses	-		3,000
		<u>(271,168)</u>	<u>(1,097,151)</u>
Expenditures in excess of income earned		<u>(372,280)</u>	<u>(16,524,342)</u>
Net increase in unexpended funding commitments from March 31, 2009		(1,604,621)	
Net decrease (increase) in amounts invested in equipment		3,331	(5,000)
Add back: March 31, 2009 unexpended funding, restricted at that date		n/a	4,142,621
Balance, unrestricted net assets, March 31, 2009, audited		15,199,330	15,199,330
Balance, unrestricted net assets, June 30, 2009	(refer also to Note 4)	<u>13,225,760</u>	
			(to Exhibit 'A')
Projected unrestricted net assets, March 31, 2010			<u><u>2,812,609</u></u>

* inclusive of \$4,142,621 in unexpended funding commitments at March 31, 2009.

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 \$
GIC, Advisor's Advantage Trust, due December 1, 2009	557,000	557,000
GIC, Montreal Trust, due January 5, 2010	2,040,000	2,040,000
GIC, Montreal Trust, due April 27, 2010	6,001,063	6,001,063
	<u>8,598,063</u>	<u>8,598,063</u>
Connor, Clark and Lunn aggregate portfolio, at market value	n/a	9,052,672
		<u>17,650,735</u>

In November 2006 Geoscience BC initially invested an aggregate of \$18.0 million, as to \$8.0 million in three Banker's acceptances (which were of approximately equal amount and which were 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.

In April 2008 Geoscience BC invested an aggregate of \$11.0 million, as to \$6.0 million in an annual GIC and \$5.0 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 \$12,175 and included in the Statement of Operations as an expense.

To June 30, 2009, approximately \$12.0 million of these investments had been redeemed for purposes of funding current expenditures.

3. Funding Commitments

Geoscience BC had approved the following undisbursed funding at June 30, 2009:

	\$
Project 2005 - 030	22,500
Project 2005 - 031	23,125
Project 2005 - 052	3,353
Project 2005 - 053	27,000
Project 2005 - 054	4,209
Project 2005-060B - Arcis	30,000
Committed during the year ended March 31, 2006:	<u>110,187</u>
Project 2006-005	3,633
Project 2006-014	25,005
Project 2006-015	5,000
Project 2006-020	6,125
Project 2006-029	13,307
Project 2006-046	28,500
Committed during the year ended March 31, 2007:	<u>81,570</u>
Project 2007-Q006 (QUEST)	11,903
Project 2007-Q009 (QUEST follow-up) - 2008-003	16,035
Project 2007-Q009 (QUEST follow-up) - 2008-005	9,588
Project 2007-Q009 (QUEST follow-up) - 2008-009	25,964
Project 2007-012	95,750
Project 2007-016	7,500
Project 2007-017	40,000
Project 2007-019	3,000
Project 2007-024	4,193
Committed during the year ended March 31, 2008:	<u>213,933</u>
Project 2007-Q009 (QUEST follow-up) - 2007-026 (Ward)	280,000
Project 2008-QW002	10,000
Project 2008-QW005	31,053
Project 2008-QW006	122,110
Project 2008-QW007	285,125
Project 2008-QW008	400,000
BCGS Partnerships - unallocated	322,850
BCGS Partnerships - Bodega Retreat	3,303
BCGS Partnerships - Project 2008-004	7,062
BCGS Partnerships - Project 2008-007	16,788
BCGS Partnerships - Project 2008-008	20,000
Data Compilations	188,502
2007-N001-005 - Nechako Seismic Survey and logistics	399,859
Project 2008-012	16,300
Project 2008-018	72,950
Project 2008-025	29,350
Project 2008-027	95,137
Project HR002-HRB Aquifer Study - PRCL	398
Project 2008-014	271,514
Project 2009-001	150,000
Project 2009-002	20,000
Project 2009-003	15,000
Project 2009-QS002&QS003	135,000
Committed during the year ended March 31, 2009:	<u>2,892,301</u>
Project HR003-HRB Aquifer Study - Canadian Discovery	126,771
Project HR004-HRB Aquifer Study - JC Consulting	62,672
Project 2009-009	100,000
Project QS004-QUEST-South Airborne Gravity Survey	2,000,000
Project 2008-022	79,900
Project 2008-024	23,865
Project 2008-028	56,042
Committed in the three months ended June 30, 2009:	<u>2,449,250</u>
Restricted Funding commitments at June 30, 2009 - unspent	<u>5,747,241</u>

These funds remain on hand at June 30, 2009 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	36,700,000
Investment income earned, net	2,259,970
Income from other sources (workshops, rent, sublease, etc.)	2,382,784
Publishing costs incurred	(101,247)
Purchases of furniture and equipment	(77,195)
Administrative expenses incurred	(3,172,057)
Net program expenditures - actual and commitments	(24,766,495)
Unrestricted net assets, June 30, 2009	<u>13,225,760</u>

5. Subsequent events

Between July 1st and November 15th, 2009 Geoscience BC disbursed an aggregate of \$3,694,934 in previously approved program spending.

Subsequent to June 30th, 2009, an additional \$3,255,394 in project funding was approved, \$3,244,530 by the Board at its September 10th, 2009 meeting and \$10,864 at the President & CEO's discretion, of which an aggregate of \$1,752,313 was disbursed by November 15th, 2009.