

**Geoscience BC**  
**Interim Balance Sheet**  
**As at December 31, 2006**  
**(Unaudited - internally-prepared)**

**Exhibit 'A'**

<b>Assets</b>	\$	31-Mar-06 \$ (audited)
<i>Current assets:</i>		
Cash and cash equivalents	2,501,306	22,342,873
Temporary investments (Note 2)	18,260,179	-
Accrued interest receivable	14,544	205,415
Prepaid expenses	3,123	6,730
GST rebate receivable	17,877	10,133
	20,797,029	22,565,151
 Net assets invested in equipment	28,252	32,586
	20,825,281	22,597,737
 <b>Liabilities</b>		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities	9,499	23,316
Deferred revenue - workshop	1,150	-
	10,649	23,316
 <b>Members' Equity</b>		
Net assets invested in equipment	28,252	32,586
Funding commitments - restricted (Note 3)	958,017	815,132
Unrestricted net assets (Exhibit 'B', Note 4)	19,828,363	21,726,703
	20,814,632	22,574,421
	20,825,281	22,597,737
 Basis of presentation (Note 1)		
Subsequent events (Note 5)		

*Refer also to accompanying notes - Exhibit 'C'*

Geoscience BC  
Interim Operations Statement  
For the nine months ended December 31, 2006  
(Unaudited - internally-prepared)

Exhibit 'B'

	Actuals		Budget
	\$	\$	to March 31, 2007
			\$
Investment income		748,971	700,000
Unrealized investment loss		(20,853)	
Project 2006-008 matching funding received		180,420	
Unspent project funding returned:			
Project 2005-014		29,404	
Project 2005-047		15,563	
		44,967	
<b>Expenditures:</b>			
<u>Program:</u>			
Publishing costs	15,463		50,000
Project funding awarded expended:			3,815,000 *
Project 2005-008	7,500		
Project 2005-009	8,650		
Project 2005-014	31,000		
Project 2005-016	130,000		
Project 2005-027	38,368		
Project 2005-030	22,500		
Project 2005-032	123,700		
Project 2005-038	8,478		
Project 2005-047	28,104		
Project 2005-050	55,868		
Project 2005-054	21,044		
Nechako Basin Seismic Data Purchase	350,000		
Project 2006-001	44,250		
Project 2006-003	78,500		
Project 2006-004	22,500		
Project 2006-005	27,250		
Project 2006-008, including matching funding	830,420		
Project 2006-012	9,584		
Project 2006-013	254,339		
Project 2006-014	125,025		
Project 2006-015	15,000		
Project 2006-020	18,375		
		2,265,917	3,865,000
<u>Administration:</u>			
Capital equipment	n/a		6,000
Salaries & Benefits	193,078		326,000
Consulting - other	49,449		10,000
Travel & Conferences/Conventions	40,763		30,000
Communications & Marketing	35,495		45,000
Office space (rent, property tax, CAE, security, parking)	27,754		37,000
Accounting & Legal (including insurance)	26,738		52,000
Non-refundable GST	17,877		10,000
Meeting expenses	15,916		2,000
Office/miscellaneous	9,817		10,000
Investment management fees	8,949		-
Amortization	7,735		11,000
Computer maintenance, internet and email	5,951		5,000
Telephone	4,123		5,000
Xerox lease	2,292		2,800
Dues/Memberships	1,440		5,000
Executive recruitment	-		50,000
		447,376	600,800
Expenditures in excess of income earned		(1,759,788)	(3,765,800)
Net increase in unexpended funding commitments from March 31, 2006		(142,885)	
Net decrease in amounts invested in equipment (Amortization charged less current purchases of \$3,402)		4,333	
Add back: March 31, 2006 unexpended funding, restricted at that date		n/a	815,000
Balance, unrestricted net assets, March 31, 2006		21,726,703	21,726,703
Balance, unrestricted net assets, December 31, 2006 (refer also to Note 4)		<u>19,828,363</u>	
		(to Exhibit 'A')	
Projected unrestricted net assets, March 31, 2007			<u>18,775,903</u>

\* inclusive of \$815,000 in unexpended funding commitments at March 31, 2006

Refer also to accompanying notes - Exhibit 'C'

**1. Basis of presentation - lack of independence**

These financial statement have been internally-prepared by a Director of 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 January 30, 2007	3,078,000	3,066,304
Banker's acceptance, RBC, due April 25, 2007	2,298,000	2,266,540
Banker's acceptance, RBC, due October 19, 2007	2,808,000	2,715,055
	<u>8,184,000</u>	<u>8,047,899</u>
Connor, Clark and Lunn aggregate portfolio, at market value	n/a	10,212,280
		<u>18,260,179</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 new Canadian accounting guidance, which would be mandatory to follow in fiscal 2007-08 and which has been electively-adopted currently, requires that they be carried at current market values. The Connor, Clark and Lunn value is net of current investment management fees charged of \$9,218 and included in the Statement of Operations as an expense.

**3. Funding Commitments**

Geoscience BC had approved the following undisbursed funding at December 31, 2006:

	\$
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	8,384
Project 2005 - 053	189,000
Project 2005 - 054	21,044
Project 2005 - 058	15,350
<b>Committed during the year ended March 31, 2006:</b>	<u>339,920</u>
Arcis Data Marketing, Management & Reprocessing	100,000
Project 2006 - 001	14,750
Project 2006 - 002	84,140
Project 2006 - 003	78,500
Project 2006 - 004	7,500
Project 2006 - 005	9,083
Project 2006 - 012	3,195
Project 2006 - 013	84,780
Project 2006 - 014	125,025
Project 2006 - 015	5,000
Project 2006 - 016	100,000
Project 2006 - 020	6,125
<b>Committed in the nine months ended December 31, 2006:</b>	<u>618,097</u>
Restricted Funding commitments at December 31, 2006 - unspent	<u>958,017</u>

These funds remain on hand at December 31, 2006 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	1,364,680
Publishing costs incurred	(36,265)
Purchases of furniture and equipment	(28,252)
Administrative expenses incurred	(903,955)
Net program expenditures - actual and commitments	(5,567,845)
Unrestricted net assets, December 31, 2006	<u>19,828,363</u>

**5. Subsequent events**

Between January 1st and March 12th, 2007, Geoscience BC disbursed an aggregate of \$255,007 in previously approved program spending.

The Board approved an additional \$403,729 in funding at its January 31st, 2007 meeting.

Four new directors were added to the Board at an Extraordinary General Meeting held on January 31st, 2007: David Caulfield, Tony Fogarassy, Byng Giraud and Dan Miller. Also at this EGM, revisions to the Society's bylaws as proposed at the July 12, 2006 AGM were adopted.