

**Geoscience BC**  
**Interim Balance Sheet**  
**As at June 30, 2006**  
**(Unaudited - internally-prepared)**

**Exhibit 'A'**

<b>Assets</b>	\$	31-Mar-06 \$ (audited)
<i>Current assets:</i>		
Cash and cash equivalents	22,178,140	22,342,873
Accrued interest receivable	146,140	205,415
Prepaid expenses	3,123	6,730
GST rebate receivable	11,970	10,133
	<u>22,339,373</u>	<u>22,565,151</u>
 Net assets invested in equipment	 30,403	 32,586
	<u><u>22,369,776</u></u>	<u><u>22,597,737</u></u>
 <b>Liabilities</b>		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities (note 2)	<u>132,900</u>	<u>23,316</u>
 <b>Members' Equity</b>		
Net assets invested in equipment	30,403	32,586
Funding commitments - restricted (Note 3)	1,953,277	815,132
Unrestricted net assets (Exhibit 'B', Note 4)	20,253,196	21,726,703
	<u>22,236,876</u>	<u>22,574,421</u>
	<u><u>22,369,776</u></u>	<u><u>22,597,737</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, 2006**  
**(Unaudited - internally-prepared)**

Exhibit 'B'

	Actuals	Budget to March 31, 2007
	\$	\$
Interest income	204,430	669,000
Project 2006-008 (flow through on behalf of Candorado)	86,000	
<i>Expenditures:</i>		
<u>Program:</u>		
Publishing costs	-	50,000
Project funding awarded expended:		3,815,000 *
Project 2006-004	22,500	
Project 2006-012	9,584	
Project 2006-013	254,339	
Project 2005-008	7,500	
Project 2005-016	130,000	
Project 2005-027	38,368	
Project 2005-038	8,478	
Project 2005-050	55,868	
	(526,637)	(3,865,000)
<u>Administration:</u>		
Salaries & Benefits	53,141	6,000
Accounting & Legal (including insurance)	6,541	326,000
Executive recruitment	-	52,000
Office space (rent, property tax, CAE, security, parking)	9,358	50,000
Travel & Conferences/Conventions	9,265	37,000
Advertising & Promotions	5,612	30,000
Amortization	2,479	20,000
Consulting - other	2,160	11,000
Non-refundable GST	2,137	10,000
Office/miscellaneous	1,945	10,000
Website, internet and email	2,885	10,000
Dues/Memberships	745	5,000
Telephone	1,055	5,000
Xerox lease	749	5,000
Meeting expenses	3,266	2,800
	(101,338)	(575,800)
Expenditures in excess of income earned	(337,545)	(3,771,800)
Net increase in unexpended funding commitments from March 31, 2006	(1,138,145)	
Net decrease in amounts invested in equipment	2,183	
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, June 30, 2006	(refer also to Note 4) <u>20,253,196</u>	
	(to Exhibit 'A')	
Projected unrestricted net assets, March 31, 2007		18,769,903

\* 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. Accounts payable and accrued liabilities**

*Breakdown of balance at June 30, 2006:*

	\$
Project 2005-016 final payment	130,000
Accountant - June	1,819
Other A/P	1,080
	<u>132,899</u>

**3. Funding Commitments**

Geoscience BC had approved the following undisbursed funding at June 30, 2006:

	\$
Project 2005 - 003	20,000
Project 2005 - 009	8,650
Project 2005 - 014	31,000
Project 2005 - 027	9,592
Project 2005 - 030	45,000
Project 2005 - 032	154,625
Project 2005 - 047	28,104
Project 2005 - 031	23,125
Project 2005 - 052	8,384
Project 2005 - 053	189,000
Project 2005 - 054	42,089
Project 2005 - 058	15,350
<b>Committed during the year ended March 31, 2006:</b>	<u>574,919</u>
Project 2006 - 001	59,000
Project 2006 - 003	157,000
Project 2006 - 004	7,500
Project 2006 - 005	36,333
Project 2006 - 008	650,000
Project 2006 - 012	3,195
Project 2006 - 013	84,780
Project 2006 - 014	250,050
Project 2006 - 015	20,000
Project 2006 - 020	24,500
<b>Committed in the three months ended June 30, 2006:</b>	<u>1,292,358</u>
Project 2006-008 (flow through on behalf of Candorado)	86,000
Restricted Funding commitments at June 30, 2006 - unspent	<u>1,953,277</u>

These funds remain on hand at June 30, 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
Interest income earned	840,993
Publishing costs incurred	(20,802)
Purchases of furniture and equipment	(36,383)
Administrative expenses incurred	(551,937)
Program expenditures - actual and commitments	(4,978,675)
Unrestricted net assets, June 30, 2006	<u>20,253,196</u>

**5. Subsequent events**

Subsequent to June 30, 2006, Geoscience BC held its first Annual General Meeting where the membership approved in principle proposed changes to the structure of the Board of Directors and Geoscience BC Membership, and to approve the necessary revisions to the Society's by-laws in order to affect these changes subject to final review and approval by way of a subsequent Special Resolution, namely that Board members will now serve a three-year term, that the Membership consist of Directors only, and that the number of Directors be set at a minimum of four (4) and a maximum of thirteen (13).

Between July 1 and August 25, 2006, Geoscience BC disbursed an aggregate of \$1,299,748 in program spending.