

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

Exhibit 'A'

Assets	\$	31-Mar-07 \$ (audited)
<i>Current assets:</i>		
Cash and cash equivalents	109,811	2,014,849
Temporary investments (Note 2)	18,735,838	18,558,520
Accrued interest receivable	-	68,416
GST rebate receivable	23,971	23,971
Other accounts receivable	-	30,742
Prepaid expenses	3,521	3,337
	18,873,141	20,699,835
 Net assets invested in equipment	 22,536	 28,452
	18,895,677	20,728,287
 Liabilities		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities	77,436	41,913
	77,436	41,913
 Members' Equity		
Net assets invested in equipment	22,536	28,452
Funding commitments - restricted (Note 3)	3,625,077	929,988
Unrestricted net assets (Exhibit 'B', Note 4)	15,170,628	19,727,934
	18,818,241	20,686,374
	18,895,677	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 six months ended September 30, 2007
(Unaudited - internally-prepared)

Exhibit 'B'

	<u>Actuals</u>	<u>Budget</u>
	\$	to March 31, 2008
	\$	\$
Investment income		351,201
		<u>806,769</u>
Unrealized investment loss		(114,934)
Unspent project funding returned:		
Project 2006-012	250	
Project 2006-013	14,355	
Project 2006-016	<u>50,000</u>	
		64,605
<i>Expenditures:</i>		
<u>Program:</u>		
Publishing costs	1,427	50,000
Project funding awarded expended:		7,808,399 *
Project 2005-052	5,030	
Project 2005-053	81,000	
Project 2005-054	16,836	
Project 2006-003	62,800	
Project 2006-004	7,500	
Project 2006-005	5,450	
Project 2006-012	3,195	
Project 2006-013	33,912	
Project 2006-016	4,350	
Project 2006-028	36,000	
Project 2006-032	61,875	
Project 2006-046	28,500	
Project 2007-Q002	10,034	
Project 2007-Q003	882,068	
Project 2007-Q004	21,200	
Project 2007-Q005	461,700	
Project 2007-Q006	2,380	
Project 2007-Q008	2,560	
Project 2007-N003	<u>16,507</u>	
		<u>1,744,324</u>
		<u>7,858,399</u>
<u>Administration:</u>		
Salaries & Benefits	142,688	375,000
Consulting - Project Team and other	60,500	200,000
Travel & Conferences/Conventions	40,000	78,000
Communications & Marketing	21,907	60,000
Office space (rent, property tax, CAE, security, parking)	18,950	42,800
Accounting & Legal (including insurance)	19,819	49,522
Non-refundable GST	10,332	55,925
Meeting expenses	3,683	2,000
Office/miscellaneous	10,885	10,000
Investment management fees	28,580	20,000
Amortization	5,915	10,700
Computer maintenance, internet and email	2,694	7,000
Telephone	3,743	5,000
Xerox lease	1,511	3,161
Dues/Memberships	55	3,900
Scholarships	50,000	50,000
Workshop expenses	-	15,000
Executive recruitment	<u>3,419</u>	-
		<u>424,681</u>
		<u>988,008</u>
Expenditures in excess of income earned		(1,868,133)
		<u>(8,039,638)</u>
Net increase in unexpended funding commitments from March 31, 2007		(2,695,088)
Net decrease in amounts invested in equipment		5,915
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, September 30, 2007	(refer also to Note 4)	<u>15,170,628</u>
		(to Exhibit 'A')
Projected unrestricted net assets, March 31, 2008		<u>12,618,285</u>

* 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, RBC, due October 19, 2007	2,808,000	2,800,281
Banker's acceptance, RBC, due January 14, 2008	2,368,000	2,334,225
Banker's acceptance, RBC, due April 1, 2008	3,240,000	3,163,112
	<u>8,416,000</u>	<u>8,297,618</u>
Connor, Clark and Lunn aggregate portfolio, at market value	n/a	10,438,220
		<u>18,735,838</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 \$28,580 and included in the Statement of Operations as an expense.

3. Funding Commitments

Geoscience BC had approved the following undisbursed funding at September 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	108,000
Project 2005 - 054	4,209
Project 2005 - 058	15,350
Project 2005-060B - Arcis	30,000
Committed during the year ended March 31, 2006:	<u>267,054</u>
Project 2006-003	15,700
Project 2006-005	3,633
Project 2006-014	125,025
Project 2006-015	5,000
Project 2006-016	95,650
Project 2006-020	6,125
Project 2006-028	36,000
Project 2006-029	37,229
Project 2006-032	20,625
Committed during the year ended March 31, 2007:	<u>344,987</u>
Project 2005-053	100,000
Project 2006-046	28,500
Project 2007-Q002 (QUEST)	76,491
Project 2007-Q003 (QUEST)	389,932
Project 2007-Q004 (QUEST)	2,115,253
Project 2007-Q005 (QUEST)	57,800
Project 2007-Q006 (QUEST)	97,620
Project 2007-Q007 (QUEST)	100,000
Project 2007-Q008 (QUEST)	47,440
Committed in the six months ended September 30, 2007:	<u>3,013,036</u>
Restricted Funding commitments at September 30, 2007 - unspent	<u>3,625,077</u>

These funds remain on hand at September 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	1,983,417
Income from other sources (R2R, Workshops, etc.)	20,316
Publishing costs incurred	(56,364)
Purchases of furniture and equipment	(22,536)
Administrative expenses incurred	(1,601,993)
Net program expenditures - actual and commitments	(10,152,212)
Unrestricted net assets, September 30, 2007	<u>15,170,628</u>

5. Subsequent events

Between October 1st and 31st, 2007, Geoscience BC disbursed an aggregate of \$83,412 in previously approved program spending.