

Geoscience BC
Interim Balance Sheet
As at December 31, 2009
(Unaudited - internally-prepared)

Exhibit 'A'

Assets	\$	31-Mar-09 \$ (audited)
<i>Current assets:</i>		
Cash and cash equivalents	603,815	554,786
Temporary investments (Note 2)	13,401,121	16,991,131
Accrued interest receivable	64,238	202,990
Amounts receivable	115,744	1,695,182
Prepaid expenses	8,425	13,500
	14,193,343	19,457,589
 Net assets invested in equipment	 24,042	 30,787
	14,217,385	19,488,376
 Liabilities		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities	49,707	115,638
	49,707	115,638
 Members' Equity		
Net assets invested in equipment	24,042	30,787
Funding commitments - restricted (Note 3)	4,587,587	4,142,621
Unrestricted net assets (Exhibit 'B', Note 4)	9,556,049	15,199,330
	14,167,678	19,372,738
	14,217,385	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 nine months ended December 31, 2009
(Unaudited - internally-prepared)

Exhibit 'B'

	Actuals	Forecast
	\$	to March 31, 2010
	\$	\$
Revenues:		
Investment income	452,864	559,059
Unrealized investment gain	1,076,441	1,076,441
Projected funding to be received from Northern Development Initiative Trust	-	95,500
Project funding returned unused - Project 2006-008, Kootenary Arc Survey	3,414	3,414
Sublease income	10,800	14,400
USB drive cost recovery	2,020	2,020
Tax refund	7,791	7,791
	1,553,330	1,758,625
Expenditures:		
<u>Program:</u>		
Publishing costs	24,465	(50,000)
Program costs approved in principal only at March 31, 2009, now approved against restr	(31,471)	
Project funding awarded expended:		(10,453,813) *
Project 2005-030	22,500	
Project 2005-052	3,353	
Project 2005-053	27,000	
Project 2006-014	24,955	
Project 2006-015	5,000	
Project 2006-016	12,032	
Project 2007-005	98,745	
Project 2007-012	47,875	
Project 2007-017	28,000	
Project 2007-019	4,500	
Project 2007-024	16,774	
Project 2007-026	119,658	
Project 2007-027	285	
Project 2008-004	9,595	
Project 2008-005	13,423	
Project 2008-008	20,000	
Project 2008-009	25,964	
Project 2008-014	110,757	
Project 2008-018	36,475	
Project 2008-022	71,910	
Project 2008-027	71,353	
Project 2008-028	42,031	
Project 2008-031	8,058	
Project 2009-001	70,410	
Project 2009-009	77,498	
Project 2009-019	88,803	
BCGS Partnership project 2008-007	21,788	
BCGS Retreat - Bodega Resort	99	
QUEST Data comp, GIS	17,460	
QUEST, QUEST-West, QUEST-South consultants, logistics	59,002	
QUEST, QUEST-West, QUEST-South community consultations	20,134	
QUEST-West Geochem reanalysis	(1,987)	
QUEST-West Sediment & Water Geochem	19,715	
QUEST-South Geochem Program	405,000	
QUEST-South Gravity Survey	1,489,408	
QUEST-South Compilation	4,125	
Vancouver Island Compilation	24,977	
Nechako - consultants, logistics, and community engagement	29,101	
Nechako - seismic survey processing	191,077	
Northeastern BC - consultants, logistics, and community engagement	107,673	
Horn River Basin Aquifers Study - Petrel Roberston	237,241	
Horn River Basin Aquifers Study - Canadian Discovery	111,777	
Horn River Basin Aquifers Study - JC Consulting	67,496	
Horn River Basin Water Well Data Purchases	2,050,000	
	(5,904,033)	(10,503,813)
<u>First Nations & Community Engagement:</u>	300	(5,000)
	(300)	(5,000)
<u>Scholarships:</u>	50,000	(50,000)
	(50,000)	(50,000)
<u>Administration:</u>		
Salaries & Benefits	366,734	450,000
Office space (rent, property tax, CAE, security, parking)	89,855	125,000
Consulting - other	70,973	100,000
Travel & Conferences/Conventions	62,386	110,000
Investment management fees	38,433	50,000
Accounting, legal, insurance	38,430	51,000
Communications & Marketing	35,412	60,000
Office/miscellaneous	32,155	42,500
Sponsorships	17,842	30,000
Amortization	12,363	15,800
Non-refundable GST	9,033	28,101
Meeting expenses	6,540	10,000
Telephone	5,503	7,500
USB drives	4,617	-
Computer maintenance, internet and email	3,334	6,000
Recruitment expenses	3,000	3,000
Workshop expenses	2,671	-
Xerox lease	2,390	3,250
Dues/Memberships	2,388	5,000
	(804,057)	(1,097,151)
Expenditures in excess of income earned	(5,205,060)	(9,897,339)
Net increase in unexpended funding commitments from March 31, 2009	(444,966)	
Net decrease (increase) in amounts invested in equipment	6,745	(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, December 31, 2009	(refer also to Note 4)	9,556,049
		(to Exhibit 'A')
Projected unrestricted net assets, March 31, 2010		9,439,612

* 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 \$
Renaissance High Interest Savings Account	1,002,904	1,002,904
GIC, Montreal Trust, due January 5, 2010	2,040,000	2,040,000
GIC, Advisor's Advantage Trust, due December 1, 2010	573,153	573,153
	<u>3,616,057</u>	<u>3,616,057</u>
Connor, Clark and Lunn aggregate portfolio, at market value	n/a	9,785,064
		<u>13,401,121</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 \$38,433 and included in the Statement of Operations as an expense.

To December 31, 2009, approximately \$17 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 December 31, 2009:

	\$
Project 2005 - 031	23,125
Project 2005 - 054	4,209
Project 2005-060B - Arcis	30,000
Committed during the year ended March 31, 2006:	<u>57,334</u>
Project 2006-005	3,633
Project 2006-020	6,125
Project 2006-029	13,307
Project 2006-046	28,500
Committed during the year ended March 31, 2007:	<u>51,565</u>
Project 2007-Q006 (QUEST)	2,126
Project 2007-Q009 (QUEST follow-up) - 2008-003	16,035
Project 2007-012	47,875
Project 2007-016	7,500
Project 2007-017	12,000
Project 2007-019	3,000
Project 2007-024	4,193
Committed during the year ended March 31, 2008:	<u>92,729</u>
Project 2007-Q009 (QUEST follow-up) - 2007-026 (Ward)	160,342
Project 2008-QW006	68,573
Project 2008-QW007	264,991
Data Compilations	169,372
2007-N001-005 - Nechako Seismic Survey and logistics	8,736
Project 2008-012	16,300
Project 2008-018	36,475
Project 2008-025	29,350
Project 2008-027	23,784
Project 2008-014	160,757
Project 2009-001	46,940
Project 2009-002	20,000
Project 2009-003	15,000
Project 2009-QS002&QS003	45,000
Committed during the year ended March 31, 2009:	<u>1,065,620</u>
Project HR003-HRB Aquifer Study - Canadian Discovery	18,223
Project 2009-009	25,833
Project QS004-QUEST-South Airborne Gravity Survey	560,592
Project 2008-022	7,990
Project 2008-024	23,865
Project 2008-028	14,011
Project 2008-031	137,802
Project 2009-019	9,867
2009-HR005-HRB Well Data Purchases	600,000
Montney Basin Aquifer Study	500,000
Project 2008-013	300,000
Project 2009-020	140,000
Project 2009-024	171,689
Project 2009-025	55,500
Project 2009-029	31,386
Project 2009-030	20,025
Project 2009-033	67,535
Project 2009-040	79,150
Project 2009-041	64,500
Project 2009-043	100,000
Project 2009-044	86,375
Project 2009-046	119,090
Project 2009-048	183,411
NE BC consultants and logistics	3,494
Committed in the nine months ended December 31, 2009:	<u>3,320,338</u>
Restricted Funding commitments at December 31, 2009 - unspent	<u>4,587,587</u>

These funds remain on hand at December 31, 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	3,085,833
Income from other sources (workshops, rent, sublease, etc.)	2,399,795
Publishing costs incurred	(125,043)
Purchases of furniture and equipment	(82,088)
Administrative expenses incurred	(3,696,939)
Net program expenditures - actual and commitments	(28,725,509)
Unrestricted net assets, December 31, 2009	<u>9,556,049</u>

5. Subsequent events

Between January 1st and February 22, 2010 Geoscience BC disbursed an aggregate of \$1,112,286 in previously approved program spending.