

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

Exhibit 'A'

Assets	\$	31-Mar-09 \$ (audited)
<i>Current assets:</i>		
Cash and cash equivalents	3,497,507	554,786
Temporary investments (Note 2)	14,210,499	16,991,131
Accrued interest receivable	35,100	202,990
Amounts receivable	268,145	1,695,182
Prepaid expenses	2,391	13,500
	<u>18,013,642</u>	<u>19,457,589</u>
 Net assets invested in equipment	 25,967	 30,787
	<u><u>18,039,609</u></u>	<u><u>19,488,376</u></u>
 Liabilities		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities	<u>2,351,871</u>	<u>115,638</u>
	<u>2,351,871</u>	<u>115,638</u>
 Members' Equity		
Net assets invested in equipment	25,967	30,787
Funding commitments - restricted (Note 3)	5,243,587	4,142,621
Unrestricted net assets (Exhibit 'B', Note 4)	<u>10,418,184</u>	<u>15,199,330</u>
	15,687,738	19,372,738
	<u><u>18,039,609</u></u>	<u><u>19,488,376</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 six months ended September 30, 2009
(Unaudited - internally-prepared)

Exhibit 'B'

	Actuals	Budget to March 31, 2010
	\$	\$
Revenues:		
Investment income		275,319
Unrealized investment gain		1,061,217
Realized investment loss		(41,141)
Project funding returned unused - Project 2006-008, Kootenary Arc Survey		3,414
Sublease income		7,200
USB drive cost recovery		1,700
	<u>1,307,709</u>	<u>439,178</u>
Expenditures:		
Program:		
Publishing costs	1,325	(50,000)
Program costs approved in principal only at March 31, 2009, now approved against res	(31,471)	
Project funding awarded expended:		(15,871,369) *
Project 2005-030	18,000	
Project 2005-052	3,353	
Project 2006-015	5,000	
Project 2006-016	12,032	
Project 2007-005	98,745	
Project 2007-012	47,875	
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 2008-014	110,757	
Project 2008-018	36,475	
Project 2008-022	59,925	
Project 2008-027	71,353	
Project 2008-028	42,031	
Project 2009-001	70,410	
Project 2009-009	77,498	
Project 2009-019	74,002	
BCGS Partnership project 2008-007	21,788	
BCGS Retreat - Bodega Resort	99	
QUEST Data comp, GIS	10,885	
QUEST, QUEST-West, QUEST-South consultants, logistics	51,276	
QUEST, QUEST-West, QUEST-South community consultations	3,747	
QUEST Follow-up - Mira Geoscience Ltd.	25,963	
QUEST-West Geochem reanalysis	(1,987)	
QUEST-West Sediment & Water Geochem	19,715	
QUEST-South Geochem Program	345,000	
QUEST-South Gravity Survey	1,058,312	
QUEST-South Compilation	4,125	
Vancouver Island Compilation	5,848	
Nechako - consultants, logistics, and community engagement	25,279	
Nechako - seismic survey processing	137,991	
Northeastern BC - consultants, logistics, and community engagement	81,627	
Horn River Basin Aquifers Study - Petrel Roberston	196,473	
Horn River Basin Aquifers Study - Canadian Discovery	41,035	
Horn River Basin Aquifers Study - JC Consulting	49,982	
Horn River Basin Water Well Data Purchases	1,464,286	
	<u>1,464,286</u>	<u>(4,389,566)</u>
		<u>(15,921,369)</u>
First Nations & Community Engagement:	<u>-</u>	5,000
		-
Scholarships:	<u>50,000</u>	50,000
		(50,000)
Administration:		
Salaries & Benefits	240,077	450,000
Office space (rent, property tax, CAE, security, parking)	60,514	125,000
Consulting - other	49,116	100,000
Travel & Conferences/Conventions	47,636	110,000
Office/miscellaneous	29,037	42,500
Accounting, legal, insurance	28,766	51,000
Investment management fees	25,075	50,000
Communications & Marketing	22,382	60,000
Sponsorships	16,342	30,000
Amortization	8,276	15,800
Non-refundable GST	6,329	28,101
Meeting expenses	4,908	10,000
USB drives	4,718	-
Telephone	3,606	7,500
Recruitment expenses	3,000	3,000
Computer maintenance, internet and email	1,623	6,000
Xerox lease	1,605	3,250
Dues/Memberships	133	5,000
	<u>553,143</u>	<u>(1,097,151)</u>
Expenditures in excess of income earned	<u>(3,685,000)</u>	<u>(16,524,342)</u>
Net increase in unexpended funding commitments from March 31, 2009		(1,100,966)
Net decrease (increase) in amounts invested in equipment		4,820
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
Balance, unrestricted net assets, September 30, 2009	(refer also to Note 4)	<u>10,418,184</u>
		(to Exhibit 'A')
Projected unrestricted net assets, March 31, 2010		<u>2,812,609</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 \$
Renaissance High Interest Savings Account	2,000,000	2,000,000
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
	<u>4,597,000</u>	<u>4,597,000</u>
Connor, Clark and Lunn aggregate portfolio, at market value	n/a	9,613,499
		<u>14,210,499</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 \$25,075 and included in the Statement of Operations as an expense.

To September 30, 2009, approximately \$16.0 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 September 30, 2009:

	\$
Project 2005 - 030	4,500
Project 2005 - 031	23,125
Project 2005 - 053	27,000
Project 2005 - 054	4,209
Project 2005-060B - Arcis	<u>30,000</u>
Committed during the year ended March 31, 2006:	<u>88,834</u>
Project 2006-005	3,633
Project 2006-014	25,005
Project 2006-020	6,125
Project 2006-029	13,307
Project 2006-046	<u>28,500</u>
Committed during the year ended March 31, 2007:	<u>76,570</u>
Project 2007-Q006 (QUEST)	8,701
Project 2007-Q009 (QUEST follow-up) - 2008-003	16,035
Project 2007-Q009 (QUEST follow-up) - 2008-005	9,588
Project 2007-012	47,875
Project 2007-016	7,500
Project 2007-017	40,000
Project 2007-019	3,000
Project 2007-024	<u>4,193</u>
Committed during the year ended March 31, 2008:	<u>136,892</u>
Project 2007-Q009 (QUEST follow-up) - 2007-026 (Ward)	160,342
Project 2008-QW006	75,897
Project 2008-QW007	281,378
Project 2008-QW008	400,000
BCGS Partnerships - unallocated	321,153
BCGS Partnerships - Project 2008-008	20,000
Data Compilations	188,502
2007-N001-005 - Nechako Seismic Survey and logistics	397,628
Project 2008-012	16,300
Project 2008-018	36,475
Project 2008-025	29,350
Project 2008-027	23,784
Project HR002-HRB Aquifer Study - PRCL	39,979
Project 2008-014	160,757
Project 2009-001	79,590
Project 2009-002	20,000
Project 2009-003	15,000
Project 2009-QS002&QS003	<u>105,000</u>
Committed during the year ended March 31, 2009:	<u>2,371,135</u>
Project HR003-HRB Aquifer Study - Canadian Discovery	88,965
Project HR004-HRB Aquifer Study - JC Consulting	16,918
Project 2009-009	25,833
Project QS004-QUEST-South Airborne Gravity Survey	991,688
Project 2008-022	19,975
Project 2008-024	23,865
Project 2008-028	14,011
Project 2008-031	145,860
Project 2009-019	24,668
2009-HR005-HRB Well Data Purchases	1,200,000
NE BC consultants, logistics, marketing & communications	<u>18,373</u>
Committed in the six months ended September 30, 2009:	<u>2,570,156</u>
Restricted Funding commitments at September 30, 2009 - unspent	<u>5,243,587</u>

These funds remain on hand at September 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	2,851,923
Income from other sources (workshops, rent, sublease, etc.)	2,388,084
Publishing costs incurred	(101,903)
Purchases of furniture and equipment	(79,926)
Administrative expenses incurred	(3,449,812)
Net program expenditures - actual and commitments	(27,890,182)
Unrestricted net assets, September 30, 2009	<u>10,418,184</u>

5. Subsequent events

Between October 1st and November 15th, 2009 Geoscience BC disbursed an aggregate of \$21,981 in previously approved program spending.