

Geoscience BC
Interim Balance Sheet
As at June 30, 2010
(Unaudited - internally-prepared)

Exhibit 'A'

Assets	\$	31-Mar-10 \$ (audited)
<i>Current assets:</i>		
Cash and cash equivalents	247,478	206,012
Investments (Note 2)	11,554,803	11,951,266
Accrued interest receivable	-	1,140
Amounts receivable	148,369	196,516
Prepaid expenses	2,123	8,756
	<u>11,952,773</u>	<u>12,363,690</u>
Capital assets	24,179	23,637
	<u><u>11,976,952</u></u>	<u><u>12,387,327</u></u>
 Liabilities		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities	<u>116,508</u>	<u>66,506</u>
	<u>116,508</u>	<u>66,506</u>
 Members' Equity		
Net assets invested in capital assets	24,179	23,637
Funding commitments - restricted (Note 3)	4,104,232	3,272,410
Unrestricted net assets (Exhibit 'B', Note 4)	<u>7,732,033</u>	<u>9,024,774</u>
	11,860,444	12,320,821
	<u><u>11,976,952</u></u>	<u><u>12,387,327</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, 2010
(Unaudited - internally-prepared)

Exhibit 'B'

	<u>Actuals</u>	<u>Forecast</u>
	\$	to March 31, 2011
	\$	\$
Revenues:		
Investment income		191,409
Project funding returned unused - Project 2006-028 (Cassidy, GSC)		223
Sublease income	3,600	14,400
USB drive cost recovery	180	180
	<u>195,412</u>	<u>206,212</u>
Expenditures:		
<u>Program:</u>		
Publishing costs	-	(50,000)
Project funding awarded expended:		(5,892,190) *
Project 2006-008	32,498	
Project 2008-012	8,150	
Project 2006-016	6,125	
Project 2008-003	12,854	
Project 2008-022	7,952	
Project 2009-019	16,324	
Project 2009-020	21,000	
Project 2009-023	38,436	
Project 2009-030	5,752	
Project 2009-048	137,558	
Project 2010-001	39,600	
QUEST, QUEST-West, QUEST-South consultants, logistics	5,709	
QUEST, QUEST-West, QUEST-South community consultations	11,770	
Montney Basin Aquifer Study	15,047	
Oil & Gas - consultants, logistics, and community engagement	<u>20,572</u>	
		<u>(379,347)</u>
		<u>(5,942,190)</u>
<u>Scholarships:</u>	<u>45,000</u>	
		(45,000)
		(45,000)
<u>Administration:</u>		
Salaries & Benefits	123,320	477,000
Rent and utilities	29,581	126,000
Travel & Conferences/Conventions	13,953	105,000
Investment management fees	13,650	50,000
Accounting, legal, insurance	11,858	63,000
Sponsorships	8,500	30,000
Consulting	7,898	141,000
Amortization of capital assets	4,846	15,000
Staff training & professional development	4,052	-
Office/miscellaneous	3,504	42,500
Communications, Marketing and Community Engagement	2,755	65,000
Telephone	2,195	7,500
Non-refundable GST/HST	1,972	35,500
Computer maintenance, internet and email	1,666	6,000
Xerox lease	881	3,500
Meeting expenses	811	10,000
Dues/Memberships	-	5,000
Workshop expenses	-	5,000
		<u>(231,442)</u>
		<u>(1,187,000)</u>
Expenditures in excess of income earned		(460,377)
		(6,967,978)
Net increase in unexpended funding commitments from March 31, 2010		(831,822)
Net increase in amounts invested in equipment		(542)
		(5,000)
Add back: March 31, 2010 unexpended funding, restricted at that date		n/a
		3,272,410
Balance, unrestricted net assets, March 31, 2010, audited		9,024,774
Balance, unrestricted net assets, June 30, 2010	(refer also to Note 4)	<u><u>7,732,033</u></u>
		(to Exhibit 'A')
Projected unrestricted net assets, March 31, 2011		<u><u>5,324,206</u></u>

* inclusive of \$3,272,410 in unexpended funding commitments at March 31, 2010.

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. Investments

	Maturity value \$	Market value \$
Dundee Investment Savings Account	502,212	502,212
Renaissance High Interest Savings Account	1,006,510	1,006,510
	<u>1,508,722</u>	<u>1,508,722</u>
Connor, Clark and Lunn aggregate portfolio, at market value	n/a	10,046,081
		<u>11,554,803</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 \$13,650 and included in the Statement of Operations as an expense.

To June 30, 2010, approximately \$18 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 June 30, 2010:

	\$
Project 2005 - 031	23,125
Project 2005-060B - Arcis	30,000
Committed during the year ended March 31, 2006:	<u>53,125</u>
Project 2006-005	3,633
Project 2006-029	13,307
Project 2006-046	28,500
Committed during the year ended March 31, 2007:	<u>45,440</u>
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>74,568</u>
QUEST, QUEST-West, QUEST-South consultants, logistics	69,663
QUEST, QUEST-West, QUEST-South community engagement	232,169
Data Compilations	151,634
Project 2007-026	160,342
Project 2008-012	8,150
Project 2008-018	36,475
Project 2008-025	7,338
Project 2008-027	23,784
Project 2008-014	110,757
Project 2009-001	46,940
Project 2009-002	20,000
Project 2009-003	15,000
Project 2009-QS002&QS003	30,000
Committed during the year ended March 31, 2009:	<u>912,252</u>
Project 2008-013	150,000
Project 2008-024	5,966
Project 2008-028	14,011
2009-HR005-HRB Well Data Purchases	300,000
Montney Basin Aquifer Study	883,026
Project 2008-031	128,720
Project 2009-009	25,833
Project 2009-020	14,000
Project 2009-024	42,912
Project 2009-025	13,875
Project 2009-029	31,386
Project 2009-030	14,273
Project 2009-033	67,535
Project 2009-040	79,150
Project 2009-041	16,125
Project 2009-043	100,000
Project 2009-044	86,375
Project 2009-046	119,090
Project 2009-048	45,853
Oil & Gas consultants and logistics	196,319
Committed during the year ended March 31, 2010:	<u>2,334,449</u>
Project 2009-001	85,314
Project 2009-023	31,564
Project 2010-001	9,900
Project 2010-002 - QUEST, QW, QS consultants and logistics	200,000
Project 2010-003	59,150
Project 2010-004	76,470
Project 2010-005	20,000
Project 2010-006	165,000
Project 2010-007	37,000
Committed in the three months ended June 30, 2010:	<u>684,398</u>
Restricted Funding commitments at June 30, 2010 - unspent	<u>4,104,232</u>

These funds remain on hand at June 30, 2010 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	3,357,209
Income from other sources (workshops, rent, sublease, etc.)	2,756,428
Publishing costs incurred	(138,394)
Purchases of furniture and equipment	(91,648)
Administrative expenses incurred	(4,460,989)
Net program expenditures - actual and commitments	(30,390,573)
Unrestricted net assets, June 30, 2010	<u>7,732,033</u>

5. Subsequent events

Between July 1st and September 3, 2010 Geoscience BC disbursed an aggregate of \$739,507 in previously approved program spending.