

**Geoscience BC**  
**Interim Statement of Financial Position**  
**As at September 30, 2011**  
**(Unaudited - internally-prepared)**

Exhibit 'A'
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<b>Assets</b>	\$	31-Mar-11 \$ (audited)
<i>Current assets:</i>		
Cash and cash equivalents	569,259	83,923
Investments (Note 2)	19,022,604	10,198,811
Accrued interest receivable	37,780	13,623
Amounts receivable	200,881	12,073,539
Prepaid expenses	2,123	3,647
	19,832,647	22,373,543
 Capital assets	 9,730	 11,687
	19,842,377	22,385,230
 <b>Liabilities</b>		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities	315,340	110,839
 <b>Members' Equity</b>		
Net assets restricted for approved programs (Note 3)	5,384,894	2,873,470
Unrestricted net assets (Exhibit 'B', Note 4)	14,142,143	19,400,921
	19,527,037	22,274,391
	19,842,377	22,385,230
 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, 2011**  
**(Unaudited - internally-prepared)**

Exhibit 'B'

	Actuals	Forecast to March 31, 2012
	\$	\$
<b>Revenues:</b>		
Investment loss	(89,880)	(89,880)
Project funding from third parties - Horn River Basin Pilot EM survey project participants	71,250	71,250
Sublease income	7,540	15,380
	<u>(11,090)</u>	<u>(3,250)</u>
<b>Expenditures:</b>		
<u>Program:</u>		
Publishing costs	428	50,000
Project funding awarded expended:		7,646,382 *
Project 2006-046	28,500	
Project 2007-016	7,265	
Project 2008-012	6,520	
Project 2008-027	14,271	
Project 2008-028	13,980	
Project 2008-031	12,390	
Project 2009-020	10,874	
Project 2009-022	55,613	
Project 2009-023	10,364	
Project 2009-029	4,708	
Project 2009-030	3,919	
Project 2009-044	12,956	
Project 2009-048	27,512	
Project 2010-001	12,157	
Project 2010-007	5,550	
Project 2010-008	106,867	
Project 2011-004	85,636	
Project 2011-011	15,193	
Project 2011-012	15,000	
QUEST-NW002	235,575	
QUEST-NW003 BCGS/MDRU bedrock mapping program	324,893	
QUEST-NW004	724,545	
QUEST-NW005	47,847	
QUEST projects - consultants, logistics	13,808	
QUEST projects - community consultations	22,348	
Horn River Basin - Phase 2 (water study, airborne EM and marketing)	341,905	
Montney Basin Aquifer Study and related components	56,748	
Oil & Gas - consultants, logistics, and community engagement	44,544	
	<u>(2,261,916)</u>	<u>(7,696,382)</u>
<u>Scholarships:</u>	40,000	
	<u>(40,000)</u>	<u>(40,000)</u>
<u>Administration:</u>		
Salaries & Benefits	236,522	650,000
Rent and utilities	59,689	125,000
Investment management fees	27,935	50,000
Accounting, legal, insurance	25,605	55,000
Travel & Conferences/Conventions	19,783	80,000
Office/miscellaneous	16,721	40,000
Non-refundable GST/HST	10,138	56,000
Computer maintenance, internet and email	7,691	15,000
Communications, Marketing and Community Engagement	7,337	60,000
Consulting	7,100	55,000
Amortization of capital assets	5,277	12,000
Telephone	3,912	9,000
Meeting expenses	3,515	8,000
Photocopier	1,134	3,200
Sponsorships	1,024	20,000
Dues/Memberships	515	3,500
Staff training & professional development	450	6,000
	<u>(434,348)</u>	<u>(1,247,700)</u>
Expenditures in excess of income earned	<u>(2,747,354)</u>	<u>(8,987,332)</u>
Net increase in unexpended funding commitments from March 31, 2011	(2,511,424)	
Add back: March 31, 2011 unexpended funding, restricted at that date	n/a	2,873,470
Balance, unrestricted net assets, March 31, 2011, audited	19,400,921	19,400,921
Balance, unrestricted net assets, September 30, 2011	(refer also to Note 4) <u>14,142,143</u>	
	(to Exhibit 'A')	
Projected unrestricted net assets, March 31, 2012		<u>13,287,059</u>

\* inclusive of \$2,873,470 in unexpended funding commitments at March 31, 2011.

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**

	<b>30-Sep-11</b>	31-Mar-11
	<b>Market value</b>	Market value
	<b>\$</b>	\$
1.4% GIC, TD Mortgage Corp., due May 7, 2012	<b>2,500,000</b>	3,750,000
1.3% GIC, Advisor's Advantage Trust, due May 22, 2012	<b>5,000,000</b>	-
Dundee investment savings account	-	255,111
	<b>7,500,000</b>	4,005,111
Connor, Clark and Lunn aggregate portfolio, at market value	<b>11,522,604</b>	6,193,700
	<b>19,022,604</b>	10,198,811

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 investment management fees of \$27,935, year to date, and included in the Statement of Operations as an expense.

**3. Funding Commitments**

Geoscience BC had approved the following undisbursed funding at September 30, 2011:

	\$
Project 2006-005	3,633
Project 2006-029	13,307
<b>Committed during the year ended March 31, 2007:</b>	<b>16,940</b>
Project 2007-012	9,575
Project 2007-017	12,000
Project 2007-019	3,000
<b>Committed during the year ended March 31, 2008:</b>	<b>24,575</b>
QUEST, QUEST-West, QUEST-South consultants, logistics	5,323
QUEST, QUEST-West, QUEST-South community engagement	187,781
Data Compilations	151,634
Project 2007-026	41,240
Project 2008-012	1,630
Project 2008-018	36,475
Project 2008-025	7,337
Project 2008-027	9,514
Project 2008-014	110,757
Project 2009-003	15,000
<b>Committed during the year ended March 31, 2009:</b>	<b>566,691</b>
Project 2008-013	150,000
Project 2008-024	5,966
2009-HR005-HRB Well Data Purchases	300,000
Montney Basin Aquifer Study and related components	79,454
Project 2008-031	100,837
Project 2009-009	25,833
Project 2009-022	18,538
Project 2009-024	42,912
Project 2009-029	3,139
Project 2009-033	13,538
Project 2009-040	79,150
Project 2009-041	16,125
Project 2009-044	8,638
Project 2009-046	25,554
Project 2009-048	18,341
Oil & Gas consultants and logistics	79,581
<b>Committed during the year ended March 31, 2010:</b>	<b>967,606</b>
Project 2009-001	21,000
Project 2010-002 - QUEST, QW, QS consultants and logistics	200,000
Project 2010-004	76,470
Project 2010-005	20,000
Project 2010-007	3,700
<b>Committed in the year ended March 31, 2011:</b>	<b>321,170</b>
QUEST-NW002 New regional geochem studies in Dease Lake/North Iskut area	264,425
QUEST-NW003 BCGS/MDRU bedrock mapping program	175,407
QUEST-NW004 high resolution airborne magnetic survey - Dease Lake/N Iskut area	275,455
QUEST-NW005 high resolution airborne magnetic survey - Telegraph Creek area	952,153
QUEST-NW006 purchase of existing company aeromagnetic data	250,000
Project 2011-004-Horn River Basin - Phase 2 subsurface water monitoring program	1,270,665
Project 2011-011-OGC Regional Hydrology Study of NE BC by Allan Chapman	44,807
Project 2011-012	5,000
SEEK Proposal - Phase 1 - East Kootenay Chamber of Mines	250,000
<b>Committed during the six months ended September 30, 2011:</b>	<b>3,487,912</b>
Restricted Funding commitments at September 30, 2011 - unspent	<b>5,384,894</b>

These funds remain on hand at September 30, 2011 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 grants received	48,700,000
Investment income earned, net	3,476,018
Income from other sources (third party funding, recoveries, sublease rent, etc.)	3,554,099
Publishing costs incurred	(177,286)
Administrative expenses incurred	(5,777,959)
Net program expenditures - actual and commitments	(35,632,729)
Unrestricted net assets, September 30, 2011	<b>14,142,143</b>

**5. Subsequent events**

Between October 1st and November 24th, 2011 Geoscience BC disbursed an aggregate of \$508,335 in previously approved program spending.