

Geoscience BC
Interim Statement of Financial Position
As at September 30, 2012
(Unaudited - internally-prepared)

Exhibit 'A'

Assets	\$	31-Mar-12 \$ (audited)
<i>Current assets:</i>		
Cash and cash equivalents	1,026,348	127,176
Investments (Note 2)	15,831,958	18,555,556
Accrued interest receivable	21,482	39,414
Amounts receivable	437,888	349,068
Prepaid expenses	2,830	5,984
	17,320,506	19,077,198
Capital assets	13,555	10,274
	17,334,061	19,087,472
Liabilities		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities	159,345	303,428
Members' Equity		
Net assets restricted for approved programs (Note 3)	4,109,705	3,735,021
Unrestricted net assets (Exhibit 'B', Note 4)	13,065,011	15,049,023
	17,174,716	18,784,044
	17,334,061	19,087,472
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, 2012
(Unaudited - internally-prepared)

Exhibit 'B'

	Actuals	Forecast to March 31, 2013
	\$	\$
Revenues:		
Investment income	478,310	478,310
Project funding from third parties - Horn River Basin surface water monitoring project	70,690	70,690
Project funding returned unused - Project 2009-044	3,304	3,304
Sublease income	8,210	16,760
	<u>560,514</u>	<u>569,064</u>
Expenditures:		
<u>Program:</u>		
Publishing costs	1,253	50,000
Project funding awarded expended:		5,659,565 *
Project 2007-012	9,457	
Project 2008-012	1,409	
Project 2008-013	150,000	
Project 2008-014	88,606	
Project 2008-018	36,475	
Project 2008-024	5,966	
Project 2009-003	1,365	
Project 2009-009	23,417	
Project 2009-024	42,912	
Project 2009-044	805	
Project 2010-007	14,338	
Project 2011-004 HRB water monitoring study	189,308	
Project 2011-011 OGC Regional Hydrology Study	25,829	
Project 2011-014	7,000	
Project 2011-015	112,680	
Project 2011-016	91,073	
Project 2012-001	44,180	
Project 2012-002	23,305	
Project 2012-003	23,200	
QUEST-NW002 Geochem	32,306	
QUEST-NW003 BCGS/MDRU bedrock mapping program	10,640	
QUEST-NW007 Airborne mag survey	236,496	
QUEST projects - consultants, logistics	6,062	
QUEST projects - community consultations	6,784	
SEEK	22,307	
Northern Vancouver Island program	268,945	
NE BE Seismic program	14,411	
Oil & Gas - consultants, logistics, and community engagement	42,660	
Geothermal Needs Meeting	10,838	
	<u>(1,544,027)</u>	<u>(5,709,565)</u>
<u>Scholarships:</u>	35,000	(35,000)
	<u>(35,000)</u>	<u>(35,000)</u>
<u>Administration:</u>		
Salaries & Benefits	286,299	600,000
Rent and utilities	60,339	125,000
Communications, Marketing and Community Engagement	55,050	90,000
Travel & Conferences/Conventions	39,476	72,000
Investment management fees	33,492	66,000
Accounting, legal, insurance	22,820	55,000
Consulting	22,313	45,000
Meeting expenses	15,890	30,000
Non-refundable GST/HST	15,488	30,000
Recruitment	8,305	10,000
Computer maintenance, internet and email	7,967	15,000
Office/miscellaneous	7,114	15,000
Sponsorships	4,708	15,000
Amortization of capital assets	4,549	9,000
Telephone	2,998	6,000
Photocopier	2,142	4,000
Staff training & professional development	1,345	7,000
Dues/Memberships	520	4,000
	<u>(590,815)</u>	<u>(1,198,000)</u>
Expenditures in excess of income earned	(1,609,328)	(6,373,501)
Net increase in unexpended funding commitments from March 31, 2012	(374,684)	
Add back: March 31, 2012 unexpended funding, restricted at that date	n/a	3,735,021
Balance, unrestricted net assets, March 31, 2012, audited	15,049,023	15,049,023
Balance, unrestricted net assets, September 30, 2012	(refer also to Note 4)	<u>13,065,011</u>
		(to Exhibit 'A')
Projected unrestricted net assets, March 31, 2013		<u>12,410,543</u>

* inclusive of \$3,735,021 in unexpended funding commitments at March 31, 2012

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

	30-Sep-12	31-Mar-12
	Market value	Market value
	\$	\$
1.4% GIC, TD Mortgage Corp., due May 7, 2012	-	2,500,000
1.5% GIC, TD Mortgage Corp., due May 31, 2012	-	501,800
1.5% GIC, TD Mortgage Corp., due August 27, 2012	-	500,000
1.4% GIC, TD Mortgage Corp., due January 16, 2013	-	750,000
1.75% GIC, TD Mortgage Corp., due November 5, 2012	1,875,000	-
1.4% GIC, TD Mortgage Corp., due March 11, 2013	1,000,000	2,000,000
1.9% GIC, Canadian Western Bank, due August 27, 2013	250,000	-
	3,125,000	6,251,800
Connor, Clark and Lunn aggregate portfolio, at market value	12,706,958	12,303,756
	15,831,958	18,555,556

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 \$33,492, 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, 2012:

Project 2006-005	3,633
Project 2006-029	13,307
Committed during the year ended March 31, 2007:	16,940
Project 2007-017	12,000
Committed during the year ended March 31, 2008:	12,000
QUEST, QUEST-West, QUEST-South community engagement	126,628
Data Compilations	151,634
Project 2007-026	41,240
Project 2008-027	9,514
Project 2008-014	22,151
Project 2009-003	13,635
Committed during the year ended March 31, 2009:	364,802
Montney Basin Aquifer Study and related components	52,768
Project 2008-031	100,837
Project 2009-022	20,538
Project 2009-029	3,139
Project 2009-033	13,537
Project 2009-040	79,150
Project 2009-041	16,125
Project 2009-046	10,221
Project 2009-048	18,341
Committed during the year ended March 31, 2010:	314,656
Project 2009-001	21,000
Project 2010-002 - QUEST, QW, QS consultants and logistics	174,506
Project 2010-004	76,470
Project 2010-007	5,700
Committed in the year ended March 31, 2011:	277,676
QUEST-NW003 BCGS/MDRU bedrock mapping program	66,996
QUEST-NW006 purchase of existing company aeromagnetic data	250,000
Project 2008-027 -additional funds	9,000
Project 2011-004-Horn River Basin - Phase 2 subsurface water monitoring program	815,874
Project 2011-011-OGC Regional Hydrology Study of NE BC by Allan Chapman	13,998
Project 2011-012	5,000
SEEK - Phase 1 - East Kootenay Chamber of Mines	204,493
Project 2011-015	112,680
Project 2011-016	30,358
Project 2011-018	24,763
Project 2011-021	23,064
DAP (to be ArcGIS) Server	55,000
Committed in the year ended March 31, 2012:	1,611,226
Project 2011-014	3,000
Project 2012-001	14,570
Project 2012-002	23,305
Project 2012-003	5,800
Northern Vancouver Island Project - ICET	653,968
QUEST-NW007 airborne mag survey (250 m line-spacing)	63,504
NE BC Seismic	485,589
Oil & Gas consultants and logistics	227,669
ArcGIS Server (formerly DAP)	35,000
Committed in the six months ended September 30, 2012:	1,512,405
Restricted Funding commitments at September 30, 2012 - unspent	4,109,705

These funds remain on hand at September 30, 2012 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	4,817,527
Income from other sources (third party funding, recoveries, sublease rent, etc.)	3,987,237
Publishing costs incurred	(202,057)
Administrative expenses incurred	(6,997,598)
Net program expenditures - actual and commitments	(37,240,098)
Unrestricted net assets, September 30, 2012	13,065,011

5. Subsequent events

Between October 1st and November 22nd, 2012 Geoscience BC disbursed an aggregate of \$543,452 in previously-approved program spending.

\$5.0 million of funds invested in the Connor, Clark and Lunn portfolio were liquidated to near-cash investments. Of \$8.125 million of short-term near cash investments subsequently on hand, \$2.25 million has been invested in 1 year locked instruments while the remainder has been invested in cashable GICs.