

Geoscience BC
Interim Statement of Financial Position
As at September 30, 2016
(Unaudited - internally-prepared)

Exhibit 'A'

Assets	\$	March 31, 2016 \$ (audited)
<i>Current assets:</i>		
Cash and cash equivalents	263,396	108,454
Investments (Note 2)	14,483,012	12,074,113
Accrued interest receivable	12,425	30,552
Amounts receivable	773,167	5,742,035
Prepaid expenses and deposits	<u>127,978</u>	<u>124,856</u>
	15,659,978	18,080,010
 Capital assets	 63,712	 74,858
	<u><u>15,723,690</u></u>	<u><u>18,154,868</u></u>
 Liabilities		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities	135,987	381,778
Deferred revenue	<u>2,408,400</u>	<u>5,000,000</u>
	2,544,387	5,381,778
 Members' Equity		
Net assets restricted for approved programs (Note 3)	4,688,260	6,001,481
Unrestricted net assets (Exhibit 'B', Note 4)	<u>8,491,043</u>	<u>6,771,609</u>
	13,179,303	12,773,090
	<u><u>15,723,690</u></u>	<u><u>18,154,868</u></u>
 Basis of presentation (Note 1) Subsequent events (Note 6)		

Refer also to accompanying notes - Exhibit 'C'

Approved By the Board:



 Director



 Director

Geoscience BC
Interim Operations Statement
For the six months ended September 30, 2016
(Unaudited - Internally-prepared)

Exhibit 'B'

	Actuals		Year ended March 31, 2016	Forecast to March 31, 2017
	\$	\$	\$	\$
Revenues:				
Grants - Provincial Government		2,591,600	100,000	2,591,600
Investment income		415,275	159,124	415,275
Program funding from third parties		15,000	712,191	15,000
Tax refunds and miscellaneous		2	30,620	2
		<u>3,021,877</u>	<u>1,001,935</u>	<u>3,021,877</u>
Expenditures:				
<u>Program, including non-refundable portion of GST:</u>				
Publishing costs		246	76,218	50,000
GIS server implementation		-	8,230	21,775
GIS server maintenance		15,450	7,996	12,500
Program management *		230,779	447,358	450,000
Program funding expended (Note 5)		1,494,117	4,015,297	6,160,602 **
		<u>(1,740,592)</u>	<u>(4,555,099)</u>	<u>(6,694,877)</u>
<u>Scholarships:</u>				
		50,000		
		<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>
<u>Administration:</u>				
Salaries and Benefits *		248,644	577,871	732,000
Outreach - Government Relations and First Nations Engager		139,849	182,418	110,000
Rent and utilities		83,256	153,766	212,000
Accounting, legal, insurance		77,862	115,595	103,000
Communications, Marketing and Community Engagement		53,012	78,141	172,000
Consulting		41,819	64,964	69,000
Travel & Conferences/Conventions		38,572	115,270	114,000
Investment management fees		22,682	44,046	41,000
Sponsorships		19,196	20,353	20,000
Recruitment		18,360	921	1,000
Amortization of capital assets		16,749	26,733	42,000
Non-refundable GST/HST		15,165	23,177	23,000
Meeting expenses		15,007	18,838	15,000
Office/miscellaneous		12,084	26,288	24,000
Computer maintenance, internet and email		11,934	19,005	14,000
Photocopier		4,278	7,022	6,000
Telephone		3,453	9,475	8,000
Dues/Memberships		1,620	12,628	15,000
Staff training and professional development		1,530	1,287	3,000
Workshops		-	13,206	6,000
Office Relocation		-	20,764	-
		<u>(825,072)</u>	<u>(1,511,004)</u>	<u>(1,730,000)</u>
Income earned in excess of expenditures		<u>406,213</u>	<u>(5,114,168)</u>	<u>(5,453,000)</u>
Net decrease in unexpended funding commitments from March 31, 2016		1,313,221		
Add back: March 31, 2016 unexpended funding, restricted at that date		n/a		6,001,481
Balance, unrestricted net assets, March 31, 2016, audited		6,771,609		6,771,609
Balance, unrestricted net assets, June 30, 2016	(refer also to Note 4)	<u>8,491,043</u>		
		(to Exhibit 'A')		
Projected unrestricted net assets, March 31, 2017				<u>7,320,090</u>

* Program management represents the portion of staff salaries and benefits allocated to programs rather than administrative spending.

** Inclusive of \$6,001,481 in unexpended funding commitments at March 31, 2016, and exclusive of \$500,000 Approved in Principle for Phase II of the Peace Project and \$492,075 Approved in Principle for three new MDRU projects

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-16 Market value \$	31-Mar-16 Market value \$
BMO High Interest Savings account	2,738,549	1,878,847
1.67% GIC, Canadian Western Bank, due August 18, 2016 (locked-in)	-	1,500,000
1.3% GIC, Vancity, due February 16, 2017 (locked in)	1,000,000	-
1.41% GIC, Bank of Montreal, due May 5, 2017 (locked-in)	1,000,000	1,000,000
1.45% GIC, Bank of Montreal, due July 28, 2017 (locked-in)	1,500,000	-
	<u>6,238,549</u>	<u>4,178,847</u>
Connor, Clark and Lunn aggregate portfolio, at market value	8,244,483	7,895,268
	<u>14,483,012</u>	<u>12,074,113</u>

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 \$22,682, 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, 2016:

Project 2008-005 (Hart/Goldfarb, U of Western Australia)	3,633
Project 2008-029 (Hart/Goldfarb, U of Western Australia)	13,307
Committed during the year ended March 31, 2007:	<u>16,940</u>
Project 2008-027 (Pignotta, U of Wisconsin)	9,514
Committed during the year ended March 31, 2009:	<u>9,514</u>
Project 2009-048 (Hart, MDRU)	18,341
Committed during the year ended March 31, 2010:	<u>18,341</u>
Minerals - consultants and logistics (funding formerly related to QUEST)	44,759
Project 2010-002-PIP (funding formerly related to QUEST)	46,545
Committed in the year ended March 31, 2011:	<u>91,304</u>
SEEK	19,290
Project 2011-021 (Patison, U of Calgary)	5,766
Committed in the year ended March 31, 2012:	<u>25,056</u>
NE BC Induced Seismicity Monitoring Program	219,156
Oil & Gas - consultants, logistics, and community engagement	182,840
TREK - Consultants, logistics	44,178
TREK - Geochemistry	12,213
TREK - Geophysics	13,853
TREK - Geology & Integration	338,200
TREK - Geothermal	21,054
Committed in the year ended March 31, 2013:	<u>831,294</u>
Project 2013-001 (Bustin, UBC)	150,000
Project 2013-003 - Long Term Water Availability in the Horn River Basin (HRBPG)	29,750
TREK - First Nations engagement (from formerly related to QUEST)	52,752
GIS Server Implementation (formerly DAP & ArcGIS)	21,775
Committed in the year ended March 31, 2014:	<u>254,277</u>
Deep Aquifer Fluid Disposal Program	3,950
Project 2014-006 (Höy/Jackaman)	50,721
Project 2014-007 (Chapman/Mieham, U. of Leeds)	18,428
Project 2014-015 (Bouzar/Hart, MDRU)	68,015
Peace Region Airborne Groundwater Mapping Project (Phases 1 & 2)	365,904
Search Project - Phase I	75,482
Project 2015-001 (Jonathan Banks, Alberta Innovates)	30,000
Committed in the year ended March 31, 2015:	<u>810,500</u>
Search Project - Phase II	1,000,000
MIKH - CMIC Partnership seed funding	36,221
Project 2015-013 - BC Natural Gas Atlas (UV/c)	332,000
Project 2015-021 - New Resource Oil Plays (PRCL, Trican and Taurus)	402,250
Project 2015-022 - Direct-use Geothermal Resources in BC (Tuya Terra Corp. Geothermal Managemeg)	49,087
Project 2015-031 - Monitoring & Risk Assessment of Anomalous Induced Seismicity (Bustins)	450,000
Project 2016-001 - Merging Geological Seismic Reflection and Magnetotelluric data (Salt Spring Imagir)	27,176
Project 2016-006 - Detrital gold as a deposit-specific indicator mineral (U of Leeds)	41,500
Project 2016-007 - Assessment of use of halogens and volatile compounds in vegetation, soil, snow (I)	33,732
Project 2016-015 - BC RGS Sample Reanalysis (Noble)	75,499
Project 2016-029 - Pilot project for georeferencing and data capture of National Instrument 43-101 (Pu)	5,000
Project 2016-046 - Resource Oil Compilation of BC OGC DATA (PRCL)	5,229
Project 2016-048 - NEWS	163,716
Committed in the year ended March 31 2016:	<u>2,621,410</u>
Project 2016-008: from TREK geophysical funds - Myar Consulting	91,955
Project 2016-019: from TREK geophysical funds - Noble Exploration Services Ltd.	40,175
Project 2016-038: from TREK geophysical funds - Reflex Geosciences	54,544
Project 2016-037: from TREK geophysical funds - Reflex Geosciences	12,950
Project 2016-047 - Techno-Economic assessment of Geothermal Energy Resources	10,000
Committed in the six months ended September 30, 2016:	<u>209,624</u>
Restricted Funding commitments at September 30, 2016 - unspent	<u>4,688,260</u>

These funds remain on hand at September 30, 2016 but are now considered to be internally-restricted from the perspective of Geoscience BC. Refer to Notes 5 and 6.

4. Summarized net unrestricted assets from inception:

BC government grants received	59,391,600
Investment income earned, net	7,667,716
Income from other sources (third party funding, recoveries, sublease rent, etc.)	6,551,874
Publishing costs incurred	(369,064)
Administrative expenses incurred	(12,524,604)
Net program expenditures - actual and commitments	(52,226,479)
Unrestricted net assets, September 30, 2016	<u>8,491,043</u>

5. Program funding expended in the three months ended September 30, 2016, including non-refundable portion of GST:

Project 2007-017 - UBC/Mortensen	12,000
Project 2010-002 - PIP (funding formerly related to QUEST)	6,035
Project 2009-033 - UBC/Mortensen	13,537
Project 2009-048 - UBC (MDRU) Hart	10,222
Project 2011-004 - HRB water monitoring study	17,045
Project 2011-015 - PIMS (MDRU)	6,019
Project 2012-002 - Woodjam (MDRU)	23,305
NE BC Induced Seismicity Monitoring Program	70,503
TREK - Geochemistry	975
Project 2013-003 - HRBPG/PTAC	10,250
Peace Project	229,413
Project 2014-015 - UBC (MDRU) - Bouzari, Hart	66,015
Search Project	589,141
MIKH-CMIC Partnership Project	12,817
Project 2015-022 - Direct-use Geothermal Resources in BC (Tuya Terra Corp)	3,813
Project 2016-001 - Merging Geological, Seismic Reflection and Magnetotelluric data (Salt Spring I	9,059
Project 2016-015 - BC RGS Sample Renanalysis (Noble)	74,501
Project 2016-048 - NEWS Project	1,284
Project 2016-007 - Assessment of halogens and volatile compounds (Heberlein)	82,000
Project 2016-046 - Resource Oil Compilation (PRCL)	15,271
Project 2016-008 - TREK - MYAR Consulting	88,025
Project 2016-019 - TREK - Noble Exploration	40,175
Project 2016-036 - TREK - Reflex Geosciences 1	54,544
Project 2016-037 - TREK - Reflex Geosciences 2	12,950
Project 2016-047 - Techno-Economic Assessment of Geothermal Energy (UVic)	10,000
Project 2016-052 - Peace Region Magnetics Structural Interpretation (Scott Hogg & Associates)	15,119
Project 2016-049 - Curie Point Depth Mapping Pilot Study in NW BC (Mira Geoscience)	10,250
Oil & Gas - consultants, logistics, and community engagement	6,400
Minerals - consultants and logistics (funding formerly related to QUEST)	3,449
	<u>1,494,117</u>

6. Subsequent events

Between October 1st and November 25th, 2016 Geoscience BC disbursed an aggregate of \$729,157 in previously-approved program spending.