

Geoscience BC
Interim Statement of Financial Position
As at December 31, 2017
(Unaudited - internally-prepared)

Exhibit 'A'

Assets	\$	March 31, 2017 \$ (audited)
<i>Current assets:</i>		
Cash and cash equivalents	110,980	475,453
Investments (Note 2)	18,120,929	12,043,977
Accrued interest receivable	36,679	27,661
Amounts receivable	120,048	10,155,396
Prepaid expenses and deposits	118,583	138,967
	18,507,219	22,841,454
 Capital assets	 36,231	 56,075
	18,543,450	22,897,529
 Liabilities		
<i>Current liabilities:</i>		
Accounts payable & accrued liabilities	100,882	756,661
Deferred revenue	5,874,277	10,000,000
	5,975,159	10,756,661
 Members' Equity		
Net assets restricted for approved programs (Note 3)	5,909,195	4,727,248
Unrestricted net assets (Exhibit 'B', Note 4)	6,659,096	7,413,620
	12,568,291	12,140,868
	18,543,450	22,897,529

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 nine months ended December 31, 2017
(Unaudited - internally-prepared)

Exhibit 'B'

	For the nine months ended Dec 31, 2017		For the nine months ended Dec 31, 2016		Year ended March 31, 2017	Forecast to March 31, 2018
	\$	\$	\$	\$	\$	\$
Revenues:						
Grants - Provincial Government		4,125,723		4,132,537	5,000,000	4,125,723
Investment income		387,587		413,454	616,638	387,587
Grants - other, and program reimbursements		37,071		59,744	265,244	37,071
Other		2,765		6,569	12,736	2,765
		<u>4,553,146</u>		<u>4,612,304</u>	<u>5,894,618</u>	<u>4,553,146</u>
Expenditures:						
<u>Program, including non-refundable portion of GST:</u>						
Program costs incurred (Note 5)	2,890,575		2,448,390		3,875,232	8,783,120 **
Program management *	363,510		332,848		465,967	513,000
Scholarship awards	35,000		50,000		50,000	40,000
Publishing costs	31,883		40,068		50,629	50,000
GIS server maintenance	12,201		16,345		17,243	12,500
GIS server implementation	-		-		5,125	16,650
		<u>(3,333,169)</u>		<u>(2,887,651)</u>	<u>(4,464,196)</u>	<u>(9,415,270)</u>
<u>Administration:</u>						
Salaries and Benefits *	277,363		383,054		788,644	521,000
Rent and utilities	124,710		124,554		165,823	170,000
Accounting, legal, insurance	83,725		108,867		164,354	115,000
Travel & Conferences/Conventions	56,736		70,311		120,399	95,000
Investment management fees	46,475		34,162		45,776	75,000
Consulting	37,079		66,714		90,039	50,000
Communications, Marketing and Community Engagement	27,509		82,236		120,302	140,000
Recruitment	27,299		41,993		69,349	25,000
Amortization of capital assets	24,319		26,694		35,613	36,000
Computer maintenance, internet and email	20,553		17,204		23,506	20,000
Office/miscellaneous	13,988		15,172		22,530	20,000
Non-refundable GST/HST	11,648		22,984		33,860	20,000
Dues/Memberships	10,195		3,320		6,370	13,000
Sponsorships	9,675		24,696		24,571	21,000
Telephone	6,682		5,888		8,677	8,000
Outreach - Government Relations and First Nations Engage	6,000		213,016		300,659	27,000
Photocopier	4,521		5,911		7,305	9,000
Meeting expenses	4,077		20,022		32,516	25,000
Staff training and professional development	-		2,151		2,351	4,000
		<u>(792,554)</u>		<u>(1,268,949)</u>	<u>(2,062,644)</u>	<u>(1,394,000)</u>
Income earned in excess of expenditures		<u>427,423</u>		<u>455,704</u>	<u>(632,222)</u>	<u>(6,256,124)</u>
Net increase in unexpended funding commitments from March 31, 2017		(1,181,947)				
Add back: March 31, 2017 unexpended funding, restricted at that date		n/a				4,727,248
Balance, unrestricted net assets, March 31, 2017, audited		7,413,620				7,413,620
Balance, unrestricted net assets, December 31, 2017 (refer also to Note 4)		<u>6,659,096</u>				
		(to Exhibit 'A')				
Projected unrestricted net assets, March 31, 2018						<u>5,884,744</u>

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

** Inclusive of \$4,727,248 in unexpended funding commitments at March 31, 2017 plus all changes to restricted funds in current year, to be expended by 2020.

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

	31-Dec-17 Market value \$	31-Mar-17 Market value \$
BMO High Interest Savings account	1,462,683	1,152,966
1.41% GIC, Bank of Montreal, due May 5, 2017, annual	-	1,000,000
1.45% GIC, Bank of Montreal, due July 28, 2017, annual	-	1,500,000
1.20% GIC, Bank of Montreal, due April 6, 2018, annual	2,000,000	-
1.15% GIC, Bank of Montreal, due May 7, 2018, annual	1,000,000	-
1.45% GIC, Bank of Montreal, due April 8, 2019, annual	1,000,000	-
	<u>5,462,683</u>	<u>3,652,966</u>
Connor, Clark and Lunn aggregate portfolio, at market value	12,658,246	8,391,011
	<u>18,120,929</u>	<u>12,043,977</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 \$46,475, 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 December 31, 2017:

Minerals:

Minerals: consultants and logistics (funding formerly related to QUEST)	38,476
Minerals: First Nations and community engagement (formerly related to QUEST, then TREK)	51,081
TREK: Consultants, logistics	38,236
TREK: Geochemistry	12,213
TREK: Geophysics	13,653
TREK: Geology & Integration	338,200
TREK: Geothermal	21,054
Project 2010-002: Porphyry Integration Project (funding formerly related to QUEST)	41,337
Project 2014-006: Geological mapping, compilation and mineral evaluation, Pentiction map sheet (Höy/Jackam)	16,907
Project 2014-015: Mineralogical Characteristics of Porphyry Fertile Plutons (Souzari/Hart, MDRU)	66,015
Project 2015-030: MIKH: CMIC Partnership seed funding	7,091
Project 2016-001: Merging Geological Seismic Reflection & Magnetotelluric data (Salt Spring Imaging)	27,175
Project 2016-004: Geological mapping, compilation and mineral evaluation, Boundary District, southern BC	40,048
Project 2016-006: Detrital gold as a deposit-specific indicator mineral (U of Leeds)	12,450
Project 2016-010: Structural Controls on Barkerville and Related Orogenic Gold Camps of Interior BC (MDRU)	29,515
Project 2016-013: An Exploration Framework for Porphyry to Epithermal Transitions in the Toadoggonne (MDRU)	123,650
Project 2016-018: QA/QC program for provincial Regional Geochemical Survey (RGS) Data	2,000
Project 2016-019: Adding value to TREK till and lake sediment geochemical data (Noble)	40,175
Project 2016-025: Application of Genomics in Mineral Exploration (MDRU-Winterburn)	106,359
Project 2016-028: CSA Global integrated assessment of regional stream sediment geochemistry, north Stikinia	29,784
Project 2016-029: Pilot project for georeferencing and data capture of NI 43-101 (Purple Rock)	11,642
Project 2016-032: Assessing BC Porphyry Fertility using Zircons (MDRU)	109,794
Project 2016-036: Geochemical Analysis of the Clay Fraction of Till Samples from TREK (Reflex Geosciences)	54,544
Project 2016-037: Adding Value to Regional Till Geochemistry Data (Reflex Geosciences)	12,950
SEARCH Phase III	183,530
Project 2016-038: Search Multiple Scale Value Added Mapping Project (MDRU)	83,476
Project 2016-066: Terrestrial Environmental Data Capture and Accessibility for Mining - NW BC (ERM)	50,000
Project 2016-068: Mine reclamation project - Soil Amendments in Mine Closure (TRU)	50,000
Project 2016-069: Mine reclamation project - Biodiversity in Ecosystem Reclamation (TRU)	50,000
Project 2017-009: Metamorphic, structural, thermochronological evolution of E Kootenay metallogenic province	44,615
Project 2017-013: Producing Clean Coal using the Water-based Roben Jig-Refining the Process	100,000
Total Minerals Project Commitments:	<u>1,805,970</u>

Oil & Gas:

Oil & Gas: consultants, logistics, and community engagement	171,471
NE BC Induced Seismicity Monitoring Program - extension	476,147
Project 2013-001: Quantification of the Gas and Liquids in Place and Flow Characteristics (Bustin, UBC)	45,000
Project 2013-003: Long Term Water Availability in the Horn River Basin (HRBPG)	33,000
PEACE Region Airborne Groundwater Mapping Project	257,039
Project 2015-013: BC Natural Gas Atlas (UVic)	242,804
Project 2015-021: New Resource Oil Plays (PRCL, Trican and Taurus)	193,750
Project 2015-031: Monitoring & Risk Assessment of Anomalous Induced Seismicity (Bustins)	315,000
Project 2016-043: Assessment of Fugitive Natural Gas on Near-Surface Groundwater Quality	200,000
Project 2016-048: NEWS	38,566
Project 2016-062: Amplification of Seismic Ground Motion Hazard Mapping	60,446
Project 2016-065: GHGMap Project	734,352
Peace Regional Groundwater Monitoring Network	1,300,000
Total Oil & Gas Project Commitments:	<u>4,067,575</u>

Geothermal:

Project 2015-001: Dynamic Geothermal Reservoir Modeling in the Clarke Lake Gas Field (Alberta Innovates)	15,000
Project 2016-047: Techno-Economic assessment of Geothermal Energy Resources	4,000
Total Geothermal Project Commitments:	<u>19,000</u>

GIS Server Implementation

GIS Server Implementation (formerly DAP & ArcGIS)	16,650
Total GIS Server Implementation Commitments:	<u>16,650</u>

Restricted Funding commitments at December 31, 2017 - unspent

5,909,195

These funds remain on hand at December 31, 2017 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	71,800,000
Investment income earned, net	8,269,400
Income from other sources (third party funding, recoveries, sublease rent, etc.)	6,841,954
Publishing costs incurred	(450,117)
Administrative expenses incurred	(14,064,768)
Net program expenditures - actual and commitments	<u>(59,863,096)</u>
	12,533,373
Deferred revenue - remainder of BC government grants to be expended	(5,874,277)
Unrestricted net assets, December 31, 2017	<u><u>6,659,096</u></u>

5. Program funding expended in the nine months ended December 31, 2017, including non-refundable portion of GST:

Minerals:

Minerals: consultants and logistics (funding formerly related to QUEST)	4,896
Minerals: First Nations and community engagement (formerly related to QUEST, then TREK)	1,671
TREK - General & Project Management	5,943
Project 2010-002: Porphyry Integration Project (funding formerly related to QUEST)	3,362
Project 2015-030: MIKH: CMIC Partnership seed funding	12,666
Project 2014-007: Microchemical signatures of gold in Cu-Au porphyries (U. of Leeds)	5,275
Project 2016-004: Geological mapping, compilation and mineral evaluation, Boundary District, southern BC	49,112
Project 2016-007: Assessment of halogens and volatile compounds in vegetation - Heberlein	40,371
Project 2016-008: TREK:Real-time determination of trace elements in geochemical survey water samples-M'	52,742
Project 2016-010: Structural Controls on Barkerville and Related Orogenic Gold Camps of Interior BC - MDR	19,677
Project 2016-018: Quality Assurance/Quality Control program for Regional Geochemical Survey Data	3,800
Project 2016-025: Application of Genomics in Mineral Exploration (MDRU-Winterburn)	106,358
Project 2016-028: CSA Global integrated assessment of regional stream sediment geochemistry, north Stikir SEARCH Phase III	1,671,171
Project 2016-067: Producing Clean Coal using the Water-based Boner Jig Process (CCRA)	46,049
Total Minerals Project Expenditures:	<u><u>2,047,149</u></u>

Oil & Gas:

Oil & Gas: consultants, logistics, and community engagement	6,264
NE BC Induced Seismicity Monitoring Program	84,523
Project 2013-001: Quantification of the Gas and Liquids in Place and Flow Characteristics (Bustin, UBC)	105,000
Project 2013-003: Long Term Water Availability in the Horn River Basin (HRBPG)	41,750
PEACE Project	258,925
Project 2015-013: BC Natural Gas Atlas	12,454
Project 2016-062: Amplification of Seismic Ground Motion Hazard Mapping	39,872
Project 2016-065: GHGMap Project	273,638
Total Oil & Gas Project Expenditures:	<u><u>822,426</u></u>

Geothermal:

Project 2015-001: Dynamic Geothermal Reservoir Modeling in the Clarke Lake Gas Field (Banks, Alberta Inr	15,000
Project 2016-047: Techno-Economic assessment of Geothermal Energy Resources	6,000
	<u>21,000</u>

Program funding expended in the nine months ended December 31, 2017	<u><u>2,890,575</u></u>
--	-------------------------

6. Subsequent events

Between January 1st and February 15th, 2017 Geoscience BC disbursed an aggregate of \$966,797 in previously-approved program spending.