

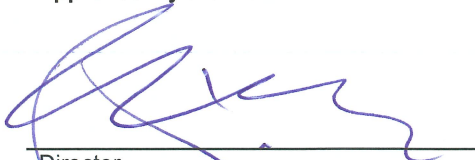
**Geoscience BC**  
**Interim Statement of Financial Position**  
**As at December 31, 2018**  
*(Unaudited - internally-prepared)*


Exhibit 'A'

|                                                      | \$         | March 31, 2018<br>\$<br>(audited) |
|------------------------------------------------------|------------|-----------------------------------|
| <b>Assets</b>                                        |            |                                   |
| <i>Current assets:</i>                               |            |                                   |
| Cash and cash equivalents                            | 527,624    | 277,661                           |
| Investments (Note 2)                                 | 14,627,245 | 16,705,788                        |
| Accrued interest receivable                          | 27,537     | 48,755                            |
| Amounts receivable                                   | 113,914    | 448,450                           |
| Prepaid expenses and deposits                        | 130,266    | 193,274                           |
|                                                      | 15,426,586 | 17,673,928                        |
| Capital assets                                       | 35,384     | 30,666                            |
|                                                      | 15,461,970 | 17,704,594                        |
| <b>Liabilities</b>                                   |            |                                   |
| <i>Current liabilities:</i>                          |            |                                   |
| Accounts payable & accrued liabilities               | 134,697    | 276,828                           |
| Deferred revenue                                     | 1,535,591  | 4,024,616                         |
|                                                      | 1,670,288  | 4,301,444                         |
| <b>Members' Equity</b>                               |            |                                   |
| Net assets restricted for approved programs (Note 3) | 6,136,828  | 4,744,182                         |
| Unrestricted net assets (Exhibit 'B', Note 4)        | 7,654,854  | 8,658,968                         |
|                                                      | 13,791,682 | 13,403,150                        |
|                                                      | 15,461,970 | 17,704,594                        |
| 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, 2018  
(Unaudited - internally-prepared)

Exhibit 'B'

|                                                                  | For the three months<br>ended Dec 31, 2018 |                         | For the three months<br>ended Dec 31, 2017 |                         | For the nine months<br>ended Dec 31, 2018 |                            | For the nine months<br>ended Dec 31, 2017 |                         |
|------------------------------------------------------------------|--------------------------------------------|-------------------------|--------------------------------------------|-------------------------|-------------------------------------------|----------------------------|-------------------------------------------|-------------------------|
|                                                                  | \$                                         | \$                      | \$                                         | \$                      | \$                                        | \$                         | \$                                        | \$                      |
| <b>Revenues:</b>                                                 |                                            |                         |                                            |                         |                                           |                            |                                           |                         |
| Grants - Provincial Government                                   |                                            | 650,532                 |                                            | 1,510,126               |                                           | 2,489,025                  |                                           | 4,125,723               |
| Investment income                                                |                                            | (56,221)                |                                            | 388,635                 |                                           | 279,677                    |                                           | 387,587                 |
| Grants - other, and program reimbursements                       |                                            | 93,246                  |                                            | -                       |                                           | 108,854                    |                                           | 37,071                  |
| Other                                                            |                                            | -                       |                                            | 2,764                   |                                           | -                          |                                           | 2,765                   |
|                                                                  |                                            | <u>687,557</u>          |                                            | <u>1,901,525</u>        |                                           | <u>2,877,556</u>           |                                           | <u>4,553,146</u>        |
| <b>Expenditures:</b>                                             |                                            |                         |                                            |                         |                                           |                            |                                           |                         |
| <u>Program, including non-refundable portion of GST:</u>         |                                            |                         |                                            |                         |                                           |                            |                                           |                         |
| Program costs incurred (Note 5)                                  | 144,731                                    |                         | 999,916                                    |                         | 1,031,305                                 |                            | 2,890,575                                 |                         |
| Program management *                                             | 154,419                                    |                         | 160,823                                    |                         | 458,057                                   |                            | 363,510                                   |                         |
| Scholarship awards                                               | -                                          |                         | -                                          |                         | 50,000                                    |                            | 35,000                                    |                         |
| GIS server implementation and maintenance                        | 226                                        |                         | 196                                        |                         | 11,264                                    |                            | 12,201                                    |                         |
| Publishing costs                                                 | 37,762                                     |                         | 31,514                                     |                         | 40,217                                    |                            | 31,883                                    |                         |
|                                                                  |                                            | <u>(337,138)</u>        |                                            | <u>(1,192,449)</u>      |                                           | <u>(1,590,843)</u>         |                                           | <u>(3,333,169)</u>      |
| <u>Administration:</u>                                           |                                            |                         |                                            |                         |                                           |                            |                                           |                         |
| Accounting, legal, insurance                                     | 30,201                                     |                         | 24,017                                     |                         | 90,629                                    |                            | 83,725                                    |                         |
| Amortization of capital assets                                   | 3,091                                      |                         | 8,203                                      |                         | 16,285                                    |                            | 24,319                                    |                         |
| Consulting                                                       | 23,895                                     |                         | 23,800                                     |                         | 38,255                                    |                            | 37,079                                    |                         |
| Dues/Memberships                                                 | 3,534                                      |                         | 3,608                                      |                         | 14,436                                    |                            | 10,195                                    |                         |
| External Relations (formerly Communications & Marketing)         | 16,804                                     |                         | 15,855                                     |                         | 63,275                                    |                            | 33,509                                    |                         |
| Investment management fees                                       | 9,728                                      |                         | 17,008                                     |                         | 42,859                                    |                            | 46,475                                    |                         |
| IT (formerly Computer maintenance, internet and email)           | 5,280                                      |                         | 4,033                                      |                         | 21,656                                    |                            | 20,553                                    |                         |
| Meeting expenses                                                 | 4,188                                      |                         | 2,012                                      |                         | 8,209                                     |                            | 4,077                                     |                         |
| Non-refundable GST/HST                                           | 4,369                                      |                         | 4,966                                      |                         | 13,078                                    |                            | 11,648                                    |                         |
| Office/miscellaneous                                             | 7,892                                      |                         | 7,014                                      |                         | 20,463                                    |                            | 13,988                                    |                         |
| Photocopier                                                      | 3,442                                      |                         | 2,893                                      |                         | 6,895                                     |                            | 4,521                                     |                         |
| Recruitment                                                      | 5,000                                      |                         | 20,919                                     |                         | 7,488                                     |                            | 27,299                                    |                         |
| Rent and utilities                                               | 44,372                                     |                         | 43,004                                     |                         | 130,776                                   |                            | 124,710                                   |                         |
| Salaries and Benefits *                                          | 117,816                                    |                         | 106,031                                    |                         | 304,325                                   |                            | 277,363                                   |                         |
| Sponsorships                                                     | -                                          |                         | 4,200                                      |                         | 25,800                                    |                            | 9,675                                     |                         |
| Telephone                                                        | 2,492                                      |                         | 2,677                                      |                         | 6,648                                     |                            | 6,682                                     |                         |
| Travel & Conferences/Conventions                                 | 31,289                                     |                         | 27,437                                     |                         | 87,104                                    |                            | 56,736                                    |                         |
|                                                                  |                                            | <u>(313,393)</u>        |                                            | <u>(317,677)</u>        |                                           | <u>(898,181)</u>           |                                           | <u>(792,554)</u>        |
| Income earned in excess of expenditures                          |                                            | <u>37,026</u>           |                                            | <u>391,399</u>          |                                           | <u>388,532</u>             |                                           | <u>427,423</u>          |
| Net increase in unexpended funding commitments during the period |                                            | <u>(1,805,886)</u>      |                                            | <u>541,104</u>          |                                           | <u>(1,392,646)</u>         |                                           | <u>(1,181,947)</u>      |
| Balance, unrestricted net assets, beginning of period            |                                            | 9,423,714               |                                            | 5,726,593               |                                           | 8,658,968                  |                                           | 7,413,620               |
| Balance, unrestricted net assets, end of period                  |                                            | <u><b>7,654,854</b></u> |                                            | <u><b>6,659,096</b></u> |                                           | <u><b>7,654,854</b></u> ** |                                           | <u><b>6,659,096</b></u> |

(\*\*to Exhibit 'A', refer also to Note 4)

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

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-18<br>Market value<br>\$ | 31-Mar-18<br>Market value<br>\$ |
|-------------------------------------------------------------|---------------------------------|---------------------------------|
| BMO High Interest Savings account                           | 6,824,293                       | 65,618                          |
| 2.15% GIC, Bank of Montreal, due May 9, 2019, annual        | 1,000,000                       | -                               |
| 1.45% GIC, Bank of Montreal, due April 8, 2019, annual      | 1,000,000                       | 1,000,000                       |
| 1.15% GIC, Bank of Montreal, due May 7, 2018, annual        | -                               | 1,000,000                       |
| 1.20% GIC, Bank of Montreal, due April 6, 2018, annual      | -                               | 2,000,000                       |
|                                                             | <b>8,824,293</b>                | <b>4,065,618</b>                |
| Connor, Clark and Lunn aggregate portfolio, at market value | 5,802,952                       | 12,640,170                      |
|                                                             | <b>14,627,245</b>               | <b>16,705,788</b>               |

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 \$42,859, 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, 2018:

**Minerals:**

|                                                                                                                        |                  |
|------------------------------------------------------------------------------------------------------------------------|------------------|
| TREK: Consultants, logistics                                                                                           | 38,195           |
| TREK: Geochemistry, Geophysics, Geothermal remainder                                                                   | 41,232           |
| TREK: Geology & Integration                                                                                            | 338,200          |
| Project 2010-002: Porphyry Integration Project (funding formerly related to QUEST)                                     | 41,337           |
| Project 2014-015: Mineralogical Characteristics of Porphyry Fertile Plutons (Bouzarji/Hart, MDRU)                      | 66,015           |
| Project 2016-004: Geological mapping, compilation and mineral evaluation, Boundary District, southern BC               | 21,048           |
| Project 2016-013: An Exploration Framework for Porphyry to Epithermal Transitions in the Toadoggonne (MDRU)            | 74,190           |
| Project 2016-025: Application of Genomics in Mineral Exploration (MDRU-Winterburn)                                     | 63,815           |
| Project 2016-029: Pilot project for georeferencing and data capture of NI 43-101 (Purple Rock)                         | 6,970            |
| Project 2016-032: Assessing BC Porphyry Fertility using Zircons (MDRU)                                                 | 109,794          |
| Project 2016-038: Search Multiple Scale Value Added Mapping Project (MDRU)                                             | 83,476           |
| Project 2016-068: Mine reclamation project - Soil Amendments in Mine Closure (TRU)                                     | 25,000           |
| Project 2016-069: Mine reclamation project - Biodiversity in Ecosystem Reclamation (TRU)                               | 25,000           |
| Project 2017-009: Metamorphic, structural, thermochronological evolution of E Kootenay metallogenic province           | 13,384           |
| Project 2017-013: Producing Clean Coal using the Water-based Roben Jig-Refining the Process                            | 30,419           |
| Project 2018-016: Advanced analysis of the QUEST South stream sediment geochemical data, BC                            | 40,000           |
| Project 2018-018: Mineralogical Data, the Next Generation of BC RGS Database Upgrades (Noble)                          | 147,270          |
| Project 2018-028: Soil-gas detection of bedrock mineralization and geological faults beneath thick glacial deposits    | 60,511           |
| Project 2018-034: Producing Clean Coal using the Water-based Roben Jig Process-Application to Industrial Setting (CCR) | 82,835           |
| Project 2018-053: Central Interior Copper-Gold Research (CIGR, aka "Big Gap") Regional Project                         | 125,000          |
| Project 2018-054: East Kootenay Regional Project - scoping study                                                       | 75,000           |
| Project 2018-055: Northern Vancouver Island Regional Project                                                           | 1,050,000        |
| Project 2018-056: Golden Triangle Regional Project - geophysical compilation                                           | 500,000          |
| <b>Total Minerals Project Commitments:</b>                                                                             | <b>3,058,691</b> |

**Oil & Gas:**

|                                                                                                         |                  |
|---------------------------------------------------------------------------------------------------------|------------------|
| NE BC Induced Seismicity Monitoring Program - extension                                                 | 347,983          |
| Project 2013-001: Quantification of the Gas and Liquids in Place and Flow Characteristics (Bustin, UBC) | 45,000           |
| Project 2015-013: BC Natural Gas Atlas (UVic)                                                           | 167,216          |
| Project 2015-031: Monitoring & Risk Assessment of Anomalous Induced Seismicity (Bustins)                | 315,000          |
| Project 2016-062: Amplification of Seismic Ground Motion Hazard Mapping                                 | 60,446           |
| Project 2016-065: GHGMap Project                                                                        | 571,529          |
| Project 2017-014: Hydrogen sulphide in unconventional reservoir rocks (Bustin, UBC)                     | 180,000          |
| <b>Total Oil &amp; Gas Project Commitments:</b>                                                         | <b>1,687,174</b> |

**Geothermal:**

|                                                                                          |                |
|------------------------------------------------------------------------------------------|----------------|
| Project 2018-003: Clarke Lake Demonstration Project Development (Associated Engineering) | 62,895         |
| Project 2018-004: Garibaldi Geothermal Volcanic Belt Assessment Project                  | 499,073        |
| <b>Total Geothermal Project Commitments:</b>                                             | <b>561,968</b> |

**Water:**

|                                                                                          |                |
|------------------------------------------------------------------------------------------|----------------|
| Project 2013-003: Long Term Water Availability in the Horn River Basin (HRBPG)           | 33,000         |
| Project 2015-030: MIKH: CMIC Partnership seed funding                                    | 5,381          |
| PEACE Region Airborne Groundwater Mapping Project                                        | 40,614         |
| Project 2016-043: Assessment of Fugitive Natural Gas on Near-Surface Groundwater Quality | 50,000         |
| Project 2017-002: Peace Regional Groundwater Monitoring Network                          | 650,000        |
| Project 2018-057 - BC/AK Transboundary Water Quality Monitoring (formerly 2016-066)      | 50,000         |
| <b>Total Water Project Commitments:</b>                                                  | <b>828,995</b> |

**Restricted Funding commitments at December 31, 2018 - unspent**

**6,136,828**

These funds remain on hand at December 31, 2018 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 plus recoveries and other income           | 8,573,594               |
| Direct partner funding                                              | 7,761,150               |
| Administrative expenses incurred                                    | (15,374,274)            |
| Net program expenditures - actual and commitments                   | <u>(63,570,025)</u>     |
|                                                                     | 9,190,445               |
| <br>                                                                |                         |
| Deferred revenue - remainder of BC government grants to be expended | (1,535,591)             |
|                                                                     |                         |
| Unrestricted net assets, December 31, 2018                          | <u><u>7,654,854</u></u> |

**5. Program funding expended in the nine months ended December 31, 2018, including non-refundable portion of GST:**

**Minerals:**

|                                                                                                    |                       |
|----------------------------------------------------------------------------------------------------|-----------------------|
| TREK: Consultants, logistics                                                                       | 41                    |
| TREK - Geochemistry                                                                                | 5,000                 |
| Project 2016-001: Merging Geological, Seismic Reflection (Salt Spring Imaging, Ltd.)               | 24,933                |
| Project 2016-006: Detrital Gold (U. of Leeds)                                                      | 12,450                |
| Project 2016-019: TREK: Adding value to till and lake sediment geochemical data                    | 24,105                |
| Project 2016-025: Application of Genomics in Mineral Exploration (MDRU-Winterburn)                 | 42,543                |
| Project 2016-028: CSA Global integrated assessment of regional stream sediment geochemistry, north | 33,477                |
| Project 2016-029: Pilot project for georeferencing and data capture of NI 43-101 (Purple Rock)     | 4,673                 |
| Project 2016-068: Mine reclamation project - Soil Amendments in Mine Closure (TRU)                 | 25,000                |
| Project 2016-069: Mine reclamation project - Biodiversity in Ecosystem Reclamation (TRU)           | 25,000                |
| Project 2017-009: East Kootenay metallogenic province                                              | 8,923                 |
| SEARCH Phase III                                                                                   | 2,642                 |
| <b>Total Minerals Project Expenditures:</b>                                                        | <u><u>208,787</u></u> |

**Oil & Gas:**

|                                                                                     |                       |
|-------------------------------------------------------------------------------------|-----------------------|
| NE BC Induced Seismicity Monitoring Program                                         | 102,108               |
| Project 2015-013: BC Natural Gas Atlas (UVic)                                       | 75,000                |
| Project 2015-021: New Resource Oil Plays (PRCL, Trican and Taurus)                  | 173,750               |
| Project 2017-014: Hydrogen sulphide in unconventional reservoir rocks (Bustin, UBC) | 180,000               |
| Project 2016-065: GHGMap Project                                                    | 89,955                |
| <b>Total Oil &amp; Gas Project Expenditures:</b>                                    | <u><u>620,813</u></u> |

**Geothermal:**

|                                                                                                      |                      |
|------------------------------------------------------------------------------------------------------|----------------------|
| Project 2015-001: Dynamic Geothermal Reservoir Modeling in the Clarke Lake Gas Field (Alberta Innov) | 9,514                |
| Project 2016-047: Techno-Economic assessment of Geothermal Energy Resources                          | 4,000                |
| Project 2018-003: Clarke Lake Demonstration Project Development (Associated Engineering)             | 37,105               |
| Project 2018-004: Garibaldi Geothermal Volcanic Belt                                                 | 927                  |
| <b>Total Geothermal Project Expenditures:</b>                                                        | <u><u>51,546</u></u> |

**Water:**

|                                                                 |                       |
|-----------------------------------------------------------------|-----------------------|
| Project 2015-030: MIKH: CMIC Partnership seed funding           | 1,559                 |
| Project 2017-002: Peace Regional Groundwater Monitoring Network | 130,000               |
| Peace Project                                                   | 18,600                |
| <b>Total Water Project Expenditures:</b>                        | <u><u>150,159</u></u> |

**Program funding expended in the nine months ended December 31, 2018**

1,031,305

**6. Subsequent events**

Between January 1st and February 28th, 2018 Geoscience BC disbursed an aggregate of \$944,894 in previously-approved program spending, and restricted a further \$202,704 for Project 2018-038, which was previously approved in principle subject to rephrasing or rescoping of the proposal to the satisfaction of senior management.