

GLASS EARTH GOLD LIMITED
For the nine months ended September 30, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

(All amounts stated in Canadian dollars, unless otherwise indicated)

*These unaudited consolidated financial statements and this Management's Discussion and Analysis, contains certain "Forward-Looking Statements" that are prospective and reflect management's expectations regarding Glass Earth Gold Limited's ("**Glass Earth**") future growth, results of operations, performance and business prospects and opportunities. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization and reserves, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, exploration results and future plans and objectives of Glass Earth are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Glass Earth's expectations are disclosed in its documents filed from time to time with the TSX Venture Exchange and other regulatory authorities and include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore to be mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failure to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors.*

Shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Glass Earth undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

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INTRODUCTION

This discussion and analysis of the operating results and financial condition of Glass Earth Gold Limited (“**Glass Earth**”, or the “**Company**”) for the nine months ended September 30, 2009 as prepared on November 26, 2009, should be read in conjunction with the unaudited consolidated interim financial statements and related notes for the same period, as well as the audited financial statements and related notes for the year ended December 31, 2008 and is intended to provide the reader with a review of the factors that affected the Company’s performance during the nine months ended September 30, 2009 and the factors reasonably expected to impact future operations and results.

The unaudited consolidated interim financial statements and related notes of Glass Earth have been prepared in accordance with accounting principles generally accepted in Canada ("**Canadian GAAP**") and are expressed in Canadian dollars. All amounts in this report are in Canadian dollars, except where otherwise indicated.

Qualified Person

The Glass Earth exploration programs are carried out under the supervision of Glass Earth's President and Chief Executive Officer, Simon Henderson, M.Sc, M.AUSIMM. Mr. Henderson meets the qualified person requirements (as defined by National Instrument 43-101) with more than 30 years of experience in the gold mining and exploration industry and is responsible for the geoscientific and technical disclosure contained in this document.

CORPORATE HISTORY AND NATURE OF THE BUSINESS

Glass Earth was incorporated under the *Business Corporations Act* (British Columbia) on March 23, 1989, under the name "362293 B.C. Ltd.". On August 30, 1989, the Company changed its name to BC Report Magazine Ltd., and on March 30, 2005 to Glass Earth Limited concurrently with the completion of a Reverse Takeover ("**RTO**") of the Company by Glass Earth (New Zealand) Limited ("**GENZL**"). In December 2007, the Company changed its name to Glass Earth Gold Limited, the name change clearly incorporating the primary objective of the Company, which is to locate gold, while continuing with the concept of the Company using advanced geophysical techniques to "see through" the earth's crust.

The Company's common shares were re-listed on the TSX Venture Exchange in early April 2005 under the symbol "**GEL**". The Company is classified as a mining exploration / development company by the TSX Venture Exchange. Glass Earth was registered in New Zealand as an overseas company under Part 18 of the Companies Act on June 7, 2006 and obtained a secondary listing of its common shares as an Overseas Listed Issuer on the New Zealand Exchange's Alternative Exchange ("**NZAX**") on October 13, 2006.

On March 31, 2006, the Company completed the acquisition of all the outstanding common shares of HPD New Zealand Limited ("**HPD**"), in exchange for issuing 12,665,000 common shares of the Company and 6,332,500 share purchase warrants. HPD had a total of 22 Exploration and Prospecting Permits covering over 4,724 km² over both the North and South Islands of New Zealand (being epithermal and mesothermal gold targets in each respective island).

The principal activity of Glass Earth is exploration for gold and silver in New Zealand. As at September 30 2009, Glass Earth held one of the largest portfolio of gold and silver focused prospecting and exploration permits in New Zealand (over 17,000 km²), including the following key territorial assets:

Otago Region

In 2007, the Company undertook a major data collection/geophysical survey over this region covering over 13,000 km², comprised of over 52,000 line kilometers which was the largest airborne geophysical survey ever conducted in New Zealand. Contemporary airborne geophysical technology had never before been applied over the Otago Region.

The survey has been followed by a targeting process to identify priority areas of gold potential for detailed on-ground evaluation.

Hauraki Region

With advanced gold prospects, this region occupies a significant ground position around the Waihi / Martha Mine; Newmont is earning into the Glass Earth permits via two Joint Ventures: (i) the Waihi West permit, immediately adjacent to the Waihi / Martha Mine; and (ii) the surrounding Hauraki Region permits.

Mamaku Region

With defined gold targets, this region includes the Muirs Reef prospect, which historically has produced more than 43,000 ounces of gold.

Central Volcanic Region ("CVR")

Glass Earth has defined a number of epithermal gold targets in this region, including advanced prospects.

BOARD OF DIRECTORS AND MANAGEMENT

Current directors are:

- **Simon Henderson** (President and CEO);
- **John Dow** (non-executive Chairman),
- **Peter Liddle** (CFO),

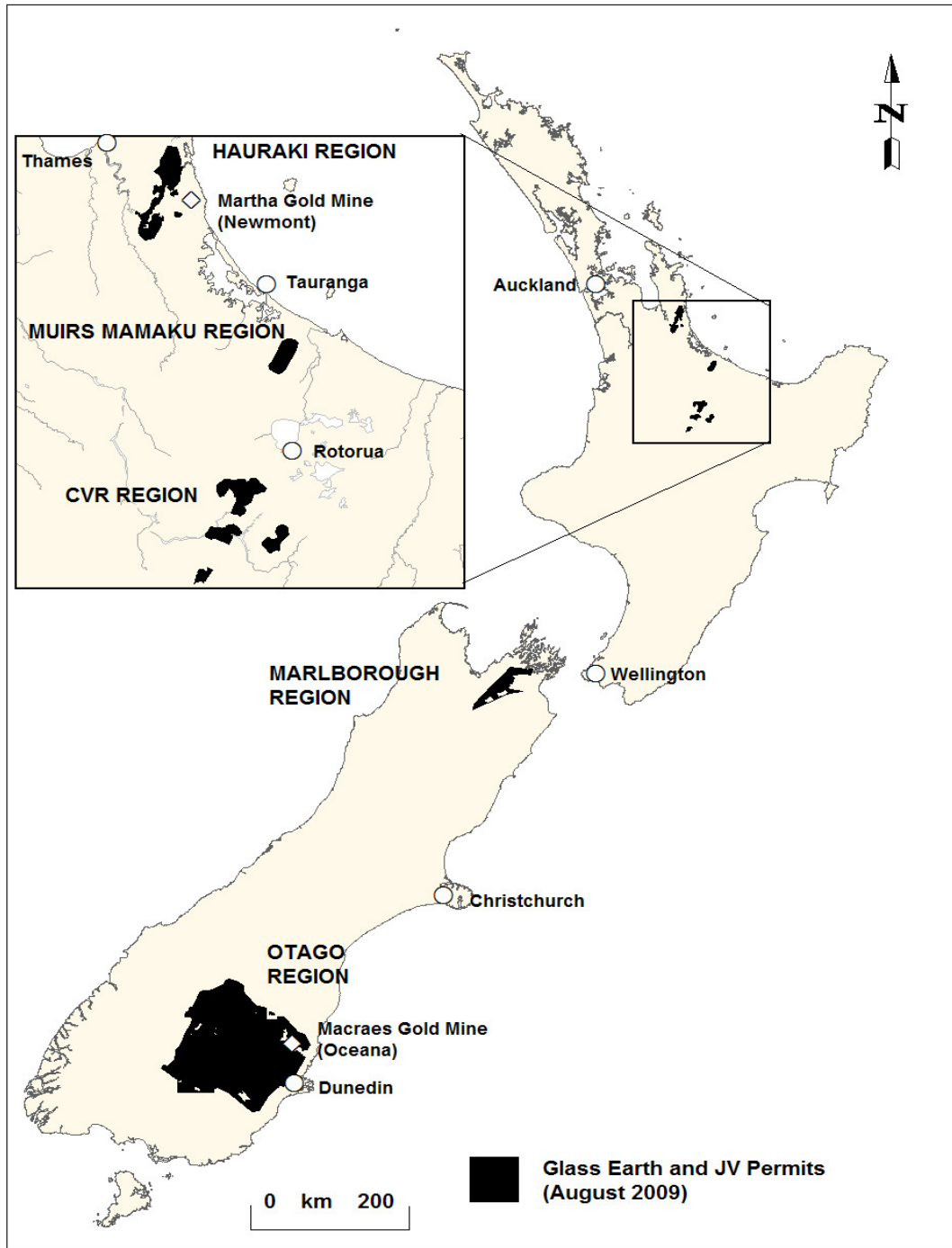
All based in New Zealand, and

- **Richard Billingsley** (British Columbia, Canada);
- **Stephen Burns** (Ontario, Canada); and
- **Paul C Jones** (Colorado, USA).

CAPITAL TRANSACTIONS AND SIGNIFICANT EVENTS

None for this period

GLASS EARTH EXPLORATION REGIONS



EXPLORATION SUMMARY & UPDATE

Glass Earth has established a large portfolio of gold prospecting and exploration permits in New Zealand, including:

- Advanced and greenfields gold prospects in the **Otago** mesothermal gold fields, including a 12,790 km² prospecting permit area which it believes is prospective for Macraes style gold mineralization. Additional joint ventures and other arrangements have increased the exploration area in the Otago region to over 15,000 km².;
- Advanced gold prospects in the **Hauraki-Waihi** area;
- Advanced gold prospects at **Mamaku**, between Rotorua and Tauranga; and
- Greenfield gold prospects in the **Central Volcanic Region**, between Rotorua and Taupo; and.

Glass Earth has built this portfolio using a “new generation” approach focused on identifying specific deposit criteria for “world-class ore-bodies”. This approach uses international leading edge technology using an Intervention Process that provides a structured and disciplined approach to scientific data capture, validation, compilation, integration, modeling and target generation for gold and other mineral deposits. The originator of this Intervention Process is entitled to a 2% Net Smelter Royalty on gold produced from targets initially identified in the Hauraki, Mamaku and Central Volcanic Regions (the Stage 2 Target Bank), that Glass Earth owns or acquires.

The Company's exploration activities are carried out solely in New Zealand by its wholly-owned subsidiary, GENZL. From 2003 to May 2004, GENZL sourced legacy data and created a multidimensional single database using the Intervention Process.

As a follow-up to this analysis, from March to July 2005, 44,000 line kilometres of airborne (magnetic and gravity) geophysical surveys were carried out, better defining existing targets and identifying additional targets. In December 2005, GENZL was granted six Exploration Permits over 21 of the more advanced targets identified. Exploration Permits allow for higher impact work programs and are granted for a duration of five years, with a right of renewal of a further five years for up to one half of the area covered by the original Exploration Permit. The Exploration Permits granted contain certain work obligations in relation to each of the individual areas covered by the permits. The work programs are minimum obligations in order to retain individual permits in good standing. The original main Prospecting Permit 39-241 expired on 21 October 2007 and all remaining targets of interest have been protected by granted Exploration Permits with an initial term of 5 years.

In the South Island, subsequent to the acquisition of HPD in March 2006, the Company applied for and was granted PP 39 322 over an initial almost 18,000 km² of the Otago Region enveloping

most of HPD's existing permits. A large airborne geophysics campaign was conducted in 2007 with analysis and interpretation of that data underway as augmented by on-the-ground follow-up prospecting.

Otago Region (*updates in italics*)

In **2006/07** a legacy data collection / geophysical intervention, over the Otago Region provided a detailed geological understanding of the area to allow targeting of new areas with the potential for hard rock and/or alluvial gold.

The airborne geophysical survey completed in August **2007** (gross cost C\$3.2m/NZ\$4m) involved remote data collection exceeding 52,000 line kilometres flown. The survey used the helicopter-borne "RESOLVE™" EM system combined with a magnetic gradiometer and targeted the top 100 metres of the earth's crust (the zone of interest for Glass Earth). This was followed by interpretation and targeting then by scouting on-ground evaluation, examining coincident geophysical anomalies in different gold permissive terranes; prioritised by anomalous gold/tungsten occurrences - noted either in legacy geochemical data records or geochemical data sets acquired from Newmont.

In **2007/08** the following regional work was undertaken:

- Results from Bulk Leach Extractable Gold ("BLEG") sampling and associated mapping of the **Rock and Pillar Range** and **Rough Ridge** areas encouraged more intensive campaigns in those areas. At **Serpentine**, 2,250 soil samples were collected over an area of coincident gold/tungsten anomalies, strong magnetic lineations, high gold rock chip results over 3km² (1.0 g/t Au to 15g/t Au) and historic hard rock mining. As part of the soil sampling program, geological mapping and the collection of pan concentrates was undertaken to enable a gold morphology study.
- Geotechnical staff conducted initial reconnaissance on six differing geological/mineralogical districts. Geochemical sampling, geological mapping, petrology and on ground interpretation of the airborne geophysical data was undertaken. Assay results allowed the exploration team to identify drill targets at **Serpentine**, **Sparrowhawke**, **Game Hen** and **Gold & Pine**. Field work comprised soil sampling at **Cap Burn**, **Stony Creek**, and **Argyle** areas; pan sampling at **Argyle and Shag Valley** areas and both at **Serpentine**. Stratigraphic drill holes at **Sheep Wash**, **Gold & Pine** and **Sparrow Hawk** returned non-economic results, however the stratigraphic information has proved invaluable and has directed focus to a promising zone in **Sparrow Hawk** south. An Intervention Process targeting and ranking exercise was completed in order to cover the Otago Region along with updating the alluvial deposit database.

In **2009**, the following work was undertaken:

- Hard Rock Targets

Ophir Region: Detailed geological mapping carried out across the Raggedy Range, between Ophir and Poolburn, supports a broader structural and lithological interpretation for the area in the context of known gold-mineralized sites. Highest rock-chip sample was 36.2ppm Au. Soil-sampling over EP 40 870 (and limited EP 40 702) was completed with a total of 282 samples. An evaluation study for small scale mining was commenced. A Joint Venture agreement with Ophir Gold Limited was signed on August 17, 2009.

Q3, 2009 saw the completion of the current programme of soil sampling and analysis at Ophir. Glass Earth has assayed in total 30 rock chip and 672 soil samples. Legacy and Glass Earth soil samples both display NW trending gold anomalies. High grade rock samples up to 56ppm Au have been taken from trenches and adits across the Wai-iti shear. A detailed ground magnetic survey (317 line km) was completed across Ophir to complement the airborne geophysical data previously acquired. A comprehensive geological map has been completed across the Ophir project area. .

A pilot plant has been developed to bulk test material from the Ophir area (primarily the Wai-iti shear initially). The bulk testing will allow the optimal crushing set-up to be determined prior to any decision to mine or to build a full scale processing plant.

Lots Wife: A further 214 soil-samples were collected as part of a larger soil-programme (total of 772 samples).

Rise and Shine: A geological mapping and ground resistivity survey was undertaken. An area of approximately 5.5km² was mapped. A programme of limited rock chip sampling was undertaken. Petrologic work was undertaken for the purposes of resolving the styles of mineralisation and in relation to hydrothermal effects as a basis for detailed mapping and comparison of known mineralisation with newly defined domains of mineralisation. Two ground resistivity lines were completed using a gradient array method.

- Placer (Alluvial) Targets

Significant effort was put in to delineating placer resources to allow evaluation studies to be completed with a view to mining commencing in Q3. An infill RC-drill programme of 13 drill-holes was carried out to further delineate an indicated alluvial-gold resource. Hole-spacing varied between 25-50m with an average hole-depth of 5m. A total of 66m were drilled. The five highest recently drilled 1m intervals range from 16.7 to 33.5 grains/m³ Au (gold). A ground magnetic test survey was carried out across this alluvial prospect as well as a gradient array resistivity survey with different electrode spacing. It appears that the detailed measurements (2m electrode-spacing) can distinguish layers dominated by sand and gravel from those dominated by clay and silt in the upper ~10m depths. Such measurements have the potential for filling in gaps of data between shallow exploration holes.

Separately, a drill-programme of 39 drill-holes across three lines was carried out subsequent to encouraging results from previous drill-holes (legacy data). Hole-spacing varied between 10-15m average hole-depth of 3m. The total amount of drilled meters was 128m. The five highest recently drilled 1m intervals range from 3.13 to 11.46 grains/m³ Au (gold).

Management has identified two areas in the Ida Valley region of Otago as having the potential for hosting modest placer gold resources and results from exploration activity to date have been encouraging. Three prospects have been subject to drill testing and two have been tested further with pitting (25 pits and 54 pits respectively) which has supported the drilling results.

The Company, in conjunction with its alluvial partner, purchased a 40 tonne floating gold recovery unit *which has been refurbished in Q3. Requisite permitting processes have been advanced.*

Hauraki Region *(updates in italics)*

Following the successful compilation of legacy data and the airborne survey campaigns in 2005, numerous targets were identified and prioritized for more in-depth exploration, some of which were obtained by means of the acquisition of HPD in March 2006. This added 15 targets to Glass Earth's permit holdings, including several advanced epithermal gold targets in the Hauraki region.

Pursuant to a February 2007 Joint Venture agreement, Newmont undertook Hoist Electro Magnetic airborne surveying over the highest ranked targets in this region and followed up with surface geochemistry and resistivity surveys.

In 2008, Newmont completed - 5 diamond drill holes on **Owharo** (with no significant results encountered); 2 holes at the **Komata** prospect, encountering altered andesitic and minor rhyolitic volcanics - minor, narrow quartz veins were observed; resistivity surveys were undertaken to better delineate targets prior to drilling at **South Karangahake** and **Glamorgan** (Wentworth Valley) and drilling at **South Karangahake** did not encounter mineralisation.

In 2009, at **Glamorgan** (Goldwyn prospect), detailed mapping and rock/soil sampling continued. Two diamond holes completed at **Rahu** returned no significant results. At the **WKP** prospect, detailed mapping and rock sampling was initiated. Newmont commenced drilling at the **Goldwyn** prospect in June and completed one diamond hole of 360m with no significant results. At the **WKP** prospect, detailed mapping, rock and soil geochemical sampling was undertaken. Newmont also carried out a re-ranking exercise with a view to rationalizing prospects that have been evaluated and/or drilled. This exercise resulted in the relinquishment of some ground and the associated targets.

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In Q3 2009, at Glamorgan (Goldwyn prospect) 3 diamond drill holes (1230.9m) were completed with no significant results. Newmont has advised that this expenditure completes their earn-in obligations in respect of the Northern area under the joint venture and accordingly Newmont now has an equity of 65% in Exploration Permit 40 813. Newmont has advised that it will not sole fund through to completion of a feasibility study.

*In the Central area (EP 40 598) Newmont have undertaken the following work on the **WKP** prospect: detailed mapping, rock (230 samples) and soil sampling (6 line km) in addition to 5.3 line km of CSAMT resistivity with encouraging results. Previously unrecognized vein zones have been delineated and drill testing will commence when drill sites have been approved.*

As at 30 September 2009, Newmont has expended approximately 67% and 65% respectively of the funds required for it to earn initial 65% equities in the permits comprising the Central and Southern areas.

Separately, at **Waihi West** (adjacent to the Martha gold/silver mine owned by Newmont, pursuant to an April 2006 Joint Venture agreement, Newmont has undertaken preparatory exploration and drilled 4 holes into this permit area, with modest results. Glass Earth has agreed to extend the term in which Newmont can expend the remaining funds, by 2 years, out to 31 March 2011.

As at 30 September 2009, Newmont has expended approximately 64% of the funds required for it to earn an initial 60% equity in this permit.

Mamaku Region (*updates in italics*)

Glass Earth considers that it has identified, through its geophysical surveys, the extension of the Coromandel Volcanic Arc deep into the Mamaku-Muir's Region. The Coromandel Volcanic Arc hosts the currently producing Martha gold mine and the Hauraki Goldfield. This known epithermal system is covered with up to 150 metres of volcanic ash.

Large scale E-SCAN® 3D resistivity surveys were conducted at **Otawa** and **Gibraltar** (respectively north and south of **Muir's**) in **2007**, with follow up surface mapping and rock chip sampling. Land access was obtained in late June **2008** to allow a drilling campaign to test ground in and around the historic Muir's deposit. Drilling of three deep diamond holes at Muir's returned several gold intercepts with the Massey Reef interpreted to be a sheeted vein system consisting of several banded quartz veins up to 5 metres in width with interstitial stock work veining and brecciation, displaying extensive quartz veining and strong alteration and weathering throughout.

In **2009**, gradient array resistivity profiling was almost completed over the Muir's prospect; results suggesting a broader epithermal vein system may lie west of the Muir's veins. Data processing of the gradient array resistivity programme was completed, with interpretation providing encouraging detail on subsurface geology and indicating the potential for several major new veins and extensions of existing veins.

In Q3 2009, a diamond drill hole in the Gibraltar target commenced.

Central Volcanic Region (“CVR”) *(updates in italics)*

Glass Earth has been engaged in a two-pronged approach to making a significant discovery in the CVR, progressing work on both advanced targets and regional reconnaissance targets.

Advanced Targets

In **2006/2007**, detailed geological mapping, soil geochemical surveying and gridded resistivity (CSAMT and E-SCAN®) surveying were campaigned over the top 21 targets. Scout drilling (diamond drilling) was undertaken as follows: Progressively, Tahunaatara (4 drill holes), Humphrey's Rd (2 drill holes), Thompson's (1 drill hole), Pukemoremore (1 drill hole) and Ohakuri (2 drill holes) have been drill-tested in an expanding drilling programme. Drilling results have indicated the presence of epithermal gold systems with extensive alteration zones being intersected.

In August 2007, GENZL entered into a joint venture with GCO Minerals Company (“GCO”) over GCO's permit areas in the CVR whereby GENZL could earn 70% ownership in the permits. The permits contained several higher ranked targets including Ohakuri. Glass Earth has earned the 70% ownership.

In **2008**, large scale E-SCAN® 3D resistivity surveys were completed over Pukemoremore and Horohoro followed by processing and interpretation. Together with interpretation of the E-SCAN® surveys at Tahunaatara and Ohakuri, management will employ a ranking system to prioritize drill targets amongst this group and across all drill targets.

Regional Reconnaissance Targets

Over 50 other initial, lower ranked targets lay within Glass Earth's original PP 39 241 area in the CVR. These were all examined via surface mapping, reconnaissance geochemical sampling, rock chipping, petrology and data interrogation. Upon expiry of PP 39 241 in October 2007, Glass Earth applied for permits over targets suitable for further exploration and relinquished the balance of the targets. Costs associated with those relinquished targets were written off in 2007. A subsequent re-evaluation of targets has seen further low ranked targets relinquished and associated costs written off in 2008.

In 2009, a technical workshop was carried out reviewing and re-ranking targets in the CVR relative to their continued costs of tenure and priority for additional exploration funds. This exercise resulted in the relinquishment of some ground and the associated lowest ranked targets.

In Q3 2009, ground resistivity geophysics and sampling was completed at the Matahana and Forest Road prospects (GCO JV). In November 2009, a decision was made to withdraw from the joint venture (see further comment under Subsequent Events).

FINANCIAL COMMENTARY

At September 30, 2009, the Company had net working capital of \$692,000 (2008: \$2,386,000), including cash and equivalents of \$433,000 (2008: \$2,394,000). Please refer to comments on adequacy of Company liquidity at the end of the Financial Statistics section.

Exploration Expenditures

Mineral exploration costs, which form the bulk of the Company's expenditures, remained reduced in this quarter with the majority of effort being applied to advancing plans for small scale mining. Other exploration costs were incurred principally in the Mamaku Region and the Central Volcanic Region. Newmont is funding exploration expenditures in the Hauraki Region under the farm-out arrangements described previously

Exploration expenditures have accumulated as set out in the Table below:

(In thousands of Canadian dollars.)

	Quarters Ending			
	Dec 31, 2008	Mar 31, 2009	Jun 30, 2009	Sep 30, 2009
Opening balance	13,332	13,440	13,690	12,222
Geological consulting, mapping and modeling	245	96	179	124
License rentals	(36)	93	33	189
Resistivity surveys	36	51	36	58
Drilling	151	10	1	6
Write down of Mineral Properties	(288)	-	(1,717)	-
Closing balance	13,440	13,690	12,222	12,599

Accumulated exploration expenditure by region is shown in the following table:

(In thousands of Canadian dollars.)

Project	December 31, 2008	Expenditure to Sep 30, 2009	Write down to Sep 30, 2009	September 30, 2009
Otago Region	4,697	554	-	5,251
Hauraki Region	1,695	-	(716)	979
Waihi West Joint Venture	103	-	-	103
Mamaku Region	1,579	216	-	1,795
Central Volcanic Region	5,366	106	(1,001)	4,471
	13,440	876	(1,717)	12,599

Narrative descriptions of exploration activities for this period are set out in the previous sections. Refer to Subsequent Events in respect of the joint venture with GCO Minerals Company in the Central Volcanic Region.

Significant Revenue/Expenses of a Corporate Nature

The net loss for the nine months ended September 30, 2009 was \$1,943,000 – of which \$1,717,000 was the non-cash exploration expenditure write downs referred to above (2008: \$1,026,000).

Significant expense categories are discussed as per below:

(In thousands of Canadian dollars)

Expenditure	9 months ended Sept 30, 2009	9 months ended Sept 30, 2008	Notes
Stock based compensation	-	75	
General and administration	157	430	1
Professional fees	22	87	2
Net salaries (after exploration charges)	149	163	3
GST Reversal	-	65	
Consulting fees	81	85	
Travel and accommodation	26	56	
Amortization	50	65	
Directors fees	-	28	
All others	31	59	
Total	516	1,113	

Notes

1. General and Administration costs include accounting services (\$52,000), insurance (\$30,000) and New Zealand office costs (\$43,000). The decrease from the previous year is mainly due to the closure of the Toronto office and termination of related service contracts in 2008.
2. Professional fees are audit fees and the legal fees incurred during the year in relation to documenting the various joint ventures and land access arrangements.
3. Net salaries after exploration recharges are principally composed of the costs of the full time Chief Financial Officer, most of the costs of the Data/IT manager, and 25% of the Chief Executive Officer's salary (to reflect the split between exploration activities and the other corporate based work that he undertakes)

4. Following the anticipated depreciation of the New Zealand dollar (NZD) relative to the Canadian dollar (CAD) in January 2009 the Company converted CAD 1.2m into NZD to cover expenditure to be incurred in New Zealand. CAD 0.2m was retained in that currency for expected Canadian denominated corporate expenses in 2009/2010. Subsequent to the conversion the NZD has appreciated against the CAD and the Company has realized a gain of \$191,000 at September 30, 2009.

Financial Statistics

As a result of the reverse take-over of the Company by GENZL on March 30, 2005, the consolidated financial statements reflect the assets, liabilities and results of operations of GENZL, the legal subsidiary, prior to the reverse takeover and the consolidated assets, liabilities and results of operations of the Company and GENZL subsequent to the reverse takeover. The consolidated financial statements are issued under the name of the legal parent (the Company), but are deemed to be a continuation of the legal subsidiary (GENZL). Scheduled below are the quarterly and annual results for GENZL alone for the first three quarters of fiscal year 2005 and consolidated with the Company for the last quarter of 2005 and for fiscal 2006 onwards. In 2006 the Company changed its financial year end from May 31 to December 31. The change has been implemented by having a transition period of 7 months with the last day of the transition period being December 31, 2006.

(In thousands of Canadian dollars, except per share amounts.)

Fiscal Period	Revenue	Net (Profit) Loss	Earnings / Profit(Loss) per Share (cents)		Total Assets	Total LT Liab	Dividends
			Basic	Diluted			
2009 – Q3	9	164	(0.10)	(0.10)	13,670	-	-
2009 – Q2	92	1,790	(1.16)	(1.16)	13,838	-	-
2009 – Q1	169	(11)	0.01	0.01	15,604	-	-
Fiscal 2009	270	1,943	(1.25)	(1.25)	N/A		
2008 – Q4	-	307	(0.20)	(0.20)	15,668	-	-
2008 – Q3	8	469	(0.29)	(0.29)	16,022	-	-
2008 – Q2	-	330	(0.22)	(0.22)	16,415	-	-
2008 – Q1	-	227	(0.15)	(0.15)	17,228	-	-
Fiscal 2008	8	1,333	(0.86)	(0.86)	N/A	-	-
2007 – Q4	-	1,965	(1.50)	(1.50)	17,750	-	-
2007 – Q3	59	136	(0.10)	(0.10)	13,458	-	-
2007 – Q2	-	241	(0.19)	(0.19)	13,773	-	-
2007 – Q1	-	344	(0.26)	(0.26)	13,952	-	-
Fiscal 2007	59	2,686	(2.05)	(2.05)	N/A	-	-
Dec 06	-	258	(0.20)	(0.20)	14,106	-	-
Sep06-Nov06	-	130	(0.16)	(0.16)	13,758	-	-

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Jun06–Aug06	-	499	(0.72)	(0.72)	6,841	-	-
Dec 31, 2006	-	887	(0.99)	(0.99)	N/A	N/A	-
2006 – Q4	-	503	(0.80)	(0.80)	6,656	-	-
2006 – Q3	-	569	(0.94)	(0.94)	3,069	-	-
2006 – Q2	-	174	(0.30)	(0.30)	2,722	-	-
2006 – Q1	-	61	(0.11)	(0.11)	3,105	-	-
May 31, 2006	-	1,307	(2.12)	(2.12)	N/A	N/A	-
2005 – Q4	-	402	(0.65)	(0.65)	3,127	-	-
2005 – Q3	-	50	(0.14)	(0.14)	1,120	-	-
2005 – Q2	-	90	(0.25)	(0.25)	761	-	-
2005 – Q1	-	49	(0.14)	(0.14)	759	-	-
May 31, 2005	-	591	(0.96)	(0.96)	N/A	N/A	-

The following table summarizes the Company's cash flows and cash on hand:

(In thousands of Canadian dollars.)	3-months Sep 30, 2009	3-months Jun 30, 2009	3-months Mar 31, 2009	12-months Dec 31, 2008
Cash	433	1,018	1,431	1,571
Working capital	692	1,241	1,604	1,823
Cash used by operating activities	(194)	(120)	40	(947)
Cash used in investing activities	(425)	(303)	(181)	(4,153)
Cash provided by financing activities	-	-	-	572

Liquidity

The Company has a history of successive capital raisings (as is usual for an exploration company). In March 2005 the Company listed on the Toronto Stock Exchange after raising \$2.8 million; in early 2006 successive private placements raised \$2.5 million and in late 2006 the Company listed on the New Zealand Stock Exchange after raising \$7.1 million; in late 2007 and early 2008, further placements raised \$5.0 million.

Given uncertainty in the financial markets and uncertainty in the outlook for additional financing, in April and September 2008, the Company determined that some prudent reduction of the numbers of staff and offices was required. Accordingly, commensurate with the reduction of permanent staff, existing large field offices were relocated to smaller shared offices.

Exploration efforts continue with a focus on ensuring that work obligations are met to retain permits. Reduction of corporate overheads has been achieved.

The Company's core activity is gold exploration in the New Zealand, as supported by necessary administrative expenditures. The Company has four main project areas in New Zealand, being;

- Hauraki Region;
- Mamaku- Muirs Region;
- Central Volcanic Region; and
- Otago Region.

The **Hauraki Region** is subject to joint venture with Newmont Mining Corporation, whereby Newmont may earn up to a 75% equity in return for incurring exploration expenditures equivalent to the next three years of permit work obligations. Therefore, only limited Company monitoring expenditure is currently planned on this region through 2010.

The **Mamaku-Muirs, Central Volcanic and Otago Regions** exploration expenditures, including staffing, permit rental, resistivity surveys and field work are budgeted for reduced activity through 2009.

The Company's General and Administrative cash expenditures have been reduced as a result of previous decisions made in conjunction with new initiatives.

As mentioned elsewhere, the Company is undertaking evaluation studies in relation to small scale mining that could provide a sustainable cash flow to provide additional working capital and exploration funds. Costs associated with these endeavours have reduced the Company's available cash and on October 28 2009, the Company announced that it was seeking to raise \$500,000 by private placement of shares. \$286,000 has been received in respect of this as at November 26 2009.

Related Party Transactions

Related party transactions are in the normal course of business and are measured at the exchange amount, which is the fair value as agreed between management and the related parties.

- a) Simon Henderson (a director and former shareholder of GENZL) became an employee of GENZL on April 1, 2005. He received \$116,862 for the current period (nine months ended September 30, 2008: \$127,297).
- b) Peter Little (a director and former shareholder of GENZL) became an employee of GENZL on May 15, 2006. He received \$95,615 for the current period (nine months ended September 30, 2008: \$103,075).

Other Matters

Use of Financial Instruments

In the period ended September 30, 2009, Glass Earth did not enter into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. The principal financial instruments affecting the Company's financial condition and results of operations are currently its cash, amounts receivable and prepayments, and accounts payable and accrued liabilities. As the Company's operational activities are all within New Zealand and 90% of the transactions are in New Zealand dollars (NZD), foreign currency exposure has been minimized by converting the majority of cash (approximately 76%) into NZD.

Contractual Obligations and Commitments

- a) GENZL has the following capital commitments:

	\$
2009	70,000
2010	<u>157,000</u>
	<u>227,000</u>

- b) GENZL has granted a 2% production royalty to Geoinformatics Exploration Ireland Ltd in respect of any production achieved from the Company's interests on targets identified and placed in the Target Bank, as a result of the Intervention Project over the Hauraki/Mamaku/CVR areas.

- c) Under the terms of non-cancelable operating leases, the Company is committed to rental payments as follows :

	\$
2009	1,000
2010	<u>-</u>
	<u>1,000</u>

Off-Balance Sheet Arrangements and Contingent Liabilities

Glass Earth has no off-balance sheet arrangements or contingent liabilities, not already discussed above.

Critical Accounting Policies and Estimates

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of any contingent assets and liabilities as at the date of the financial statements, as well as the reported amounts of revenues earned and expenses incurred during the period. These estimates are based on historical experience and other assumptions that are believed to be reasonable under the circumstances.

The Company's significant accounting policies are those that affect its consolidated financial statements, and are summarized in Note 4 of the audited consolidated financial statements for the year ended December 31, 2008. Critical accounting policies and estimates in the year included capitalization of the costs relating to the acquisition, exploration and development of non-producing resource properties and the recognition of impairment of those assets, the allocation of proceeds on the purchase or sale of assets, the valuation of stock based compensation, warrants and tax accounts, and contingent liabilities.

Actual results could differ from these estimates.

Mineral Properties

The decision to capitalize exploration expenditures, and the timing of the recognition that capitalized exploration is unlikely to have future economic benefits, can materially affect the reported earnings of the Company. Glass Earth follows Canadian GAAP. In line with accepted industry practice for exploration companies, the Company has adopted the policy of deferring property specific acquisition, exploration and development costs. Deferred costs relating to properties that are relinquished, or where continued exploration is deemed inappropriate, are written off in the year such assessment is made. If Glass Earth adopted a policy of expensing all exploration costs, the Company's asset base, shareholders' equity, and loss from operations would be materially different. These deferred costs will be amortized on the unit-of-production basis over the estimated useful lives of the properties following the commencement of production. The cost of mineral properties includes any cash consideration paid, and the fair market value of shares issued on the acquisition of property interests, if any. The recorded amounts represent actual expenditures incurred and are not intended to reflect present or future values. The Company reviews capitalized costs on its property interests on a periodic, or at least annual, basis and will recognize an impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the property or from the sale of the property. Management's assessment of the property's estimated current fair market value may also be based upon a review of other property transactions that have occurred in the same geographic area as that of the property under review.

Asset Retirement Obligations

The Company is required to record a liability for the estimated future costs associated with legal obligations relating to the reclamation and closure of its exploration, development or mining properties. This amount is initially recorded at its discounted present value, with subsequent

annual recognition of an accretion amount on the discounted liability. An equivalent amount is recorded as an increase to mineral properties and deferred exploration costs and amortized over the useful life of the properties.

As the Company does not currently have any material legal obligations relating to the reclamation of its mineral properties, the adoption of this standard had no impact on the accounts of the Company.

SUBSEQUENT EVENTS

On October 28 2009, Glass Earth announced that it intended to undertake a private placement financing for gross proceeds of \$500,000. As at November 26, \$286,000 has been received in respect of this placement.

On November 17 2009, Directors determined to withdraw from the joint venture with GCO Minerals Company over permits in the Central Volcanic Region. Accumulated exploration expenditures, recorded as at 30 September 2009, totaled \$603,000 and this amount will be recognised as a write-off in the Consolidated Statements of Operations, Comprehensive Loss and Deficit in the quarter to 31 December 2009.

Apart from the items above, there were no material events subsequent to balance date that would affect the interpretation of the financial statements or performance of the company.

OUTLOOK

By unlocking the value in the data available and enabling objective targeting and ranking through the conversion of data into information and from there into knowledge, Glass Earth is building a predictive framework for the discovery of new gold deposits. This approach ensures ongoing objectivity for individual prospects, discarding of potential failures, and an enhanced understanding of the multidimensional geology and mineral deposit process. The Company has already applied this process in the Hauraki / Central Volcanic Regions, where the Data Intervention project kick-started the generation of new gold targets and was augmented by the implementation of two major airborne geophysical surveys. Glass Earth has commenced ground verification of its portfolio of targets through drilling.

Glass Earth has completed its second Data Collation / Interrogation project in the Otago mesothermal gold region, with an integrated geological data base compilation and airborne geophysical survey program similar to the one completed in the Hauraki / Central Volcanic Regions.

Glass Earth's pipeline of prospects at different stages of development offers a well-balanced portfolio of quality exploration prospects.

Endorsement of this approach was obtained by Glass Earth entering into joint ventures with Newmont Mining Corporation on the Company's Waihi West exploration permit alongside Newmont's Martha mine and the Hauraki Region permit portfolio.

Glass Earth's medium term aim is to develop into a significant gold producer, but also sees earlier opportunities to create and capture value purely through successful exploration. The worldwide exploration industry has been severely diminished by acquisition and merger, which has dramatically reduced the commitment to greenfields exploration. Glass Earth intends to exploit a potential valuable gap by generating and managing the early stages of resource identification and development of world-class gold deposits. Delineation of such resources can generate significant premium and value-add at the exploration stage.

In addition, as of late 2009, Glass Earth is undertaking evaluation studies in respect of placer and small scale hard rock mining proposals.

For additional information, please refer to the Company's website at www.glassearchlimited.com and for regulatory filings, including news releases, please refer to www.SEDAR.com.

RISKS, UNCERTAINTIES AND OTHER ISSUES

Glass Earth's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future. Glass Earth's common shares should be considered speculative.

Nature of Mineral Exploration and Development Projects

The business of exploring for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into mines. Glass Earth's properties are in the exploration stage and at present do not contain a known body of commercial ore. The proposed exploration programs are an exploratory search for such a deposit. The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors that are beyond the control of the Company.

Glass Earth's operations are subject to all the hazards and risks normally associated with the exploration for gold and silver, any of which could result in damage to life, or property, or the environment. The Company's operations may be subject to disruptions caused by unusual or unexpected formations, formation pressures, fires, power failures, flooding, explosions, cave-ins, landslides, the inability to obtain suitable or adequate equipment or machinery, labour disputes or adverse weather conditions. Although the Company maintains insurance to cover normal business risks, the availability of insurance for many of the hazards and risks is extremely limited

or uneconomical at this time. Through high standards and continuous improvement, the Company works to reduce these risks.

In the event the Company is fortunate enough to discover gold and/or silver deposits, the economics of commercial production depend on many factors, including the cost of operations, the grade of the gold and/or silver and any associated minerals, proximity to infrastructure, metal prices, financing costs and Government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The effects of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial production.

The profitability of the Company's operations will be dependent, inter alia, on the market prices of gold and silver, which are affected by numerous factors beyond the control of the Company, including international economic and political conditions, levels of supply and demand, and international currency exchange rates.

Success in establishing reserves is a result of a number of factors, including the quality of management, the Company's level of geological and technical expertise, the quality of land available for exploration, the availability of suitable contractors, and other factors. If mineralization is discovered, it may take several years in the initial phases of exploration until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish reserves through drilling, to determine the optimal metallurgical process and to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves.

Financing risk, until such time as the Company is cash flow positive

In the absence of cash flow from operations, Glass Earth relies on the capital markets to fund operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that additional funding will be available, or available under terms favourable to the Company. Failure to obtain such additional finance could result in delay or the indefinite postponement of further exploration and the development of the Company's properties.

Licenses and Permits, Laws and Regulations

Glass Earth's exploration activities require permits from various government authorities, and are subject to extensive federal, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. Glass Earth draws on the expertise and commitment of its management team, their advisors, its employees and contractors to ensure

compliance with current laws and fosters a climate of open communication and co-operation with regulatory bodies.

The Company believes that it holds, or has applied for, all necessary licenses and permits under applicable laws and regulations and believes it is presently complying in all material respects with the terms of such licenses and permits. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. Government approvals and permits are required in connection with the exploration activities proposed for the properties. To the extent such approvals are required and not obtained, the Company's planned exploration, development and production activities may be delayed, curtailed, or cancelled entirely.

Environmental

Exploration, development and mining operations are subject to various environmental laws and regulations including, for example, those relating to waste treatment, emissions and disposal, and companies must generally comply with permits or standards governing, among other things, tailing dams and waste disposal areas, water consumption, air emissions and water discharges. Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the Company's activities, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. Glass Earth's right to exploit any minerals it discovers is subject to various reporting requirements and to acquiring certain Government approvals and there is no assurance that such approvals, including environmental approvals, will be granted without inordinate delays or at all.

Claim Titles and Aboriginal Rights

Aboriginal rights in New Zealand reside in the indigenous population known as Maori. Maori, individually or collectively may advance claims on Crown properties, or other types of tenure, with respect to which mining rights have been conferred. Glass Earth is not aware of any such land claims having been asserted or any legal actions relating to Maori issues having been instituted with respect to any of the Company's properties. The legal basis of a land claim is a matter of considerable legal complexity and the impact of a land claim settlement and self-government agreements cannot be predicted with certainty. In addition, no assurance can be given that a broad recognition of Maori rights by way of a negotiated settlement or judicial pronouncement would not have an adverse effect on the Company's activities. Such impact could be marked and in certain circumstances, could delay or even prevent the Company's exploration or mining activities. The Company is aware of the mutual benefits afforded by a co-operative relationship with the Maori, in conducting exploration activity and is supportive of measures established to achieve such cooperation.

Dependence on Key Personnel

The Company's performance is dependent upon the performance and continued services of its current key management. While it has entered into contracts and adopted a stock option plan with the aim of securing the services of the existing management and staff, the retention of their

services cannot be guaranteed. Accordingly, the loss of any key management of the Company may have an adverse effect on the future of the Company's business. The Company competes with numerous other companies and individuals in the search for, and acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and contractors.

Joint Ventures

The Company holds, and expects to hold in the future, interests in joint ventures. Joint ventures may involve special risks associated with the possibility that the joint venture partners may:

- have economic or business interests or targets that are inconsistent with those of the Company;
- be unwilling or unable to fulfill their obligations under the joint venture or other agreements;
- take action contrary to the Company's policies or objectives; or
- experience financial or other difficulties.

Any of the foregoing may have a material adverse effect on the results of operations or financial condition of the Company.

Conflicts of Interest

Certain of the Company's directors, officers and significant shareholders are or may become shareholders, directors and/or officers of other natural resource companies, and, to the extent that such other companies may participate in ventures with the Company, these individuals may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or of its terms. In appropriate cases the Company will establish a special committee of independent directors to review a matter in which one or more directors or officers may have a conflict. From time to time, the Company, together with other companies, may be involved in a joint venture opportunity where several companies participate in the acquisition, exploration and development of natural resource properties, thereby permitting the Company to be involved in a greater number of larger projects with an associated reduction of financial exposure in any given project. The Company may also assign all or a portion of its interest in a particular project to any of these companies due to the financial position of the other company or companies. In accordance with the laws of the province of British Columbia, the directors are required to act honestly and in good faith with a view to furthering the best interest of Glass Earth. In determining whether or not the Company will participate in a particular program or transaction and the terms of such participation, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no procedures or mechanisms to deal with conflicts of interest.

RECENT CANADIAN ACCOUNTING DEVELOPMENTS

Recently issued Canadian accounting pronouncements from the Canadian Institute of Chartered Accountants ("CICA") are not expected to have any significant effect on the Company's financial statements or policies.

Recent accounting procedures and change in accounting standards and accounting policies adopted during 2008

New accounting policies adopted

On December 1, 2006 the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Company on January 1, 2008 and were adopted.

Goodwill and other intangible assets

In February 2008, the CICA issued Handbook Sections 3064, Goodwill and intangible assets, replacing Section 3062, Goodwill and other intangible assets and Section 3450, Research and development costs. Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. This new standard is applicable to fiscal years beginning on or after October 1, 2008. The Company has implemented this standard in this quarter of fiscal year 2009. The new standard will not have a material impact on its financial statements.

Recent accounting pronouncements

Convergence with International Financial Reporting Standards ("IFRS")

On February 13, 2008 the Canadian Accounting Standards Boards confirmed that the transition to IFRS from Canadian GAAP will occur on January 1, 2011 for public entities. The Company's exploration activities are carried out solely in New Zealand where its main operating subsidiary is incorporated. Under New Zealand law the Company must lodge its group consolidated financial statements that comply with New Zealand GAAP, with the New Zealand Companies Office.

Due to the adoption of NZ IFRS by the New Zealand Accounting bodies, the Company was obliged to prepare an additional set of financial statements for the years ended December 31 2007 and 2008 that complied with IFRS. These financial statements can be viewed at www.companies.govt.nz.

There were no significant differences given the nature of the Company's operations. Accordingly, the Company considers that it is well placed to transition to IFRS when required to do so in Canada.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: section 1582, Business Combinations, section 1601, Consolidated Financial Statements and section 1602, Non-Controlling interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards IFRS 3 – Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Section 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the presentation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27 – Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

SUPPLEMENTAL TO THE FINANCIAL STATEMENTS

Outstanding Share and Option Data

Glass Earth's shares trade on the TSX Venture Exchange and the New Zealand Alternative Exchange ("NZAX") under the symbol "GEL". The Company is authorized to issue an unlimited number of common shares without par value. As at November 26, 2009, the following items were issued and outstanding:

- 154,902,633 common shares;
- 12,305,000 common share purchase options with an average exercise price of \$0.16 per share and expiry dates of between February 22, 2011 and September 23, 2013; and
- 12,500,000 unlisted common share purchase warrants with an exercise price of \$0.30 per share and expiry dates of between December 4, 2009 and January 29, 2010.

There are no shares subject to TSX Venture escrow provisions.