

GLASS EARTH LIMITED
(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
NINE MONTH PERIOD ENDED FEBRUARY 28, 2006

(These consolidated interim financial statements have not been reviewed by an independent firm of chartered accountants)

Responsibility for Consolidated Interim Financial Statements

The accompanying consolidated interim financial statements for Glass Earth Ltd. have been prepared in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the May 31, 2005 audited financial statements. Only changes in accounting information have been disclosed in these consolidated financial statements.

Recognizing that the Company is responsible for both the integrity and objectivity of the consolidated financial statements, management is satisfied that these consolidated interim financial statements have been fairly presented. This disclosure has been approved by the Board of Directors.

Glenn Laing, Director

Peter Liddle, Director

GLASS EARTH LIMITED
(A Development Stage Company)
Consolidated Interim Balance Sheet
(in thousands of Canadian Dollars)

	February 28, 2006	May 31, 2005
	(Unaudited)	
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	307	1,359
Receivables	101	20
Prepaid expenses	13	-
Total current assets	<u>421</u>	<u>1,379</u>
Non-current assets		
Mineral Interests (Note 4)	2,593	1,743
Investment in HPD New Zealand (Note 13)	49	-
Property and equipment (Note 5)	6	5
Total Non-current assets	<u>2,648</u>	<u>1,748</u>
Total Assets	<u><u>3,069</u></u>	<u><u>3,127</u></u>
LIABILITIES		
Current Liabilities		
Accounts payable	184	343
Accrued liabilities	118	-
Total current liabilities	<u>302</u>	<u>343</u>
Commitments and Contingencies (Note 11)		
SHAREHOLDERS' EQUITY		
Share Capital (Note 6)	3,927	3,427
Contributed Surplus	360	-
Deficit Accumulated through the Development Stage	(1,447)	(643)
Accumulated Comprehensive Income	(73)	-
Total shareholders' equity	<u>2,767</u>	<u>2,784</u>
Total liabilities and shareholders' equity	<u><u>3,069</u></u>	<u><u>3,127</u></u>

APPROVED ON BEHALF OF THE BOARD

Glenn Laing, Director

Peter Liddle, Director

GLASS EARTH LIMITED
(A Development Stage Company)
Consolidated Interim Statement of Operations
(in thousands of Canadian Dollars)

	Three months ended 28 February 2006	Three months ended 28 February 2005	Nine months ended 28 February 2006	Nine months ended 28 February 2005
	(Unaudited)		(Unaudited)	
Revenue				
Expenses				
General and Administration	142	32	252	102
Professional fees	26	14	100	43
Registry and Filing	15	-	22	-
Travel and accommodation	19	2	36	15
Salaries	34	-	106	-
Stock-based compensation	360	-	360	-
Interest and sundry	31	11	49	14
Consultancy fees	8	-	25	23
Recharge to exploration	(67)	-	(150)	-
Amortisation	1	1	4	2
	<u>569</u>	<u>60</u>	<u>804</u>	<u>199</u>
Loss before Income Taxes	(569)	(60)	(804)	(199)
Provision for income taxes	-	-	-	-
Net Loss	<u>(569)</u>	<u>(60)</u>	<u>(804)</u>	<u>(199)</u>
Loss per Share - Basic	0.94	0.17	1.33	0.55
Loss per Share - Fully Diluted	0.82	0.17	1.16	0.55
Weighted average number of basic common shares outstanding during the period	60.5m	equiv 36.0m	60.5m	equiv 36.0m
Weighted average number of fully diluted common shares outstanding during the period	69.3m	equiv 36.0m	69.3m	equiv 36.0m

GLASS EARTH LIMITED
(A Development Stage Company)
Consolidated Interim Statement of Cashflows
(in thousands of Canadian Dollars)

	Three months ended 28 February 2006	Three months ended 28 February 2005	Nine months ended 28 February 2006	Nine months ended 28 February 2005
	(Unaudited)		(Unaudited)	
Cashflows from Operating Activities				
Net loss	(569)	(60)	(804)	(199)
Adjustment for:				
Stock-based compensation	360	-	360	-
Amortization	1	1	4	2
Changes in non-cash working capital				
Receivable and prepaid expenses	(45)	(3)	(92)	-
Accounts payable and accrued charges	113	144	(56)	190
Net cash used from Operating Activities	(140)	82	(588)	(7)
Cashflows from Investing Activities				
Mineral interests	(162)	(8)	(907)	(13)
Investments	(49)		(49)	
Purchase of property and equipment	-	-	(8)	-
Net cash used from Investing Activities	(211)	(8)	(964)	(13)
Cashflows from Financing Activities				
Issuance of common shares for cash	500	-	500	-
Borrowings	-	21	-	39
Net cash used from Financing Activities	500	21	500	39
Net Increase/(decrease) in cash	149	95	(1,052)	19
Cash - beginning of period	158	1	1,359	24
Cash - end of period	307	96	307	43

During the year the Company had no cash flows arising from interest and income taxes paid.

GLASS EARTH LIMITED
(A Development Stage Company)
Notes to Consolidated Interim Financial Statements
February 28, 2006

1. Nature of Operations

Glass Earth Limited, (formerly known as BC Report Magazine Ltd.), (the "Company"), is engaged in the acquisition, exploration and development of mineral properties. To date, the Company has not earned revenues and is considered to be in the development stage. On March 31, 2005, the Company completed an acquisition as described in note 3.

The accompanying unaudited consolidated interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and, accordingly, certain information and note disclosure normally included in annual audited financial statements have been condensed or omitted. These interim consolidated financial statements have been prepared using the same accounting principles as used in the annual audited financial statements and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended May 31, 2005. The results of operations of any interim period are not necessarily indicative of the results of operations for any other interim period or a full fiscal year.

2. Going Concern

These consolidated interim financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at February 28, 2006, the Company had a net loss of \$804,000 and accumulated deficit of \$1,447,000. The Company's ability to meet its obligations and continue as a going concern is dependent upon its ability to obtain additional financing, achievement of profitable operations and the discovery, development and sale of mining reserves. The Company is planning to meet its future expenditures and obligations by raising funds through private placements or by farm-outs of mineral properties (see Note 13 b for further details).

Accordingly, the consolidated interim financial statements do not reflect any adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

GLASS EARTH LIMITED
(A Development Stage Company)
Notes to Consolidated Interim Financial Statements
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3. Basis of Presentation and Reverse Takeover

On March 31 2005, the Company completed the acquisition of all the outstanding common shares of Glass Earth (New Zealand) Limited (formerly Glass Earth Limited) ("GENZL"), in exchange for common shares of the Company. Pursuant to the terms of the Share Exchange Agreement entered into with GENZL and its shareholders, the Company issued 36,000,720 common shares to acquire the 16,667 outstanding common shares of GENZL.

The transaction constituted a Reverse Take-Over (the "RTO") of the Company by GENZL under the policies of the TSX Venture Exchange (the "Exchange"). Upon completion of the transaction, the Company changed its name from BC Report Magazine Ltd. to Glass Earth Limited. Its newly acquired subsidiary changed its name from Glass Earth Limited to Glass Earth (New Zealand) Limited.

The acquisition of the shares of GENZL has been accounted for as a reverse takeover transaction in accordance with guidance provided in Emerging Issues Committee ("EIC") Abstract No. 10. The Company did not qualify as a business for accounting purposes, and accordingly the transaction has been accounted for as an issuance of shares and warrants by GENZL for the net monetary assets of the Company, accompanied by a recapitalization of the Company.

Further to the RTO transaction described above, these consolidated financial statements for the period ended February, 2005 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).

GLASS EARTH LIMITED
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Notes to Consolidated Interim Financial Statements
February 28, 2006

4. Mineral Interests

	February 28, 2006	May 31, 2005
	\$	\$
Direct - Mineral Exploration Costs		
Balance - beginning of period/year	\$1,743,000	\$686,000
Coromandel/Central Volcanic Region Project		
Airborne Surveys	646,000	914,000
Geological consulting, mapping and modeling	166,000	121,000
License rentals	38,000	22,000
Cost for the period/year	<u>850,000</u>	<u>1,057,000</u>
Balance - end of period/year	<u>\$2,593,000</u>	<u>\$1,743,000</u>

- a) The Company has carried out prospecting and exploration for gold and silver in the CCVR of the North Island of New Zealand, since its incorporation in September 2002. As at May 31, 2005 the Company owned 100% of Prospecting Permits (“PP”) 39-241 and 39-282 covering approximately 9,000 square kilometers of the CCVR.

In December 2005, the Company was granted six Exploration Permits (“EP”) excised from Prospecting Permit 39-241. Accumulated exploration expenditures to that date have been reallocated to the individual EPs on the basis of the number of anomalous targets in each EP. A portion of accumulated exploration costs remain in Prospecting Permits 39-241 and 39-282 representing the less advanced anomalous targets contained therein.

- b) The Company has not incurred any acquisition costs in relation to exploration interests.
- c) The Company's exploration activities are carried out solely in New Zealand.

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\$000's

Permit	Project	Opening Balance	Re-allocation as at December, 2005	Expenditure to February, 2006	Closing Balance
PP 39 241	CCVR	1,743	(1,318)	-	425
PP 39 282	CCVR	-	129	-	129
EP 40 765	Wawa	-	179	11	190
EP 40 766	Paeroa	-	805	44	849
EP 40 767	Waihi West	-	90	2	92
EP 40 768	Muir South	-	179	-	179
EP 40 769	Horohoro	-	269	13	282
EP 40 770	Atiamuri	-	359	88	447
Total		1,743	692	158	2,593

The New Zealand Crown Minerals Act 1991 provides for three types of permit: prospecting, exploration and mining.

Prospecting permits (“**PP**”) allow for less intensive work programmes and are granted for a period of up to two years with a right of renewal for up to an additional two years.

The holder of a PP may apply for an exploration permit (“**EP**”), which allows for higher impact work programmes. EPs are granted for a duration of five years with a right of renewal for another five years, for up to one half of the area covered by the original exploration permit.

The holder of an EP may apply for a mining permit (“**MP**”), which allows for mineral extraction. The duration of a MP may be as long as 40 years but is typically less than 20 years.

Glass Earth currently holds 100% of each permit, which provide for exclusive rights to explore for gold and silver. As from 31 March 2006, EP 40 767 is subject to a farm-in, whereby up to 75% may be earned by the incoming party upon expending NZD1.5m, preparation of a feasibility study and arranging of development finance.

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a) PP 39 241 – Central Volcanic Region

This PP was the original permit granted in October 2004. It has since been subject to significant exploration activities, with EP's being granted over the 21 most advanced targets. As at balance date, the original PP had been reduced to approximately 9,030 sq km, containing over 80 of the less advanced targets. These targets will be subject to further exploration in order to seek to advance them to EP stage. The tenure of this PP has been extended out to 20 October 2007.

b) PP 39 282 - Central Volcanic Region

This PP of approximately 397 sq km is surrounded by PP 39 241 and has been subject to the same exploration activities. It contains less developed targets, which will also be advanced. The tenure of this PP has been extended out to 12 July 2006.

c) EP 40 765 - Central Volcanic Region

This EP was granted on 21 December 2005 and currently contains 2 targets

d) EP 40 766 - Central Volcanic Region

This EP was granted on 21 December 2005 and currently contains 9 targets

e) EP 40 767 – Waihi

This EP was granted on 21 December 2005 and contains one target. It is subject to a farm-in, whereby up to 80% may be earned by the incoming party (Newmont Waihi Ltd) upon expending NZ\$1.5m (approximately \$1.1m), preparing a feasibility study and arranging development finance (if requested).

f) EP 40 768 - Central Volcanic Region

This EP was granted on 16 December 2005 and currently contains 1 target

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g) EP 40 769 - Central Volcanic Region

This EP was granted on 16 December 2005 and currently contains 3 targets

h) EP 40 770 - Central Volcanic Region

This EP was granted on 21 December 2005 and currently contains 4 targets

5. Property and Equipment

	February 2006		May 2005	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	\$	\$	\$	\$
Computer Equipment	11,357	6,245	7,422	3,645
Office furniture and equipment	1,465	419	1,680	26
	<u>12,822</u>	<u>6,664</u>	<u>9,102</u>	<u>3,671</u>
Net carrying amount		<u><u>\$6,158</u></u>		<u><u>\$5,431</u></u>

GLASS EARTH LIMITED
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6. Shareholders' Equity

a) Share Capital

	February 28, 2006	May 31, 2005
Common Shares	3,488,000	3,005,000
Warrants	439,000	422,000
	<u>3,927,000</u>	<u>3,427,000</u>

Authorized:

Unlimited number of common shares with no par value

Issued and Outstanding

	Number of Common Shares	Amount \$
Outstanding May 31, 2004	7,149,914	1,965,000
Share issue costs	-	(628,000)
Issued pursuant to acquisition of GENZL in RTO (i)	36,000,720	737,000
Adjustment to eliminate stated amount of share capital and accumulated deficit of GEL (legal parent) as a result of the RTO	-	(1,401,000)
Issued pursuant to private placement (ii)	14,087,000	2,395,000
Share issue costs	-	(63,000)
Outstanding May 31, 2005	<u>57,237,634</u>	<u>3,005,000</u>
Issued pursuant to private placement (iii)	3,333,333	483,000
Outstanding February 28, 2006	<u>60,570,967</u>	<u>3,488,000</u>

- (i) On March 31, 2005, the Company issued 36,000,720 common shares in consideration for the acquisition of all the issued and outstanding shares in GENZL (note 3).

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- (ii) On March 31, 2005, 14,087,000 common shares were issued for 20 cents per Unit, each Unit consisting of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of 35 cents per share for a period of two years following the date of issue of the Units.

- (iii) On January 13, 2006, 3,333,333 common shares were issued for 15 cents per Unit, each Unit consisting of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of 25 cents per share for a period of two years following the date of issue of the Units.

- (iv) Common shares have been reserved for warrant options on the following basis:
 - 7,043,500 exercisable at 35 cents up to March 31, 2007.
 - 1,666,667 exercisable at 25 cents up to January 13, 2008.

- (v) As at the balance sheet date and pursuant to an escrow agreement, the following holdings and escrow provisions pertained to the common shares issued on March 31, 2005:
 - i.) 36,000,720 common shares issued to purchase GENZL, on March 31, 2005, with an initial 10% hold provision of 4 months. Pursuant to the escrow agreements with the Toronto Venture Stock Exchange, a further 15% of escrowed shares is released every 6 months after October 6, 2005.

b) Incentive Stock Options

The Company may grant incentive stock options to its officers, directors, employees and consultants, for the purchase of shares of the Company. Stock options are in consideration for services and are non-transferable. The Board of Directors of the Company determines the exercise price but it may be no less than the current market price. Options have a maximum term of five years and terminate 45 days after the termination of employment or other contracting arrangement of the option holder. Vesting of options may be made at the time of granting of the option or over a period as set out in each option agreement. Once approved and vested, options are exercisable at any time until expiry or termination as above.

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For the nine month period ended February 28, 2006 \$360,000 was recorded as compensation expense and added to Contributed Surplus in the Shareholders' Equity on the Balance Sheet for stock options granted during the period. The fair value of options was estimated using the Black-Scholes option pricing model assuming a risk-free interest rate of 4% p.a., expected volatility of 42%, expected dividend rate of nil and an expected life of 5 years. The exercise of all share purchase options granted was greater than the market price at the grant date. As no options were granted or vested during the year to May 31, 2005 there was no stock-based compensation expense for the year ended May 31, 2005.

The following stock options were outstanding at February 28, 2006

Expiry dates	Exercise price	Balance May 31, 2005	Granted and Vested	Exercised	Expired/ Cancelled	Balance February 28, 2006
February 22, 2011	\$0.15	-	6,000,000	-	-	6,000,000

c) Share purchase Warrants

The Company's movement in share purchase warrants is as follows:

	Number of Warrants	Weighted average exercise price	Fair Value
Balance May 31, 2004	-	-	-
Issued pursuant to private placement - March 2005 (ii)	7,043,500	0.35	422,610
Issued pursuant to private placement - January 2006 (iii)	1,666,667	0.25	16,667
Balance February 28, 2006	<u>8,710,167</u>	<u>0.33</u>	<u>439,277</u>

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The fair value of each warrant was determined on the date of grant using the Black-Scholes option pricing model, based on the following assumptions:

	<u>March 2005</u>	<u>January 2006</u>
Risk-free interest rate	2.70%	4.00%
Expected life	2 years	2 years
Expected volatility	80%	42%
Expected dividends	-	-

Option pricing models require the input of highly subjective assumptions regarding the expected volatility. Changes in assumptions can materially affect the fair value estimate, and therefore, the existing model does not necessarily provide a reliable measure of the fair value of the Company's warrants at date of grant.

7. Related Party Transactions

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

- a) In November 2003, GENZL entered into a Management Services Agreement with Ian R Brown Associates Ltd ("IRBA") (a company owned by Mr. I. R. Brown, a former director and former shareholder of GENZL). The agreement set out the terms for the provision of technical and other services to GENZL. On 30 June 2005, the Management Services Agreement was terminated and replaced with a consultant agreement
Total services provided during the period, under these contracts, amounted to \$22,853 (2005: \$163,082). The outstanding balance owing to IRBA at period end totaled \$2,245 (2005: \$163,082).
- b) During the current period Mr. I. R. Brown did not personally provide administrative and technical services to GENZL (2005: \$15,377). There was no outstanding amount at period end (2005: \$15,377).
- c) During the current period to February 28, 2006, Mr. P. Liddle (a director and former shareholder of GENZL) did not directly provide accounting and secretarial services to GENZL (2005: \$26,221) There was no outstanding amount at period end (2005: \$26,221).

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For the 9 months period to February 28, 2006, Hussey & Associates Limited (a chartered accounting firm in New Zealand with which Mr. Liddle has a consulting arrangement) charged total fees of \$88,879.

- d) On April 1, 2005, Mr. Henderson (a director and former shareholder of GENZL) became an employee of GENZL. A formal employment contract has not been agreed as yet with Mr. Henderson, although the key terms of his employment are expected to be a salary of \$150,000 per annum together with a termination/redundancy provision equivalent to 24 months salary. Mr. Henderson has received \$89,963 for the current period.
- e) In April 2005, the Company loaned \$2,224,896 to GENZL to fund its exploration activities. In January 2006, the Company loaned \$373,000 to GENZL to fund its exploration activities. Both these loans are non-interest bearing and cannot be called prior to November 30, 2007.
- f) During the period management fees of \$24,750 were paid or accrued to a company owned by the Hughnie Laing Trust, whose sole beneficiary is the wife of a director.

All outstanding amounts, except for item e) are expected to be repaid with the next year and have been classified as current liabilities in these financial statements

8. Financial Instruments

a) Credit Risk and Concentrations of Credit Risk

Financial Instruments which potentially subject the Company to credit risk consist of short term securities and cash deposits.

The Company has no reason to believe credit loss will arise from any of the above financial instruments. The maximum amount of loss which may possibly be realized is the carrying value of the financial instrument.

b) Fair Values

The carrying amount of short term securities, cash deposits, accounts receivable, accounts payable and accrued liabilities approximate fair value due to the short maturity of these instruments. Adequate provision is held in respect of accounts receivable.

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9. Segmented Information

	9 months ended 28 February 2006 \$000's	9 months ended 28 February 2005 \$000's
Operating (Loss) by Segment:		
Glass Earth Limited	(638)	-
Glass Earth (New Zealand) Limited	<u>(166)</u>	<u>(199)</u>
Consolidated Operating Loss	<u>(804)</u>	<u>(199)</u>
 Assets by Segment:		
Glass Earth Limited	227	-
Glass Earth (New Zealand) Limited	2,842	1,114
Consolidated Gross Assets	<u>3,069</u>	<u>1,114</u>
 Total Liabilities by Segment:		
Glass Earth Limited	140	-
Glass Earth (New Zealand) Limited	162	637
Consolidated Total Liabilities	<u>302</u>	<u>637</u>

Geographical information is not presented as the operations of Glass Earth Limited occur in Canada and the operations of Glass Earth (New Zealand) Limited occur in New Zealand.

10. Income Taxes

The Company accounts for income taxes using the asset and liability method. Tax asset and liability account balances are determined based on differences between financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rate. The effects of future changes in tax losses are not anticipated.

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The Company has tax losses available to be applied against future year's income. In order to record a future income tax benefit, it must be more likely than that the future tax asset resulting from the tax losses available for carry forward will be realized. Given the Company's classification as a development stage company and future uncertainty regarding profitability, it is appropriate to set up a 100% valuation allowance in respect of the future income tax asset.

11. Commitments and Contingencies

- a) The Company had no capital expenditure commitments as at February 28, 2006. (May 31, 2005: \$854,932 of which \$192,370 had been included in creditors at that time).
- 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 CCVR.
- c) The contingent royalty obligations on geothermal energy production have been assumed by Glass Earth Geothermal Limited (formerly named GEX Limited) as a result of the sale of geothermal targets and potential to GEX Limited by GENZL, in return for an identical 0.5% geothermal production royalty. This transfer is subject to ratification by Geoinformatics Exploration Ireland Ltd. Glass Earth Geothermal Limited is a wholly owned subsidiary of the Company.
- d) A Statement of Claim has been served on the Company by M. Horn & Co. ("Horn") claiming a success fee of \$133,402 plus interest and legal costs in connection with some of the private placements of shares made contemporaneously with the RTO of the Company on March 31, 2005. The Company has filed a Statement of Defense in relation to this matter and it believes that the ultimate outcome of this action is indeterminable.

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

	\$
2006	8,044
2007	8,044
2008	8,044
2009	<u>2,346</u>
	<u>\$26,478</u>

12. Comparative Figures

Where necessary, certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

13. Subsequent Events

- a) Acquisition of HPD New Zealand Limited (“HPD”)

On March 31, 2006 the Company acquired HPD for the consideration of issuing 12.665m Glass Earth common shares and 6.3325m share warrants (with a strike price of 25 cents each for a period of 2 years).

HPD had a total of 22 Exploration and Prospecting Permits covering over 4,724 square kilometres over both the North and South Islands of New Zealand (being epithermal and mesothermal gold targets in each respective island).

Preliminary acquisition costs of \$49,000 were incurred in February and capitalized.

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b) Private Share Placements

In March 2006, the Company raised \$0.5m by issuing a further 3,333,333 common shares and 1,666,667 share warrants exercisable at 25 cents for up to 2 years.

In April 2006, the Company raised \$0.5m by issuing a further 3,333,333 common shares and 1,666,667 share warrants exercisable at 25 cents for up to 2 years.

c) Wellington Office Lease

In March 2006, the Company signed a replacement lease to rent additional office space. The lease term is for three years from April 1, 2006 with rent set at \$20,063 pa (plus GST).

d) Waihi West Farm-Out

In April 2006, the Company executed a farm-out deed with Newmont Waihi Gold Limited ("**Newmont**") over EP 40 767 (adjacent to the Martha Hill mine at Waihi, North Island, New Zealand). The terms provide for Newmont to be able to earn 60% for expending NZD 1.5m (approximately \$1.1m) with a further 15% for funding a feasibility study and 5% for arranging the Company's share of financing (if requested). A royalty deed pursuant to the arrangements set out in note 11(b) has been executed.