SOUTHEAST ASIA MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SEPTEMBER 30, 2011

Southeast Asia Mining Corp. ("the Company") was incorporated on August 18, 2006 under the Canada Business Corporations Act. Its principal business activity is that of mineral exploration in the Southeast Asia region. The Company became a reporting issuer on November 28, 2008.

This Management's discussion and analysis (MD&A) is current to November 23, 2011 and is management's assessment of the operations and the financial results. The following MD&A has been prepared in accordance with Canadian generally accepted accounting principles and should be read in conjunction with the audited financial statements of the Company for the years ended December 31, 2010 and 2009 and the related notes to these financial statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. All figures are in Canadian dollars unless otherwise stated.

Overview of the Business and Overall Performance

The Company was created in August 2006 to acquire and explore mineral properties in the Southeast Asia region, with the initial focus on Thailand. In November 2006, the Company entered into an arrangement with Southeast Asia Exploration and Mining Co., Ltd. ("SEAM") (formerly Geotai Exploration and Mining Co. Ltd.) a non-active company based in Thailand, to commence development activities in that country. The Company obtained voting and economic control of SEAM on July 31, 2007.

Through SEAM, the Company acquired certain rights to acquire an interest in a mining property in the Kanchanaburi Province of Thailand through a joint venture agreement with Kanchanaburi Exploration and Mining Co. Ltd. ("Kemco") and Boh Yai Mining Co. Ltd. ("Boh Yai") and obtained special prospecting licenses for four properties adjacent to the Kemco properties. As part of the arrangement with Kemco the Company advanced funds to SEAM in order to carry out the refurbishment of the Song Toh mill in order to commence commercial production, and thereby acquire the right to acquire an 80% interest in each. This mill refurbishment was substantially completed and stockpiled ore has been processed. However, the plant has not achieved commercial production due to the requirement for a mining license renewal that was delayed as a result of an Environmental and Health Impact Assessment ("EHIA") not being completed due to past operational issues. In October 2011, the EHIA commenced and the work is being conducted by Environmental Management Co., Ltd.

SEAM has four Special Prospecting Licenses adjacent to the Kemco/Boh Yai properties in Kanchanaburi and one in Chanthaburi Province. SEAM is currently conducting exploration and work reports for these licences including surface geological mapping, geochemical soil survey and geophysic 2D IP survey.

Following the regaining of control of SEAM through the Settlement Agreement of December 9, 2010 the Company was in a position to regain control of the assets and operations of SEAM and to resume its strategic plan. Since regaining control over SEAM, the Company along with new SEAM management have re-established contacts and business relationships in Thailand with the following accomplishments:

- Renewed the joint venture agreement with Kemco for the development of its lead/zinc mine;
- Re-commenced the mining license application process for Kemco by commencing environmental and health assessments on the property ; and commenced a data gathering program on the property as part of the application process;

- Re-commenced exploration on its special prospecting licenses ("SPLs") in Kanchanaburi surrounding the Kemco mine and in Chanthaburi province
- Met outstanding payments and commitments to government and third parties in Thailand including: (i) payment of fines at the Department of Primary Industry and Mines to commence work on the SPLs; (ii) paying fines at the Board of Investment Office to re-commence business operations; and (iii) paying dues at the Department of Mineral Resources to maintain SEAM's good standing;
- Established a new SEAM office in Bangkok.
- Obtained the services of geologist, permitting expert, and office manager in Thailand

On October 13, 2011 the Company completed a private placement financing which generated $2,511,138 in gross cash proceeds and also converted $922,480 of accounts payable. This financing enables the Company to continue the development of its properties throughout the winter months, and it is anticipated that additional financing will be pursued in early 2012. To facilitate this, effective November 3, 2011, the Company has consolidated its common shares on a 1 for 8 basis.

Having regained control of SEAM as the result of a settlement on December 9, 2010, the financial statements of the Company are now presented on a consolidated basis, reflecting the assets and liabilities of SEAM at fair value after review by management. From 2008 until that date the financial results of SEAM were not consolidated because of the loss of control.

The Company became a reporting issuer in Canada on November 28, 2008, and on May 15, 2009 the Company was subject to a cease trade order issued by the Ontario Securities Commission as a result of its failure to file financial statements for the year ended December 31, 2008 on a timely basis. The Company made an application to revoke the cease trade order to the Ontario Securities Commission in October 2010 and, with the Company having met all its continuous disclosure obligations on June 29, 2011, the cease trade order was revoked on August 3, 2011.

Operational Discussion

The following is management's discussion and analysis of the results of operations and liquidity and financial condition of the Company for the nine months ended September 30, 2011. The MD&A should be read in conjunction with the interim condensed consolidated financial statements for the nine month period ended September 30, 2011, and the audited consolidated financial statements of the Company for the year ended December 31, 2010, together with the accompanying notes, which statements have been prepared in accordance with Canadian generally accepted accounting principles.

The following MD&A provides a summary of the audited financial information of the Company contained elsewhere herein. This discussion contains forward looking statements that involve certain risks and uncertainties. See "*Forward Looking Information*".

Results of Operations and Selected Annual Information

The following table sets forth financial information for the Company which has been summarized from the Company's interim condensed consolidated financial statements for the nine months ended September 30, 2011 and 2010. While the nine months ended September 30, 2011 includes consolidation of SEAM the comparable period in 2010 does not include SEAM operations. Due to the Company's loss of control of SEAM, the Company's interests in the assets of SEAM were written down to a nominal amount. This summary information should be read in conjunction with the Company's audited financial statements for the periods indicated, including the notes thereto.

Statement of Operations Data	Nine months ended September 30, 2011 (consolidated)	Year ended December 31, 2010 (consolidated)	Year ended December 31, 2009 (unconsolidated) (Canadian GAAP)
Expenses excluding foreign exchange	$ 959,868	$ 1,692,742	$ 861,331
Foreign exchange loss (gain)	(162)	(3,514)	(4,513)
Gain on re-acquisition of control	-	(4,132,738)	-
Net Income (Loss)	(959,706)	2,443,510	(856,357)
Net Income (Loss) per Share – Basic(1)	$(0.011)	$0.035	$(0.016)
Balance Sheet Data			
Total Assets	5,819,487	3,943,841	5,708
Working Capital (Deficiency)	498,079	(370,509)	(700,557)
Long Term Liabilities	-	-	-
Shareholders' Equity (Deficiency)	4,257,870	2,800,872	(700,555)

Nine month period ended September 30, 2011 vs. September 30, 2010

The nine month period ended September 30, 2011 indicates a net loss of $959,706, or $0.011 per share compared to a net loss of $1,022,126 or $0.014 per share for the same period in 2010.

Total expenses during the nine month period ended September 30, 2011, which include the expenses of SEAM, were $959,868 compared with total expenses of $1,025,756 in the same period in 2010. During the period ended September 30, 2010, there were no SEAM expenses included as the Company did not regain control of SEAM until December 9, 2010. The majority of expenses of the Company in each period comprise compensation costs to consultants and outside professionals. Major components of the decrease include (a) professional fees, which decreased to $180,211 from $470,365 in 2010, reflecting the substantial legal and advisory fees incurred in 2010 in regaining the business of SEAM; (b) management and consulting fees, which increased to $399,034 from $287,688, reflecting costs in Canada and Thailand to re-establish the business of SEAM and restructure the Company; (c) travel expenses, which increased to $112,327 from $110,624; and (d) salaries, which increased from $Nil to $75,570 as a result of compensation costs that were paid to SEAM employees.

Office and general expenses increased to $178,664 during the nine month period ended September 30, 2011 from $147,388 in 2010. The major components of office and general expenses are as follows:

Nine month period ended September 30,	2011	2010
Insurance	33,411	31,970
Rent	21,854	17,976
Licence and permits	-	69,847
Annual meeting	16,711	-
Administrative	28,630	-
Website	8,000	-
General operational costs	70,058	27,595
	178,664	147,388

Total assets on September 30, 2011, were $5,819,487 compared with $3,943,841 on December 31, 2010.

Summary of Quarterly Results

	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
	$	$	$	$	$	$	$
Loss before extraordinary item	264,981	290,018	404,707	667,102	387,611	382,377	252,138
Gain on re-acquisition of control	-	-	-	4,132,738	-	-	-
Net (income) loss	264,981	290,018	404,707	(3,465,636)	387,611	382,377	269,862
(Income) Loss per share	$0.003	$0.004	$0.005	$(0.05)	$0.005	$0.005	$0.005

The following components are relevant in comparing major variances in the net losses for the most recent quarters:

1. SEAM expenses are included starting with the period ended December 31, 2010.
2. Commencing in the first quarter of 2010, and continuing into the fourth quarter of 2010, the Company incurred substantial legal and advisory costs related to disputes in Canada and Thailand with the former senior management of SEAM.
3. The fourth quarter of 2010 includes SEAM expenses from December 9, and includes compensation costs to SEAM employees, following settlement, of $213,661
4. In the fourth quarter of 2010 the Company recorded an accounting gain of $4,132,738 related to regaining control of the assets of SEAM.

Three month period ended September 30, 2011 vs. September 30, 2010

The three month period ended September 30, 2011 indicates a net loss of $264,981, or $0.003 per share compared to a net loss of $387,611 or $0.005 per share for the same period in 2010.

Total expenses during the three month period ended September 30, 2011, which include the expenses of SEAM, were $264,965 compared with total expenses of $381,417 in the same period in 2010. During the period ended September 30, 2010, there were no SEAM expenses included as the Company did not regain control of SEAM until December 9, 2010. The majority of expenses of the Company in each period comprise compensation costs to consultants and outside professionals. Major components of the decrease include (a) professional fees, which decreased to $82,959 from $211,560 in 2010, reflecting the substantial legal and advisory fees incurred in 2010 in regaining the business of SEAM; (b) management and consulting fees, which decreased to $13,416 from $130,029 primarily as a result of the capitalization of certain fees incurred in Thailand that had been previously expensed; (c) travel expenses, which increased to $43,412 from $19,189; and (d) salaries, which increased from $Nil to $34,315 as a result of compensation costs that were paid to SEAM employees in 2011.

Office and general expenses increased to $82,935 during the three month period ended September 30, 2011 compared to $19,615 in 2010. The major components of office and general expenses are as follows:

Three month period ended September 30,	2011	2010
Insurance	10,617	10,617
Rent	11,000	6,000
Annual meeting	15,000	-
Administrative	4,860	-
Website	8,000	-
General operational costs	33,458	2,998
	82,935	19,615

Capital Resources and Liquidity

The Company's working capital at September 30, 2011 was $498,078 compared with a deficiency of $370,509 at December 31, 2010. When control of SEAM was regained in December 2010, a total of $1,094,512 of cash was recovered by the Company. Substantially all of these funds have been used in Thailand to re-establish SEAM's operations, including renewing the Kemco joint venture arrangement, updating requirements for prospecting licenses, and making outstanding payments and commitments to government and third parties in Thailand.

On October 13, 2011, the Company closed a non-brokered private placement which generated gross proceeds of $2,511,138 in cash and converted $992,400 in outstanding payables through the issuance of 137,344,697 units, of which 36,899,197 units were issued on the conversion of outstanding accounts payable. Each unit was priced at $0.025 and comprised one common share and one half of one common share purchase warrant with each full warrant exercisable at $0.035 for a period of 36 months.

As at September 30, 2011, the Company had received gross proceeds of $2,453,638 and paid commission in the amount of $167,205 pertaining to the private placement.

The Company currently does not have a source of operating cash flow. Additional funds will be required to explore and develop the Company's properties and, if successful, to place them into commercial production. In addition the Company intends to cautiously pursue the acquisition of other mineral properties in the South East Asia region which will also require funding. The only sources of future funds presently available to the Company are through the sale of equity capital of the Company, or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in obtaining any additional required funding necessary to develop exploration properties. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interests in its properties, and also render the Company unable to pursue other mineral property opportunities.

Disclosure of Outstanding Share Data

	November 23, 2011	December 31, 2010
Issued and outstanding common shares	26,653,615	75,884,262
Outstanding options to purchase common shares	-	3,200,000

These amounts reflect the following:

1. Issuance of 137,344,697 common shares on October 13, 2011.
2. Consolidation of outstanding common shares on November 3, 2011 on a 1 for 8 basis.
3. Cancellation of all outstanding options on November 18, 2011.

Contractual Obligations, Commitments, and Contingencies

The Company has no material contractual obligations or commitments.

Transactions with Related Parties

Certain of the Company's officers and directors provide consulting services to the Company. The total of such expenses for the nine months ended September 30, 2011 were $254,500 compared to $141,500 in the nine months ended September 30, 2010. These amounts, which are recorded at their exchange rate, have been paid for consulting services relative to each officer's position in the Company as described below, are included with Management and consulting fees in the Statement of Loss, and are as follows:

As at September 30,	**2011**		2010	
	Expense	**Payable**	Expense	Payable
Kerry Smith, for services as president and as executive chairman of the Board	**90,000**	**241,780**	90,000	124,820
Colin Grant, for services as chief financial officer.	**54,000**	**112,545**	39,000	32,745
Geoffrey McIntyre, vice president and general manager of SEAM	**25,000**	**25,000**	-	-
Steve McIntyre, Director	**75,000**	**211,000**	-	-
CMA Associates, a company controlled by Charlotte May, for services as corporate secretary	**10,500**	**17,500**	12,500	2,260
Total	**$ 254,500**	**$ 607,825**	$ 141,500	$ 99,825

None of these related parties have contractual agreements with the Company. The expenses indicated above are included with Management and Consulting Fees on the Statement of Loss.

As part of the share issue that was completed on October 13, 2011, $476,000 of the amounts payable at September 30, 2011 was converted to equity.

Additional Disclosure for Venture Issuers without Significant Revenue

	September 30, 2011	December 31, 2010
Capitalized mineral properties and deferred costs	**$ 3,759,791**	$ 3,171,281
Corporate expenses	**959,868**	1,692,742
Total assets	**5,819,487**	3,943,841
Mineral properties and deferred costs	**Capitalized**	Capitalized
Deposits and prepayment	**$ 3,605,033**	$ 3,088,555
Licenses	**154,758**	82,726
	$ 3,759,791	$ 3,171,281
Corporate expenses		
Professional fees	**$ 180,211**	$ 646,555
Management and consulting fees	**399,034**	415,688
Travel	**112,327**	100,517
Shareholder information and regulatory costs	**14,062**	36,057
Salaries	**75,570**	213,661
Office and general:		
Insurance	**33,411**	42,743
Rent	**21,854**	24,053
License and permits	**-**	69,847
AGM materials	**16,711**	-
Administrative	**28,630**	
Website	**8,000**	-
General operational costs	**70,058**	36,386
	$ 959,868	$ 1,692,742

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangement.

Financial Instruments and Other Instruments
The Company's financial instruments consist of cash, sundry receivables, HST and taxes recoverable, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values.

Dividends
The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Assessment of Recoverability of Mineral Property Costs
The Company's recorded value of its exploration properties is based on historical costs that expect to be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale.

Assessment of Recoverability of Receivables Including Taxes Recoverable
The carrying amount of accounts receivables, and taxes recoverable are considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

CRITICAL ACCOUNTING POLICIES

Mining and exploration costs
The Company defers the costs of exploration on existing projects and carries them as assets until production commences. The amounts at which mining properties and deferred exploration costs are recorded do not necessarily reflect present or future values. If a project is successful, the related mining properties and deferred exploration costs are amortized over the estimated economic life of the project. If a project is unsuccessful, or if exploration has ceased because of continuation is not economically feasible, the mining properties and the related deferred exploration costs are written off.

Share based payments
Share based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity settled transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

• where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

• where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered

Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year. During the nine months ended September 30, 2011 and 2010 all the outstanding stock options were anti-dilutive.

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash and cash equivalents are classified as FVTPL.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost. The Company's trade and other receivables are classified as loans-and-receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Company's other financial assets and instalments receivable are classified financial assets as available-for-sale.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's trade and other payables are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At September 30, 2011 the Company has not classified any financial liabilities as FVTPL.

Impairment of financial assets

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Available-for-sale

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre□tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre□tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is the Canadian Dollar ("CDN"), and the presentation of the subsidiary is the Thai Baht ("THB"). The consolidated financial statements are presented in Canadian Dollars which is the Company's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Subsidiary

The results and financial position of the subsidiary that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to asset retirement obligations; property, plant and equipment, recoverability of trade and other receivables, valuation of deferred income tax amounts, impairment testing and the calculation of share-based payments. The most significant judgements relate to recognition of deferred tax assets and liabilities, determination of the commencement of commercial production and the determination of the economic viability of a project.

Financial Risk Factors

Fair value

The Company has designated its cash and cash equivalents as FVTPL, which are measured at fair value. The Company’s other financial assets have been classified for accounting purposes as available-for-sale, which are measured at fair value. Trade and other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value. Trade and other payables are classified for accounting purposes as other financial liabilities, which are measured at amortized cost, which also equals fair value. Fair values of trade and other receivables and trade and other payables are determined from transaction values which were derived from observable market inputs. Fair values of other financial assets are based on Level 1 measurements and the remaining financial instruments are based on Level 2 measurements.

As at September 30, 2011, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these investments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

i) Credit risk

Credit risk is the risk of loss associated with a counter-party’s inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the balance sheet.

a. **Cash and cash equivalents** – Cash and cash equivalents are held with major Canadian and Thai banks and therefore the risk of loss is minimal.
b. **Accounts receivables** – The Company is not exposed to significant credit risk as this amount is due from the Canadian and Thai governments.

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at September 30, 2011, the Company had working capital of $498,078. This working capital was subsequently increased by $922,480 by the conversion of certain accounts payable to equity. The Company intends on securing further financing to ensure that the obligations are properly discharged. There can be no assurance that the Southeast Asia will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Southeast Asia may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its some or all of its interests and reduce or terminate its operations therein.

iii) Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

iv) Currency risk

The Company is exposed to significant currency rate price risk as the majority of its assets are located in Thailand and the majority of its operating expenditures are incurred in Thai baht.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

During the most recent period ended September 30, 2011, there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Proposed Transactions

The Company does not anticipate any major proposed asset or business acquisitions or dispositions as of the date hereof.

Net Fair Value of Financial Assets and Liabilities

The Company's financial instruments comprise cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities.

Cash and cash equivalents have been designated as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and are classified as other financial liabilities, which are measured at amortized cost. The Company has no available for sale instruments.

Additional Capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Transition to International Financial Reporting Standards ("IFRS")

Transition to IFRS from GAAP

The Company has adopted IFRS with an adoption date of January 1, 2011 and a transition date of January 1, 2010.

IFRS Conversion

The Company's IFRS conversion plan was comprehensive and addressed matters including changes in accounting policies, restatement of comparative periods, organizational and internal controls and any required changes to business processes. To facilitate this process and ensure the full impact of the conversion was understood and managed reasonably, the accounting staff attended several training courses on the adoption and implementation of IFRS. Through in-depth training and the preparation of reconciliations of historical Canadian GAAP financial statements to IFRS, the Company believes that its accounting personnel have obtained a thorough understanding of IFRS.

Impact of IFRS

IFRS employs a conceptual framework that is similar to Canadian GAAP; however significant differences exist in certain matters of recognition, measurement and disclosure. While the adoption of IFRS does not change the actual cash flows of the Company, the adoption results in changes to the reported financial position and results of operations of the Company. In order to allow the users of the financial statements to better understand these changes, management has provided reconciliations between Canadian GAAP and IFRS for the total assets, total liabilities, shareholders equity and net earnings in Note 3 to the interim condensed consolidated financial statements. The adoption of IFRS has had no significant impact on the net cash flows of the Company. The changes made to the statements of financial position and comprehensive income have resulted in reclassifications of various amounts on the statements of cash flows, however as there has been no change to the net cash flows, no reconciliations have been presented.

In preparing the reconciliations, the Company applied the principles and elections of IFRS 1, with a transition date of January 1, 2010. As the Company has adopted IFRS effective January 1, 2010, it had applied the provisions of IFRS 1 as described under the section entitled "Initial Adoption – IFRS 1", with a January 1, 2010 transition date. The Company will also apply IFRS standards in effect at December 31, 2011 as required by IFRS 1.

Initial Adoption of International Accounting Standards

IFRS 1 ''First Time Adoption of International Accounting Standards'' sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional date of the statement of financial position with all adjustments to assets and liabilities as stated under GAAP taken to retained earnings unless certain exemptions are applied. The Company has chosen to take the following exemptions under IFRS 1:

- to apply the requirements of IFRS 3, Business Combinations, prospectively from the Transition Date;

- to apply the requirements of IFRS 2, Share-based payments, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date; and

Comparative Information

The Company has restated all prior period figures in accordance with IFRS.

Risk Factors

The risk factors outlined below may not be a definitive list of all risk factors associated with the Company's operations.

Non-compliance with or non-satisfaction of the terms of the Kemco Option Agreement

The Company does not currently own the Kemco Property, but rather holds an option through SEAM to acquire an 80% ownership interest in Kemco and Boh Yai and the Kemco Property. Any non-compliance with or non satisfaction of the terms of the Kemco Option by SEAM could affect its ability to exercise the Kemco option and earn its interest in the mining concessions and assets relating to the Kemco Property. In the event that SEAM does not satisfy all of its requirements, or commits a breach of the Kemco option the current owners may cancel the option, resulting in the loss of SEAM's rights to acquire its interest.

Furthermore, any non-compliance with or non-satisfaction of the terms of the Kemco Option on the part of either Kemco or Boh Yai, as it relates to the transfer or issuance of voting securities representing an 80% interest in those companies upon the due earn-in by SEAM of the Kemco Option, would have a material adverse effect on the Company's operations.

The Company has recently renewed the Kemco agreement following the operational disruption. The Company has met its requirements to acquire an 80% ownership interest in terms of funding the refurbishment of the Song Toh plant.

The Company currently depends on the Kemco Property

The Company only has a material interest in the Kemco property and also holds seven special prospecting licences. As a result, unless the company acquires additional properties or projects, any adverse development affecting the Kemco properties could have a material adverse effect on the Company and would materially and adversely affect the Company's potential mineral resource production, profitability, financial performance and results of operations.

Title Risks

Although the Company has exercised legal due diligence with respect to determining title to properties in which SEAM may have a material interest through its Kemco Option, there is no guarantee that title to such properties will not be challenged or impugned, particularly as they are located in a foreign jurisdiction, namely Thailand. Mineral property interests may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Licensing Risks

The Company cannot be assured that SEAM, Kemco and Boh Yai will receive the necessary permits to develop the Kemco Property and recommence commercial production at the mine. The failure to obtain such permits could adversely affect the Company's operations. The Company, through SEAM, commenced the licensing approval procedure beginning with Environmental/Health Impact Assessments. The Company has obtained four special prospecting licences adjacent to the Kemco property in order to mitigate these risks.

Government regulations and lack of mineral rights licences may adversely affect the Company's operations

The Company's mining operations and exploration and development activities are subject to laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, mine development, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, and other matters. It is possible that future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of permits and agreements applicable to the Company, its subsidiaries or its properties, which could have a material adverse impact on exploration programs and future development projects.

The Company's operations are subject to risks and hazards inherent in the mining industry

Operations in which the Company currently has an interest and those in which the Company may have an interest in the future will be subject to all of the hazards and risks normally incidental to exploring, developing and exploiting natural resources. These risks and hazards include, but are not limited to, environmental hazards, encountering unusual or unexpected geologic formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and metal recovery, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions, and other unfavourable operating conditions and losses. Should any of these risks and hazards affect the

Company's mining operations or its exploration activities, it may cause the cost of production to increase to a point where it would no longer be economic to produce mineral resources from the Company's reserve.

Local Conditions in Thailand may adversely affect the Company's operations

Changes in political, social, business and economic conditions in Thailand could have a material effect on the business of the Company. The Company's operations and assets are concentrated in Thailand and therefore political, social, business and economic conditions in Thailand will have significant effect on the business of the Company. Also currency fluctuations, exchange controls, restriction on foreign investment, changes to laws which affect the properties, changes to tax regimes or political action could impair the value of the Company's investment, and may adversely affect its financial position and the results of its operations. The Company has made extensive use of local expertise to minimize such exposures.

The Company may be adversely affected by fluctuations in foreign exchange rates. The Company's future capital expenditure and product revenue are largely expected to be denominated in U.S. dollars, while operating expenses are largely expected to be incurred in Thai baht.

Legal System in Thailand may adversely affect the Company's operations

The Company no longer has any active legal actions in Thailand. However, the Company's operations and assets are concentrated in that country, therefore conditions of the Thai legal system could have a significant effect on the business of the Company. The Company has made extensive use of local legal expertise to minimize exposure to any legal action.

Enforcement of Civil Liabilities

As all of the assets of the Company and its subsidiary are located outside of Canada, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company and its subsidiaries.

Operating History

The Company has no history of earnings. The properties in which the Company is earning an interest through the Kemco Option have not been in operation since 2002. While management has limited experience in placing resource properties into production, its ability to do so is somewhat dependent upon using the services of appropriately experienced personnel or entering into agreements with other resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if the Company places its resource properties into production. The Company is currently mitigating such risk through employment of, or relationships with, local expertise in Thailand and the region.

Failure to obtain additional financing

The Company does not currently have the financial resources necessary to undertake all of its currently planned activities. In order to proceed with obtaining mining licenses, commencing commercial production and carrying out work on its prospecting licenses additional funding will be required. However, there can be no assurance that the Company will be successful in obtaining the necessary funding. Failure to obtain financing on a timely basis could cause the Company to forfeit its interest in its properties.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, potentially importing and exporting minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

Development of the Company’s mineral properties will proceed only if favourable exploration results are obtained.

Environmental Regulations
The Company’s operations will be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to comply fully with all environmental regulations commencing with an Environmental and Health impact assessment on the Kemco properties. To the best of the Company’s knowledge, it is operating in compliance with all applicable rules and regulations.

Insurance and Uninsured Risks
The Company’s business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company’s properties or the properties of others, delays in mining, monetary losses and possible legal liability. Although the Company intends to put in place insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with a mining company’s operations.

Competition
There are a number of large established mining companies with substantial capabilities and greater financial and technical resources than those of the Company with which the Company will have to compete to capture markets for its products around the world. There is no established commodity exchange or forward market for base metals and the Company will have to compete in terms of price, product quality and quantity, service and reliability with these established companies to capture its market share.

Management
The success of the Company is currently largely dependent on the performance of its directors and officers. There is no assurance the Company can maintain the services of its directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse affect on the Company and its prospects.

Commodity Prices
Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the Company’s operations cannot be predicted.

Critical Accounting Estimates

The preparation of financial statements requires the Company to estimate the effect of various matters that are inherently uncertain as of the date of the financial statements. Each of these required estimates varies with respect to the level of judgment involved and the potential impact on the Company’s reported financial results. Estimates are deemed critical when the Company’s financial condition, change in financial condition or results of operations would be materially impacted by a different estimate or a change in estimate from period to period. The Company’s significant accounting policies are discussed in note 1 of the Notes to Interim Condensed Consolidated Financial

Statements. Critical estimates inherent in these accounting policies are discussed in the following paragraphs.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Nature of Operations

The Company is a junior exploration and development company. The Company will explore on the mineral exploration licences it holds in Thailand, and the Company cannot yet determine whether these properties will contain reserves that are economically recoverable.

The Company will try to maximize its exposure to promising exploration opportunities, to manage the risks inherent in exploration and make appropriate use of financial management resources. Following recovery of the SEAM assets the Company will rely on the employees of Kemco and Boh Yai who are currently working on the Kemco Property, and who are familiar with the workings and historic infrastructure of the Kemco Property. These persons are already familiar with the historic mine data and government reports that identify some of the positive attributes of the Kemco Property. This experience and knowledge base will help mitigate the risk associated with otherwise unknown properties.

Outlook and Funding Requirements

As discussed above, the Company's mineral properties involved are in the exploration or development stage and provide no immediate source of operating cash flow. The refurbishment of the Song Toh Plant is however substantially complete and the commencement of processing of ore could provide a source of revenue to the Company. The Company also intends to pursue other mineral properties in the South East Asia region.

The Company currently does not have adequate working capital to commence any significant exploration and development activities and will be required to raise additional funds to continue operations. There can be no assurance that the Company will be successful in obtaining the required funding necessary to conduct additional exploration, if warranted, or to develop mineral resources on its mineral properties, if commercial quantities of such resources are located thereon.

Forward-Looking Information

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of the Company to fund the capital and operating expenses necessary to achieve its business objectives, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities.

This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to the Company's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements.

Readers are therefore cautioned that risks, uncertainties and other factors included in this document are not exhaustive, and should refer to the detailed risk factors which are discussed in the Company's non-offering prospectus. Any forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Management's Responsibility

Management is responsible for all information contained in this report. The interim condensed consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include amounts based on management's informed judgments and estimates.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded. External auditors, appointed by the shareholders, have not examined and reported on the interim condensed consolidated financial statements for the period ended September 30, 2011. The Audit Committee has reviewed the interim condensed consolidated financial statements with management. The Board of Directors has approved the interim condensed consolidated financial statements on the recommendation of the Audit Committee.

November 23, 2011

Kerry D. Smith
Chief Executive Officer