SOUTHEAST ASIA MINING CORP.

Unaudited Interim Consolidated Financial Statements

For the three and nine month periods ended
September 30, 2012 and 2011

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim consolidated financial statements of Southeast Asia Mining Corp, are the responsibility of the management and Board of Directors of the Company.

The unaudited interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Brian Jennings"
Brian Jennings
Chief Executive Officer

"Johnny Oliveira"
Johnny Oliveira
Chief Financial Officer

NOTICE TO READER
The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim consolidated statements for the three and nine month periods ended September 30, 2012 and 2011 have not been reviewed by the Company's auditors.

Southeast Asia Mining Corp.

Unaudited Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	September 30, 2012	December 31, 2011
	$	$
Assets		
Current Assets		
Cash and cash equivalents *(Note 5)*	**257,147**	1,338,638
Trade and other receivables *(Note 6)*	**171,461**	115,704
Prepaid expenses *(Note 7)*	**16,723**	27,001
	445,331	1,481,343
Restricted cash *(Note 5)*	**62,399**	155,112
Property, plant and equipment *(Note 8)*	**18,602**	7,871
	526,332	1,644,326
Liabilities		
Current Liabilities		
Trade and other payables *(Notes 10 and 11)*	**806,596**	604,494
	806,596	604,494
Shareholders' Equity		
Capital stock *(Note 12)*	**17,379,802**	17,379,802
Reserve for warrants *(Note 13)*	**804,000**	804,000
Reserve for share based payments *(Note 15)*	**648,407**	648,407
Accumulated other comprehensive loss	**(14,056)**	(14,720)
Accumulated deficit	**(19,098,417)**	(17,777,657)
	(280,264)	1,039,832
	526,332	1,644,326

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 16)
Segmented Information (Note 17)
Subsequent Events (Notes 9 and 18)

Approved on behalf of the Board of Directors on November 26, 2012:

"James Patterson" (signed)
Director

"Brian Jennings" (signed)
Director

Southeast Asia Mining Corp.

Unaudited Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Three months ended September 30, 2012	Three months ended September 30, 2011	**Nine months ended September 30, 2012**	Nine months ended September 30, 2011
Expenses				
Professional fees	**$ 85,243**	$ 82,959	**$ 183,858**	$ 180,211
Management and consulting fees	**69,000**	47,731	**164,165**	474,604
Travel	**1,364**	43,412	**8,095**	112,327
Exploration and evaluation expenditures *(Note 9)*	**258,203**	165,415	**801,595**	588,510
Office and general	**48,678**	82,951	**152,633**	178,502
Shareholders information and regulatory costs	**1,394**	7,928	**10,414**	14,062
Net loss	**$ (463,882)**	$ (430,396)	**$ (1,320,760)**	$ (1,548,216)
Basic and diluted loss per share	**$ (0.02)**	$ (0.05)	**$ (0.05)**	$ (0.16)
Weighted average number of shares outstanding:				
Basic and diluted (000's)	**26,529**	9,486	**26,529**	9,486

Other Comprehensive Loss				
Net Loss	**$ (463,882)**	$ (430,396)	**$(1,320,760)**	$(1,548,216)
Exchange difference on translation of foreign subsidiary	**(2,900)**	52,294	**664**	(130,270)
Net comprehensive loss	**$ (466,782)**	$ (378,102)	**$(1,320,096)**	$(1,678,486)

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

Southeast Asia Mining Corp.
Unaudited Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Capital Stock		Reserves					
	Number of shares*	**Amount**	**Warrants**	**Share-based payments**	**Accumulated other comprehensive loss**	**Shares to be issued**	**Accumulated deficit**	**Total**
Balance at January 1, 2011	**9,485,533**	**$ 14,946,981**	**$ -**	**$ 648,407**	**$ -**	**$ -**	**$ (15,965,897)**	**$ (370,509)**
Foreign exchange on translation of foreign subsidiary	-	-	-	-	130,270		-	130,270
Proceeds received for shares to be issued	-	-	-	-	-	2,286,433	-	2,286,433
Net loss for the period	-	-	-	-	-	-	(1,548,216)	(1,548,216)
Balance at September 30, 2011	**9,485,533**	**$ 14,946,981**	**$ -**	**$ 648,407**	**$ 130,270**	**$ 2,286,433**	**$ (17,514,113)**	**$ 497,978**
Private placement	12,555,687	2,511,137	-	-	-	(2,286,433)	-	224,704
Shares issued for settlement of trade and other payables	4,487,395	897,480	-	-	-	-	-	897,480
Warrants issued on private placement	-	(689,000)	689,000	-	-	-	-	-
Share issue costs								
Cash	-	(171,796)	-	-	-	-	-	(171,796)
Broker warrants	-	(115,000)	115,000	-	-	-	-	-
Foreign exchange on translation of foreign subsidiary	-	-	-	-	(144,990)	-	-	(144,990)
Net loss for the period	-	-	-	-	-	-	(263,544)	(263,544)
Balance at December 31, 2011	**26,528,615**	**$ 17,379,802**	**$ 804,000**	**$ 648,407**	**$ (14,720)**	**$ -**	**$ (17,777,657)**	**$ 1,039,832**
Foreign exchange on translation of foreign subsidiary	-	-	-	-	664	-	-	664
Net loss for the period	-	-	-	-	-	-	(1,320,760)	(1,320,760)
Balance at September 30, 2012	**26,528,615**	**$ 17,379,802**	**$ 804,000**	**$ 648,407**	**$ (14,056)**	**$ -**	**$ (19,098,417)**	**$ (280,264)**

** Number of shares outstanding reflects the eight for one share consolidation on November 14, 2011 of the Company's issued and outstanding shares*

Southeast Asia Mining Corp.
Unaudited Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

Nine months ended September 30,	**2012**	2011
Operating activities	**$**	$
Net loss for the period	**(1,320,760)**	(1,548,216)
Non-cash items:		
Amortization	**2,756**	-
Unrealized foreign exchange loss	**448**	139,611
Net Change in non-working capital: items:		
Prepaid expenses	**10,278**	(9,948)
Trade and other receivables	**(55,757)**	(50,360)
Trade and other payables	**202,102**	393,879
Cash used in operating activities	**(1,160,933)**	(1,075,034)
Financing activities		
Proceeds received for shares to be issued	**-**	2,286,433
Cash provided from financing activities	**-**	2,286,433
Investing activities		
Purchase of property, plant and equipment	**(13,487)**	-
Restricted cash	**92,713**	-
Cash provided from investing activities	**79,226**	-
Increase (decrease) in cash and cash equivalents	**(1,081,707)**	1,211,399
Foreign exchange gain on cash held in foreign currency	**216**	14,711
Cash and cash equivalents, beginning of period	**1,338,638**	721,236
Cash and cash equivalents, end of period	**$ 257,147**	$ 1,947,346

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Southeast Asia Mining Corp. (“Southeast Asia”, “SEA” or “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 Thailand.

At the Company’s annual and special meeting of shareholders held on October 20, 2011, the shareholders approved the consolidation of its common shares on the basis of one (1) new common share for eight (8) old common shares (the “Consolidation”). Fractional shares remaining after giving effect to the Consolidation were cancelled such that shareholdings of each shareholder will be rounded down to the nearest whole number of post-Consolidation common shares. On November 3, 2011, Articles of Amendment were filed to give effect to the Consolidation.

Southeast Asia is pursuing exploration opportunities in Thailand. The recovery of expenditures on mineral properties will be dependent upon the existence of economically recoverable mineralization, the ability of Southeast Asia to obtain financing necessary to complete the exploration and the development of the mineral properties, and upon future profitable production or alternatively, on the sufficiency of proceeds from disposition.

The Company is in the process of exploring and evaluating its mineral properties. On the basis of information to date, it has not yet determined whether these properties contain economically recoverable mineral deposits. The underlying value of the mineral properties is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest, the ability of the Company to obtain the necessary financing to complete development, and future profitable production.

At September 30, 2012 the Company had a working capital deficiency of $361,265 (December 31, 2011 – $876,849 working capital), had not yet achieved profitable operations, has accumulated losses of $19,098,417 (December 31, 2011 – $17,777,657) and expects to incur further losses in the development of its business, all of which casts substantial doubt upon the Company’s ability to continue as a going concern. Southeast Asia will require additional financing in order to conduct its planned work programs on mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

These unaudited interim financial statements have been prepared on a going-concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited interim consolidated financial statements were authorized by the Board of Directors of the Company on November 26, 2012.

2.2 Basis of measurement

These unaudited interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2011 annual financial statements.

2.3 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

At the date of authorization of these Financial Statements, the International Accounting Standards Board ("IASB") and the International Financial Reporting Issues Committee ("IFRIC") has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. However the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

- IFRS 7 '*Financial Instruments, Disclosures*' - effective for annual periods beginning on or after January 1, 2013, IFRS 7 has been amended to provide more extensive quantitative disclosures for financial instruments that are offset in the statement of financial position or that are subject to enforceable master netting similar arrangements.
- IFRS 9 *'Financial Instruments: Classification and Measurement'* – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IFRS 10 '*Consolidated Financial Statements'* – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- IFRS 11 '*Joint Arrangements'* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.
- IFRS 12 '*Disclosure of Interests in Other Entities'* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
- IFRS 13 '*Fair Value Measurement'* - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.
- IAS 1 '*Presentation of Financial Statements'* - the IASB amended IAS 1 with a new requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss.

2. BASIS OF PREPARATION (continued)

2.3 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS (continued)

- IAS 12 '*Income Taxes*' – In December 2010, effective for annual periods beginning on or after January 1, 2012, IAS 12 Income Taxes was amended to introduce an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, *Income Taxes – recovery of revalued non-depreciable assets*, will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn.
- IAS 19 '*Employee Benefits*' - effective for annual periods beginning on or after January 1, 2013, a number of amendments have been made to IAS 19, which included eliminating the use of the "corridor" approach and requiring remeasurements to be presented in OCI. The standard also includes amendments related to termination benefits as well as enhanced disclosures.
- IAS 27 '*Separate Financial Statements*' - effective for annual periods beginning on or after January 1, 2013, as a result of the issue of the new consolidation suite of standards, IAS 27 Separate Financial Statements has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.
- IAS 28 '*Investments in Associates and Joint Ventures'* - effective for annual periods beginning on or after January 1, 2013, as a consequence of the issue of IFRS 10, IFRS 11and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee.
- IAS 32 '*Financial instruments, Presentation'* – In December 2011, effective for annual periods beginning on or after January 1, 2013, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

3. CAPITAL MANAGEMENT

The Company considers its capital to be equity, which is comprised of capital stock, reserve accounts, accumulated other comprehensive loss, and accumulated deficit, which as at September 30, 2012 totaled a deficiency of $280,264 (December 31, 2011 - $1,039,832 positive capital). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue exploration and development of its properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The Company's properties are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the exercise of outstanding stock options or warrants, 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 its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine month period ended September 30, 2012. The Company is not subject to externally imposed capital restrictions.

4. FINANCIAL INSTRUMENTS

Fair value

The Company has designated its cash and cash equivalents as FVTPL, 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, 2012, 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 statement of financial position.

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. **Trade and other receivables** – The Company is not exposed to significant credit risk as this amount is due from the Canadian and Thai governments.

The Company's maximum exposure to credit risk as at September 30, 2012 is the carrying value of cash and cash equivalents and trade and other receivables.

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, 2012, the Company had a working capital deficiency of $361,265 (December 31, 2011 – $876,849 working capital). There can be no assurance that the Company 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 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.

4. FINANCIAL INSTRUMENTS (continued)

iv) Currency risk

The Company's functional currencies are Canadian dollar and the Thai Baht ("BAHT") and major purchases are transacted in Canadian dollars and BAHT. The Corporation funds major operations and exploration expenses in Thailand, therefore the Company maintains BAHT bank accounts in Thailand. Management believes that foreign currency risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

The table below summarizes the effects on foreign exchange gains and losses as a result of a 10% change in the value of the foreign currencies against the Canadian dollar where the Company has significant exposure. The analysis assumes all other variables remain constant.

	Effect of a 10% increase in foreign exchange rates on translation of investments in foreign monetary assets	Effect of a 10% decrease in foreign exchange rates on translation of investments in foreign monetary assets
Thai Baht	$ 16,000	$ (16,000)

5. CASH AND CASH EQUIVALENTS

The balance at September 30, 2012, consists of $257,147 (December 31, 2011 - $1,338,638) on deposit with major Canadian and Thai banks and $62,399 (December 31, 2011 - $155,112) in restricted term deposits which have been pledged as collateral for certain property licenses that are restricted until the Company completes certain exploration commitments.

6. TRADE AND OTHER RECEIVABLES

	As at,	
	September 30, 2012	December 31, 2011
	$	$
Taxes recoverable	**171,461**	115,704
Total Trade and Other Receivables	**$ 171,461**	$ 115,704

At September 30, 2012, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 4.

The Company holds no collateral for any receivable amounts outstanding as at September 30, 2012.

7. PREPAID EXPENSES

	As at,	
	September 30, 2012	December 31, 2011
	$	$
Insurance	**6,754**	22,060
Various deposits	**9,969**	4,941
Total Prepaid expenses	**$ 16,723**	$ 27,001

8. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Furniture and Fixtures	Computer Equipment	Leasehold Improvement	Total
	$	$	$	$	$
Cost					
As at January 1, 2011	-	-	-	-	-
Additions	1,665	4,226	3,210	-	9,101
As at December 31, 2011	**1,665**	**4,226**	**3,210**	**-**	**9,101**
Additions	4,872	3,411	3,568	1,636	13,487
As at September 30, 2012	**6,537**	**7,637**	**6,778**	**1,636**	**22,588**
Accumulated depreciation					
As at January 1, 2011	-	-	-	-	-
Depreciation expense	189	623	418	-	1,230
As at December 31, 2011	**189**	**623**	**418**	**-**	**1,230**
Depreciation expense	726	1,063	774	193	2,756
As at September 30, 2012	**915**	**1,686**	**1,192**	**193**	**3,986**
Net book value					
As at January 1, 2011	-	-	-	-	-
As at December 31, 2011	**1,476**	**3,603**	**2,792**	**7,871**	**7,871**
As at September 30, 2012	**5,622**	**5,951**	**5,586**	**1,443**	**18,602**

9. EXPLORATION AND EVALUATION PROPERTIES

On November 27, 2006, Southeast Asia Exploration and Mining Company Limited ("SEAM") on behalf of the Company entered into an agreement with Kanchanaburi Exploration and Mining Co. ("Kemco") and Boh Yai Mining Company Limited ("Boh Yai"), both companies incorporated and operating pursuant to the laws of Thailand, whereby SEAM obtained an exclusive right to acquire an 80 percent equity interest in Kemco and Boh Yai upon commencement of commercial production. Under the terms of the agreement, SEAM paid US$1,000,000 and committed to provide Kemco and Boh Yai with the expertise and funds necessary to rehabilitate and commence the ore stockpile production at the historical mine site.

Under the terms of the November 27, 2006 agreement, SEAM was required to pay Kemco upon the commencement of commercial production the greater of US$2 million or 20 percent of the net profits annually for the first five years and 20 percent of the net profits annually thereafter.

Following a period of inactivity from April 2009 to December 2010 and upon the Company reacquiring control of SEAM in December 2010, negotiations were entered into with Kemco and Boh Yai to reconfirm SEAM's interest in the Kemco project. On March 1, 2011 a new Agreement was entered into which essentially confirmed all of the terms and conditions of the November 27, 2006 agreement except for the following additional provisions:

a) SEAM agreed to compensate Kemco and Boh Yai a total of $6.4 million BAHT as compensation for their terminated employees. $4.0 million BAHT was paid upon execution of the agreement and $2.6 million BAHT on June 1, 2011,

9. EXPLORATION AND EVALUATION PROPERTIES (continued)

b) SEAM agreed to pay $200,000 BAHT monthly as compensation for Kemco and Boh Yai salaried employees commencing January 1, 2011,

c) SEAM agreed to pay for an Environmental and Health Impact Assessment which is required to be filed with the Thai government as part of the mine permitting process,

d) The Company agreed to raise a minimum US$2.0 million, and

e) Kemco acknowledged that SEAM's commitment to refurbish the Song Toh floatation plant and complete the processing of an ore stockpile was satisfied.

Included in Mining and Exploration Costs are exploration rights, referred to as Special Prospecting Licenses ("SPL"), which are held by SEAM in certain locations in Thailand. As of September 30, 2012, SEAM held four such SPLs.

For the nine month periods ended September 30, 2012 and 2011, all of the Companies exploration and evaluation expenditures were spent on the Kemco and Boh Yai mining lease permit renewal and special prospecting licences.

Amended Joint Venture Agreement

Subsequent to quarter end, on October 15, 2012, the Company entered into an amended joint venture agreement ("Amended JVA") which provides SEA with the option to earn an 80% interest in the mining lease applications comprising the mines over the next nine months and an option to earn an 80% interest in the flotation plant, buildings and equipment over the next 3 years and nine months. In connection with executing the Amended JVA, SEA made a USD$48,528 payment on signing the Amended JVA and will make an additional payment of USD$16,176 on closing of the first option to its joint venture partner as compensation for the current mine staff. Under the terms of the Amended JVA, SEA can earn its interest in the mining lease applications by exercising the first and second option.

First Option
SEA may exercise the first option by making a payment of USD$500,000 and issuing 3 million common shares in the capital of SEA to its joint venture partner prior to December 13, 2012. The deadline for the exercise of the first option can be extended to January 28, 2013, by SEA making a USD$50,000 payment on December 13, 2012.

Second Option
SEA may exercise the second option by making a USD$2,500,000 payment to its joint venture partner on July 11, 2013. Upon making the payment SEA will have earned an 80% interest in the mining lease applications and will assume operatorship of the project. The mining lease applications will be transferred to a newly incorporated company, Southeast Asia Mining Company Limited ("SEAMC") which is controlled 80% by SEA and 20% by its joint venture partner.

Production Payments
In order to maintain its 80% ownership interest in SEAMC, SEA is required to make the following production payments:

- Upon completion of the first complete calendar year following the commencement of commercial production at the Boh Yai mine, SEA must pay USD$600,000 and 20% of any net profits in excess of USD$2,000,000;
- Upon completion of the second and third complete calendar years following the commencement of commercial production at the Boh Yai mine, SEA must pay the greater of USD$2,000,000 or 20% of the net profits; and
- Upon completion of the fourth complete calendar year following the commencement of commercial production at the Boh Yai mine, SEA must pay USD$400,000 and 20% of any net profits in excess of USD$2,000,000.

9. EXPLORATION AND EVALUATION PROPERTIES (continued)

Equipment Option

In addition to the option to earn an 80% interest in the mining lease applications, SEA has been granted the option to earn an 80% interest in a flotation plant, buildings and equipment by making installment payments to its joint venture partner totaling USD$1,400,000. The installment payments are as follows:

- October 15, 2013 to June 15, 2015 – USD$5,823 per month;
- July 15, 2015 – USD$377,709;
- August 15, 2015 to December 15, 2015 – USD$6,470 per month;
- January 15, 2016 – USD$467,648;
- February 15, 2016 to June 15, 2016 – USD$6,470 per month; and
- July 15, 2016 – USD$367,650.

On the date that is six months following the receipt of a mining permit at the Boh Yai mine, the remaining installment payments are due. Upon making the total payment of USD$1,400,000 the equipment will be transferred to SEAMC. In the event that SEA fails to make an equipment option payment the option to acquire the equipment option shall terminate.

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management includes the following:

	September 30, 2012	September 30, 2011
Balances:		
Short-term employee benefits	**$ 184,000**	$ 255,000
Total compensation to key management	**$ 184,000**	$ 255,000

At September 30, 2012, included in trade and other payables is $220,000 (December 31, 2011 - $119,000) due to these key management personnel.

11. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

	As at,	
	September 30, 2012	December 31, 2011
Less than one month	**$ 140,485**	$ 76,789
Over one month	**666,111**	527,705
Total Trade and Other Payables	**$ 806,596**	$ 604,494

12. CAPITAL STOCK

The Company is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares consist of the following:

	No. of Shares		Amount
Balance at January 1, 2011	**75,884,262**	**$**	**14,946,981**
Private Placement	100,445,499		2,511,137
Shares issued for settlement of trade and other payables	35,899,198		897,480
Warrants issued on private placement	-		(689,000)
Share issuance costs – cash	-		(171,796)
Share issuance costs – broker warrants	-		(115,000)
Balance at November 14, 2011	**212,228,959**	**$**	**17,379,802**
Share consolidation (1:8)*	**(185,700,344)**		**-**
Balance at December 31, 2011 and September 30, 2012	**26,528,615**	**$**	**17,379,802**

*On November 3, 2011 the Company consolidated its shares on a 1 for 8 basis.

Over the period from August 11, 2011 to October 11, 2011, the Company closed several tranches of a non-brokered private placement which generated gross proceeds of $2,511,137 in cash and the conversion of $897,480 in outstanding accounts payable. The financing consisted of 136,344,697 units pre-consolidation (17,043,082 post consolidation units), of which 35,899,198 pre-consolidation units (4,487,395 post consolidation units), were issued on conversion of outstanding accounts payable. Each unit was issued at $0.025 and was comprised one common share and one half of one common share purchase warrant for a total of 68,172,348 pre consolidation warrants (8,521,544 post consolidation warrants) being issued with each full warrant exercisable at $0.035 ($0.28 post consolidation) for a period of 36 months.

In connection with the financing, the Company has paid eligible persons a cash finder's fee of $171,796 and has issued 6,849,185 pre-consolidation finder's warrants (856,147 post consolidation warrants). Each finder's warrant entitles the holder to subscribe for one unit made up of one common share and one half common share purchase warrant at a price of $0.025 ($0.20 post consolidation) per pre-consolidation unit for a period of 36 months. The underlying broker warrant is exercisable at $0.035 ($0.28 post consolidation) per pre-consolidation share for a period of 36 months.

13. RESERVE FOR WARRANTS

The following table reflects the continuity of warrants for the nine month period ended September 30, 2012 and year ended December 31, 2011.

	Number of Warrants	**Amount** $
Balance – January 1, 2011	**-**	**-**
Issued pursuant to private placement (i)	8,521,544	689,000
Broker warrants issued (ii)	856,147	80,000
Warrants on agent units (iii)*	428,074	35,000
Balance – December 31, 2011 and September 30, 2012	**9,805,765**	**804,000**

*These warrants are issuable upon exercise of the agent units.
The warrants in the table are post 1:8 share consolidation

13. RESERVE FOR WARRANTS (continued)

(i) The warrants issued pursuant to the private placement between August 11, 2011 and October 11, 2011 are described in Note 12 and have a fair value of $689,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

Risk-free interest rate	0.95% - 1.24%	Expected volatility	100%
Dividend yield	nil	Expected life-units	3 years

(ii) The agent's warrants issued pursuant to the private placement between August 11, 2011 and October 11, 2011 are described in Note 12 and have a fair value of $80,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

Risk-free interest rate	0.95% - 1.24%	Expected volatility	100%
Dividend yield	nil	Expected life-units	3 years

(iii) The warrants on exercise of agent's warrants issued pursuant to the private placement between August 11, 2011 and October 11, 2011 are described in Note 12 and have a fair value of $35,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

Risk-free interest rate	0.95% - 1.24%	Expected volatility	100%
Dividend yield	nil	Expected life-units	3 years

Warrants to purchase common shares carry exercise prices and terms to maturity at September 30, 2012 are as follows:

Exercise price $	**Number of outstanding warrants exercisable warrants**	**Expiry date**
0.28	8,521,544	August – October 2014
0.20*	856,148	August – October 2014
0.28**	428,074	August – October 2014

* These are broker warrants which are issuable for one common share and ½ purchase share warrant
** To be issued upon exercise of broker warrants

14. SHARE BASED PAYMENTS

Share based payments
The Company has an incentive stock option plan ("the Plan") whereby the Company can grant to directors, officers, employees and consultants options to purchase shares of the Company. The Plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The Plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding capital stock increases.

The Plan provides that it is solely within the discretion of the Board to determine who will receive stock options and in what amounts. In no case (calculated at the time of grant) shall the Plan result in:

- The aggregate number of options granted in a 12-month period to any one individual exceeding 5% of the outstanding shares of the Company;
- The maximum number of options which may be reserved for issuance to insiders of the Company shall not exceed 10% of the outstanding shares of the Company;

14. SHARE BASED PAYMENTS (continued)

- The maximum number of options which may be issued to any insider of the Company, together with any previously established or proposed share compensation arrangements, within a 12-month period shall not exceed 5% of the outstanding shares of the Company.
- The maximum number of options, which may be issued to insiders of the Company, together with any previously established or proposed share compensation arrangements within a 12-month period shall not exceed 10% of the outstanding shares of the Company.

As at September 30, 2012, the Company had 2,652,862 (December 31, 2011 – 2,652,862) options available for issuance under the plan.

Summary of stock option activity:

	Number of stock options	Weighted average exercise price
Beginning, January 1, 2011	**3,200,000**	**$ 0.70**
Expired	**(3,200,000)**	**$ 0.70**
Ending, December 31, 2011 and September 30, 2012	**-**	**$ -**

15. RESERVE FOR SHARE BASED PAYMENTS

A summary of the changes in the Company's reserve for share based payments for the nine month period ended September 30, 2012 and year ended December 31, 2011 is set out below:

	September 30, 2012	December 31, 2011
	Amount ($)	Amount ($)
Balance at beginning of period/year	**648,407**	648,407
Balance at the end of period/year	**648,407**	648,407

16. COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

The Company's exploration activities are subject to certain international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

17. SEGMENTED INFORMATION

Operating Segments

At September 30, 2012 the Company's operations comprise a single reporting operating segment engaged in mineral exploration in Thailand. The Company's corporate division only earns revenues that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment as defined in IFRS 8 *'Operating Segments'*. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent operating segment amounts.

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

Geographic Segments

Southeast Asia is in the business of mineral exploration and production in the country of Thailand. As such, management has organized the Company's reportable segments by geographic area. The Thailand segment is responsible for that country's mineral exploration and production activities while the Canadian segment manages corporate head office activities. Information concerning Southeast Asia's reportable segments is as follows:

	September 30, 2012	December 31, 2011
Consolidated net loss		
Canada	**$ 784,090**	$ 759,042
Thailand	**536,670**	1,052,718
	1,320,760	1,811,760
Identifiable assets		
Canada	**308,488**	995,522
Thailand	**217,844**	648,804
	526,332	1,644,326

18. SUBSEQUENT EVENTS

On October 26, 2012, the Company entered into debt settlement agreements with certain creditors, directors, officers and consultants of the Corporation to settle debt at a price of $0.20 per share. The Company issued 1,052,192 shares in order to settle $210,439 of debt owing by SEA as of September 30, 2012.

On October 26, 2012, the Company issued 2,325,000 options to various officers, directors and consultants. These options vest immediately and are exercisable at $0.20 for a period of 5 years.

18. SUBSEQUENT EVENTS (continued)

On November 21, 2012, the Company announced that it engaged Jennings Capital Inc. (“Jennings”) to conduct a brokered private placement to raise, on a best efforts agency basis, up to $2,500,000 through the issue of unsecured convertible debentures (the “Debentures”). Each Debenture will have a face value of $1,000 and will be issued at $980. Each Debenture will convert into units (each, a “Unit”) of the Company, each Unit consisting of one common share (each, a “Common Share”) and one-half of a Common Share purchase warrant (each whole warrant a “Warrant”). On maturity, the Debentures will convert into Units at a price of $0.35 per Unit prior to June 30, 2013 and at a price of $0.30 per Unit thereafter. Each whole Warrant will entitle the holder thereof to purchase one Common Share at a price of $0.50 per Common Share in the event that the maturity date is prior to June 30, 2013, and at a price of $0.40 in the event the maturity date is after June 30, 2013 for a period of two years from the maturity date. The maturity date is the earlier of: the date the Company receives approval for the listing of its Common Shares on a recognized stock exchange; the date upon which a change of control occurs; and December 31, 2014. The rate of interest on the Debentures will be 20% per annum, payable quarterly in equal instalments on March 31, June 30, September 30 and December 31 of each year in cash or Common Shares, at the option of the Company. In the event the Company elects to pay the Debenture interest in Common Shares then the value assigned to such Common Shares is $0.35 per Common Share until June 30, 2013, and $0.30 thereafter. The proceeds from the sale of the Debentures will be used by the Company to fulfill the first option payment pursuant to the Company’s joint venture agreement outlined in a press release dated October 17, 2012, to advance the Boh Yai and Song Toh projects, for mine permitting and for general working capital purposes.

Jennings will be paid a cash commission equal to 7% of the par value of the Debentures sold at closing. In addition, Jennings will receive warrants exercisable to purchase that number of Common Shares which is equal to 7.0% of the aggregate number of Common Shares exchangeable for the Debentures sold at the conversion price of $0.35, for a period of 24 months after the date of the closing of the offering.