A C A HOWE INTERNATIONAL LIMITED

NI 43-101 TECHNICAL REPORT

MINERAL RESOURCE ESTIMATE

of the

SONG TOH – BOH YAI PROPERTIES,

KEMCO PROJECT

KANCHANABURI PROVINCE,

THAILAND

for

SOUTHEAST ASIA MINING CORP.

by

ACA HOWE INTERNATIONAL LIMITED

By Richard Parker, FGS, MIMMM C.Eng.,

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NI 43-101 TECHNICAL REPORT: MINERAL RESOURCE ESTIMATE OF THE SONG TOH – BOH YAI PROPERTIES, KEMCO PROJECT, KANCHANABURI PROVINCE, THAILAND

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1. SUMMARY

Overview

A.C.A Howe International Ltd **("ACA Howe")** were retained by Southeast Asia Mining Corp. ("SEA") to provide a mineral resources assessment report on the Song Toh and Boh Yai historical silver-lead-zinc ("Pb–Zn") mining operations in Kanchanaburi Province, Western Thailand.

SEA and its wholly controlled subsidiaries Southeast Asia Exploration and Mining Limited ("SEAM") and Southeast Asia Mining Company Limited ("SEAMC") entered into an Amended Joint Venture Agreement ("JVA") dated October 15, 2012 with Mr. Pornnaret Klipbua ("Pornnaret"), Kanchanaburi Exploration and Mining Company Limited ("KEMCO") and Boh Yai Mining Company Limited ("BYMC") for the Song Toh and Boh Yai mines. The JVA provides SEA with the option to earn an 80% interest in the mining lease applications comprising the mines and an 80% interest in the floatation plant, buildings and equipment.

The mining properties subject to the JVA are comprised of two distinct historical lease groups around the Song Toh and Boh Yai mines which are located approximately 14 kilometres apart and situated in the Meklong Highlands, a tropical forest region in Kanchanaburi Province, Thailand. The Song Toh properties comprise five mining lease applications ("MLA" or "MLAs") grouped on and around the Song Toh mine totaling approximately 2.0 square kilometres and the Boh Yai properties consist of six MLAs grouped on and around the Boh Yai Mine totaling approximately 2.0 square kilometres. The historical lease groups are currently held by KEMCO and BYMC which are companies incorporated in Thailand and controlled by Pornnaret.

Pursuant to the JVA, the five Song Toh MLAs ("Song Toh MLAs") and the six Boh Yai MLAs ("Boh Yai MLAs") and portions of withdrawn MLAs or expired MLs are to be consolidated into two comprehensive mining lease applications ("New Song Toh MLA" totaling approximately 2.17 square kilometres and "New Boh Yai MLA" totaling approximately 2.58 square kilometres). The new mining lease applications ("New MLAs") will be submitted for permitting by SEAMC, a company 80% controlled by SEA.

In addition to the JVA with KEMCO and BYMC, SEAM has 100% title to three special prospecting licences ("SPL" or "SPLs") surrounding the Song Toh and Boh Yai mines totaling approximately 13.08 square kilometres. SEAM has also applied for an additional seven prospecting licences ("SPLA" or "SPLAs") totaling 44 square kilometers located in the prospective limestone belt that hosts both mines.

The mining properties and prospecting licences can be accessed from the Thailand national highway system via 18 to 26 kilometre dirt and gravel roads. The access and infrastructure to support a future mining operation is considered excellent.

Geology

The Pb-Zn occurrences of Western Thailand have been known for many years although little information has been published on the area. Western Thailand is a well known mining district with records extending back over several centuries. Exploration for Pb-Zn mineralization has taken place in several phases in the Kanchanaburi region but historical records for the region are poor. The early miners are thought to have been attracted by the silver content of the ores.

The Song Toh and Boh Yai deposits are hosted by Lower to Middle Ordovician carbonates that form a NNW-trending belt extending from the Gulf of Thailand to China. They comprise two distinct facies; a pale fossiliferous limestone and a dark fine grained argillaceous limestone. The carbonate succession is folded along NNW axes that dip steeply east which has resulted in a series of asymmetrical anticlines with steep or overturned western limbs (70-90 dip) and shallow eastern limbs (dipping 20-45 degrees east).

The mineralisation is confined to the pale limestone facies in which it forms conformable stratabound bands that are generally highly deformed. Mineralisation comprises intergrown galena sphalerite and pyrite, with varying content of silver and mercury. The mineralisation appears to be of Mississippi Valley Type with affinities to Alpine Type but until there is a much better geological understanding of the area the classification of the deposit will remain uncertain and the presence of major early Triassic granites in the area might suggest alternative affinities and origins for the deposits.

Exploration by SEAM on the three SPL areas has comprised soil and rock geochemical surveys and induced polarisation surveys. These have identified a number of potential targets peripheral to the known deposits that warrant further work. The interpretation of exploration results is hampered by the lack of reliable geological mapping and ACA Howe recommends that SEAM continue the process of data compilation to rectify this.

Historical Mining

Mining operations were carried out by Metallgesellschaft AG (“MG”) between 1978 and 1991, after which operations were continued by KEMCO until 2002 when the mine closed due to low metal prices. During this period, 4.46 Mt tonnes of ore was mined from the Song Toh operation and 0.79Mt from the Boh Yai operation. Underground mining was by room and pillar in shallow dipping parts of the orebody and by overhead open stoping in steeply dipping parts. Close grade control was required in order to avoid undue dilution due to the irregular shape of the numerous oreshoots. The property has had a successful operating history and only closed due to poor metal prices. There is no apparent reason operations could not be resumed with the current higher metal prices and new operating staff.

A wealth of mining, drilling and geological information remains available at the Song Toh mine offices in hardcopy format. Drilling information has been reviewed, analysed and captured in digital format in order to allow estimation of drilled resources. Additional information needs to be captured to allow an assessment of old mine workings and potential of the greater area. The property clearly warrants further exploration.

CIM Compliant Resource

A total of over 58,000m of diamond core drilling was completed at Song Toh and Boh Yai by MG and KEMCO mainly on a nominal grid spacing of 50m. Much of the drill core and pulp samples are stored at Song Toh. Drilling results have been recorded on logs to a good professional standard and plotted on plans and sections at 25m intervals. Drill collars and surveyed drill trajectories are almost all in accord with those plotted on plans and sections. Historical drill core samples were prepared following standard procedures at the MG/KEMCO laboratory at Song Toh and analysed in the same laboratory by atomic absorption. Check samples were analysed at SGS Bangkok and at the MG laboratory in Meggen, Germany.

ACA Howe supervised a programme of assay verification sampling involving duplicate pulp and half core samples recovered from storage at Song Toh. The duplicate samples were selected in order to be representative of the Song Toh and Boh Yai drilled resources and were therefore taken from drillholes that were widely spaced both in location and over time and reflected the full range of assay values used in resource estimation. The verification assays performed by ALS indicated that the overall bias of historical Pb-Zn assays are within 5% of the check values, and are therefore considered reliable and acceptable for use in CIM compliant resource estimation. The silver values indicate a bias of +15.8% when 2012 assays are compared with historical values. This suggests that the use of historical silver values for resource estimation may result in an underestimation of silver grades and an overall conservative bias in the silver resource. Since silver represents less than 30% of the Song Toh or Boh Yai resource, ACA Howe is of the opinion that any underestimate of resource silver values is insufficiently serious as to render the historical silver values unacceptable for use in CIM compliant resource estimation.

Resources for the Song Toh and Boh Yai areas were estimated using Micromine software. Assays, drill survey sheets and drill collars were transcribed from files in the mine office and lead equivalent values were calculated based on metal prices for the past three years and added to the assay file. The appropriate files were then imported into a Micromine database which was then verified for errors and corrected accordingly.

A total of 547 plans stored in the Song Toh office were selected and scanned. The most relevant of these were then georeferenced and imported into Micromine as digital images.

Strings were created at 25m intervals in order to outline mineralised domains based on drill intersections exceeding 3% Pbeq cut-off with each string snapped to the appropriate sample assay margin. The strings were oriented and extended so as to reflect the interpretation of mineralised zones depicted on the scanned sections.

Wireframe solids were created by linking adjacent strings to create 9 individual mineral domains at Song Toh Southwest, 5 at Song Toh Camp, and 28 at Boh Yai.

An analysis of the assay statistics indicated that 25 individual silver values at Boh Yai formed anomalous outliers above 1000 g/t Ag. These anomalous values were accordingly cut to 1000 g/t Ag, The cut values are listed in Appendix 5.

Assay values were composited to standard 1m intervals.

Semivariograms created for domain groups showed ranges varying from 50 to 80m along the principal (strike) axis. Although the generated semivariogram parameters are not sufficiently defined to be used as inputs to Kriging, the orientations and dimensions approximate the geometry of interpreted mineralized zones and so are considered valid inputs to define the search ellipse used in the interpolation process.

Empty block models were created for Song Toh Camp, Song Toh Southwest, Boh Yai North, Boh Yai Central and Boh Yai South using 4m cube parent blocks and 2m sub blocks.

Grades for Pbeq, Pb, Zn and Ag were interpolated into the empty block models separately for each domain using the Inverse Distance Weighting interpolation, raised to the second power (IDW^2). Each block model was populated on a domain-by-domain basis using composited assay data (top-cut for Boh Yai). A closed interpolation approach was adopted, whereby only composite assay data situated within each domain was used to interpolate the grade of blocks within that domain.

Blocks were classified as “indicated” if the following criteria were fulfilled:

- Blocks in any domain at either deposit that have been captured in the first interpolation run at distances up to the range in all directions, and are informed by more than one drillhole, and

- Blocks in domains where good geological continuity can be established from historical plans and sections.

Blocks have been classified as "inferred" if the following criteria are fulfilled:

- Blocks in any domain at either deposit that have been captured in the second interpolation run at distances equal to or exceeding the range in all directions, and are informed by one drillhole, or

- Blocks in any domain at either deposit that have been captured in the first interpolation run at distances up to the range in all directions, but where good geological continuity cannot be established from historical plans and sections.

A specific gravity of 2.9 was used historically throughout the mine's history for historical resource and reserve estimation and for production records. This density figure is in close accord with the theoretically calculated density of limestone containing 3.5% Pb as galena. A density of 2.9 is therefore considered reliable and has been used in the present resource estimate.

The resource estimates for the Boh Yai and Song Toh deposits are summarized in the following table, with resources classified in strict accordance with CIM Definition Standards on Mineral Resources and Mineral Reserves, prepared by the CIM Standing Committee on Resource Definitions and adopted by the CIM council on December 11, 2005.

ACA Howe concludes that the Song Toh and Boh Yai deposits have demonstrated the potential to support continuous production and to exceed the historically reported resources at a similar grade during mining operations.

TABLE 1. BOH YAI AND SONG TOH RESOURCES BY DEPOSIT (CUT-OFF GRADE 3% PBEQ)

Deposit	Class	Tonnes	Pbeq, %	Pb, %	Zn, %	Ag, g/t
Boh Yai	Indicated	2,138,000	9.14	3.12	3.49	73.84
Song Toh Sw	Indicated	318,000	6.23	2.84	0.25	87.27
Song Toh Camp	Indicated	439,000	9.69	6.29	1.42	56.13
Total	**Indicated**	**2,896,000**	**8.91**	**3.57**	**2.82**	**72.63**
Boh Yai	Inferred	1,643,000	7.20	2.36	3.37	44.10
Song Toh Sw	Inferred	179,000	7.58	4.70	0.05	78.35
Song Toh Camp	Inferred	133,000	13.67	7.80	3.53	68.40
Total	**Inferred**	**1,955,000**	**7.68**	**2.95**	**3.08**	**48.89**

Historical Resources

Historical mineral resources (Non-CIM compliant) were estimated by the former KEMCO mine manager Walter Greise to be 955,000 tonnes drill indicated and 1.5 million tonnes of potential. As discussed above, ACA Howe was able to obtain sufficient and appropriate historical data to classify as CIM compliant 2,896,000 tonnes indicated (3.57% Pb, 2.82% Zn, 72.63 g/t Ag) and 1,955,000 tonnes inferred (2.95% Pb, 3.08% Zn, 48.89 g/t Ag).

In addition to the CIM compliant resource there remains approximately 236,000 tonnes (5.4% Pb, 2.4%Zn and 110 g/t Ag) within the developed section of the mine as pillars and unmined blocks. ACA Howe has not attempted to classify these resources as CIM compliant due to the lack of data to conclusively determine the quantity and grade of the remaining ore.

The deposits have demonstrated the potential to exceed the historically reported resources at a similar grade during mining operations. There is considered to be significant potential to develop additional resources along or across strike of the presently defined zones and at depth below currently known mineralization. Exploration potential on much of the property remains largely untested.

Recommendations

ACA Howe recommends that based on the CIM compliant resource and the exploration potential of the SPLs that SEA proceed with following Phase I program:

Work Program	**Estimated Budget**
Complete a Preliminary Economic Assessment based on the CIM compliant resource and engineering studies to support the mine lease applications	$ 600,000
Regional exploration program on the SPL's surrounding the former mine sites	300,000
Data compilation and analysis	100,000
Total	$1,000,000

2. INTRODUCTION

2.1. TERMS OF REFERENCE

The following report was prepared to provide an overview and resource estimate of a series of historical Pb-Zn workings owned by KEMCO and BYMC in the Kanchanaburi district of Thailand (the "KEMCO Properties" or "Project"). This Technical Report is prepared in accordance with the requirements of

National Instrument 43-101 ("NI 43101") and form National Instrument 43-101F1 ("NI 43-101F1") of the Ontario Securities Commission ("OSC") and the Canadian Securities Administrators ("CSA").

The report was prepared at the request of Mr. Brian Jennings of SEA. SEA is a Canadian based resource company, with its corporate offices at:

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SEA entered into an Amended Joint Venture Agreement ("JVA") dated October 15, 2012 for the Song Toh and Boh Yai mines. The JVA provides SEA with the option to earn an 80% interest in the mining lease applications comprising the mines and an 80% interest in the flotation plant, buildings and equipment.

This report is considered current as of October 30th 2012.

ACA Howe Senior Associate Geologist Richard Parker, FGS, MIMMM C.Eng., who is a Qualified Person under the terms of NI 43-101, conducted a site visit to the properties between December 3rd and December 7th 2011.

A reconnaissance level inspection of the past producing Song Toh and Boh Yai mines was conducted at the client's request. This report only addresses these sites, except where casual observations of inter-relationships between other mines or mineral deposits in the region supports our review. This inspection was cursory and no technical documentation collected other than verbal accounts, a preliminary file review, and the preparation of field notes. Digital photos were taken as documentation of site conditions.

In addition to the site visit, ACA Howe carried out a review of literature pertaining to the properties and held discussions with consultants and personnel from KEMCO and BYMC who had previously worked in the mining operations. The reader is referred to the data sources, which are outlined in the "Sources of Information" Section 2.2 & "References" Section 27 of the report, for further background information relating to the region.

The present Technical Report is prepared in accordance with the requirements of NI 43-101 and form NI 43-101F1 of the OSC and the CSA.

2.2. SOURCES OF INFORMATION

This report is based both on information provided in internal company documents, plans, sections and drill logs, as well as public information as listed in the "References" section of this report.

Wherever reports, articles or papers by other individuals have been quoted they are clearly referenced.

The information gathered for this report was obtained through a number of technical meetings, follow-up research of published technical papers, referenced in Section 28 and publicly available material available from the internet, principally from Thailand's Department of Mineral Resources ("DMR") and Department of Primary Industries and Mines ("DPIM").

During the course of the historical operation of Song Toh and Boh Yai mines, detailed information was held primarily in the form of paper files and historical drawings located at the KEMCO and BYMC office in Song Toh. SEA has selected the most relevant and most recent of these for digital scanning. Other information includes assay sheets, drill survey sheets and drill logs which are held on file in the mine office which were transcribed to digital format to create a database suitable for resource estimation.

2.3. GLOSSARY AND ABBREVIATION OF TERMS

In this document, in addition to the definitions contained heretofore and hereinafter, unless the context otherwise requires, the following terms have the meanings set forth below:

"ACA Howe" means A.C.A. Howe International Limited.
"Austhai" means Austhai Geological Consultants Limited.
"BC" means Bided Concession.
"Bhol and Sons" means a related company of KEMCO and BYMC.
"Boh Yai MLAs" means 6 mining lease applications at the Boh Yai mine.
"BYMC" means Boh Yai Mining Company Limited.
"C-Forest" means Conservative Forest.
"CIDA" means Canadian International Development Agency.
"CSA" means Canadian Securities Administrators.
"EPL" means Exclusive Prospecting Licence.
"DMR" means Thailand Department of Mineral Resources.
"DPIM" means Thailand Department of Primary Industry and Mines.
"E-Forest" means Economic Forest.
"ESRT" means Environmental Standards and Regulations of Thailand.
"Golder" means Golder Associates Ltd.
"GPL" means General Prospecting Licence.
"GMT" means GMT Corporation Limited.
"HEIA" means Health and Environmental Impact Assessment.
"IEM" means International Environmental Management Co. Ltd.
"JVA" means Joint Venture Agreement.
"KEMCO" means Kanchanaburi Exploration and Mining Company.
"KESIL" means Kenting Earth Sciences International Limited.
"LUP" means Land Use Permit.
"LUPA" means Land Use Permit Application.
"MAS" means Mineral Assay and Services.
"MG" means Metallgesellschaft.
"MI" means Ministry of Industry.

"Minerals Act" means the principal law governing exploration and mining in Thailand.
"ML" means Mining Lease.
"MLA" means Mining Lease Application.
"MNRE" means Ministry of Natural Resources and Environment.
"MSTE" means Ministry of Science, Technology and Environment.
"Mt" means millions of tonnes.
"MVT" means Mississippi Valley Type.
"New Boh Yai MLA" means revised and consolidated mining lease application at Boh Yai.
"New MLAs" means revised and consolidated mining lease applications at Boh Yai and Song Toh.
"New Song Toh MLA" means revised and consolidated mining lease application at Song Toh.
"NI 43-101" means National Instrument 43-101.
"NI 43-101F1" means form National Instrument 43-101F1.
"ONEP" means Office of Natural Resources and Environmental Planning.
"OSC" means Ontario Securities Commission.
"Pb-Zn" means lead-zinc.
"Pornnaret" means Mr. Pornnaret Klipbua controlling shareholder of KEMCO and BYMC.
"SEA" means Southeast Asia Mining Corp.
"SEAM" means Southeast Asia Exploration and Mining Co. Ltd.
"SEAMC" means Southeast Asia Mining Co. Ltd.
"SEA Shares" means common shares in the capital of SEA.
"SEAM SPLAs" means SEAM special prospecting licence applications.
"SIA" means Social Impact Assessment.
"Song Toh MLAs" means 5 mining lease applications at the Song Toh mine.
"SPL" means Special Prospecting Licence.
"SPLA" means Special Prospecting Licence Application.
"TMA" Tailings Management Area.

3. RELIANCE ON OTHER EXPERTS

ACA Howe has assumed, and relied on the assumption, that all the information and existing technical documents listed in the sources of information section of this report are accurate and complete in all material aspects. While we carefully reviewed all the available information presented to us, we cannot guarantee its accuracy and completeness. We reserve the right, but will not be obligated to, revise our report and conclusions if additional information becomes known to us subsequent to the date of this report.

Although a copy of a legal contract between KEMCO, BYMC, Pornnaret, SEA, SEAM and SEAMC was reviewed, an independent legal opinion of this agreement has not been sought as part of this report nor has any verification of land title and tenure been performed. ACA Howe has not verified the legality of any underlying agreements that may exist concerning the properties or any other agreements between third parties but has relied on the clients solicitors, to have conducted the proper legal due diligence.

A draft copy of this report has been reviewed for factual errors by the client and ACA Howe has relied on SEA's knowledge of the Properties in this regard. All statements and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this report.

3.1. DISCLAIMER

SEA and its subsidiaries have warranted that full disclosure of all material information in its possession or control has been made to ACA Howe. SEA has agreed that neither it, nor its associated companies, will make any claim against ACA Howe to recover any loss or damage suffered as a result of ACA Howe's reliance upon the information provided by SEA or its subsidiaries for use in the preparation of this Report. SEA has also indemnified ACA Howe against any claim arising out of the assignment to prepare this Report, except where the claim arises as a result of any proved wilful misconduct or negligence on the part of ACA Howe. This indemnity is also applied to any consequential extension of work through queries, questions, public hearings or additional work arising from ACA Howe's performance or engagement.

Neither ACA Howe, Parker or family members or associates have any business relationship with SEA or any associated company, nor with any company mentioned in this Report, which is likely to materially influence their impartiality or create a perception that the credibility of this Report could be compromised or biased in any way. The views expressed herein are genuinely held and deemed independent of SEA.

Moreover, neither ACA Howe, Parker or family members nor associates have any financial interest in the outcome of any transaction involving the Property other than the payment of normal professional fees for the work undertaken in the preparation of this Report (which is based upon hourly charge-out rates and reimbursement of expenses). The payment of such fees is not dependent upon the content or conclusions of either this Report or consequences of any proposed transaction.

ACA Howe has not been asked to verify mineral title, compliance with Thailand laws and regulations or the underlying inter-company agreements and title transfers. Though ACA Howe has carefully reviewed the available information, ACA Howe has not conducted any extensive independent investigation of the data.

SEA has reviewed draft copies of the Report for factual errors. Hence, the statement and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this Report.

ACA Howe's opinion is provided solely for the purposes outlined in Section 2.1 of this Report and ACA Howe consents to the use of the Report for this purpose. ACA Howe reserves the right to, but will not be obligated to, revise this Report and conclusions thereto if additional information becomes known to ACA Howe subsequent to the date of this Report.

4. PROPERTY DESCRIPTION AND LOCATION

4.1. LOCATION

The properties comprise two distinct historical lease groups around the Song Toh and Boh Yai mines and are situated in the Meklong Highlands, a tropical forest region in Kanchanaburi Province lying between the valleys of the Khwae Yai (River Kwai) and Khwae Noi Rivers, approximately 300 km northwest of Bangkok (Diehl & Kern 1981) and 186 km from the Kanchanaburi town (figure 1). The Song Toh Mine (office) is centered at 14° 51′ 00N″, 98° 47′ 50E″. The Boh Yai Mine (camp) is located 14 kilometers SSE of Song Toh at 14° 45′ 40N″, 98° 49′ 39E″.

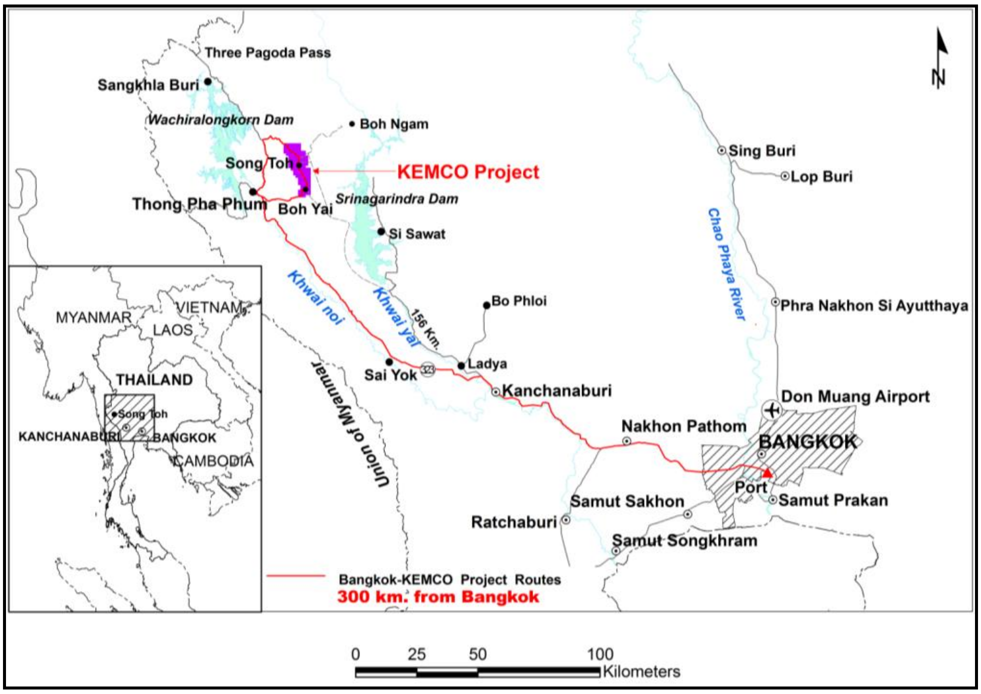

FIGURE 1.KEMCO PROJECT; LOCATION AND ACCESS

4.2. GENERAL INFORMATION ON THE MINING INDUSTRY IN THAILAND

4.2.1. THAILAND MINING REGULATION

The principal law governing exploration and mining in Thailand is the Minerals Act B.E. 2510 (1967) ("Minerals Act"), as amended. The Minerals Act governs onshore and offshore exploration, mineral production, mineral trading, ore-dressing, transport, and export of minerals other than petroleum. The Mineral Royalty Rates Act B.E. 2509 (1966) prescribes the rates of royalties to be assessed for different kinds of minerals. Royalties for lead and zinc ore are based on a progressive rate whereby the rates range from 2% to 15%. Royalty rates for copper, molybdenite and silver are fixed at 10% while royalty rates on gold range from 2.5% to 20%.

The Ministry of Industry ("MI") is the principal Thai government agency to govern the mining sector and has signing authority over all exploration and mining leases and permits. The DPIM of the MI is empowered to administer the Minerals Act and to issue ministerial regulations. The DMR of the Ministry of Natural Resources and Environment ("MNRE") provides technical assistance in exploration, mining, mineral processing and metallurgical activities. The DPIM is empowered to draft national mineral and geologic polices after consulting with DMR. The DMR provides technical assistance in geologic prospecting and mineral exploration.

4.2.2. OWNERSHIP OF MINERALS

Minerals belong to the state. No one can explore for minerals or undertake mining unless a prospecting licence or mining lease ("ML") is first obtained.

4.2.3. EXPLORATION RIGHTS

Before exploration can be undertaken, a prospecting licence must be obtained. There are four kinds of exploration licences that mining investors may apply for:

1. General Prospecting Licence ("GPL");
2. Exclusive Prospecting Licence ("EPL");
3. Special Prospecting Licence ("SPL"); and
4. Bidded Concession ("BC").

A GPL is a document of rights granted for mineral prospecting and exploration within a designated area of an administrative district, or a province. It is issued by Local Ministry of Industry Office, is not exclusive and valid for one year.

An EPL is a document of rights granted to an applicant for exclusive mineral prospecting and exploration rights within a designated area. An EPL is issued by the Minister of Industry and is valid for one year.

A SPL is a document of rights granted to an applicant for exclusive mineral prospecting and exploration rights within a designated area. A SPL is issued by the Minister of Industry and is valid for 5 years. An application for an SPL must include a work plan and an estimate of expenses for each year of the project. It allows all types of surface work including drilling but excludes underground work and the taking of bulk samples. The exploration area granted under an SPL may not exceed 16 square kilometres (10,000 rai). The licence holder must commence exploration within 90 days of the issuance of the SPL. A progress report to the DPIM must be submitted every 120 days. An SPL is suitable for all exploration projects where there is the possibility for progression to mineral production. Expenditures exceeding the annual commitment may be carried forward into subsequent years. Where the budgeted expenditures in any one year are not met, the licence holder must pay the deficiency in cash. The licence holder may relinquish areas the licence holder no longer wishes to explore and may terminate the licence at the end of any year during the 5 year term thereby not being required to make any further financial commitments.

The BC pertains to areas that the MNRE defines to have the potential to host large deposits of major economic benefit to the country.

4.2.4. RIGHTS TO SURFACE LAND AND FORESTRY CLASSIFICATIONS

Mineral rights under the Minerals Act do not entitle the licensee to any rights to the surface land. Before applying for a prospecting licence or ML the applicant must acquire the right to use the surface land from the public or private owner, as the case may be. Negotiation with a private landowner is concluded by purchase or lease. When the government owns the land, a permit issued by the applicable government agency must be submitted along with the application for a mining lease before a lease application will be considered.

With respect to a public owner, there are numerous laws and policies governing the management of natural resources in Thailand, especially concerning forest management issues. This legislation is under the responsibility of several government agencies that are empowered to oversee the utilization, management, development, and conservation of natural resources. For over a century, enforcing these laws has largely been a function of the forestry department, which is authorized to act as the sole manager of forest land throughout the country. There are various categories of reserved forestry (TABLE 2) areas in Thailand which are summarized as follows:

(i) prohibited entirely from conducting mining activity: wildlife sanctuary areas, national park areas, certain 1A watershed areas, and conservation forest areas reserved for mangroves or other environmental purposes;

(ii) subject to the government's approval to conduct mining operations: in certain areas, conservation forest and 1A watershed are subject to the review and approval of Cabinet in order to conduct exploration and mining activities. Beginning in 1995 and as recent as 2005, the Thai Government has relaxed its rules with respect to 1A watershed and conservation forest in order to encourage investment in the mining industry. Cabinet resolutions have now been passed which set out under what circumstances the Cabinet will consider the granting of mining rights in these areas; and

(iii) few restrictions on mining activities: economic forestry including natural resources development areas, community forest areas, mineral deposit area and forestation area.

In 2009, the Thai Government reviewed the forestry classifications in Western Thailand resulting in the reclassification of forestry in the 35 kilometre prospective limestone belt that hosts the Song Toh and Boh Yai mines. The forestry classifications in the area and the effect of the classification on mining are as follows:

TABLE 2. FORESTRY CLASSIFICATION

Forestry Classification	Description	Effect on Mining
Economic Forest ("E-Forest")	Forestry area is planned for commercial plantations and reserved areas for landless farmers.	Few mining restrictions
Conservation Forest ("C-Forest")	National reserved forests excluded from utilization to conserve: environment, soil, water, fauna and flora and to protect natural catastrophes such as flooding and landslides.	Cabinet approval
1A Watershed	Designated to have permanent forest cover because of the steep slopes, high susceptibility to soil erosion, and importance as head-watershed.	Cabinet approval
National Park and Wildlife Sanctuary	Land with beautiful landscape, important history, and rare plant or animal species; preserved in its natural state for the benefit of public education and enjoyment; and declared as such under the National Park Act.	No mining activity

The forestry designations within SEAM's areas are well mapped and the MLAs, SPLs, and SPLAs have been developed based on these designations. The Song Toh MLAs, and hence the New Song Toh MLA is located on Economic Forest and accordingly the granting of a land use permit and ML will require the approval of the Minister of Natural Resources and the Minister of Industry (FIGURE 3 and TABLE 2).

The Boh Yai MLAs, and hence the New Boh Yai MLA is located on both Economic Forest and 1A Watershed and accordingly the granting of a land use permit and ML for the portion of the New Boh Yai MLA located on 1A Watershed will require the approval of Cabinet as well as the approval of the Minister of Industry (FIGURE 4 and TABLE 2).

As discussed above, the Thai government developed guidelines for the consideration of land use permission in C-Forest and 1A Watershed areas with respect to mining activities. Under the guidelines, the areas with historical evidence of mining and exploration activities will be eligible for MLAs which will be considered by Cabinet for approval. SEAM has been advised by the legal office of the DPIM that the Boh Yai area is eligible for a ML as a result of historical mining and exploration permits granted in the area and that the New Boh Yai MLA will be subject to consideration by Cabinet.

4.2.5. MINING RIGHTS

Upon discovery of a commercial mineral deposit, the holder of an exploration licence must apply for a mining lease in order to mine. Although there is no guarantee of being granted a mining lease, the holders of exclusive prospecting licences or special prospecting licences have first priority. A mining lease may cover an area of not more than 300 rai (0.48 square kilometres) for surface mining and 10,000 rai (16 square kilometres) for underground mining. There is no limit on the number of mining leases for which one entity may apply. A mining lease has a duration of not more than 25 years or the number of years a study indicates the mine will produce. A mining lease may be transferred or subleased with the approval of the Minister of Industry. The mining lease can be extended under similar terms with the holder of the expired mining lease having the first right to renew. Pending the approval of the mining lease, the miner may apply for a non-transferable temporary mining lease that is valid for one year.

An applicant for a mining lease must provide the following: a map of the area to be mined, evidence of financial capital, a work plan, evidence of the acquisition of surface land rights, evidence of technological ability (e.g., tools, equipment and machinery); and a Health and Environmental Impact Assessment (“HEIA”). A HEIA is required to be prepared by a consultant firm registered with the Office of Natural Resources and Environmental Planning (“ONEP”), approved by ONEP and submitted in conjunction with the mining lease application.

The DPIM has published guidelines for determining the minimum amount of capital required. A letter of confirmation issued by a bank may be accepted as evidence of financial capital. An applicant who declares that he has his own machinery and equipment may produce evidence of ownership and value thereof.

4.2.6. OTHER APPROVALS

Other approvals which may be required in specific cases in respect of operational leases include: a Joint Mining Plan, Construction of Buildings outside a Mining Lease, Containment or Discharge of Tailings outside a Mining Lease, Removal of Tailings from a Mining Lease, Mining near or blockage of a waterway or public highway, Mining Inspections, and Mine Reclamation and Rehabilitation.

Other required approvals regarding mineral leases include: Mineral Purchase, Mineral Purchase outside a Designated Place, Setting up a Mineral Store, Mineral Sale, and Mineral Processing and Metallurgical Processing.

Other licences include: Possession of Minerals, Transportation of Minerals, Mineral Import Licence, Mineral Export Licence and Mineral Depository Licence.

4.3. DESCRIPTION AND OWNERSHIP

SEA entered into an amended JVA on October 15, 2012, for the Song Toh and Boh Yai mines. The JVA provides SEA with the option to earn an 80% interest in the mining lease applications comprising the mines and an option to earn an 80% interest in the flotation plant, buildings and equipment. The details of the agreement are outlined below.

Under the terms of the 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 effectively transferred to a newly incorporated company, SEAMC is controlled 80% by SEA and 20% by its joint venture partner.

As discussed above in section 4.2.5 the holder of an expired mining lease application has the first right to renew the mining lease. Outlined below in section 4.4 through 4.5 are the mining lease applications which have been submitted by KEMCO and Boh Yai pursuant to their first right to renew and remain outstanding. The transfer of the mining leases applications from KEMCO and Boh Yai to SEMAC while maintaining the first right to renew will be affected by the submission by SEMAC of new mining lease applications and the withdrawal by KEMCO and Boh Yai of their mining lease applications on closing of the Second Option.

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.

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 instalment payments to its joint venture partner totalling USD$1,400,000. The instalment 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 instalment 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 shall terminate.

4.4. KEMCO AND BOH YAI MINING LEASE APPLICATIONS

MLAs are initially submitted to DPIM based on a map staking process without actual physical evidence on the ground. Subsequent to this initial application the boundaries are surveyed and monuments demarking their boundaries are placed on the ground. The original applications and subsequent survey documents are largely in Thai and have therefore not been the subject of any due diligence by the authors.

4.4.1. KEMCO PROPERTIES

The details regarding the relevant historical, current and future MLA and ML are set out below and referenced in TABLE 3 and FIGURES 2 TO 4.

In 1966, KEMCO applied for MLA No. 259/2509 covering 11.3 Ha for mining in the Song Toh South area. The application was accepted as ML No. 11454/11339 and was issued in 1975 for a period of 21 years. Subsequent to the expiry of the lease term, KEMCO re-applied for a new ML pursuant to MLA No. 64/2523 in 1980 and subsequently withdrew this application and made a new application pursuant to MLA No. 2/2538 in 1995. The MLA is still outstanding as a result of incomplete applications.

In 1972, KEMCO applied for two MLAs No. 90/2515 and 91/2515 for mining in the Song Toh North area. The applications were accepted as ML No. 14577/11998 and 14576/11997 covering 47.24 Ha and 45.72 Ha respectively and were issued in 1977 for a period of 25 years. Subsequent to the expiry of the ML, KEMCO elected to not renew them.

During 1977 to 1995, KEMCO applied for five additional MLAs (No. 13/2520, 14/2520, 63/2523, 37/2526 and 38/2526). MLA 13/2520 was withdrawn and replaced with MLA 3/2555 in 2012.

The outstanding MLAs remain incomplete due to the inability of KEMCO to secure the appropriate capital and technical expertise to properly complete and support the mining applications.

SEAM has been advised by the legal office of DPIM to consolidate all of the outstanding Historical MLAs 2/2538, 3/2555, 14/2520, 63/2523, 37/2526, a portion of withdrawn MLA 38/2526 and a portion of expired ML 14577/11998 and 14576/11997 and submit one new comprehensive MLA for the Song Toh area covering 217.40 Ha (FIGURE 3) ("New Song Toh MLA").

KEMCO was also the holder a various operating permits relating to tailings, ore processing and retaining ponds which have expired.

4.4.2. BYMC PROPERTIES – BOH YAI

The details regarding the relevant historical, current and future MLA and ML are set out below and referenced in TABLE 3 and FIGURE 3 and 4.

In 1976, Bhol and Sons Company Limited ("Bhol and Sons") a related company of KEMCO and BYMC applied for MLA 82/2519 covering 14.36 Ha in the Boh Yai area. The application was accepted and ML No.17153/12719 was issued in 1980 for a period of 25 years. In October 1985, the lease was transferred to BYMC. Subsequent to the expiry date of the lease term, BYMC re-applied for new MLA 10/2550 in the same area in 2007. This MLA remains outstanding.

In 1985 to 1986, BYMC applied for seven MLAs No.:32/2528, 33/2528, 34/2528, 35/2528, 41/2528, 42/2528 and 8/2529 covering 34.86, 20.16, 42.30, 26.06, 41.19, 46.54 and 47.95 Ha respectively. In 1997 BYMC revised the mining lease applications by withdrawing MLAs No.: 32/2538, 33/2538, 34/2538 and 35/2538 and replacing them with MLA 18/2540 and MLA 19/2540 covering 14.36 and 25.24 Ha respectively.

The outstanding MLAs remain incomplete due to the inability of BYMC to secure the appropriate capital and technical expertise to properly complete and support the mining applications.

SEAM has been advised by the legal office of DPIM to consolidate all of the outstanding Historical MLAs 10/2550, 41/2528, 42/2528, 8/2529, 18/2540, 19/2540, and a portion of withdrawn MLA 32/2528, 33/2528, 34/2528, 35/2528 and submit one new comprehensive MLA for the Boh Yai area covering 259 Ha (FIGURE 4) ("New Boh Yai MLA").

4.5. SPECIAL PROSPECTING LICENCES AND APPLICATIONS

4.5.1. SEAM SPLS

In March 2007, SEAM filed four SPL applications (SPLAs) in the Song Toh and Boh Yai regions and the SPLs were granted in October 2009 (TABLE 4). The SPLs surround and overlie the mining lease applications of KEMCO and BYMC and overlie favourable Ordovician limestone host rocks. In December 2009, a portion of SPL 4 and all of SPL 5 were classified as National Park by the Thailand Government. Given the strict restrictions regarding mining in areas designated as National Park, SEAM relinquished SPL 5 designated as National Park.

Subsequent to the relinquishment of National Park areas, the Song Toh SPLs cover an area of 1,116 Ha and the Boh Yai SPLs cover an area of 192 Ha. A location map of the SPLs in relation to the mining concessions is shown in FIGURE 2.

4.5.2. SEAM SPL APPLICATIONS

In March 2012, SEAM made seven SPLAs covering an additional area totalling 4,395 Ha extending over the Song Toh - Boh Yai limestone belt, as shown in FIGURES 2 and 14. The SPLAs are located entirely within E-Forest and the granting of SPLs by DPIM is pending (TABLE 4).

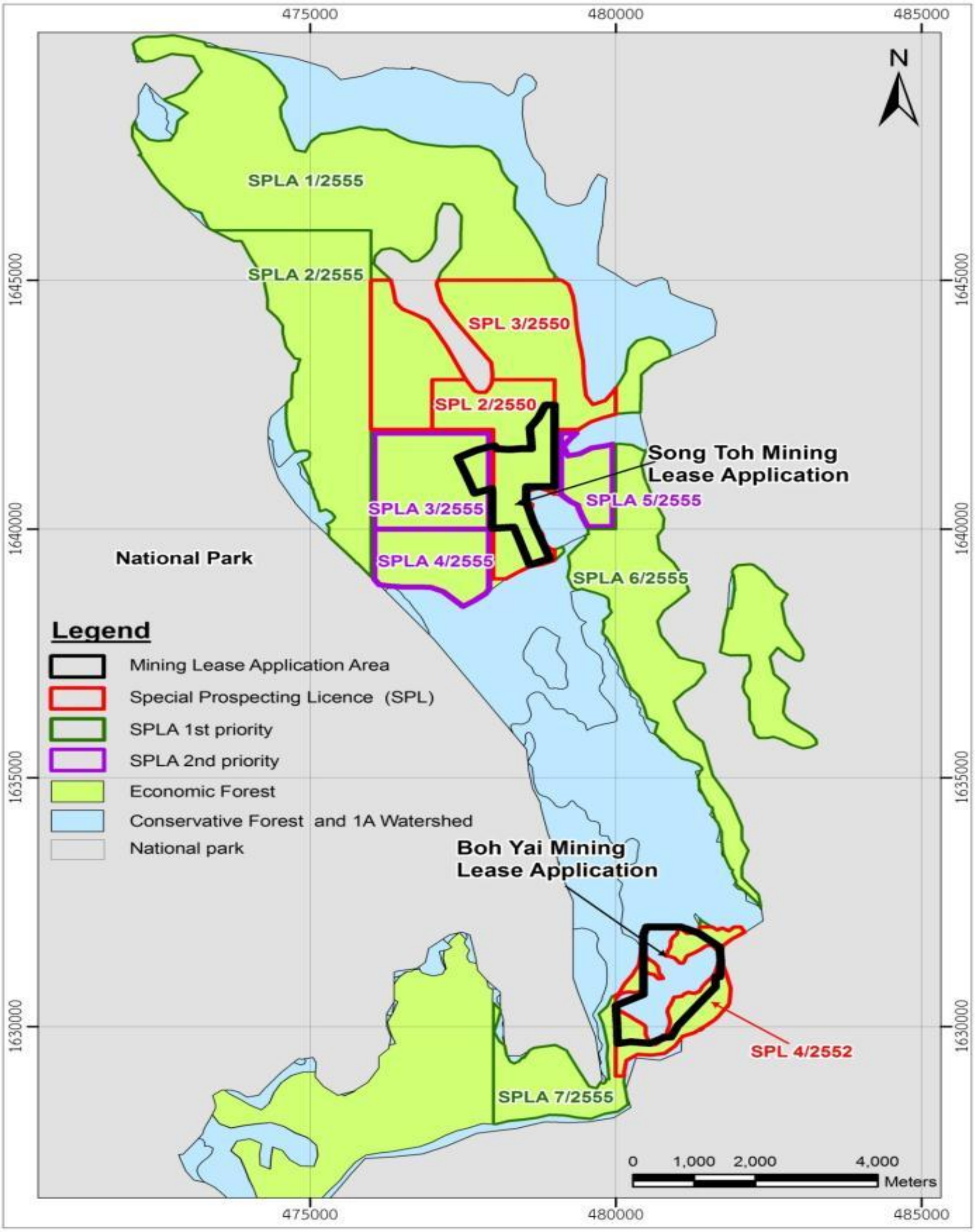

FIGURE 2.LAND USE AND PERMIT STATUS

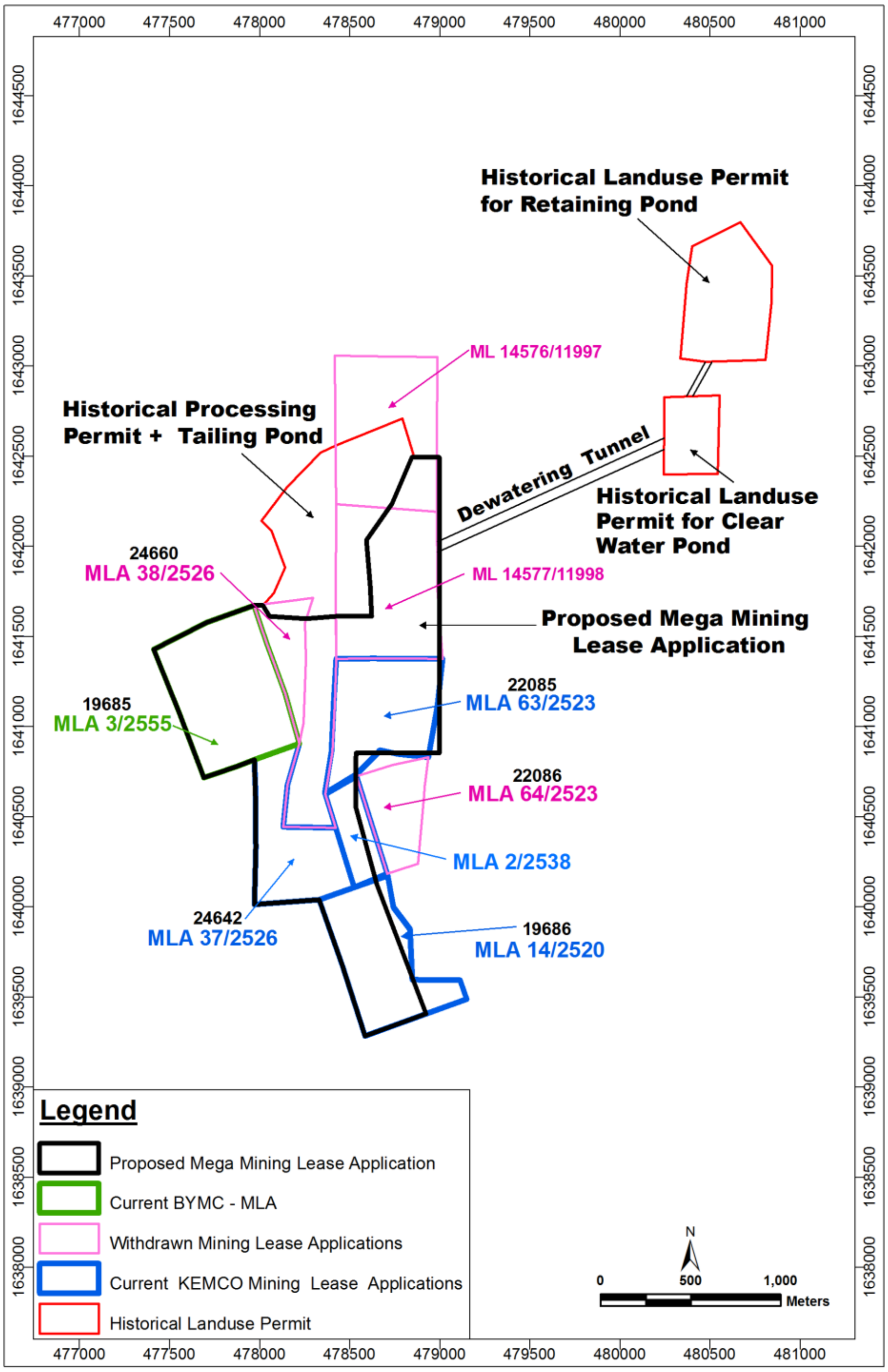

FIGURE 3.SONG TOH HISTORICAL AND CURRENT PROPERTY MAP

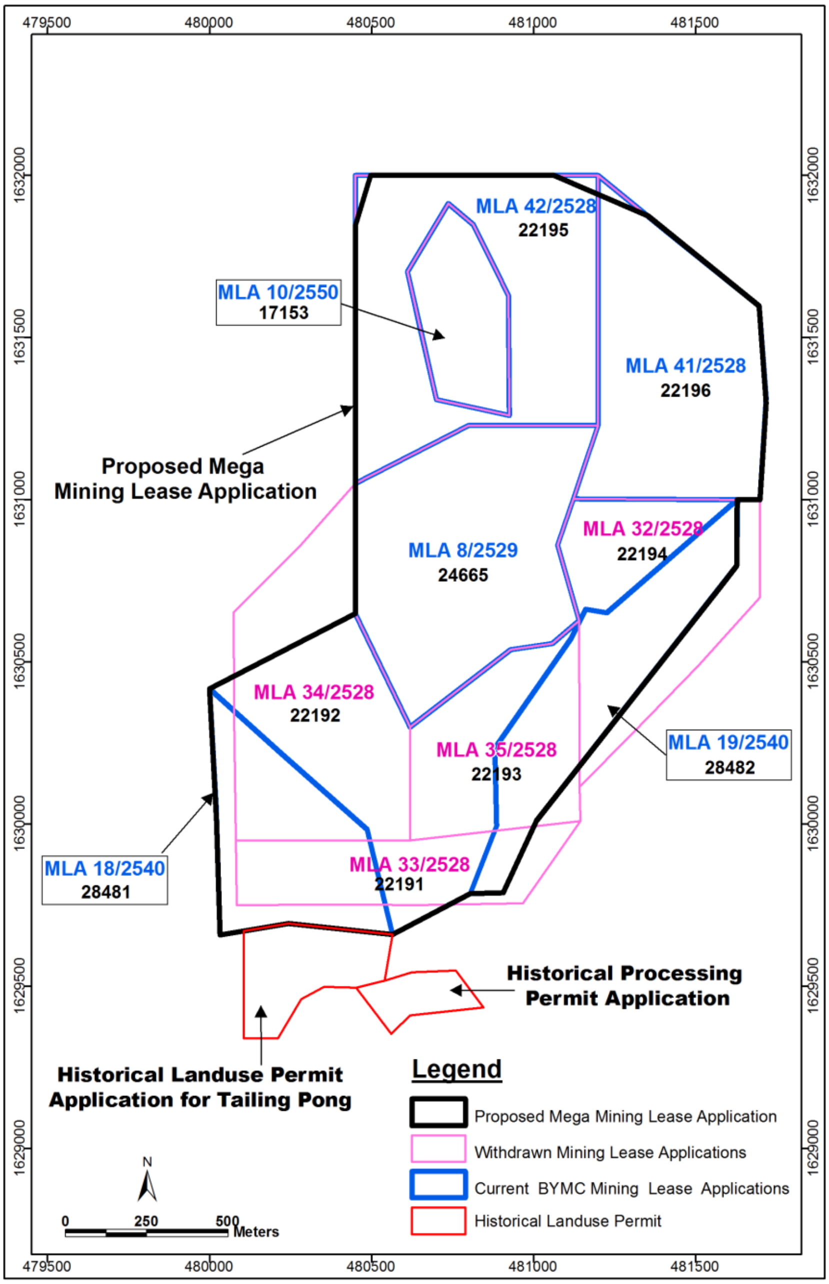

FIGURE 4. BOH YAI HISTORICAL AND CURRENT PROPERTY MAP

TABLE 3. STATUS OF SEAM MINING LEASES AND APPLICATIONS, 01-07-2012

Area	Licence	Licence Type	Licence Number	Reference Peg Number	Area (Ha)	Application Date	Date Granted	Expiry Date	Remarks
Song Toh	KEMCO	MLA	259/2509	11454	11.3	1966	-	-	Historical MLA – ML 11454/11339 Granted
Song Toh	KEMCO	ML	11454/11339	11454	11.3	-	12/06/1975	13/06/1996	Historical ML – Expired. Reapplied under MLA 64/2523 and subsequently under MLA 2/2538
Song Toh	KEMCO	MLA	64/2523	22086	19.2	13/6/1980	-	-	Withdrawn MLA
Song Toh	KEMCO	MLA	2/2538	11454	11.3	16/05/1995	-	-	MLA-In Process – included in New MLA
Song Toh	KEMCO	MLA	90/2515	14577	47.24	1972	-	-	Historical MLA – ML 14577/1998 Granted
Song Toh	KEMCO	ML	14577/11998	14577	47.24	-	15/12/1977	14/12/2002	Historical ML – Expired - portion to be included in New MLA
Song Toh	KEMCO	MLA	91/2515	14576	45.72	1972	-	-	Historical MLA – ML 14576/11997 Granted
Song Toh	KEMCO	ML	14576/11997	14576	45.72	-	15/12/1977	14/12/2002	Historical ML – Expired - portion to be included in New MLA
Song Toh	KEMCO	MLA	13/2520	19685	46.73	19/1/1977	-	-	Withdrawn MLA – Replaced with MLA 3/2555
Song Toh	BYMC	MLA	3/2555	19685	46.73	30/04/2012			MLA-In Process – included in New MLA
Song Toh	KEMCO	MLA	14/2520	19686	34.02	19/1/1977	-	-	MLA-In Process – included in New MLA
Song Toh	KEMCO	MLA	63/2523	22085	33.38	13/6/1980	-	-	MLA-In Process – included in New MLA

TABLE 3: Continued

Song Toh	KEMCO	MLA	38/2526	24660	13.6	21/7/1983	-	-	Withdrawn MLA - portion to be included in New MLA
Area	Licence	Licence Type	Licence Number	Reference Peg Number	Area (Ha)	Application Date	Date Granted	Expiry Date	Remarks
Boh Yai	Bhol and Sons	MLA	82/2519	17153	14.36	1976			Historical MLA – ML 17153/12719 Granted
Boh Yai	Bhol and Sons	ML	17153/12719	17153	14.36		24/01/1980	23/01/2005	Historical ML – Expired.
Boh Yai	BYMC	MLA	10/2550	17153	25.14	10/8/2007	-	-	MLA-In Process – included in New MLA
Boh Yai	BYMC	MLA	32/2528	22194	34.86	16/9/1985	-	-	Withdrawn MLA - portion to be included in New MLA
Boh Yai	BYMC	MLA	33/2528	22191	20.16	16/9/1985	-	-	Withdrawn MLA - portion to be included in New MLA
Boh Yai	BYMC	MLA	34/2528	22192	42.3	16/9/1985	-	-	Withdrawn MLA - portion to be included in New MLA
Boh Yai	BYMC	MLA	35/2528	22193	26.06	16/9/1985	-	-	Withdrawn MLA - portion to be included in New MLA
Boh Yai	BYMC	MLA	41/2528	22196	41.19	15/10/1985	-	-	MLA-In Process – included in New MLA
Boh Yai	BYMC	MLA	42/2528	22195	46.54	15/10/1985	-	-	MLA-In Process – included in New MLA
Boh Yai	BYMC	MLA	8/2529	24665	47.95	17/6/1986	-	-	MLA-In Process – included in New MLA
Boh Yai	BYMC	MLA	18/2540	28481	14.36	10/9/1997	-	-	MLA-In Process – included in New MLA
Boh Yai	BYMC	MLA	19/2540	28482	25.24	10/9/1997	-	-	MLA-In Process – included in New MLA

TABLE 4. STATUS OF EXPLORATION LICENCES AND APPLICATIONS, 01-07-2012							
Area	Licence	Licence Type	Licence Number	Area (Ha)	Application Date	Date Granted	Expiry Date
Song Toh - Boh Yai	SEAM	SPL	2/2552	287.68	-	21/10/2009	20/10/2014
Song Toh - Boh Yai	SEAM	SPL	3/2552	828.64	-	21/10/2009	20/10/2014
Song Toh - Boh Yai	SEAM	SPL	4/2552	192.00	-	21/10/2009	20/10/2014
Song Toh - Boh Yai	SEAM	SPLA	1/2555	1,464.00	21/3/2012	-	-
Song Toh - Boh Yai	SEAM	SPLA	2/2555	824.00	21/3/2012	-	-
Song Toh - Boh Yai	SEAM	SPLA	3/2555	360.16	21/3/2012	-	-
Song Toh - Boh Yai	SEAM	SPLA	4/2555	247.68	21/3/2012	-	-
Song Toh - Boh Yai	SEAM	SPLA	5/2555	142.88	21/3/2012	-	-
Song Toh - Boh Yai	SEAM	SPLA	6/2555	1,088.00	21/3/2012	-	-
Song Toh - Boh Yai	SEAM	SPLA	7/2555	268.00	21/3/2012	-	-

5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1. ACCESSIBILITY

The properties are located in the Meklong Highlands region of a tropical forest in Kanchanaburi Province between the valleys of the Kwae Yai (River Kwai) and Kwae Noi Rivers, approximately 300km northwest of Bangkok (Diehl & Kern 1981) and 186 km from the town Kanchanaburi. A well maintained road extends to within 19 km of the area. Thereafter, access to the mines is via dirt and gravel road accessing Boh Yai from the southwest (18km) or Song Toh from the northwest via Pokhana village (26km). A gravel road 14 kilometres long links Song Toh directly with Boh Yai (FIGURE 5 below).

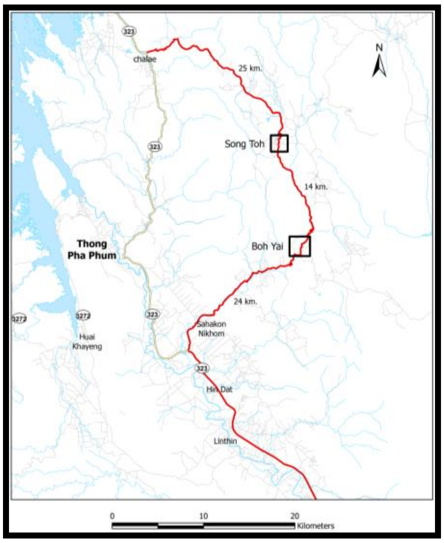

FIGURE 5.SONG TOH AND BOH YAI LOCATION AND ACCESS

5.2. CLIMATE

Thailand is located in the northern hemisphere on the southeast of Eurasia continent between latitude 53° 37′ to 20° 27′ N and longitude 93° 22′ to 105° 37′E. The climate is of the monsoon type with an average rainfall per annum of 1700mm (TABLE 5). The project site is located in the central part of Thailand.

This area has a tropical climate with the influence of seasonal monsoons. During the rainy season (May to October) significant rainfall, high humidity and dense cloud will be experienced. During the cold season (November to February) light rainfall, lower humidity and clear sky will be experienced. The rest of the year from March to April consists of hot and dry conditions. Based upon the nearest climatologic station at Thong Pha Phum District (1971-2000), the important climate features at site can be summarized as shown in TABLE 5 below:

TABLE 5. CLIMATIC DATA

Description	SW Monsoon (May-Oct)	NE Monsoon (Nov-Feb)	Summer (Mar-Apr)	Per Annum
1. Avg. Temperature (°C)	26.9	24.9	29.2	26.6
2. Pan Evaporation (mm.)	621.0	467.3	351.8	1,440.1
3. Avg. Relative Humidity (%)	87	77	71	81
4. Avg. Cloudiness (0-10)	8.1	2.3	2.8	5.3
5. Rainfall (mm.)	1,572.8	48.8	141.9	1,763.5

5.3. LOCAL RESOURCES AND INFRASTRUCTURE

Transportation to and from the mine sites is well served by both hard top highways/roads. These routes were used historically for transportation of concentrate from the Song Toh processing plant to smelters. The main provincial highways are suitable for trucks carrying approximately 35 metric tonnes. Roads directly to both sites of Song Toh and Boh Yai are from the main provincial highways are passable for 12 metric tonne trucks for a distance of 35 kilometers.

Electrical facilities for mine operations, processing and camp areas are fed from two separate directions and both sites are on the Provincial Electrical Authorities power distribution grid.

Historically water was pumped from naturally fed reservoirs separately feeding both mine sites. Song Toh is fed from the Thane Reservoir, which is approximately 4 kilometers southeast of the site. Boh Yai gets its water from the Khao Deang Reservoir which is located approximately 2 kilometers northeast of the site.

Neither site has incoming landline cables for communication. Telephone and data communications are facilitated by IP Star (satellite communications). The Song Toh office had phone, fax and internet set up in January 2012.

5.4. PHYSIOGRAPHY

The topography of Kanchanaburi province is a combination of mountain ranges, valleys, and river plains. The northern and western regions are mostly mountainous, and include the Thanon Thong Chai and Tanawsi mountain ranges. These mountainous areas are largely covered in evergreen and deciduous forests. The northeast region of Kanchanaburi consists of undulating land, and the far-east and the south are mostly river plains.

The general topography of the Song Toh and Boh Yai project area is characterized by low hills, alternating with valleys and level areas between 600 and 650 meters altitude. The Song Toh project area lies between steep limestone hills to the east and the west, FIGURE 6. There are two peaksnear the project area, Khao Tue Kalo and Khao Song Toh, which are located southwest of the project area, rising to elevations of 900 msl and 800 msl, respectively. The Boh Yai project area (FIGURE 7) is located on the Tanawsi limestone ridge which comprises karst topography and includes many sinkholes, springs, and caves.

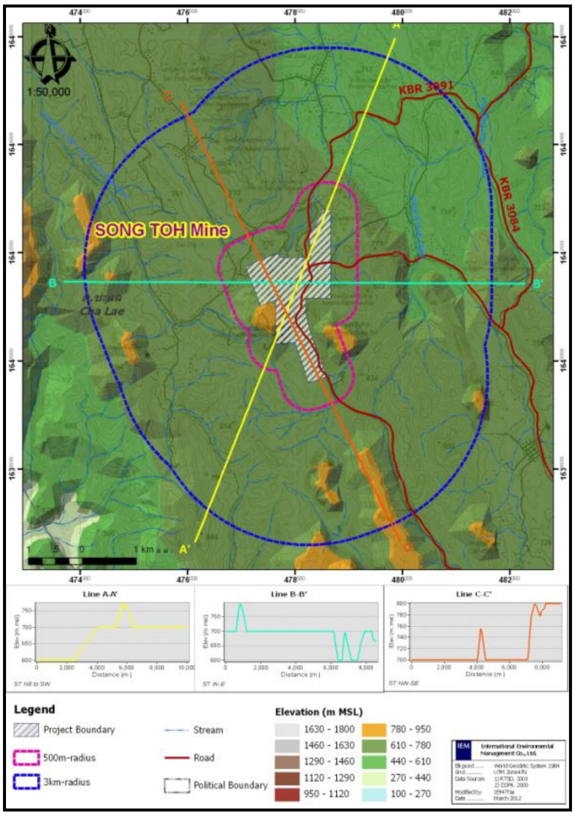

FIGURE 6.SONG TOH TOPOGRAPHY

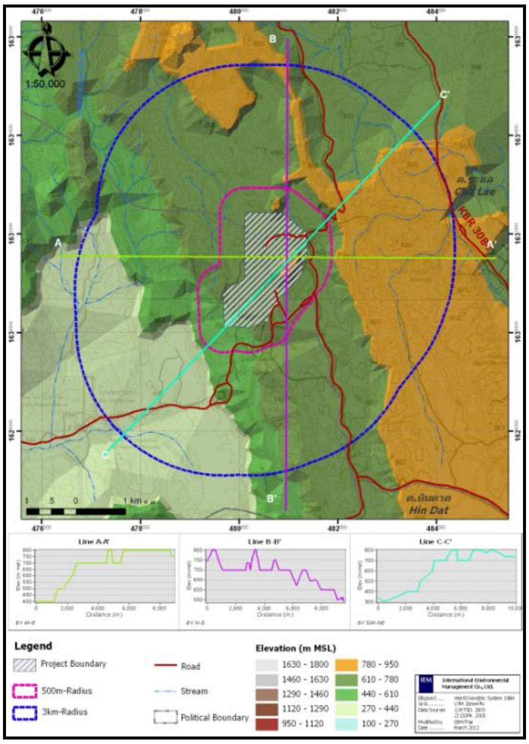

FIGURE 7. BOH YAI TOPOGRAPHY

6. HISTORY

6.1. EXPLORATION & HISTORICAL MINING

Exploration for Pb-Zn mineralization has taken place in several phases in the Kanchanaburi region but historical records for the region are poor and published information is generally inadequate.

Mining records extend back over several centuries (Hagen & Kemper 1976). Most of the known Pb-Zn deposits are surrounded by historical slag dumps where Carbon-14 determinations of charcoals indicate that the slags are of medieval age (1300-1600 A.D.) (Diehl & Kern 1981). The early miners are thought to have been attracted by the silver content of the ores. In 1912 a German-Austrian prospecting group re-discovered the Boh Yai deposit and some development was carried out including a cable railway to transport the ore but ore production never commenced.

A Thai-American group assessed the area in 1951 and production finally commenced in the early 1950's with Cominco extracting an estimated 100,000 tonnes of lead rich ore at Boh Yai (Diehl & Kern 1981). The Bhol family, who assisted Cominco in the mining at Boh Yai, independently exploited some oxide ore from Boh Noi. Cominco is reported to have abandoned the mining rights due to poor access, lack of infrastructure and complexity of the Mining Laws in Thailand at the time.

In 1953 Dr. Bhol Kilpbua took over Cominco's mining rights and Bhol and Sons was founded. In 1955 Bhol and Sons took possession of the deposit and extended the area of the workings as well as locating further mineralization at Boh Noi (6 km South of Boh Yai) and Song Toh South (14km North of Boh Yai). Bhol and Sons mined on a small and selective scale, selling 1-2,000 tonnes of ore annually to Metallgesellschaft through a broker in Bangkok.

In 1970 a new company, KEMCO, was founded by the Bhol family in partnership with MG and commenced an exploration programme to explore and examine the mineralized showings in the area and to assess their depth extent. A diamond drilling programme of 3,000m indicated potential for 1.5Mt of mineralization. Low metal prices and the inaccessibility of the area at the time meant that little exploration was carried out between 1971 and 1974.

Independently, the German Mission to Thailand carried out a geological mapping programme in the area and much of the existing geological knowledge of the region dates back to that time. Exploration continued during the mid-1970s resulting in the discovery of a number of promising Pb-Zn targets including those at Song Toh and Boh Yai.

Diamond drilling carried out by KEMCO at Song Toh (6,400m) resulted in the definition of two ore bodies (Song Toh North and South) with historical drill indicated and drill inferred resources of 1.2 million tons of ore grading 11.5 % of combined Pb-Zn in Mine North and 0.2 million tons of ore grading 6.5% of Pb and <1% of Zn in Mine South. (Kuchelka 1981, Greise, 2010).

In 1978, MG committed to a mining project involving a 30 million Deutsch Mark ($15 million) investment at Song Toh, and commenced construction of a flotation plant and underground development.

In 1991 Bhol and Sons purchased MG's interest in KEMCO and continued to operate the Song Toh and Boh Yai mines until 2002 when mining ceased due to low metal prices.

6.2. SONG TOH MINE PRODUCTION (KEMCO)

Before underground extraction commenced in the area approximately 3Mt of lead oxide/carbonate ore is reported to have been mined in shallow pits.

Song Toh District

Production took place between 1978 and 2002 and was divided between three areas termed Song Toh North, Song Toh South and Song Toh Southwest (TABLE 6).

Song Toh North

At Song Toh North a reported 1.3Mt of ore has been extracted to date. The mineralization is zinc dominant (unusual for the area) with grades indicated to be 6-7% Zn and 3-4% Pb. Ground problems associated with caving and karstified zones filled with laterite were commented on.

Song Toh South and Southwest

An estimated 3.2 Mt of ore has been extracted. Access problems were encountered regarding further drilling of resources due to topographic extremes. From the plans and sections inspected during the site visit there appeared to be greater continuity in the mineralization at Song Toh South compared to that at Song Toh North.

Mining at Song Toh commenced in 1978 and continued until 2002, with production of approximately 4.5 million tonnes of ore at a mean grade of 7% Pb and 3% Zn, as listed in Table 6 below.

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TABLE 6. HISTORICAL PRODUCTION SONG TOH AND BOH YAI

Mine	Production source	Units	1978-1997	1998	1999	2000	2001	2002	Total
Song Toh North	Development in ore	metres	8,226	24.0	36.0	-	-	-	8,296
	Development in waste	metres	6,313	25.0	-	-	-	-	6,338
	Total development	metres	14,539	59.0	36.0	-	-	-	14,634
	Crude ore from development	Tonnes	279	0.8	0.7	-	-	-	280
	Crude ore from stoping	thousand tonnes	851	62.6	38.0	8.0	34.6	0.0	994
	Total crude ore	thousand tonnes	1,129	63.4	38.7	8.0	34.6	0.0	1,274
	Waste	thousand tonnes	213	0.8	-	-	-	-	214
	Total material	thousand tonnes	1,343	64.3	38.7	8.0	34.6	0.0	1,488
Song Toh, South	Development in ore	metres	10,603	400.0	924.0	57.0	524.0	-	12,508
	Development in waste	metres	8,267	692.0	496.0	209.0	377.0	67.0	10,108
	Total development	metres	18,870	1092.0	1420.0	266.0	901.0	67.0	22,616
	Crude ore from development	thousand tonnes	329	14.1	36.1	2.5	21.6	0.0	403
	Crude ore from stoping	thousand tonnes	1,698	18.1	54.3	71.3	46.6	11.3	1,900
	Total crude ore	thousand tonnes	2,027	32.2	90.4	13.8	68.2	11.3	2,303
	Waste	thousand tonnes	236	16.9	9.2	6.5	13.1	3.6	285
	Total material	thousand tonnes	2,263	49.2	99.6	80.3	81.3	14.9	2,588
Song Toh, Southwes	Development in ore	metres	7,155	-	-	166.0	246.0	380.0	7,947
	Development in waste	metres	10,224	5.0	-	273.0	209.0	103.0	10,814
	Total development	metres	17,379	5.0	-	439.0	455.0	483.0	18,761

TABLE 6. HISTORICAL PRODUCTION SONG TOH AND BOH YAI

Mine	Production source	Units	1978-1997	1998	1999	2000	2001	2002	Total
	Crude ore from development	thousand tonnes	224	-	-	3.6	11.6	19.5	255
	Crude ore from stoping	thousand tonnes	495	47.2	23.1	31.9	8.8	22.1	628
	Total crude ore	thousand tonnes	719	47.2	23.1	35.4	20.4	38.6	884
	Waste	thousand tonnes	348	-	0.2	5.9	8.7	2.5	366
	Total material	thousand tonnes	1,067	47.2	23.3	41.3	29.1	41.1	1,249
Boh Yai	Development in ore	metres	5,053	42.0	76.0	808.0	1311.0	40.0	7,330
	Development in waste	metres	9,634	321.0	890.0	2479.0	2158.0	614.0	16,096
	Total development	metres	14,687	363.0	966.0	3287.0	3469.0	654.0	23,426
	Crude ore from development	thousand tonnes	170	1.2	2.4	26.8	21.1	1.8	223
	Crude ore from stoping	thousand tonnes	418	22.5	23.6	55.2	33.6	11.8	564
	Total crude ore	thousand tonnes	587	23.7	26.0	81.9	54.7	13.7	787
	Waste	thousand tonnes	289	27.0	38.6	100.5	69.3	26.5	551
	Total material	thousand tonnes	877	50.7	64.5	182.5	124.0	40.2	1,339
Boh Noi	Development in ore	metres	599	7.0	-	-	-	-	606
	Development in waste	metres	710	98.0	-	-	-	-	808
	Total development	metres	1,309	105.0	-	-	-	-	1,414
	Crude ore from development	thousand tonnes	16	0.1	-	-	-	-	16
	Crude ore from stoping	thousand tonnes	21	16.4	-	-	-	-	38
	Total crude ore	thousand tonnes	37	16.5	-	-	-	-	54

TABLE 6. HISTORICAL PRODUCTION SONG TOH AND BOH YAI

Mine	Production source	Units	1978-1997	1998	1999	2000	2001	2002	Total
	Waste	thousand tonnes	34	3.4	-	-	-	-	38
	Total material	thousand tonnes	71	20.0	-	-	-	-	91
Total All Mines	Development in ore	metres	31,636	483.0	1036.0	1031.0	2081.0	420.0	36,687
	Development in waste	metres	35,148	1141.0	1386.0	2961.0	2744.0	784.0	44,164
	Total development	metres	66784	1624	2422	3992	4825	1204	80851
	Crude ore from development	thousand tonnes	1,017	16.3	39.3	32.8	54.3	18.3	1,178
	Crude ore from stoping	thousand tonnes	3,428	166.9	139.0	166.3	123.6	45.3	4,123
	Total crude ore	thousand tonnes	4,499	183.2	178.2	199.2	177.9	63.6	5,301
	Waste	thousand tonnes	1,121	48.2	48.0	112.9	91.1	32.6	1,454
	Total material	thousand tonnes	5,621	231.3	226.2	312.1	269.0	96.1	6,755

The following is based largely on a Historical Summary by Walter Griese, Mine Manager from 1978 to 2002:

Underground development at Song Toh North began in 1978, with an access and haulage ramp of $18m^2$ cross section and 1:9 slope being developed in the footwall of the mineralized zone. Main haulage drifts of $16m^2$ cross-section were driven at 50 m vertical intervals following the zone for up to 500 m. Sublevels were driven into the orebody at 10-12 m intervals off an 8 m^2 cross-section sub-ramp. Sub-ramps were driven at 1:6 slope every 220 m along strike between main haulage levels. The mine was developed for trackless mining with 4 tonne capacity LHD units used for development and stoping. Ore haulage up the ramp to surface and to the mill was carried out by 10 wheel, 15 tonne capacity trucks. Main ramps and haulage drifts were advanced with a 2 boom pneumatic jumbo. Sublevel development and stope mining was carried out with hand-held (Jackleg) drilling equipment.

The dip of mineralization at Song Toh ranges from 15° to 90° and widths range from 3m to 20m. Stoping techniques had to be varied accordingly. Steeply dipping parts of the orebody (mostly Mine North and Mine Southwest) were exploited by overhead open stoping. Backfill was by normal waste which was subject to a mining loss of 5-12%. In high grade areas, concrete backfill was used in order to allow extraction of pillars and cut mining loss to less than 5%. Shallow dipping parts of the orebody, (mostly Mine South), were exploited by room and pillar, which is subject to mining losses of up to 20%. In high grade areas concrete pillars or timber were used in order to allow extraction of pillars and reduce mining loss.

Scrapers were used to move broken ore in narrower areas, while the LHD unit could enter the stope in wider areas. Production scheduling of any one stope was 4,000-6,000 tonnes per month.

Dilution was a significant problem at Song Toh due to the irregularity of the mineralization over short distances (particularly in Mine South) which precluded the use of long hole drilling beyond 3-4 metres. Close and intensive grade control and careful mining were required in order to keep dilution to acceptable levels.

Water ingress was a problem and cost to underground operations due to the presence of the karstic limestone and associated sinkholes and caves full of mud and water. Water inflows were significant, especially in the rainy season, sometimes exceeding 40 m^3/min. When pumping costs at Song Toh North became excessive a drainage tunnel 1700m long was developed at 545m elevation, with outflow at Huai Chanee Creek. The drainage tunnel was subsequently extended for 1650m in order to drain Song Toh South at an elevation of 555m.

6.3. BOH YAI MINE PRODUCTION (BYMC)

The Boh Yai district lies approximately 14 km south of Song Toh.

As mentioned above, the mining activities in Kanchanaburi Province began at Boh Yai area. The area was surveyed by a German team during the years 1912 to 1914 and outcrops were exploited during World War II by the Royal Thai Army and to the end of World War II by the Cominco. Under a Joint Venture between Bhol and Sons and MG a core drilling programme was carried out between 1981 to 1988 directed by the German and Thai geologists Dr. Pedall, Khun Amomsak and Khun Paisan. This drilling outlined resources of 1.2 million tons of Pb-Zn sulphide in a number of separate deposits designated ‘Hill1’ to ‘Hill 11’.

Mineralization of galena (PbS) and sphalerite (Zns) is exclusively bound to pale limestone of Ordovician age. There is no strict conformity but the mineralization is strata bound. Thickness of the ore horizon is 2.5m on average, but at some places increases up to 10m and more. General strike of the ore horizons is south –

north with pyrite and barite as associated minerals at the northern part. Three types of mineralisation were distinguished: massive high grade ore, breccias ore and replacement ore as described in Section 7.3 of this report. The host limestones are folded along NNW axes with steeply dipping (70°-90°) westerly limbs and gently dipping easterly limbs (30°-50°). The separate parts of the deposits follow this pattern with Hill 7 occupying a steep dipping limb and Hill 1 a shallow dipping limb.

Mining to date has extracted 0.8Mt set out in TABLE 6. Average grades are reported as 3-5% Pb, 4-6% Zn. From the information presented there may be some metal zoning associated with the Boh Yai deposit and mine staff commented on the necessity to blend ore from various parts of the mine in an effort to eliminate penalties due to the mercury levels in the concentrate. The presence of potentially high mercury levels requires more detailed investigation.

6.3.1. BOH YAI MINING METHOD

In July 1988, an underground mining operation commenced and continued up to the end of 2002, with 0.8Mt of crude ore produced. The main production was Pb-dominant ore. Additional core drilling was done concurrently with mining from 1993 to 1998 by Thai geologists with the result that the overall remaining drill-indicated ore was then Zn-dominant.

At Song Toh, the mineralisation is very irregular and the host rock is very competent and does not require artificial support. The mine was therefore amenable to trackless mining and load-haul-dump (LHD) equipment was used.

A Main Haulage Drift (MHD, dimension 18 m^2) was completed for 2,200m from Hill7 at 555m level to east of Hill 1 at 565 level. This MHD serves as a dewatering drift and is required to drain a high flow rate, caused by karst features, which may exceed of 25m3 per minute during the rainy season.

Other main haulage drifts were developed at approximately 50m vertical intervals, connected by spiral ramps with a gradient of 1:7 driven in waste. Horizontal sublevels were driven at 10-15m intervals.

The main exploitation was carried out by “room and pillar method” which was subject to a mining loss of 15- 20%. Other methods were precluded by the difficulty of obtaining economical backfill above the MHD and low metal prices (Zn <1,000 US$, Pb <500 US$) which rendered replacement of ore pillars by concrete uneconomic.

6.4. HISTORICAL MINERAL PROCESSING

Between 1978 and the cessation of operations in 2002, a total of 5,237,800 tonnes of ore was produced and milled at the floatation plant located near Song Toh to produce 648,760 tonnes of lead and zinc concentrates. In 2008, a total of 60,000 tonnes of ore was produced and milled from a stockpile. This plant is a standard Pb-Zn flotation circuit and can be operated at between 25 and 50 tonnes per hour depending on the type of feed. Both sulfide feed from underground mining and oxide feed from surface mining have been treated at the plant. The milling plant and equipment are in fair to good condition with much service life remaining. Some repairs and upgrades are required and additional equipment for spares and/or expansion of the plant is available locally.

FIGURE 8.PART OF SONG TOH MILL

6.5. TAILING MANAGEMENT AREA

The tailings from the plant are stored locally in a Tailing Management Area ("TMA") consisting of three discrete cells. One cell had been used in the past to store thickened tailings produced by a clasifier associated with the mill, which are still in-storage for possible reprocessing. The other two cells, formed by a separator dyke, represent the main TMA. The dam forming the TMA is constructed of spigotted tailing and constructed in 3 lifts using the up-stream method of construction. The structure is approximately 10 - 25 m high with a 5 m top width on the upper bench. No slumping or excessive lateral or longitudinal cracking was observed during the walk through inspection. Slope angles were considered to be at the upper range for dams of this height.

Reportedly the TMA had been upgraded just prior to cessation of operations and with further upgrading required to create capacity for the remaining resource. ACA Howe has been informed that SEAM has retained Golder Associates Ltd. ("Golder") to assist with a study for the expansion and upgrade of the existing TMA.

6.6. HISTORICAL MINERAL RESOURCE ESTIMATES

This section of the report deals with information that is historical in nature and as such much of the terminology used may not be in keeping with modern or current usage. In particular mineral resource/reserve classification or categories and related terms may not be considered appropriate or acceptable under the current rules and regulations.

However, the context of the source material has been kept intact to ensure historical accuracy and the reader is cautioned not to rely on historical information as necessarily relevant or appropriate under current circumstances.

The reader is cautioned that this section of the report regarding Mineral Resource Estimates contains various resource estimates that are considered historical in nature and as such are based on prior data and reports prepared by previous operators. The historical estimates should not be relied upon and there can be no assurance that any of the resources in whole or in part will become economically viable.

Historical documents refer consistently to ‘reserves’ rather than ‘resources’ and for the sake of consistency the term ‘reserve’ will be retained in this section of the report. However it is unclear whether any formal economic cut-off, dilution or recovery factors were applied.

‘Reserve’ estimates through the life of the operation were maintained by the Mine Manager, Mr. Walter Greise, a Mining Engineer. ‘Reserve’ estimates were reported in the form of detailed ‘Reserve Balance’ files that were updated annually to reflect production and exploration results. FIGURE 9 provides an example of one such statement from Song Toh Southwest. The ‘Reserve Balance’ statements listed resources according to Class and Location. ‘Reserve’ classes were based on the following criteria:

- Class A: ‘reserves’ defined by channel sampling in drifts above and below;
- Class B: ‘reserves’ defined by less channel sampling in drifts above or below;
- Class C: ‘reserves’ indicated or inferred from diamond drilling results.

Historical documents make no reference to what economic cut-off was applied to define the historical reserves. However based on available sections, it appears that a figure of around 6%PbEq was used. It is unclear what other economic factors were applied or whether factors for mining dilution or recovery were used in estimating the historical reserves.

FIGURE 9 is an extract from a typical section of the 2000 ‘Reserve Balance’ statement:

RESERVE BALANCE SONG TOH SOUTH WEST 2000

Mine	Level	Block	Class	Location	Pb	Zn	Fe	Ag	Hg	Pb/Zn	Ag/Pb	Hg/Zn	T.thick	Tons	Mine til	Mine adjus	Left	Found Till	This Month	Remark
					%	%	%	g/t	g/t				(m.)	01/01/00	Dec 2000	_/_/_	01/01/01	Dec 2000	Dec 2000	
STSW	580	80K	A	J+36-K+05	4.90	0.10	2.00	96	7	49.00	19.59	70.00	4.20	1,000			1,000			
STSW	580	77 O	A	14.32-15.17	5.40	0.10	8.70	117	6	54.00	21.67	60.00	4.50	2,400			2,400			
STSW	580	No Block																		
STSW	580	No Block																		
STSW	580	No Block																		
Total	580	Start_/_/_			5.25	0.10	6.73	111	6	52.53	21.10	62.94	4.35	3,400			3,400			
		Mine_/_/_			######	######	######	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!								
		Left_/_/_			5.25	0.10	6.73	111	6	52.53	21.10	62.94	4.35				3,400			
STSW	567	67EF1	A	E+11-E+26	8.00	2.70	1.00	118	62	2.96	14.75	22.96	4.20	1,000			1,000			
STSW	567	No Block																		
STSW	567	No Block																		
STSW	567	No Block																		
Total	567	Start_/_/_			8.00	2.70	1.00	118	62	2.96	14.75	22.96	4.20	1,000			1,000			
		Mine_/_/_			######	######	######	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!								
		Left_/_/_			8.00	2.70	1.00	118	62	2.96	14.75	22.96	4.20				1,000			
STSW	555	55F3	A	E+35-F+17	7.40	2.10	1.60	138	85	3.52	18.65	40.48	7.80	8,160			8,160			
STSW	555	55JH3	A	H+30-J+00	5.60	0.30	1.80	69	16	18.67	12.32	53.33	3.20	1,100			1,100			
STSW	555	55FG4	A	F+07-F+45	6.60	0.70	0.60	129	38	9.43	19.55	54.29	1.70	1,300			1,300			
STSW	555	55GH4	A	G+20-G+37	3.90	0.10	0.90	60	4	39.00	15.38	40.00	2.30	900			900			
STSW	555	55HJ4	A	H+14-H+30	8.90	0.30	1.70	128	23	29.67	14.38	76.67	2.30	500			500			
STSW	555	55JK4	A	J+33-K+08	6.80	0.60	2.90	141	33	11.33	20.74	55.00	2.50	1,800			1,800			
STSW	555	55LM4	A	L+00-L+34	5.80	0.70	3.80	118	15	8.29	20.34	21.43	6.00	2,710			2,710			
STSW	555	55MN	B	L+41-M+32	7.50	0.90	3.70	143	14	8.33	19.07	15.56	4.80	4,200			4,200			
STSW	555	No Block																		
STSW	555	No Block																		
STSW	555	No Block																		
Total	555	Start_/_/_			6.90	1.23	2.35	129	45	5.62	18.67	36.83	3.83	20,670			20,670			
		Mine_/_/_			######	######	######	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!								

FIGURE 9.EXTRACT OF A SECTION OF THE 2000 'RESERVE BALANCE'

The location of the reserves is listed in the 'Reserve Balance' statements by mining block according to level and location. In most cases reserves of Class A and B have been listed down to the lowest level of mine development. Reserves of Class C occur mostly below the lowest level of mining or in undeveloped areas and are based solely on diamond drill intersections.

The latest complete Reserve Balance statements are for the end of year 2000. Production continued until 2002, which would have resulted in depletion of the Boh Yai reserve by approximately 64,400 tonnes and the Song Toh SW reserve by approximately 68,000 tonnes. These amounts have been deducted from the 2000 reserve balance (at a similar grade) to arrive at a summary 2002, 'Reserve Balance' for Boh Yai and Song Toh SW in Table 7 below:

TABLE 7. BOH YAI AND SONG TOH SW HISTORICAL RESERVES, 2002

Deposit		No of Blocks	Tonnes	Pb, %	Zn, %	Ag, g/t
Boh Yai	Developed	79	182,750	4.76	3.21	98.71
Boh Yai	Undeveloped	57	543,851	3.95	4.77	74.29
Boh Yai	**Total**	**136**	**726,601**	**4.15**	**4.38**	**80.43**
Song Toh SW	Developed	44	53,731	6.52	0.98	131.07
Song Toh SW	Undeveloped	24	174,964	4.72	0.64	132.40

TABLE 7. BOH YAI AND SONG TOH SW HISTORICAL RESERVES, 2002						
Deposit		No of Blocks	Tonnes	Pb, %	Zn, %	Ag, g/t
Song Toh SW	**Total**	**68**	**228,695**	**5.14**	**0.72**	**132.09**
BY and ST SW	Developed	123	236,481	5.16	2.70	106.06
BY and ST SW	Undeveloped	81	718,815	4.14	3.77	88.43
BY and ST SW	**Total**	**204**	**955,296**	**4.39**	**3.50**	**92.80**

The developed 'reserves' or Class A and B 'reserves' of 236,000 tonnes (5.4% Pb, 2.4%Zn and 110 g/t Ag), as summarized in TABLE 7 (182,750 tonnes at Boh Yai and 53,731 located at Song Toh SW) exist as unmined blocks and pillars largely depicted on the relevant longitudinal section. ACA Howe has not attempted to classify these resources as CIM compliant due to the lack of data to conclusively determine the quantity and grade of remaining ore. The 236,000 tonnes of developed 'reserves' are based primarily on historical diamond drilling and channel and chip sampling. Verification of these developed 'reserves' and conversion to CIM compliant resources could best be achieved by the following:

- detailed compilation of chip and channel sample results;
- check assays of chip and channel sample pulp duplicates if available;
- underground check chip and channel sampling if accessible;
- conversion of underground development and stoping plans to digital format; and
- digital modeling of resources by mining block.

The undeveloped "reserves" or Class C reserves of 718,815 tonnes as summarized in TABLE 7 are based on diamond drill intersections. Former mine management also estimate 1.5 million tonnes of potential reserves at Boh Yai. These figures contrasts with CIM compliant indicated resources of 2.9 million tonnes and inferred resources of 1.9 million tonnes. This difference is due to a number of factors, including the following:

- CIM compliant resources include Song Toh Camp (439,000t indicated, 133,000t inferred) which is not included in the former mine managers historical estimates;

- Lower cutoff used in CIM compliant resources of 3% PbEq vs 6% PbEq used by former mine management for historical estimates;

- Inclusion of internal waste in CIM compliant resources results in a much wider area of influence;

- The fact that former management estimated its reserves based on short term production planning rather than a global estimate of resources.

It was possible, in the previous operation, to calculate reserves to a confidence level that allowed mine production to continue for in excess of 20 years.

It should be noted that the Boh Yai and Song Toh mines have each produced roughly twice the tonnage initially estimated for them at the time of development. This is consistent with a conservative approach used in the estimation of historical reserves.

These factors are discussed in more detail in section **14.18**, ‘Comparison with Previous Estimates’.

6.7. HISTORICAL DRILLING DATA AND INFORMATION

Investigation of the various mineral occurrences was carried out in a number of phases of diamond core drilling between 1977 and 2002. A total of 58,077 metres of drilling were completed at Song Toh and Boh Yai, as detailed in Table 8 below. The vast majority of core was 27 mm in diameter (AQ size) and was completed by LY-24 wireline machine. Surface drilling has been largely constrained by the local topography where the steep limestone hills have controlled the location of drill sites. Underground drilling has been utilized to build up a more coherent database. In most areas drilling was carried out on an approximate 50m grid through a combination of angled and vertical holes from surface and mostly sub-horizontal holes from underground. However, in many areas the drilling density is considerably less dense.

TABLE 8. SUMMARY OF HISTORICAL DIAMOND DRILLING; BOH YAI AND SONG TOH		
Area and Hole Numbers	Number of Holes	Total Metres
Boh Yai		
B03/18 to B11/59	53	1,881
DDH003 to DDH 153	31	3,507
MKL1/01 to MKL11/31	157	18,163
NSN002 to NSN159	75	7,293
Total, Boh Yai	**316**	**30,844**
Song Toh		
BS001 to BS266	167	21,399
DDH062 to DDH156	39	5,080
N017	1	27
S005 to S084	28	728
Total, Song Toh	235	27,234
Total, Song Toh And Boh Yai	**551**	**58,078**

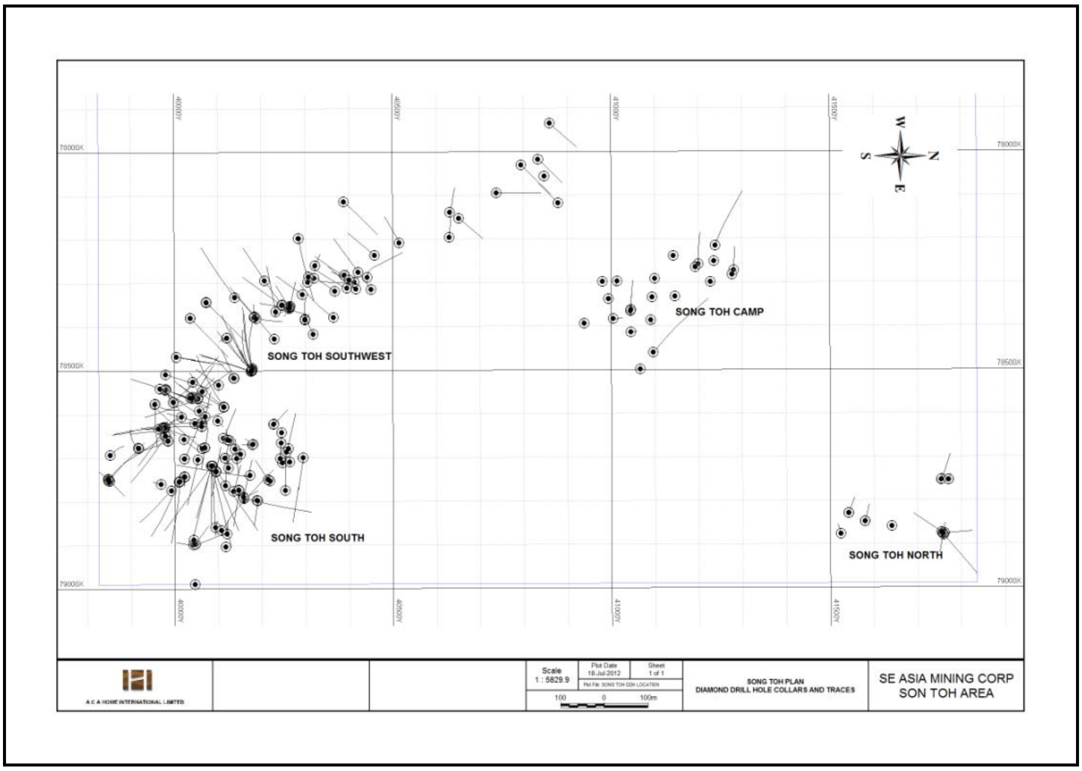

FIGURE 10. SONG TOH DRILL COLLAR LOCATIONS AND TRACES

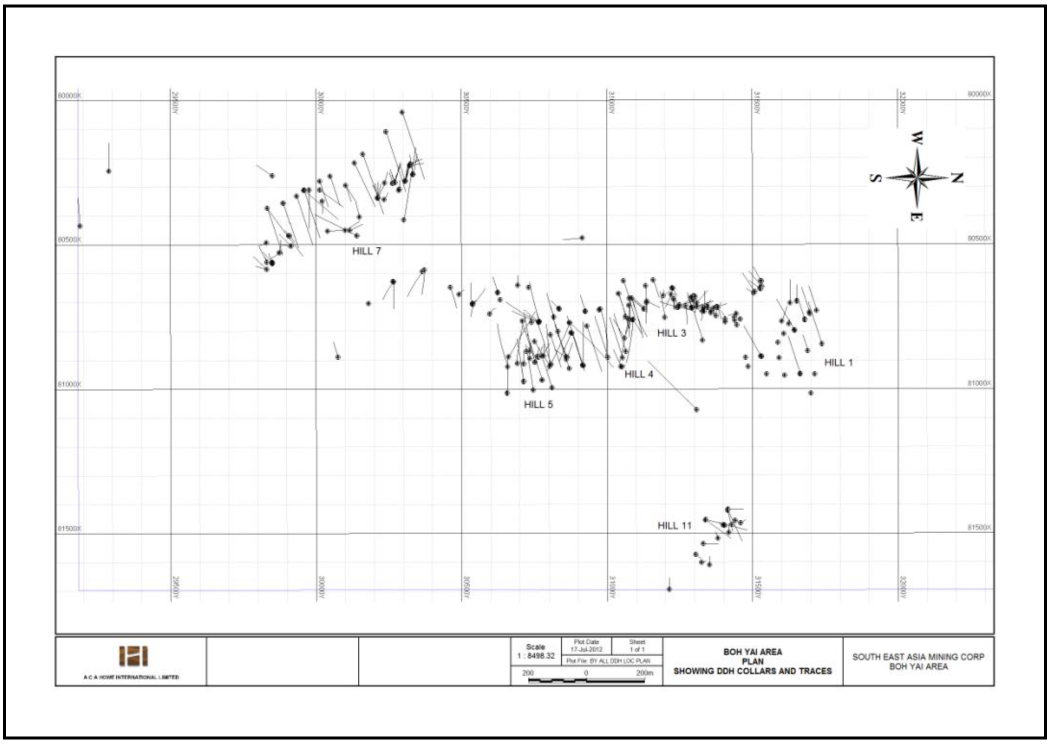

FIGURE 11. BOH YAI DRILL COLLAR LOCATIONS AND TRACES

Drill core is stored in a core magazine at Song Toh (FIGURE 12) and the majority appears to be in good condition and properly marked with hole numbers, run depths and sample numbers.

The results of drilling are recorded in graphical and narrative logs filed in the KEMCO offices in Song Toh. Comparison of selected sections of drill core against the relevant drill logs confirmed that lithological, structural and mineralisation features were accurately and properly recorded to a good professional standard.

SEAM has extracted all available data relating to collars, assays, collar locations and downhole surveys that is recorded in the logs and in journals and entered this in a database as described in section 14.3 of this report.

There appears to be limited geotechnical data although some drill holes do record RQD, (a measurement of rock quality based on the number of fractures). Basic descriptions of the mineralization and assays for selected sections of the drill holes are also available.

FIGURE 12. CORE MAGAZINE AT SONG TOH

6.8. DRILL SECTIONS

The historically available drilling information was compiled onto a series of 1:500 scale cross-sections (e.g. FIGURE 13), and plans which were filed methodically at the Song Toh Mine office. The most relevant of these (totalling 547) have been scanned by SEAM and made available to ACA Howe as described in section 4.14. Examination of the plans and sections shows that they are of high quality and represent a diligent interpretation of the geology and mineralisation. The interpretation of continuity of lithological and mineralised features between adjacent 25m sections is generally well conceived allowing accurate translation to domains in Micromine.

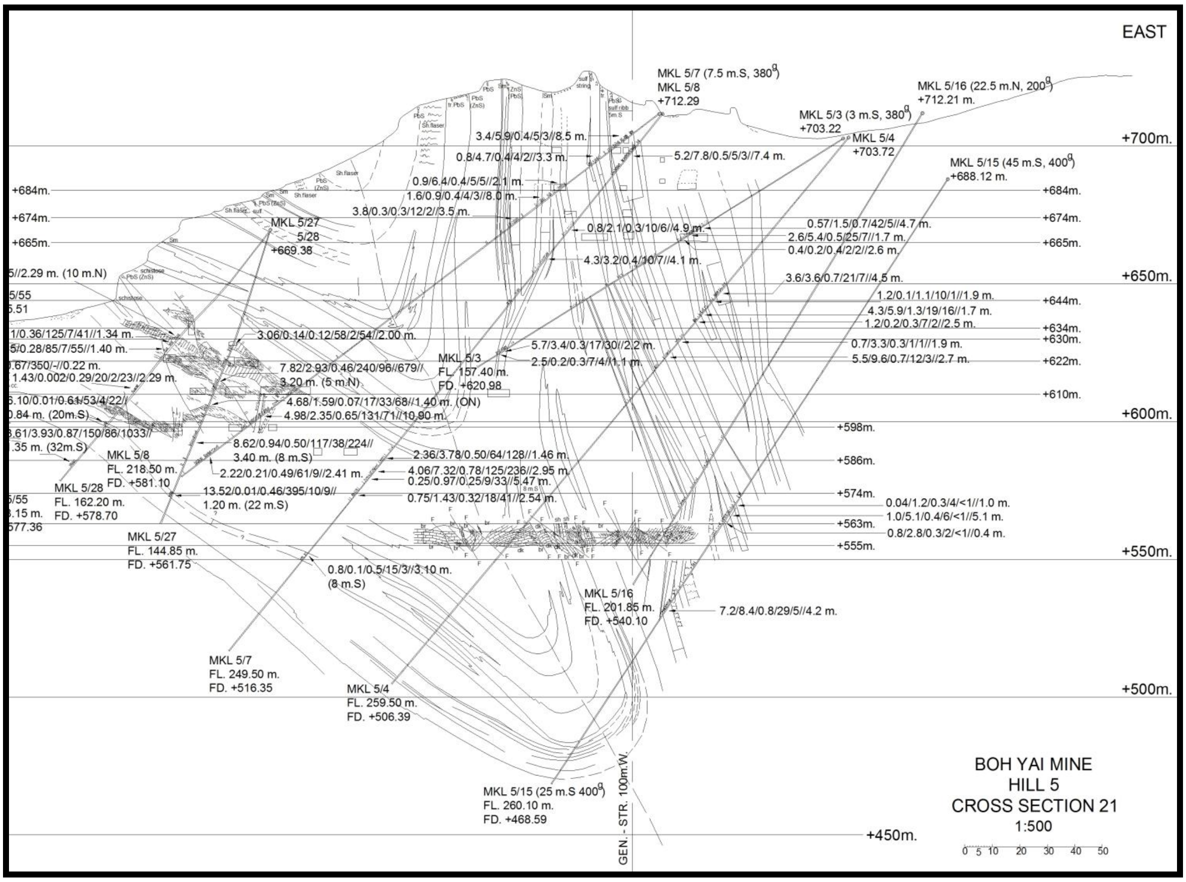

FIGURE 13. EXAMPLE OF HISTORICAL CROSS SECTION (BOH YAI HILL 5)

6.9. CORE RECOVERY

Core recovery as recorded in drill logs and as evidenced from an inspection of drill core was generally close to 100% as would be expected in competent carbonate lithologies.

6.10. DRILLHOLE SURVEYS

Drillhole collars all appear to have been surveyed accurately and collar elevation, azimuths and inclination data are all recorded in logs and in journals. The majority of holes exceeding 100m were surveyed by single shot instrument at intervals of between 20 and 40 metres.

SEAM has extracted the records of these surveys and compiled them in a database. Comparison of Micromine digital plots of hole collars and trajectories with those recorded on historical plans and cross sections confirms a close spatial correlation in almost all cases.

6.11. ASSAYS

MG/KEMCO performed a total of approximately 6,500 assays for Pb-Zn and Ag on drill core samples from Song Toh and Boh Yai at its laboratory facilities at Song Toh with check sampling at MG head office in Meggen, Germany and at SGS Bangkok. The procedures used are described in section 11.1 of this report.

7. GEOLOGICAL SETTING AND MINERALISATION

7.1. REGIONAL GEOLOGY

The regional geology of Western Thailand was mapped on a scale of 1:250,000 by the German Geological Mission in co-operation with the DMR between 1968 and 1971 (Koch 1973, Hagen & Kemper 1976) and the majority of available geological maps and texts appear to originate from this phase of work. The level of geological knowledge regarding the area is reasonably well documented.

The following is a summary of the geological setting of the area of interest in Western Thailand based on a review of the available literature.

A sedimentary sequence comprising at least 3,000m of mostly marine carbonates were deposited between the Cambrian and Jurassic (Koch 1973, Diehl & Kern 1981). The sediments are believed to have been deposited in a large sedimentary basin, described as the Yunnan-Malaya Geosyncline. These units are locally covered by fluviatile sediments of Cenozoic age. The most comprehensive geological account of the area is given by Hagen & Kemper (1976) and the following is based largely on their work.

The oldest known strata are clastic sediments of reported Cambrian age, based on faunal evidence and correlation with sequences in Myanmar. The beds are comprised of quartzite, slates and biotite schists with occasional intercalations of calcsilicates. These beds are apparently conformably and overlain by a thick sequence of Ordovician aged carbonates. However, the contact is not observed and Hagen & Kemper (1976) suggest it is structural in nature. The Ordovician carbonate package is reported to be in the order of 500m thick (Kuchelka 1981) consisting of a monotonous dark grey, flaser-structured, limestone with some clay content. Hagen & Kemper (1976) estimate the sequence to be in the order of 1000m-1500m thick. The dark limestone reportedly contains intercalations of 5 to 50m thick layers of light grey limestone, interpreted by Kuchelka to indicate a shallow marine mud. All the known Pb-Zn mineralization in the KEMCO properties occurs within the Ordovician carbonates.

The Ordovician-Silurian contact is poorly exposed and the flaser bedded limestone grade upwards into a more argillaceous and sandy sequence. During Silurian and Devonian times several hundred metres of fine clastic rocks accumulated, overlying the carbonates. Hagen & Kemper suggest, based on faunal evidence, that flaser-bedded carbonates are also present in both the Silurian and Devonian. During the Carboniferous, marine greywackes and conglomerate were deposited indicating occasional instability within the sedimentary basin (Diehl & Kern 1981). Hagen & Kemper also describe further carbonates of Carboniferous age, up to 100m thick, overlain by several hundred meters of shales. Further carbonates were deposited during the Permian and are distinguishable from the underlying Ordovician carbonates by their bituminous and dolomitic nature (Diehl & Kern 1981). Deformation of the older strata took place during the Triassic (Koch 1973) with tectonism extending at least into the Jurassic where Jurassic aged carbonates display similar deformation to the older rocks (Diehl & Kern 1981). A generalized stratigraphic column for the region is shown in FIGURE 15.

The region is intruded by granitic rocks of Triassic or younger age, as they reportedly intrude and affect sediments of Palaeozoic age (Diehl & Kern 1981) although no radiometric age determination have been carried out.

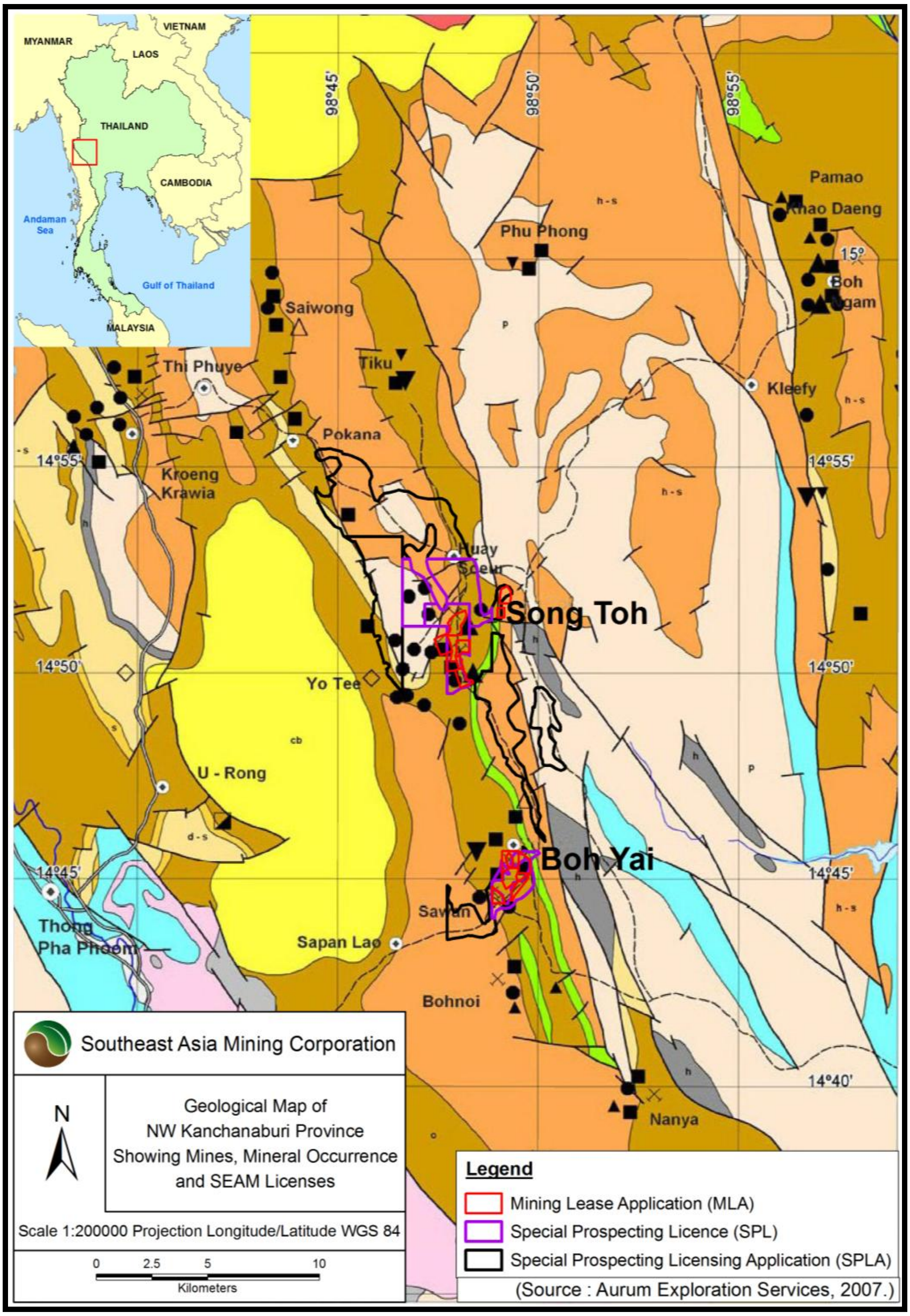

FIGURE 14. REGIONAL GEOLOGY

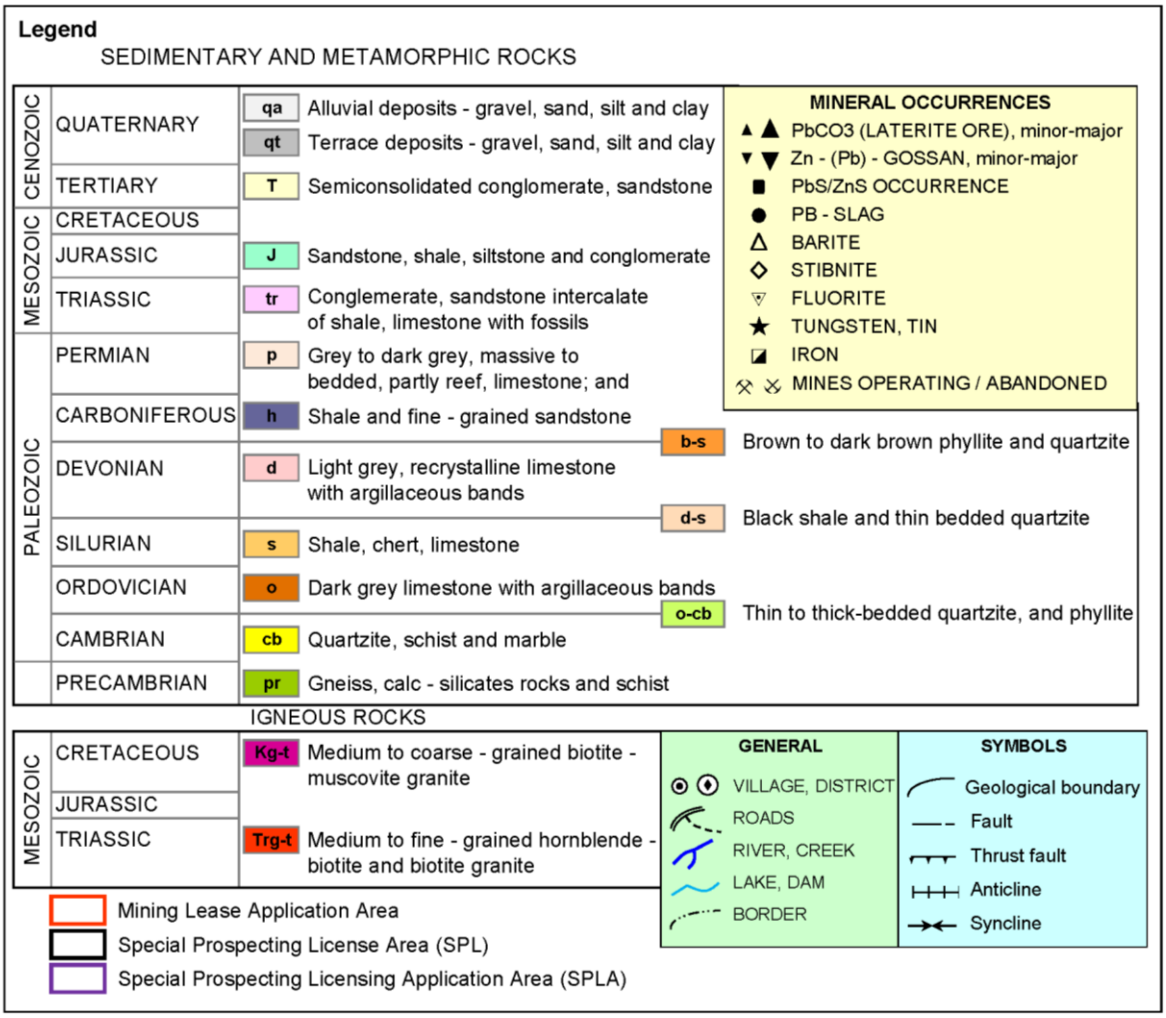

FIGURE 15. REGIONAL GEOLOGY; LEGEND

7.2. PROPERTY GEOLOGY

The ore bearing carbonates have been dated as Lower to Middle Ordovician (German Geological Mission Report 1971) using conodonts and assemblages of calcareous algae. The carbonates are part of a belt of similar aged carbonates that extend from the Gulf of Thailand to China and host a number of Pb-Zn deposits including those of the Kanchanaburi area under consideration here.

The carbonates are simply divided into two main facies: a pale coloured fossiliferous limestone and an underlying dark argillaceous limestone. The pale limestone exclusively hosts the mineralization and has been further sub-divided by Diehl & Kern (1981) into three groups:

- White or light grey bedded limestone;
- White or light grey massive limestone; and
- Reddish or yellowish thin-bedded limestone-slate.

The dark grey argillaceous limestone is fine grained, micrite or mudstone with sparse bioclastic debris and common pyrite nodules and carbonaceous matter.

The carbonate succession is folded along NNW axes that dip steeply east which has resulted in a series of asymmetrical anticlines with steep or overturned western limbs (70-90 dip) and shallow eastern limbs (dipping 20-45 degrees east).

The carbonate succession and the mineral deposits are cut by numerous faults that are depicted on Song Toh and Boh Yai properties and published geological maps as trending in two principal directions, northwest (315°) and northeast (135°) or roughly parallel and at right angles to the regional strike and the fold axes. The NW-trending faults tend to exploit the steep-dipping fold limbs and disrupt mineralisation in comparison to that in the shallow-dipping limbs.

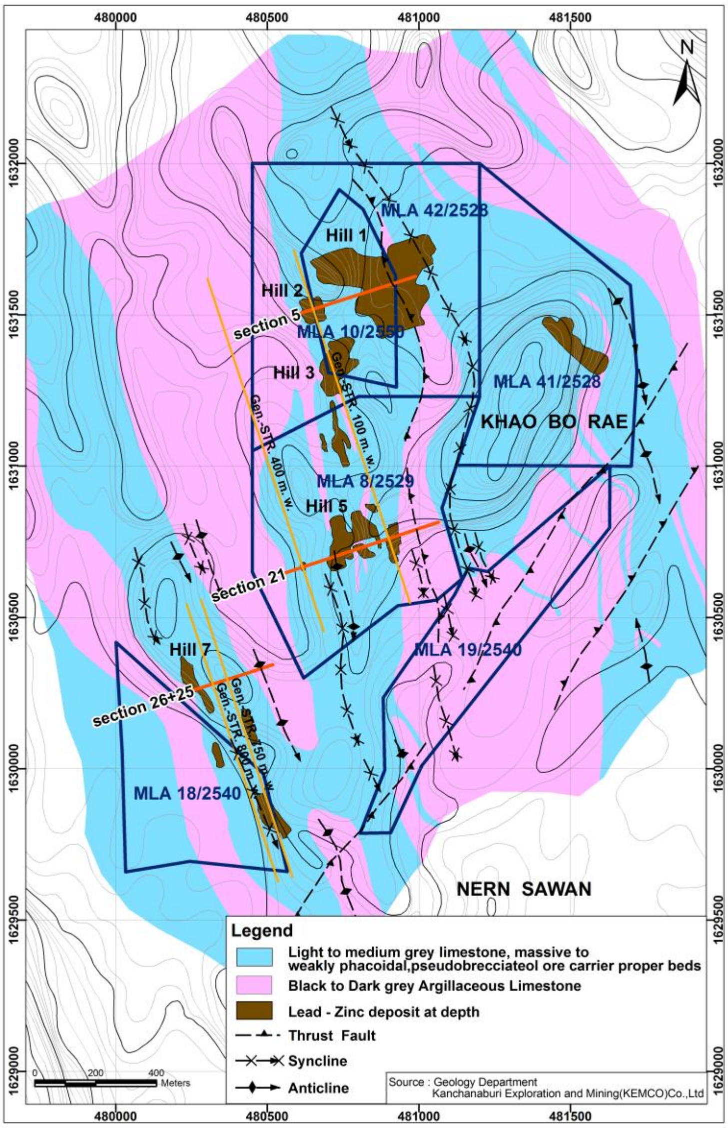

FIGURE 16. BOH YAI GEOLOGY

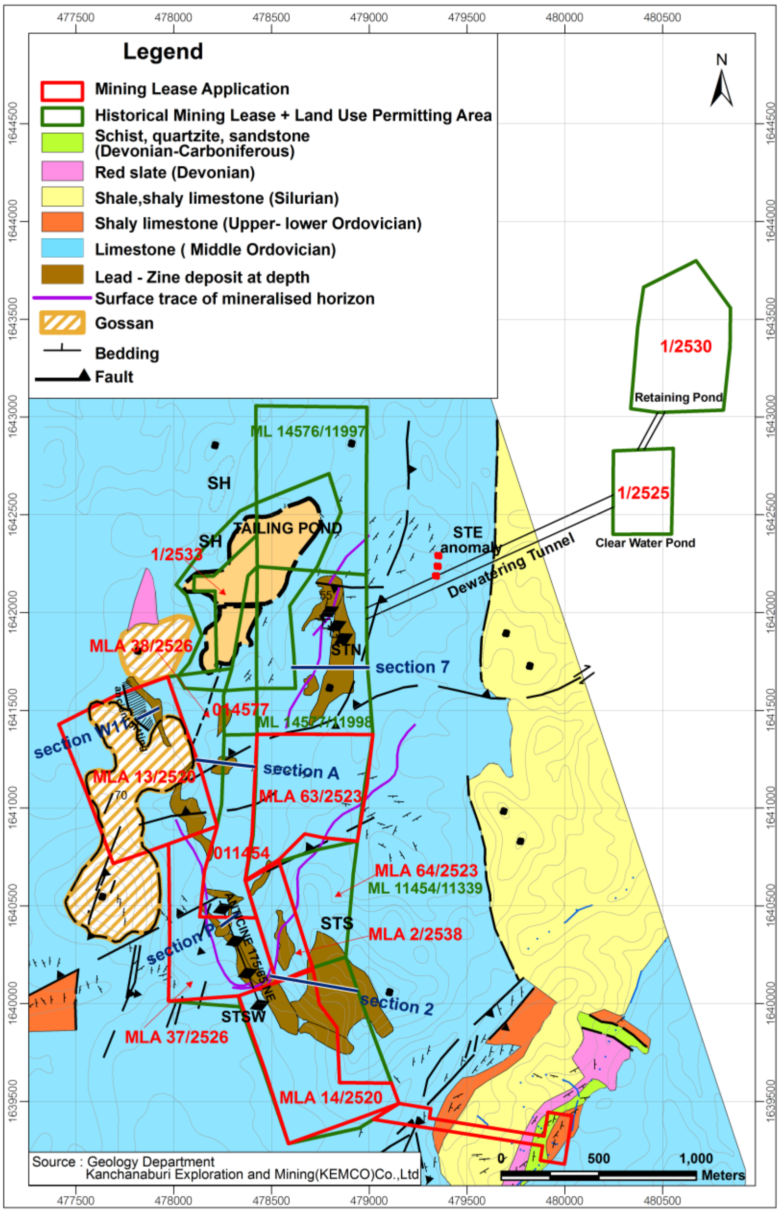

FIGURE 17. SONG TOH GEOLOGY

7.3. MINERALIZATION: SONG TOH AND BOH YAI

Mineralization occurs within the Ordovician carbonates over a belt extending for more than 35km from Nanya in the south-east, to Kreung Kravia in the north-west. The mineralization at Song Toh is exclusively hosted within the pale micritic limestone units although there is no strict concordance to bedding, with the mineralization being stratabound rather than stratiform. The thickness of the ore at Song Toh is reported to be on average 2.5m (Kuchelka 1981) with local thickening to 10m. The nature of the thickening is unclear and may be related to primary controls or later structural thickening.

Three different styles of mineralization are reported:

- Banded Ore – with ore bands of several to 10 cm thickness and roughly concordant with the host rock. The ore type exhibits rapid variation in grade and thickness over short distances;

- High grade lenses – locally with metal contents of 50% and with single lenses extending over 20m with thickness of up to 5m;

- Disseminated ore – of relatively low grade <5% and which appear to form as lateral extension of the banded ore and between ore bands;

The mineralization mainly consists of quite finely intergrown sphalerite, galena and pyrite with a Pb:Zn ratio of approximately 2.5:1 (Kuchelka 1981). The metal ratio is not uniform throughout the deposits and can locally be 1:2 where higher zinc grades occur locally. In underground exposure the sulphide mineralization appears to be highly deformed, exhibiting rapid pinch-swell structure, sheared, horse-tailed and injected, see FIGURE 18 below. Textures range from banded & folded sulphide mylonite to intensely recystallized to mineralized carbonate megabreccias. Associated gangue alteration includes siderite, barite, dolomite, silica "red-chert" or hematite-silica, minor chalcopyrite, talc & serpentine. According to Diehl & Kern 1981 replacement of the host rock by the sulphide is minor or absent. The age of the main deformation is Permo-Triassic, and this is followed by late Cretaceous-early Tertiary thrusting.

The mineralization is highly deformed, possibly as a result of both tectonic events and therefore might be presumed to be pre-Permian in age. The dip of the mineralised zones depends on whether they occur on the steep fold limbs (70-90 degrees) as at Boh Yai Hill 7 and Song Toh Southwest, or on the shallow limbs (20-45 degrees) as at Boh Yai Hill 1, Song Toh South and Song Toh Camp. The steep-dipping fold limbs appear to be more strongly faulted and deformed with consequent decrease in continuity of mineralisation compared to the shallow-dipping limbs.

The mineralisation includes varying content of silver and mercury, up to 3500 ppm and 918 ppm respectively but no mineralogical studies are available indicating which mineral species these metals occur in. In general the higher silver content occurs in steeply dipping parts of the deposits (eg. Song Toh SW, Boh Yai Hill 7) whereas the shallow dipping more tectonised parts of the deposits (Song Toh Camp, Boh Yai Hill1) are characterized by lower silver content.

FIGURE 18. BOH YAI, TYPICAL MINERALISATION; PB-ZN-FE SULPHIDES IN SHEARED LIMESTONE

8. DEPOSIT TYPE

The deposits are described by Diehl & Kern (1981) as of Mississippi Valley Type ("MVT") with close similarities to some of the Alpine deposits. Extensive mining has taken place since the published work by Diehl and Kern and the remaining staff at the mine now has much better appreciation of the metal distribution and ratios throughout the deposits. Currently this information is only available in a large number of hardcopy maps. Until there is a much better geological understanding of the area the classification of the deposit will remain uncertain and the presence of major early Triassic granites in the area might suggest alternative affinities and origins for the deposits.

9. EXPLORATION

Reconnaissance exploration was carried out by SEAM and its subcontractor GMT on the three SPLs surrounding Song Toh and Boh Yai mines in 2011 and 2012. The aim of this work was to generate targets for similar mineralization peripherally to the known deposits.

The work has included the following:

- Lineament interpretation using Landsat imagery;
- Airborne Magnetic and Radiometric Survey data interpretation;
- Petrographic and ore microscopic examination;
- Geochemical sampling (soil and rock chip);
- IP and Resistivity survey.

9.1. LANDSAT IMAGERY

The Company interpreted LANDSAT satellite TM images using Band 453-RGB and Band 321-RGB. The image Band 453-RGB is more suitable for a geological study in the area.

Delineation of areas of possible different rock types (FIGURE 19) is based on the pattern of drainage in the area. They are interpreted as granite, bedded limestone, and massive limestone.

Interpretation of geological structures, i.e., lineaments of faults and joints of country rocks is as follows:

- Faults - Major faults trend NNW-SSE following the direction of the Three Pagodas Fault that extends from Myanmar and is apparently associated with lead-zinc mineralization. Minor faults trend NW-SE and NE-SW. Faults in N-S and E-W direction are rare.
- Joints - Significant joints are in NE-SW and NW-SE directions.

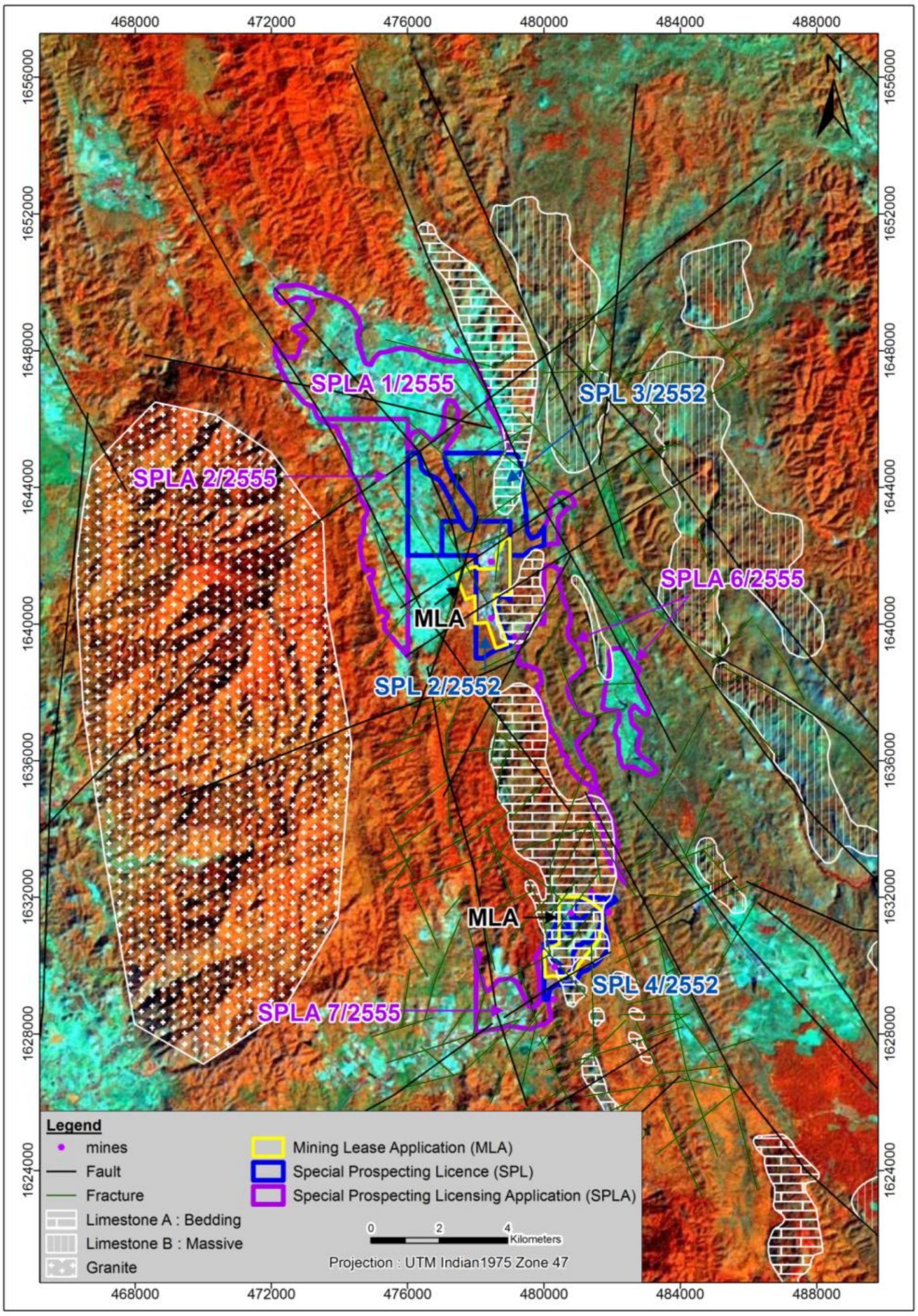

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FIGURE 19. LANDSAT 5 TM IMAGE OF KEMCO PROJECT AREA AND VICINITY

9.2. AIRBORNE MAGNETIC SURVEY INTERPRETATION

The DMR with the assistance of the Canadian International Development Agency (“CIDA”) carried out airborne magnetic and gamma-ray radiometric surveys covering most of the country during 1984 and 1989. The surveys were flown by Kenting Earth Sciences International Limited (“KESIL”), a Canadian contractor. In the Kanchanaburi area, both the magnetic and radiometric airborne surveys were flown with survey flight-line spacing of 1 kilometre. The flight-line directions are N-S and E-W for magnetic and radiometric surveys, respectively. Aeromagnetic and radiometric grids used in the interpretation were extracted from the nationwide grids with a 500 metre grid cell size.

The data from this survey was processed and interpreted by Austhai Geophysical Consultants Limited (“Austhai”) who recognized the following principal features:

- Enhanced Reduction to the Pole image definition to the Northwest-Southeast structural texture as well as cross-cutting Northeast-Southwest trending structures running through the SPL’s and SPLA’s.

- Both the Song Toh and Boh Yai mines are located along the margins of major Northwest-Southeast trending structural trends;

- The Song Toh mine is associated with an apparent intersection of the main Northwest-Southeast structure with a cross cutting Northeast-Southwest structure;

- The NW-SE and NE-SW linear structural features noted above coincide with linear features that had been interpreted from Landsat imagery. This feature is particularly prominent on the Y gradient of the Vertical Integral image, (FIGURE 20);

- The Song Toh mine is associated with a mild high in the Reduction to the Pole trending Northwest-Southeast indicating that a magnetic signature is associated with the mineralization;

- A large magnetic high to the west of Boh Yai and Song Toh is coincident with a granite intrusion mapped in this area.

Based on this interpretation, Austhai recommended the following geophysical exploration programme:

- Phase I as outlined in section 26.1 - Ground magnetic survey over the SPL’s to verify the association of magnetic high in the Reduction to the Pole and analytical signal with mineralization.

- Phase II as outlined in section 26.2 - Tighter line survey of 50m or 100m spaced Airborne or Heli-magnetic survey over the SPL’s and SPLA’s. Either as a standalone survey or in conjunction with a Heli Electromagnetic survey of the area;

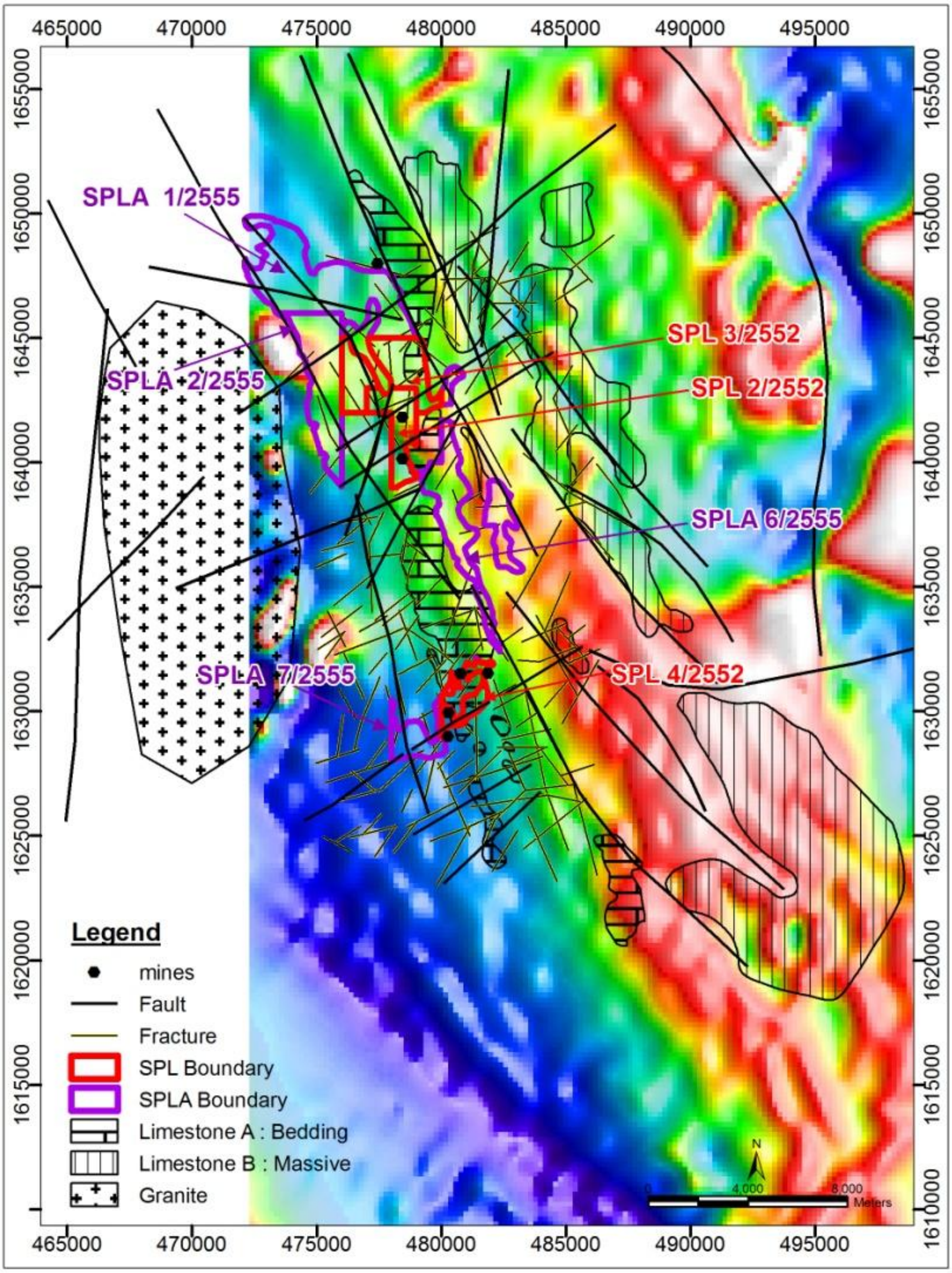


FIGURE 20. VERTICAL GRADIENT AEROMAGNETICS AND LANDSAT INTERPRETATION

9.3. AIRBORNE RADIOMETRIC SURVEY INTERPRETATION

The airborne radiometric data from the above mentioned survey program in the Song Toh and Boh Yai area was processed and interpreted by GMT Corporation Limited.

The interpretation was based on the observation that lead-zinc mineralization is closely associated with Lower to Middle Ordovician argillaceous limestone which is characterized by a low uranium, thorium and potassium signature compared to other rock units in the area. A number of potential lead-zinc mineralized target areas were identified on the basis of radiometric low anomalies (FIGURE 21).

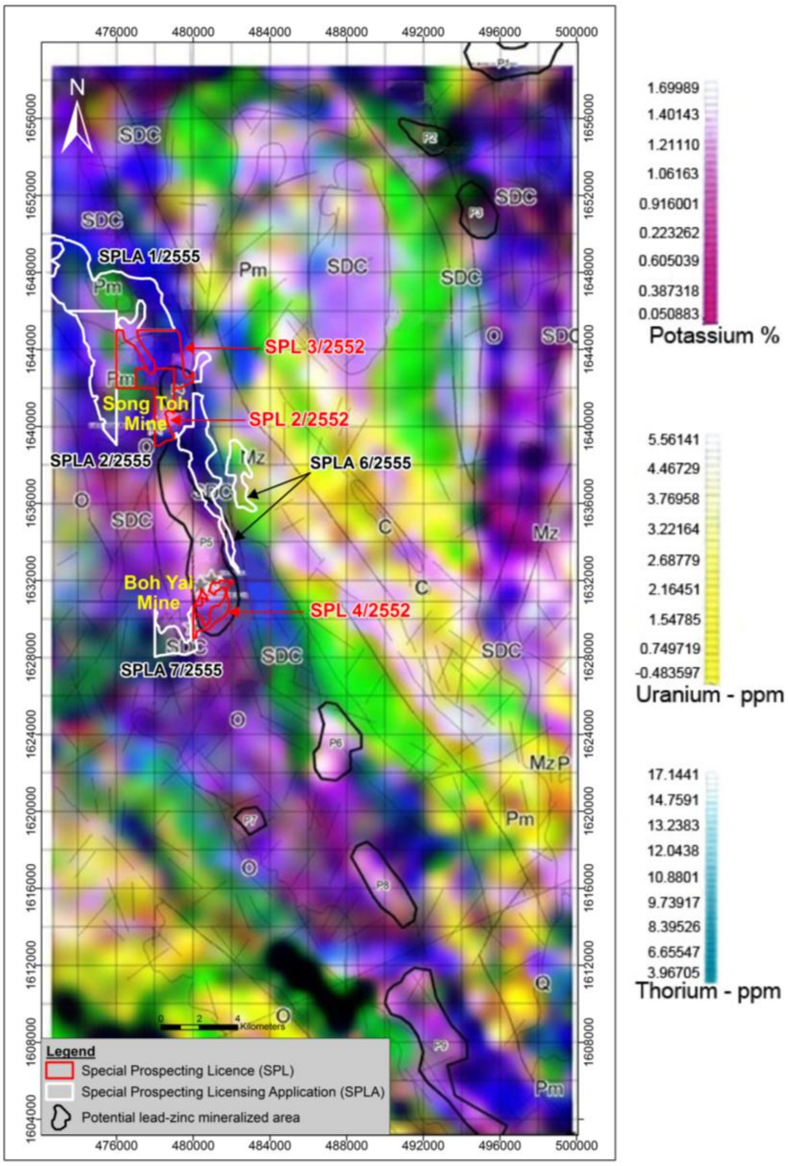


FIGURE 21. RADIOMETRIC TERNARY MAP OF SONG TOH – BOH YAI AREA SHOWING POTENTIAL PB-ZN MINERALIZATION AREAS

9.4. PETROGRAPHIC AND ORE MICROSCOPIC EXAMINATION

In June 2011, rock samples were collected from SPL 2-3/2552 and SPL 4/2552 for petrographic study and ore microscopy by GMT.

Twelve rock samples were collected from SPL 2-3/2552 and fourteen samples were collected from SPL 4/2552 for petrographic classification. The samples were described as follows:

- Limestone (HS-003 RK, HS-012 RK, HS-031 RK, HS-032 RK, HS-034 RK),
- Argillaceous limestone (HS-001 RK, HS-006 RK, HS-020 RK),
- Oolitic limestone (HS-013 RK and HS-019 RK),
- Marble (HS-015 RK, BR 001 RK, BR 002 RK, BR 010 RK, BR 020 RK, BR 023 RK, BR 024 RK, BR 029 RK),
- Dolomite breccias (BR 022 RK),
- Dolomite (BR 028 RK, BR 030 RK, BR 044 RK, BR 046 RK, BR O47 RK, BR 081 RK), and
- Feldspathic arenite sandstone (HS-10 RK)

Eight samples were collected from SPL 2-3/2552 and six samples were collected from SPL 4/2552 and analyzed for identification under an ore microscope.

In SPL 2-3/2552, six of the samples (HS-003 RK, HS-006 RK, HS-007 RK, HS-013 RK, HS-020 RK, HS-031 RK) were determined to be brecciated limestone with disseminated sphalerite, galena, and pyrite. The remaining two samples (HS-015 RK and HS-034 RK) were determined to be quartz vein material disseminated with the same sulphide minerals as the other samples.

In SPL 4/2552, all six samples (BR-005 RK, BR-008 RK, BR-009 RK, BR-020 RK, BR-021 RK and BR-052 RK were determined to be brecciated limestone with disseminated sphalerite, galena, and pyrite. Intergrowth between galena, sphalerite and pyrite in sample No. BR-021 RK implies that the minerals were deposited from hydrothermal fluids synchronously in similar geologic conditions.

9.5. ROCK CHIP GEOCHEMICAL SAMPLING

In March 2011, SEAM conducted a geochemical sampling program consisting of rock chip sampling on SPL 2-3/2552 and SPLs 4/2552. All samples were sent to Mineral Assay and Services (MAS) Laboratory in Bangkok, and analyzed using Induced Couple Plasma Emission Spectroscopy (ICP-ES) for 23 elements.

SONG TOH AREA – SPL 2-3/2552

58 rock chip samples were collected from SPL 2-3/2552 in the vicinity of the Song Toh mine. The following is a summary of the more significant results:

- 17 samples > 100 ppm Pb;
- 6 samples > 1000 ppm Pb;

- 4 samples > 10000 ppm Pb
- 14 samples > 100 ppm Zn;
- 5 samples > 1000 ppm Zn;
- 3 samples > 1,000 ppm Ba.

All of these elements show a strong correlation.

In SPL 2-3/2552, moderate to high lead and zinc values from the rock chip sampling program occur in the central part of SPL 2/2552 area which is associated with the NE-SW main structure. Many of the anomalous values correspond with known areas of sub-outcropping lead-zinc mineralization or old underground working areas. Many of the weakly anomalous lead and zinc values are present in the northeastern part of SPL 3/2552 area which was mapped as argillaceous limestone of Permian age. Follow up work is required to clarify that the lead-zinc mineralization is indeed associated with Permian limestone.

BOH YAI – SPL 4/2552

Forty-six rock chip samples were collected from SPL 4/2552 in the vicinity of the Boh Yai mine. The following is a summary of the more significant results:

- 7 samples > 100 ppm Pb;
- 5 samples > 1000 ppm Pb;
- 1 sample > 10000 ppm Pb
- 2 samples > 1000 ppm Zn;
- 1 sample > 100 ppm Cd
- 2 samples have > 1,000 ppm Ba.

All of these elements show a strong correlation.

Low to moderate lead anomalous values from the rock chip sampling are widely distributed in the SPL area (FIGURE 22).

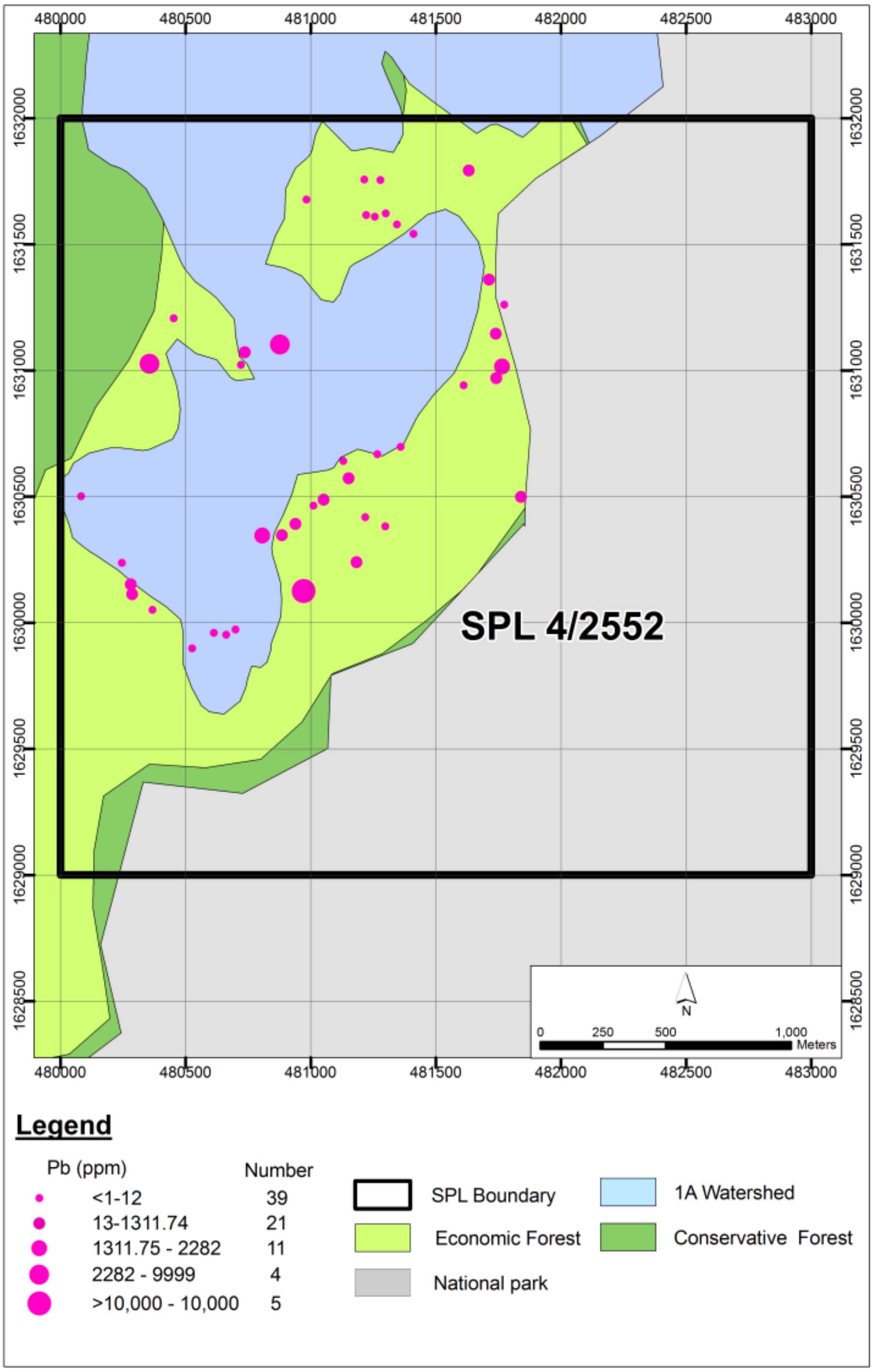


FIGURE 22. BOH YAI LEAD ANOMALIES IN ROCK CHIP SAMPLES

9.6. SOIL GEOCHEMICAL SAMPLING SONG TOH

A soil geochemical survey was conducted in October and November 2011 on SPL 2/2552 and 3/2552 by GMT. A total of 175 soil samples were collected from a 16 line-survey totaling 15 line-km. The line spacing was 100 – 200 m and 100 m sample spacing. The samples were collected from the B or C soil horizon by hand auger and analyzed for 23 elements by aqua regia leach / ICP-ES at MAS Laboratory in Bangkok.

Results of the survey are summarized below and Pb anomalies outlined in FIGURE 24.

SPL 2/2552

Results from the survey showed high lead anomalies ranging from 4,800 to 4,900 ppm, which are found in the southern part of the SPL. Based on field observation in the surrounding area, the Pb anomalies were likely derived from calcite veinlets containing minor galena and pyrite located over the southern part of Song Toh south ore body.

Copper anomalies are weak (50 to 245 ppm) and are mainly found in the north western area of the SPL and others are found in the southern part of the SPL associated with lead anomalies.

SPL 3/2552

The survey results showed high lead anomalies > 1,000 ppm that are mainly found in the eastern part of the SPL. In general, the high lead values are found along hill slope and karst topography associated with slightly reddish brown to dark brown soil, a weathering product of light grey to grey, fine grained limestone. Zinc anomalies also show the same distribution pattern as lead on the eastern part of the SPL but with lower values. These results suggest the presence of unidentified mineralisation in this area.

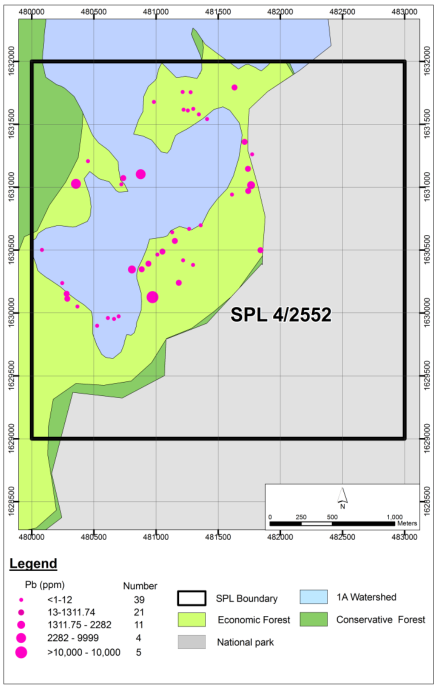


FIGURE 23. BOH YAI LEAD ANOMALIES IN ROCK CHIP SAMPLES

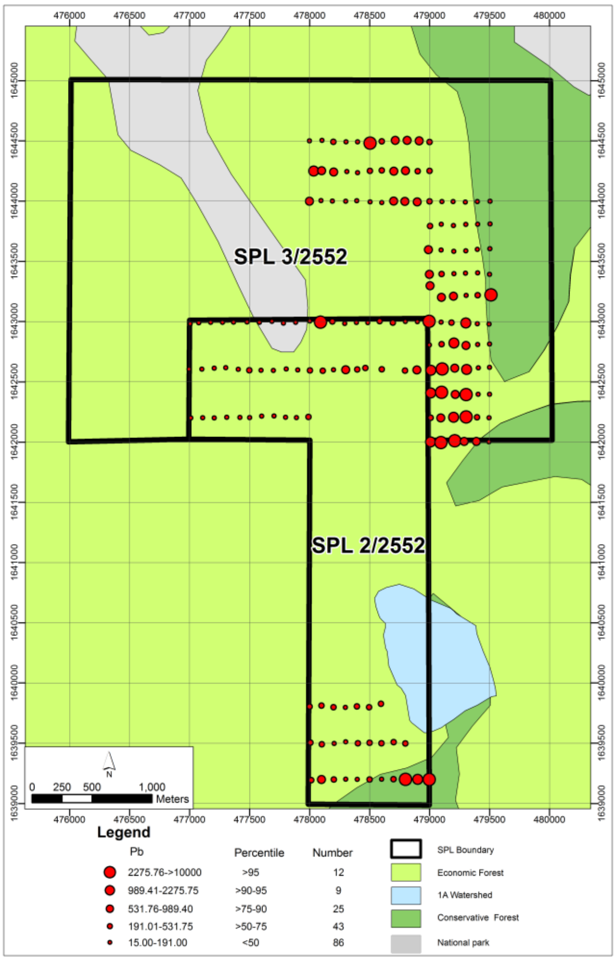


FIGURE 24. SONG TOH LEAD ANOMALIES IN SOIL SAMPLES

9.7. GROUND IP AND RESISTIVITY SURVEY

A ground IP and resistivity survey (Time Domain Induced Polarization method) was conducted on SPL 2/2552 and SPL 3/2552 area by Austhai in October and November, 2011. The complete survey totaled 20 line-km concentrating on areas to the north and west of the Song Toh mine with 100 - 200 m line-spacing. A series of 6 electrode pole-dipole arrays with dipoles of 100 m and poles spaced every 100 m along line was used to collect the inline 2D IP data. To optimize the information from the pole-dipole data collected over the Song Toh grid, two separate 3D block inversions were completed.

IP and resistivity anomalies correspond mostly with known areas of sub-outcropping lead-zinc mineralization or old underground working areas, but several anomalous zones are located distally from the known mineralization and are partly coincident with lead, zinc and copper soil anomalies as shown in FIGURE 25.

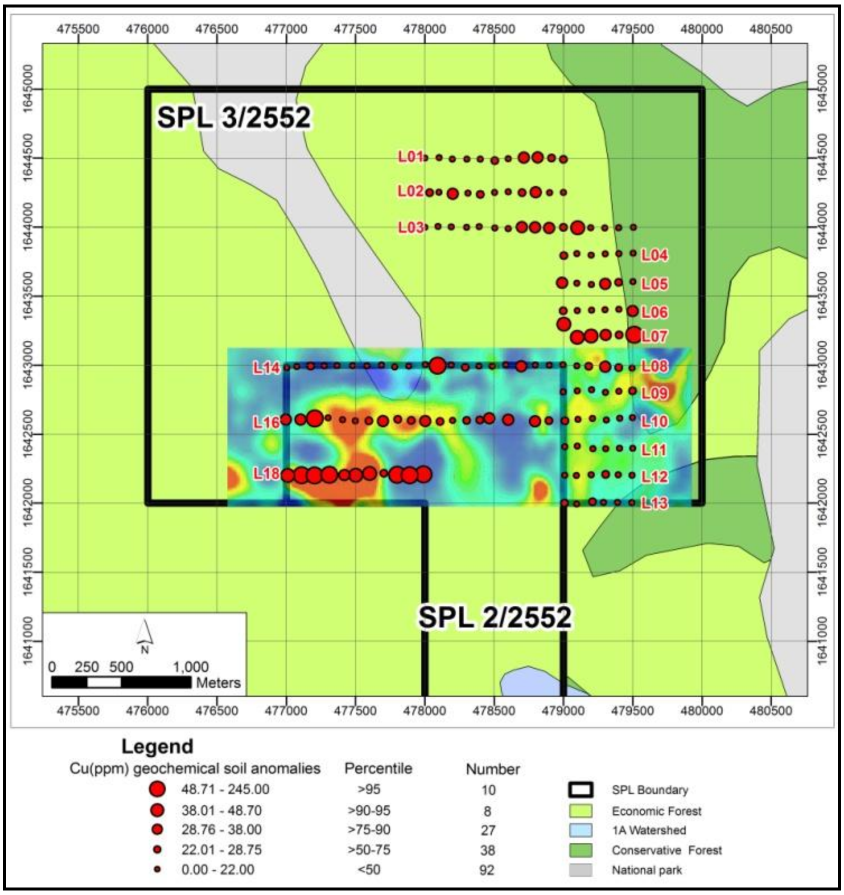


FIGURE 25. SONG TOH – IP CHARGEABILITY AND SOIL ANOMALIES

9.8. EXPLORATION POTENTIAL

The potential for increasing the resources at Boh Yai and Song Toh both at depth and peripherally is discussed in section 14.

The mineralisation at Song Toh and Boh Yai occurs in prominent limestone hills in which outcrops are common and mineral showings would have been easy to identify by simple prospecting methods. However the topography over much of the 35 kilometer limestone belt is relatively subdued and covered by forest which hampers prospecting. Much of this belt is mapped as underlain by the same formations that host the Song Toh and Boh Yai deposits and holds potential for similar mineralisation which warrants exploration by similar geochemical and geophysical methods to those already used.

9.9. EXPLORATION CONCLUSIONS AND RECOMMENDATIONS

Exploration to date has identified a number of Pb and Cu soil anomalies and IP anomalies peripheral to the Song Toh and Boh Yai mines, which may be indicative of more extensive Pb-Zn mineralisation in these areas. Further work, including geological mapping and more detailed geochemical and geophysical surveys is warranted in order to further define drill targets.

The interpretation of exploration results is hampered by the lack of a detailed geological map and by lack of proper understanding of the geological controls of the Song Toh and Boh Yai deposits.

ACA Howe recommends that SEAM should continue indexing historical plans and the most recent and reliable of these should be imported as georeferenced images into a suitable GIS package such as Mapinfo. Other available data should also be imported into the GIS package, including radiometrics, all available satellite imagery, published and unpublished geological and topographic maps and SRTM.

Exploration data recently generated by SEAM should be compiled within a database and imported into the GIS package.

The integration of this historical and modern data will allow:

- compilation of a geological map of the 35 km limestone belt,
- better characterization of the mineralisation controls at Song Toh and Boh Yai,
- better interpretation of exploration results and prioritization of targets,
- recognition of additional targets warranting exploration.
- drilling program

The following geophysical exploration program, as recommended by Austhai should be considered:

Phase I as outlined in section 26.1:

- ground magnetic survey over the SPL's to verify the association of magnetic high in the Reduction to the Pole and analytical signal with mineralization;
- infill IP and Resistivity lines in the northwest area which will allow a direct comparison of model results for the southern portion of the area with the eastern area;
- Additional IP to identify areas of copper mineralization in the form of disseminated sulphide alteration in conjunction with areas silicification;
- orientation IP surveys should be carried out over the Song Toh and Boh Yai deposits in order to characterize the response and allow optimization of survey parameters;

Phase II as outlined in section 26.2:

- Further specific gravity measurements of a wider range of samples with the view of conducting gravity survey in conjunction with the heliEM/IP to locate potential massive galena occurrences along the main NNE-SSW trending lead deposits in the east.
- tighter line survey of 50m or 100m spaced Airborne or Heli-magnetic survey over the SPL's and SPLA's. Either as a standalone survey or in conjunction with a Heli Electromagnetic survey of the area;

10. DRILLING

No drilling has been carried out on the KEMCO properties by SEAM. All the drilling on the properties is historical in nature and is discussed in section 6.7, (Historical) of this report.

11. SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1. HISTORICAL DRILL CORE SAMPLES

Drill core was aligned in the core box and marked with crayon along the top surface. Each section of drill core was removed from the core box and cut using a diamond saw. One half of the core was returned to the core box and aligned with the previous piece, the other half was placed in a numbered plastic and dispatched for sample preparation and assay.

Mineralised core zones were sampled continuously with sample intervals depending on mineralisation and lithology and ranging from 0.3 metres to 3.0 metres, and averaging 1.27 metres.

Half core samples were submitted to the MG/KEMCO laboratory at Song Toh where they were crushed in a jaw crusher and pulverised in a mill. Each pulp sample was split twice by riffle to produce four sub-samples, one of which was retained. The remaining three pulp sub-samples were split further to produce duplicates, one which was submitted for analysis at the Song Toh laboratory and the other was submitted for analysis at SGS Far East Laboratory, Bangkok.

A composite sample was submitted to MG's Meggen laboratory.

Analysis for Pb, Zn, Fe and Ag was performed at both laboratories by atomic absorption spectrophotometry (AA). The Song Toh Laboratory used a Phillips PNA100 instrument. Both laboratories employed a quality control system involving duplicates, standards and blanks but the details of these procedures and their results cannot be verified.

FIGURE 26 shows details of the core sampling procedure used during the historical diamond drilling programmes.

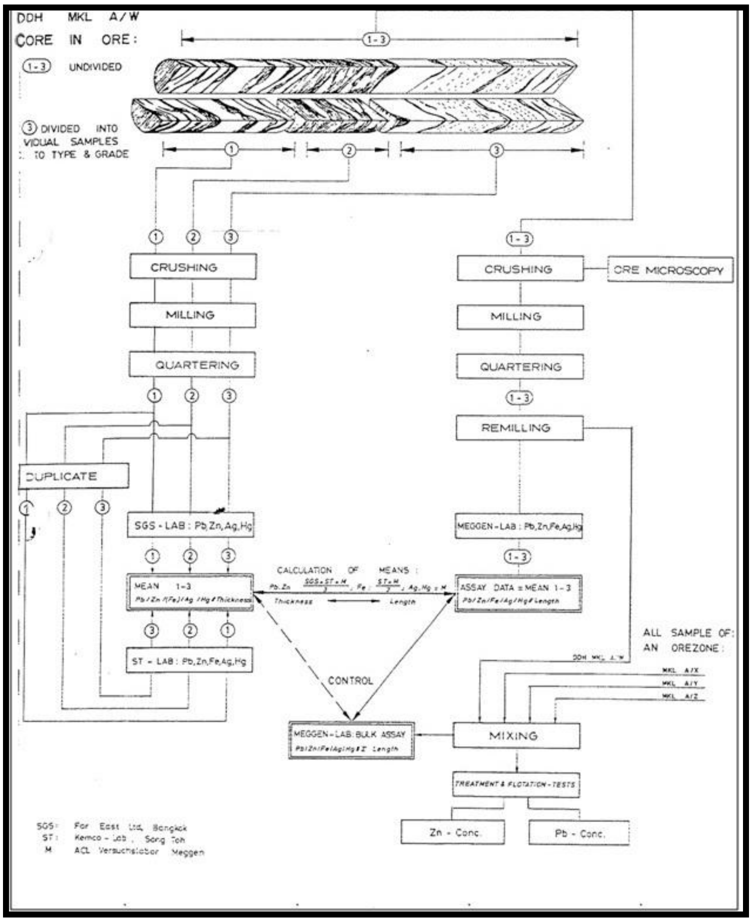


FIGURE 26. HISTORICAL SAMPLE PREPARATION AND ASSAY FLOWSHEET

11.2. ACA HOWE VERIFICATION SAMPLES

ACA Howe supervised a programme of verification sampling involving duplicate pulp samples and quarter core samples, recovered from storage at Song Toh.

Half core samples were split by identifying the original samples according to tags and depth marks in the core boxes. Each piece of half core was then split by diamond saw. One half was returned to the core box and the other half was placed in a numbered plastic bag and submitted for analysis.

Duplicate pulp samples were split in a riffle. Each sub-sample was re-bagged and numbered. One sample was returned to the storage facility. The other was submitted for analysis.

Duplicate core and pulp samples were shipped by air to ALS Laboratory, Brisbane, Queensland, Australia, which is accredited to ISO 17025. The laboratory maintained quality control through the use of standards, blanks and duplicates.

Core samples were pulverized in their entirety in a puck-type pulverizer to 85% passing 75 microns or better.

Core samples received by ALS were prepared by crushing to 70% <2 mm and pulverising of 1,000 g to 85% passing 75 µm according to ALS procedure PUL-21.

Analysis of both pulp and core samples for Zn, Pb and Ag were conducted by aqua regia digest with inductively coupled plasma atomic emission spectroscopy finish ("**ICP-AES**") according to ALS method code ME-OG46h and results were reported in % Pb and Zn and ppm Ag.

11.3. EXPLORATION SAMPLES

Soil samples and rock samples collected from Song Toh and Boh Yai areas during the course of exploration between 2011 and 2012 were submitted to MAS Laboratory in Bangkok. Due to the reconnaissance exploration character of these samples no special measures were adopted to ensure their security.

Rock samples were dried and crushed to nominal 10 mesh (1.7mm) then split into 250 g sub-sample which was pulverized to 90% passing 150 mesh (100 microns).

Soil samples were dried and the entire sample sieved to -80 mesh (170 microns).

Sub samples of 0.5g of soil and rock pulp were digested in aqua regia and analyzed by Inductively Coupled Plasma Emission Spectroscopy (ICP-ES) according to MAS procedure GEO23AR/ICP. Analytical results were reported for 23 elements: Ag, As, Ba, Bi, Cd, Co, Cr, Cu, Hg, Mn, Mo, Ni, Pb, Sb, V, Zn, Al, Ca, Fe, K, Mg, Na, and Ti.

12. DATA VERIFICATION

ACA Howe visited the Song Toh and Boh Yai mining sites between 2nd and 7th December 2011, during which time the mine surface and underground facilities were inspected. Drill core was inspected and compared with historical drill logs and it was confirmed that lithological, structural and mineralisation features were accurately and properly recorded to a good professional standard and that best practice logging procedures had been implemented.

ACA Howe supervised a programme of verification sampling involving 79 samples; 59 duplicate pulp samples recovered from storage at Song Toh, and 20 duplicate quarter core samples. The duplicate samples were selected in order to be representative of the Song Toh and Boh Yai drilled resources and were therefore taken from drillholes that were widely spaced both in location and over time and reflected the full range of assay values used in resource estimation.

Half core samples were split by identifying the original sample intervals according to tags and depth marks in the core boxes. Each piece of half core was then split by diamond saw to produce two quarter cores. One quarter was returned to the core box and the other quarter was placed in a numbered plastic bag and submitted for analysis.

Duplicate pulp samples were split in a riffle. Each sub-sample was re-bagged and numbered. One pulp sample was returned to the storage facility. The other was submitted for analysis.

Duplicate core and pulp samples were shipped by air to ALS Laboratory, Brisbane, Queensland, Australia, which is accredited to ISO 17025. The laboratory maintained quality control through the use of standards, blanks and duplicates.

Core and pulp samples were prepared and analysed according to the procedures described in section 11 of this report and results were reported in % Pb and Zn and ppm Ag.

12.1. PULP DUPLICATE RESULTS

The results of the duplicate pulp analyses, summarised in TABLE 9 below and detailed in TABLES 10 and 11, show that the historical assay results for lead and silver are consistently lower than those of the duplicate samples, averaging 4.68% lower for Pb, and 17.41% lower for silver. The historical assay results for zinc are consistently higher than those of the duplicate samples, averaging 9.6% higher.

The reason for this discrepancy is not known but it is believed that Metallgesellschaft/KEMCO maintained a deliberately conservative approach to resource estimation and that this was reflected in analytical reporting.

ACA Howe considers that the correlation between the two sets of results provides verification of the reliability of the historical assay results and the sampling and assay procedures.

TABLE 9. SUMMARY OF HISTORICAL V. 2012 DUPLICATE PULP SAMPLE RESULTS

Area	Number of duplicate samples	Pb(%) average		Differ-ence %	Zn(%) average		Differ-ence %	Ag(ppm) average		Differ-ence %
		KEMCO	ALS		KEMCO	ALS		KEMCO	ALS	
Song Toh	30	7.73	8.11	4.66	2.55	2.66	4.46	114.50	147.80	22.53
Boh Yai	29	4.86	5.09	4.55	4.17	3.39	-22.93	92.32	103.54	10.84
Song Toh and Boh Yai	59	6.32	6.63	4.68	3.31	3.02	-9.60	103.79	125.67	17.41

TABLE 10. **SONG TOH DUPLICATE PULP SAMPLES**

No.	Name	Pb (%)		Zn(%)		Ag (ppm)	
		KEMCO	ALS	KEMCO	ALS	KEMCO	ALS
1	STSW +484(3/4)	10.11	11.05	2.18	1.725	48.00	96.00
2	STSW +484(5/3)	1.75	1.835	0.69	0.653	24.00	32.00
3	STSW +484(16/2)	4.01	4.12	1.18	1.195	68.00	79.00
4	STSW +484(18/1)	6.01	5.47	5.91	4.33	186.00	126.00
5	STSW +484(30)	14.98	16.65	5.66	5.77	282.00	340.00
6	STSW +484(23/1)	6.66	6.41	0.60	0.985	92.00	100.00
7	STSW +484(21)	1.58	1.875	2.78	2.25	32.00	41.00
8	STSW +484(16/1)	4.97	5.09	2.70	2.77	66.00	84.00
9	STSW +484(15/2)	13.08	13.9	1.65	1.57	194.00	240.00
10	STSW +484(6/2)	1.58	1.57	1.06	0.883	30.00	38.00
11	STSW +484(3/3)	3.06	3.54	0.26	0.168	26.00	40.00
12	STS +421(1/4)	2.89	5.01	0.14	0.077	26.00	37.00
13	STS +421(1/5)	3.11	2.89	0.10	0.052	27.00	55.00
14	STS +421(6/2)	6.38	3.01	0.03	0.228	96.00	53.00
15	STS +421(7/1)	15.87	16.6	1.52	1.485	216.00	288.00
16	STS +421(7/2)	3.96	4.06	2.69	2.01	74.00	90.00
17	STS +421(8/2)	9.62	9.6	6.08	5.73	236.00	238.00
18	STS +421(9/1)	4.44	5.15	0.85	0.964	32.00	50.00
19	STS +421(11/1)	1.60	1.655	0.24	0.327	34.00	22.00
20	STS +434(8/1)	3.42	3.55	0.28	0.177	64.00	89.00
21	STS +434(15/1)	12.03	11	7.74	7.15	182.00	194.00
22	STS +434(30/1)	8.10	18.05	1.61	3.02	155.00	325.00
23	STS +434(31/2)	20.40	5.98	2.26	0.104	118.00	140.00
24	STS +447(3/1)	10.03	16.9	0.01	2.82	165.00	380.00
25	STS +447(6/2)	14.47	18	0.10	3.78	234.00	365.00
26	STS +447(6/6)	18.32	14.95	4.33	0.083	318.00	276.00
27	STS +447(A7/3)	10.20	8.88	10.24	9.12	110.00	122.00
28	STS +447(A7/4)	2.85	2.39	0.05	0.052	22.00	15.00
29	STS +447(10/1)	1.96	9.92	0.06	8.59	32.00	192.00
30	STS +447(16)	14.47	14.15	13.35	11.85	246.00	287.00
	mean	7.73	8.11	2.55	2.66	114.50	147.80

TABLE 10. **SONG TOH DUPLICATE PULP SAMPLES**

No.	Name	Pb (%)		Zn(%)		Ag (ppm)	
		KEMCO	ALS	KEMCO	ALS	KEMCO	ALS
	% difference		4.89		4.67		29.08

TABLE 11.BOH YAI DUPLICATE PULP SAMPLES

List	Sample No.		Pb(%)		Zn(%)		Ag(ppm)	
			KEMCO	ALS	KEMCO	ALS	KEMCO	ALS
1.00	MKL 1/28	35.80 - 37.09	2.35	2.31	4.30	4.47	39.00	45.00
2.00	MKL 4/39	36.82 - 37.80	6.95	7.86	6.46	5.58		
3.00	MKL 4/42	30.00 - 30.50	5.77	6.88	5.73	4.85	68.00	68.00
4.00	MKL 4/38	28.62 - 31.25	2.10	2.49	5.70	5.22	80.00	87.00
5.00	MKL 4/42	31.37 - 31.73	5.24	5.90	4.46	4.77	68.00	64.00
6.00	MKL 4/42	71.06 - 75.52	2.19	2.46	1.07	1.25	10.00	9.00
7.00	MKL 5/73	29.18 - 29.80	1.98	2.04	5.97	4.48	88.00	82.00
8.00	MKL 5/73	37.30 - 38.55	4.47	5.00	0.44	0.41	128.00	139.00
9.00	MKL 4/40	38.40 - 39.13	1.76	1.80	1.96	1.64	12.00	15.00
10.00	MKL 5/64	16.51 - 17.32	2.26	2.39	3.80	3.34	12.00	16.00
11.00	MKL 5/65	2.50 - 4.12	2.12	2.50	0.75	0.85	6.00	10.00
12.00	MKL 5/66	36.20 - 36.93	2.71	2.99	2.08	1.99	60.00	65.00
13.00	MKL 4/39	27.30 - 30.00	2.69	2.45	3.54	3.64	42.00	45.00
14.00	H4 +672	12/2	3.60	3.05	17.74	14.50	164.00	150.00
15.00	H4 +672	15/2	0.35	0.41	0.12	0.19	6.00	9.00
16.00	H4 +672	17/1	0.06	0.05	4.88	3.98	18.00	24.00
17.00	H5 +655	8/1	1.48	2.18	1.74	0.29	10.00	7.00
18.00	H7 +451	21	2.14	2.22		0.02	34.00	33.00
19.00	H7 +451	18	3.24	3.22	0.01	0.00	26.00	51.00
20.00	H7 +451	17/2	1.70	1.79		0.00	4.00	24.00
21.00	H7 +451	6/2	14.90	13.90	0.03	0.02	304.00	318.00
22.00	H7 +451	3/1	5.75	5.93	0.01	0.01	78.00	102.00
23.00	H7 +451	4/1	2.37	2.41	0.01	0.00	32.00	37.00
24.00	H5 +655	5/2	17.32	18.05	7.08	6.80	96.00	106.00
25.00	H5 +655	9/1	2.86	2.26	3.65	0.31	14.00	13.00
26.00	H5 +655	4/2	9.08	11.50	13.48	14.85	34.00	43.00
27.00	H4 +672	13/2	2.23	2.73	7.79	7.26	58.00	88.00
28.00	H4 +595	16/6	5.33	1.32	4.50	1.97	4.00	9.00
29.00	H5 +610	26	25.95	29.60	5.17	5.60	1090.00	1240.00

TABLE 11.BOH YAI DUPLICATE PULP SAMPLES								
List	Sample No.		Pb(%)		Zn(%)		Ag(ppm)	
			KEMCO	ALS	KEMCO	ALS	KEMCO	ALS
		mean	4.86	5.09	4.17	3.39	92.32	103.54
		% difference		4.77		-18.65		12.15

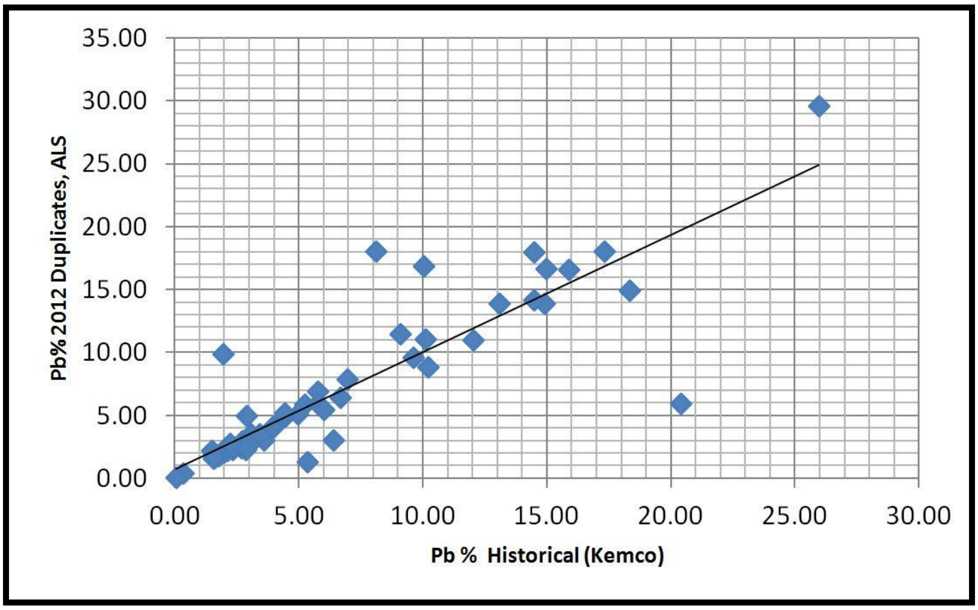


FIGURE 27. SCATTER PLOT OF HISTORICAL PULP ASSAYS VERSUS 2012 DUPLICATE PULP ASSSAYS (PB)

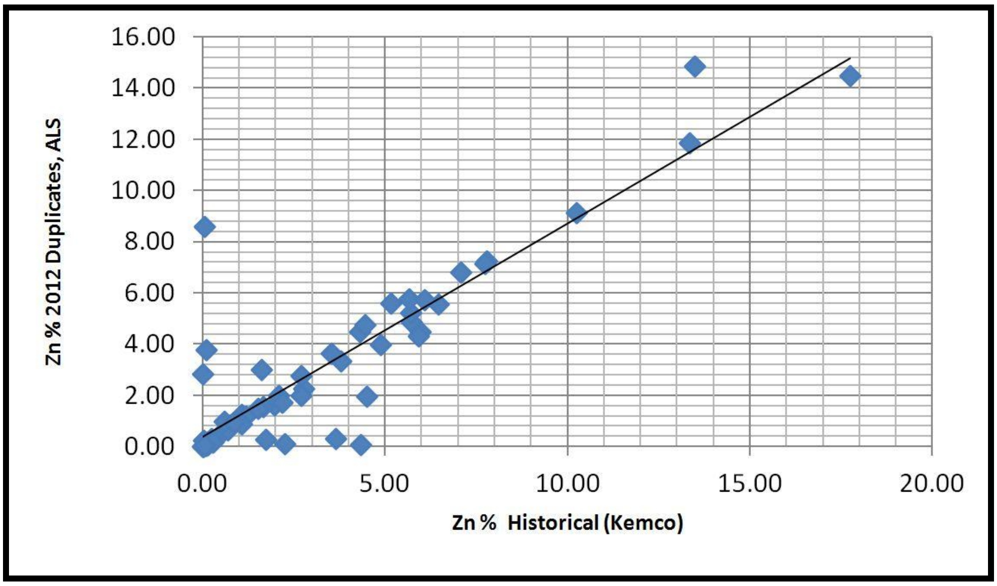


FIGURE 28. SCATTER PLOT OF HISTORICAL PULP ASSAYS VERSUS 2012 DUPLICATE PULP ASSAYS (ZN)

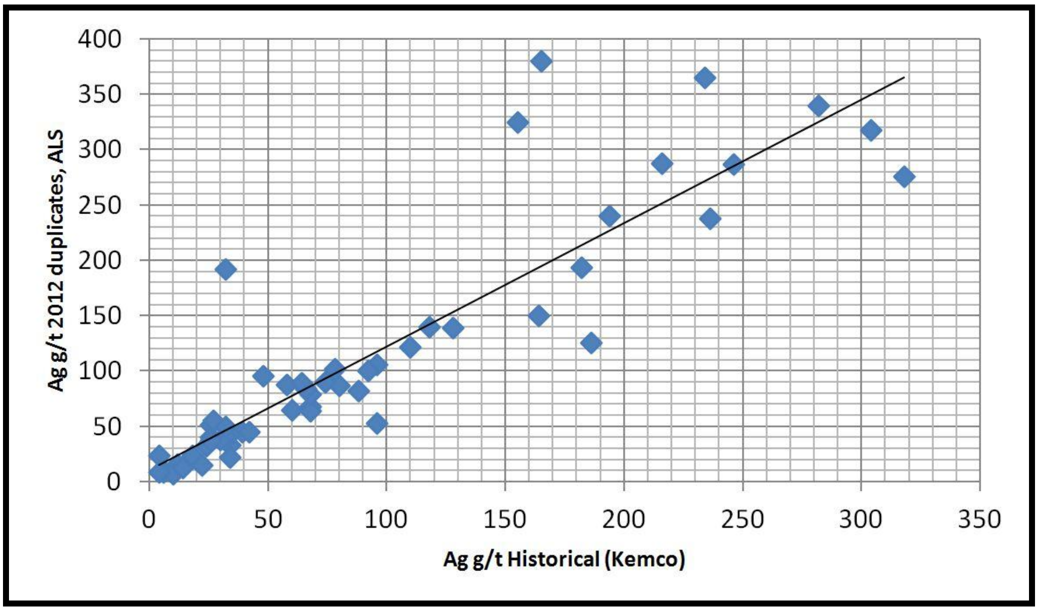


FIGURE 29. SCATTER PLOT OF HISTORICAL PULP ASSAYS VERSUS 2012 DUPLICATE PULP (AG)

12.2. CORE DUPLICATE RESULTS

A total of 20 half-core samples were selected for re-sampling by quartering. Analytical results are summarized in TABLE 12 below, detailed in TABLE 13, and displayed in graphical form in FIGURES 30 to 32.

TABLE 12. SUMMARY OF HISTORICAL HALF CORE V. 2012 QUARTER CORE ASSAY RESULTS							
Area	Number of duplicate samples	Pb(%)		Zn(%)		Ag(ppm)	
		KEMCO	ALS	KEMCO	ALS	KEMCO	ALS
Song Toh and Boh Yai	20	6.49	6.12	0.62	0.76	84.84	79.12

The 2012 quarter core assays provide a reasonable comparison with the original KEMCO half core results (TABLE 13). A number of factors may contribute to differences including:

- Differences in distribution of mineralisation between half core and corresponding quarter core;
- Differences in individual core intervals;
- Different analytical procedures.

In view of these multiple factors, ACA Howe considers that the correlation between the two sets of results provides verification of the reliability of historical sampling and assay procedures.

TABLE 13.COMPARISON OF ORIGINAL ASSAYS ON HALF CORE V CHECK ASSAYS ON QUARTER CORE

KEMCO Sample Interval. (half core)	SEAM Sample Interval (quarter core)	Pb (%)		Zn (%)		Ag(g/t)	
		KEMCO	ALS	KEMCO	ALS	KEMCO	ALS
BS 151 152.35 - 153.74	BS 151 152.36 - 153.36	2.55	2.32	0.02	0.01	72.00	70.00
BS 151 153.74 - 154.75	BS 151 153.36 - 154.36	2.98	0.89	0.01	0.01	12.00	27.00
BS 149 97.95 - 98.95	BS 149 98.09 - 99.09	11.20	11.45	0.07	0.03	205.00	186.00
BS 149 98.95 - 99.58	BS 149 99.09 - 99.58	1.86	1.31	0.06	0.01	31.00	17.00
BS 137 177.45 - 178.39	BS 137 177.45 - 178.45	4.18	3.50	0.01	0.00	72.00	63.00
BS 137 178.39 - 179.22	BS 137 178.4 - 179.45	8.76	7.08	2.85	2.60	165.00	154.00
BS 137 179.22 - 180.35	BS 137 179.45 - 180.45	3.29	3.40	0.18	0.01	57.00	62.00
BS 137 180.35 - 182.86	BS 137 180.45 - 181.45	2.41	2.75	0.01	0.01	68.00	58.00
DDH 114 115.24 - 116.80	DDH 114 115.24 - 116.24	9.72	9.10	5.12	5.26	107.00	117.00
DDH 114 116.80 - 118.16	DDH 114 116.24 - 117.24	3.20	2.54	0.41	0.91	26.00	21.00
DDH 114 118.16 - 121.15	DDH 114 117.24 - 118.24	0.39	2.86	0.11	0.18	11.00	19.00
DDH 115 91.15 - 92.40	DDH 115 91.03 - 92.03	4.67	5.94	1.39	2.10	27.00	32.00
DDH 115 92.40 - 93.86	DDH 115 92.03 - 93.03	1.64	1.67	0.54	0.83	16.00	11.00
DDH 115 93.86 - 96.52	DDH 115 93.03 - 94.03	0.76	0.69	0.16	0.11	11.00	3.00
DDH 115 98.20 - 98.37	DDH 115 98.03 - 98.37	38.30	25.50	0.05	0.02	423.00	301.00
DDH 116 90.76 - 91.90	DDH 116 90.57 - 91.57	0.76	5.89	0.21	1.01	14.00	21.00
DDH 114 128.57 - 130.00	DDH 114 129.90 - 130.90	0.75	3.21	0.50	1.41	11.00	21.00
DDH 114 130.45 - 132.72	DDH 114 131.90 - 132.90	0.18	7.17	0.06	0.02	11.00	97.00
DDH 114 132.72 - 133.28	DDH 114 132.90 - 133.28	25.77	19.10	0.01	0.00	273.00	224.00
	mean	6.49	6.12	0.62	0.76	84.84	79.16
	% difference		-5.68		23.39		-6.70

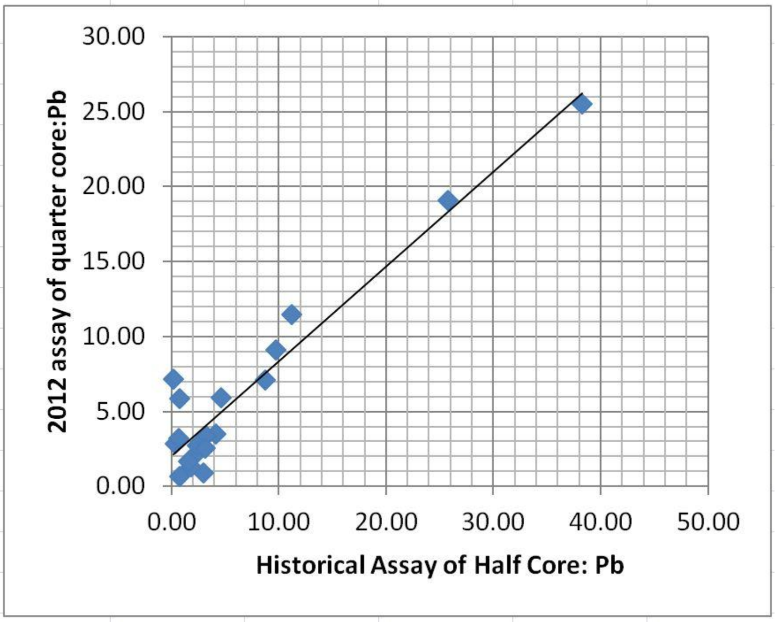


FIGURE 30. SCATTER PLOT OF HISTORICAL HALF CORE ASSAYS V. 2012 QUARTER CORE ASSAYS (PB)

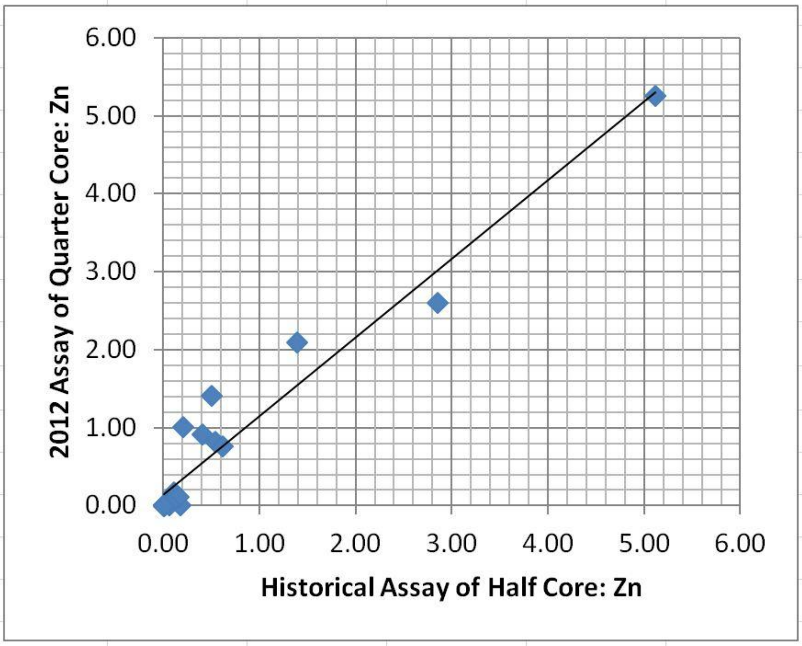


FIGURE 31. SCATTER PLOT OF HISTORICAL HALF CORE ASSAYS V. 2012 QUARTER CORE ASSAYS (ZN)

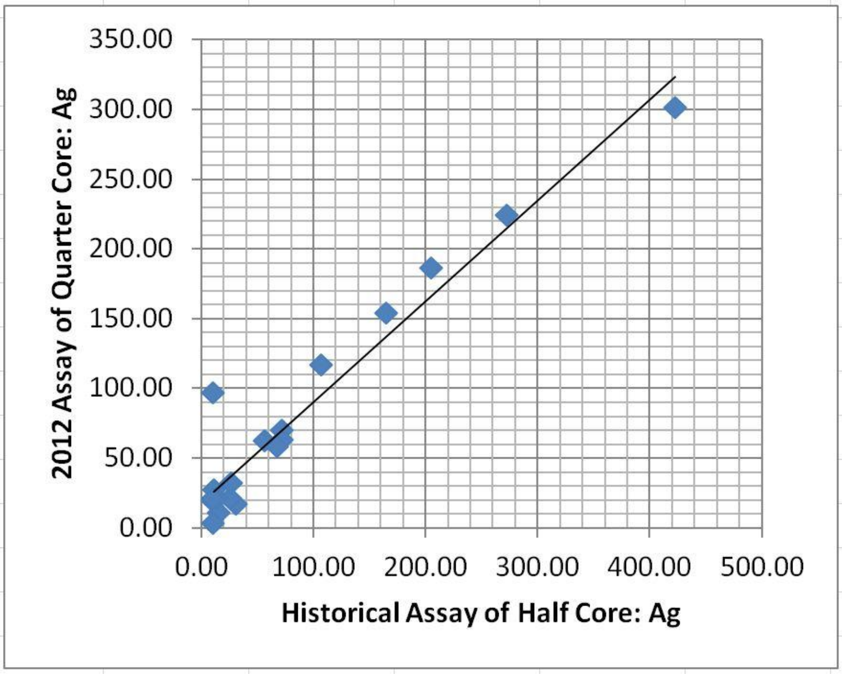


FIGURE 32. SCATTER PLOT OF HISTORICAL HALF CORE ASSAYS V. 2012 QUARTER CORE ASSAYS (AG)

12.3. ASSAY VERIFICATION CONCLUSIONS

Check assays carried out on a total of 79 core and pulp samples indicated an overall bias of +2.23% for Pb assays, -3.94% for Zn assays and +15% for Ag assays as listed in TABLE 14 below.

This indicates that the overall biases in historical Pb and Zn assays are within 5% of the check values, and are therefore considered reliable and acceptable for use in CIM compliant resource estimation.

The silver values indicate a bias of +15.8% when 2012 assays are compared with historical values. This suggests that the use of historical silver values for resource estimation may result in an underestimation of silver grades and in an overall conservative bias in the silver resource.

Since silver represents less than 30% of the Song Toh or Boh Yai resource, ACA Howe is of the opinion that any underestimate of resource silver values is insufficiently serious as to render the historical silver values unacceptable for use in CIM compliant resource estimation.

TABLE 14. SUMMARY OF CHECK ASSAYS OF 78 CORE AND PULP SAMPLES

	Pb(%)		Zn(%)		Ag (g/t)	
	KEMCO	ALS	KEMCO	ALS	KEMCO	ALS
mean	6.36	6.50	2.64	2.54	99.12	114.77
% difference		+2.23		-3.94		+15.79

13. MINERAL PROCESSING AND METALLURGICAL TESTING

13.1. CURRENT METALLURGICAL STUDIES

No mineral processing or metallurgical studies have been carried out by SEAM with respect to the Property. Historical mineral processing at the Song Toh Mill is discussed in section 6.4 of this report.

13.2. PREVIOUS METALLURGICAL STUDIES

Although no recent metallurgical studies have been performed, the metallurgical characteristics of the mineralization can be inferred from the milling records. Certainly any metallurgical problems should be evident in the mill recoveries. The mineralized material was processed at the 1,200 tonne per day milling operation at Song Toh. Lead and Zinc concentrates were recovered from the mineralization by the flotation process. The mill appears to be in reasonable condition and the former operations staff feel that it could be operational in a short time and at low cost.

14. MINERAL RESOURCE ESTIMATES

14.1. SOFTWARE

Resources for the Song Toh and Boh Yai areas were estimated using Micromine Version 11.0 software.

14.2. DATA SOURCES AND DATA COMPILATION

During the course of the operation of Song Toh and Boh Yai mines, information was held primarily in the form of paper files and historical drawings.

The principal plans used for resource estimation are long sections, cross sections and plans which range in scale from 1:100 to 1:5000. The plans are all hand drawn to a professional standard mostly on plastic film (‘mylar’) and summarized in TABLE 15. The principal features depicted on these plans are:

- Topographic sections and contours;
- Underground development and stoping;
- Drill traces;
- Mineralised intersections and assay summaries; and
- Geological interpretations including lithological features and structures.

Many hundreds of plans and sections are filed at the mine office at Song Toh. SEAM has selected the most relevant and most recent of these for digital scanning which amount to a total of 547 plans and sections, digital copies of which were provided to ACA Howe. TABLE 15 below summarizes the main features of these plans:

TABLE 15. SUMMARY OF PLANS AND SECTIONS			
Plan Type	Subject	Scale	number of plans
Boh Yai			
Plans	Drilling	500	10
Plans	Surface Geology	500-2000	10
Plans	Topography	500	29
Long Sections	Drilling, Underground Development, Resource Blocks	500	25
Cross Sections	Geological Interpretation, Drilling	500	147
Song Toh			
Plans	Early Exploration From 1975	1000-5000	61
Plans	Surface Geology	2000	15
Plans	Hydrology And Hydrogeology	1000-5000	11
Plans	Underground Development Level Plans	500	20
Plans	Surface Topography	500	8
Long Sections	Drilling, Underground Development, Resource Blocks	500	4
Cross Sections	Geological Interpretation, Drilling	500	207
		TOTAL	547

14.3. DATABASE CREATION

The principal paper files used as a source of information for resource estimation were as follows:

- Assay sheets;
- Drill survey sheets; and
- Drill logs.

SEAM has transcribed information as summarized in TABLE 16 from these sources to corresponding digital spreadsheets representing assay, collar and survey information. ACA Howe has carried out random checks on the spreadsheets to verify that there are no transcription errors. The small number or errors found during this process have been corrected.

A number of other errors became apparent during visual checks of the spreadsheets and during Micromine validation. These errors have also been corrected in the original spreadsheets.

ACA Howe added data for lead equivalent (Pbeq) to the assay spreadsheet, according to the following formula: Pbeq =Pb + (0.962 *Zn) + (0.0360 * Ag), where zinc and lead are reported in percent and silver in parts per million. The prices used for this formula are based on a three year average price for December

2008 to December 2011: Pb=$2059/t, Zn=$1981/t and Ag= $23/oz. ACA Howe believes that it would be premature to make any presumptions concerning relative metallurgical recoveries in this formula, since these have not yet been determined.

Azimuth and dip angles in KEMCO records are expressed in terms of a 400 degree circle (‘400 gons’). ACA ACA Howe has converted all such units to conventional degrees by multiplying them by 0.9.

ACA Howe carried out random checks on the spreadsheets to verify that there are no transcription errors. The small number or errors found during this process have been corrected. A number of additional errors became apparent during visual checks of the spreadsheets. These errors were also corrected in the original spreadsheets.

ACA Howe carried out an adjustment of the SEAM spreadsheets in order to create separate master databases for Song Toh and Boh Yai areas containing collar, survey and assay data suitable for import into Micromine.

TABLE 16 below summarizes the data contained within the Song Toh and Boh Yai Databases which formed the basis of resource estimations.

TABLE 16. DATABASE DETAILS

Data	Number of Records	
	Boh Yai	Song Toh
Drill Holes	316	236
Drill Hole Surveys	548	1052
Drill Hole Assays, Pb, Zn, Ag	2180	1734
Drill Hole Assays, Fe	1879	1518
Drill Hole Assays, Cd	577	86
Drill Hole Assays, Hg	1666	1492

Geology was not incorporated into the database as the numerous plans and sections represent a diligent interpretation of the geology and mineralisation that could best be utilized by importing the relevant scanned images into Micromine.

14.4. DATABASE VALIDATION

Once the drill hole database had been created, separate files for “assays”, “collars” and “surveys” were imported into Micromine. A series of validation functions were then run, designed to reveal the following errors:

- Duplicate drill holes or channels;
- One or more collar coordinates missing in the collar file;
- FROM or TO missing in the assay file;
- FROM > TO in the assay file;
- Sample intervals non contiguous;

- Overlapping sample intervals;
- First sample ≠ 0m in the assay file;
- First survey ≠ 0m in the survey file;
- Multiple surveys for the same depth;
- Azimuth not between 0 and 360 degrees in collar or survey file;
- Angle not between 0 and 90 degrees in collar or survey file;
- Azimuth or angle missing in survey file;
- Depth of hole less than depth of final sample; and
- Down hole survey depth greater than drill hole depth.

After the validation functions had been run, any errors identified were corrected in the master databases, so that the resulting databases contain all available drilling and sampling data and are robust and suitable for resource estimation.

14.5. INTERPRETATION AND MODELING

When the databases had been validated all drill hole data was viewed interactively in Micromine software 2D and 3D environments.

Historical plan, long section and cross section images were then imported into Micromine using the georeference facility. This allowed validation of digital drill hole traces against the corresponding traces on the historical plans, and identified a small number of errors in collar locations, azimuths and dips which were corrected in the relevant databases. Elsewhere the plotted location of drill traces on historical plans corresponded closely to the locations plotted from historical surface and downhole survey data using Micromine.

14.6. SELECTION OF MINERALISED ZONES FOR RESOURCE ESTIMATION

Following examination and review of plans, sections and digitally rendered drillholes it was apparent that many of the drilled areas had been mined historically as represented on long section by depiction of underground development and stoping. Detailed confirmation of the extent of these developed areas was carried out by reference to KEMCO production and reserve records which could be correlated with the corresponding drawings. The review concluded that undeveloped resources existed in three principal areas as summarized in TABLE 17 below.

TABLE 17.SUMMARY OF UNMINED RESOURCE AREAS		
Deposit	Section	General minimum level of mine development, metres
Boh Yai	Hills 1 To 5	600
Boh Yai	Hill 7	450
Song Toh	Song Toh Southwest	450
Song Toh	Song Toh Camp	None; no historical mining

The former mine manager, Mr Walter Griese, in subsequent and prior discussions, agreed that these areas were the principal ones containing resources that were unaffected by mining.

Following discussions with SEA and with ACA Howe mining engineer Bruce Brady, a nominal cutoff of 3.0% Pbeq was adopted in order to define the limits of mineralised domains. Detailed examination of cross sections allowed the definition of twenty eight separate mineral domains at Boh Yai, nine at Song Toh Southwest and five at Song Toh Camp, as listed in TABLE 18.

The following techniques were employed whilst interpreting mineralized domains:

- Cross sections were displayed interactively at intervals of 25 metres, generally corresponding to the historical cross section images with a clipping window (distance constraint to the north or south of the plane of the cross section) of 10m;
- Strings were drawn in the plane of the cross section to enclose the mineral domains as interpreted from the historical sections and from the drill intersections;
- Drill intersections within mined zones were included within domain boundaries if they were less than 25m from the limit of mining in order that they could be used to inform blocks beyond the mined areas;
- All interpreted strings were snapped (constrained) to corresponding drill hole sample intervals, and so constrained in the 3rd dimension;
- A minimum mining width of 2m was selected as being appropriate to the dimensions of equipment and type of mining envisaged
- Internal dilution of up to 2m was accepted if the overall grade of the diluted section and immediately adjacent samples exceeded 3% Pbeq;
- Where any interpreted domain did not extend from one cross section to the next, because of truncation or diminution of grade, it was projected half way to the next section and terminated, and

- The interpretation was extended beyond the first and last cross sections by a distance of half the section spacing or 50m. At depth, the interpretation was extended by a distance of half the drill hole spacing or 50m. The use of one or the other of these extent parameters is informed by the observed level of geological/grade continuity.

14.7. 3D WIREFRAMING

After interpreted strings had been created to define mineralized zones, the strings were used to generate three-dimensional solid wireframe domain models of each mineralized zone.

The continuity, orientation and geometry of any given mineralized zone may vary and zone continuity along strike varies between 50m and 265m, influenced by either structural disruption or offset. Therefore each continuous/semi-continuous mineralized zone, interpreted in three dimensions and defined by grade criteria, was considered as an individual domain for estimation.

Each wireframe solid was visualized in 3D space and validated using Micromine solid object validation functions to ensure wireframe surface continuity and generation of solid model volume. Once validated, each wireframe was given a domain name so that the assay database could be coded, and each assay flagged by the domain it informs. The locations of the interpreted domains are shown in FIGURES 33 to 36 and details of each domain are listed in table 18 below:

TABLE 18. BOH YAI AND SONG TOH DOMAIN DETAILS

Domain	Location	Affected By Stoping/ Lowest Level	Strike Extent, Metres	Max Elev., Metres	Min Elev, Metres	Depth Extent, Metres	Dip, Degrees	Strike, Degrees
1 105L	Boh Yai - Hill 1	no	190	709	517	192	38E	0
1 105U	Boh Yai - Hill 1	no	105	622	516	106	38E	0
1 SH1	Boh Yai - Hill 1	no	265	601	404	197	38E	0
1SH1L	Boh Yai - Hill 1	no	155	545	400	145	38E	0
1SH1U	Boh Yai - Hill 1	no	50	577	424	153	38E	0
3 MKL302L9	Boh Yai - Hill 3	no	43	605	545	60	50E	315
4 MKL301	Boh Yai - Hill 4	610	50	624	564	60	50E	315
4 MKL408L4	Boh Yai - Hill 4	620	110	645	575	70	80E	340
4 MKL424A	Boh Yai - Hill 4	no	65	592	528	64	88E	344
4 MKL424C	Boh Yai - Hill 4	no	105	605	545	60	86E	343
5 L1	Boh Yai - Hill 5	no	146	651	583	68	40E	352
5 L1B	Boh Yai - Hill 5	no	139	616	475	141	50E	340
5 L1C	Boh Yai - Hill 5	no	55	618	582	36	50E	340
5 L1D	Boh Yai - Hill 5	no	95	546	482	64	42E	346
5 L1E	Boh Yai - Hill 5	no	50	562	503	59	48E	343
5 MKL 527	Boh Yai - Hill 5	no	50	617	556	61	50E	340
5 MKL511	Boh Yai - Hill 5	no	47	600	534	66	75E	343

TABLE 18. BOH YAI AND SONG TOH DOMAIN DETAILS

Domain	Location	Affected By Stoping/ Lowest Level	Strike Extent, Metres	Max Elev., Metres	Min Elev, Metres	Depth Extent, Metres	Dip, Degrees	Strike, Degrees
5 MKL563	Boh Yai - Hill 5	no	30	586	532	54	85E	343
5 U1	Boh Yai - Hill 5	670	50	695	619	76	70E	343
5 U3	Boh Yai - Hill 5	no	125	643	509	134	75E	345
5 U4	Boh Yai - Hill 5	no	78	600	504	96	80W	343
7 NSN091	Boh Yai - Hill 7	500	183	589	419	170	80E	335
7 nsn129	Boh Yai - Hill 7	no	60	500	453	47	90E	343
7NSN031	Boh Yai - Hill 7	no	90	600	490	110	75E	342
7NSN058	Boh Yai - Hill 7	454	75	541	422	119	75E	343
7NSN089	Boh Yai - Hill 7	454	105	558	488	70	77W	349
7NSN159	Boh Yai - Hill 7	no	105	618	550	68	65E	345
7NSN343	Boh Yai - Hill 7	454	145	544	405	139	72E	340
BS123	Song Toh SW	no	53	447	404	43	88W	295
BS235	Song Toh SW	no	105	428	290	138	67E	310
BS245	Song Toh SW	450	50	465	415	50	80E	310
CN	Song Toh SW	450	93	474	389	85	72E	311
CS	Song Toh SW	no	65	473	389	84	85E	305
NE1	Song Toh SW	450	46	492	370	122	85E	335
NE2	Song Toh SW	no	60	472	347	125	75E	320
NE3	Song Toh SW	no	86	469	406	63	76E	310
SC	Song Toh SW	no	53	462	390	72	86E	306
Camp 142 Upper	Song Toh Camp	no	50	538	518	20	28E	0
Camp Lower	Song Toh Camp	no	50	515	485	30	38E	0
Camp SE Lower	Song Toh Camp	no	211	539	445	94	30E	0
Camp SE Upper	Song Toh Camp	no	155	613	523	90	40E	0
Camp Upper	Song Toh Camp	no	94	597	497	100	38E	0

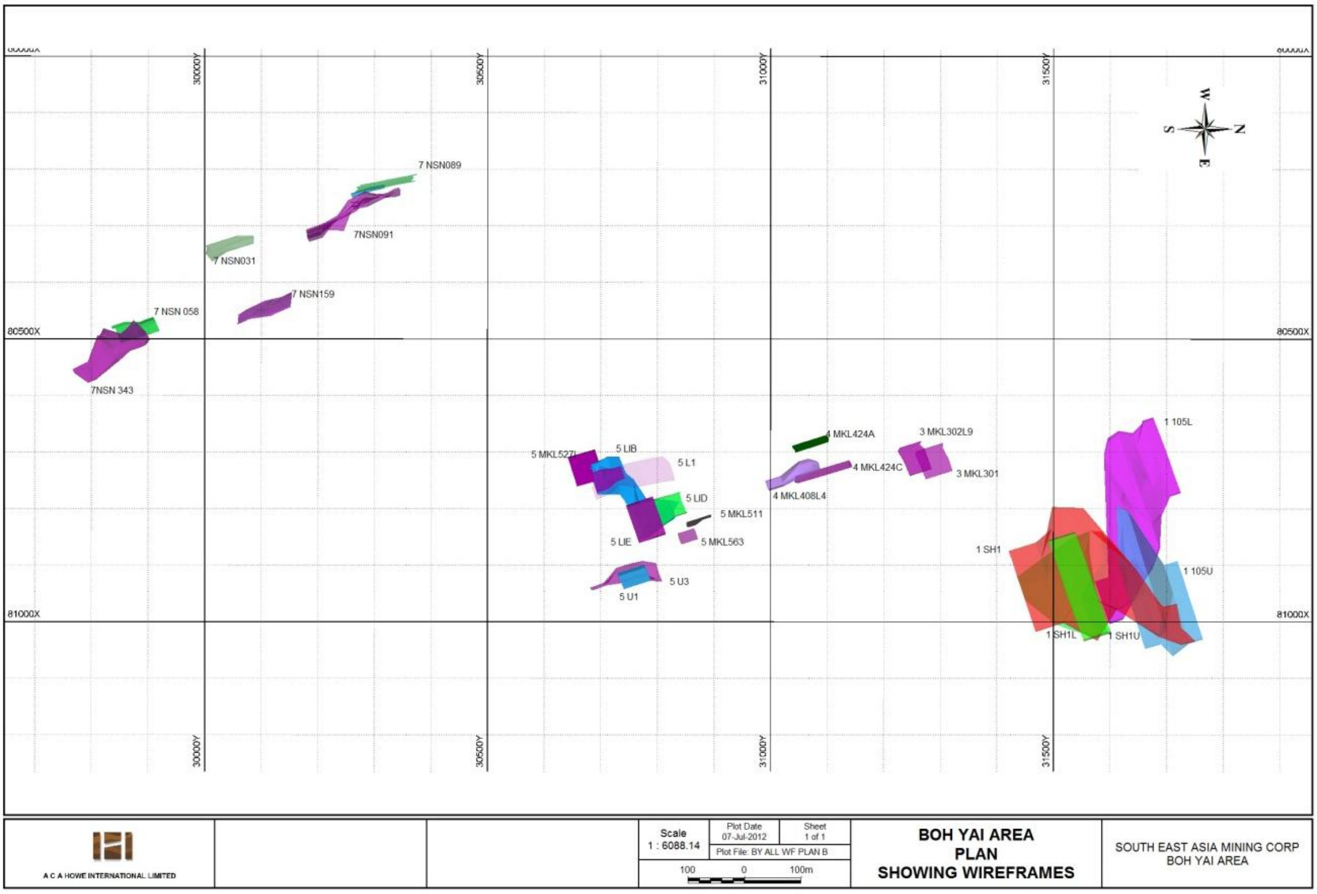


FIGURE 33. BOH YAI WIREFRAMES PLAN

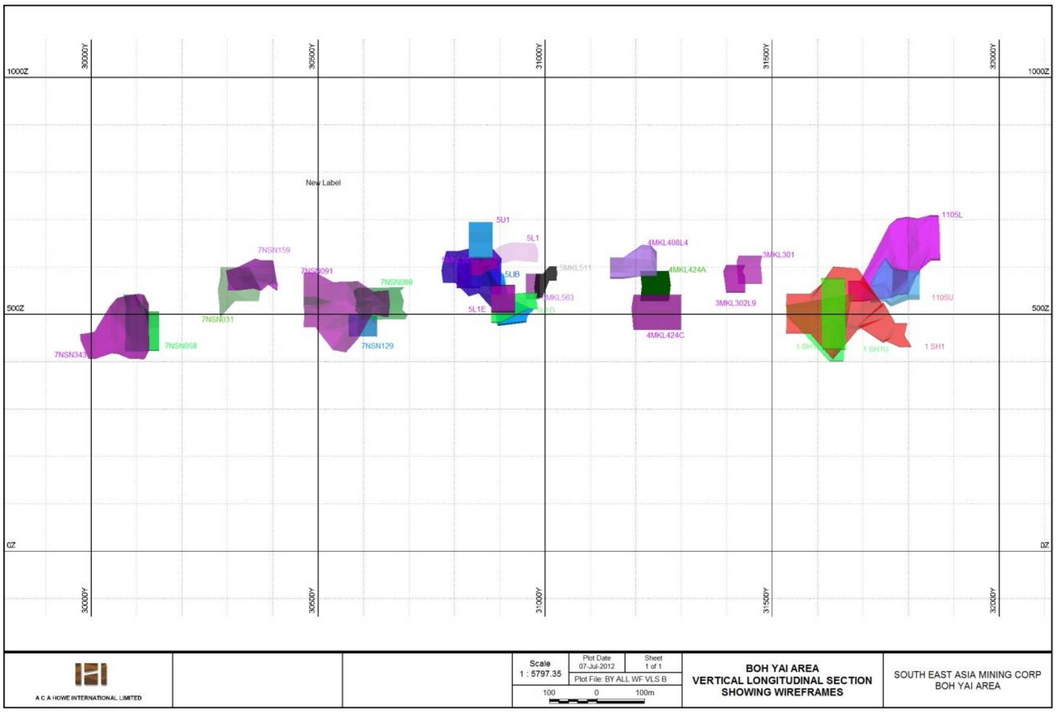


FIGURE 34. BOH YAI WIREFRAMES – VERTICAL LONGITUDINAL SECTION

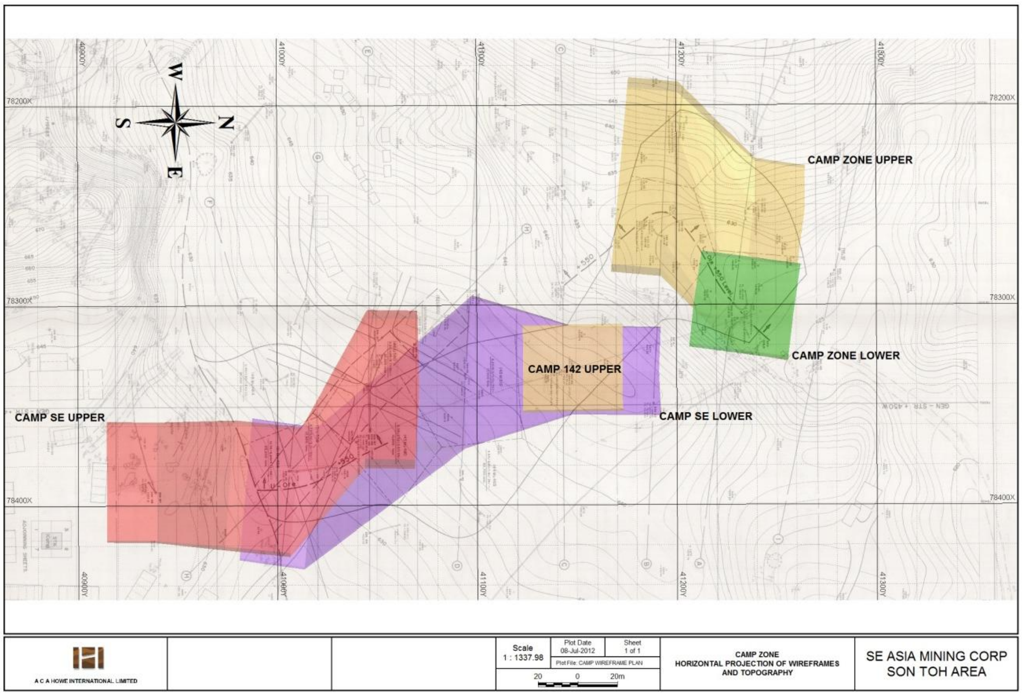


FIGURE 35. SONG TOH CAMP WIREFRAMES PLAN

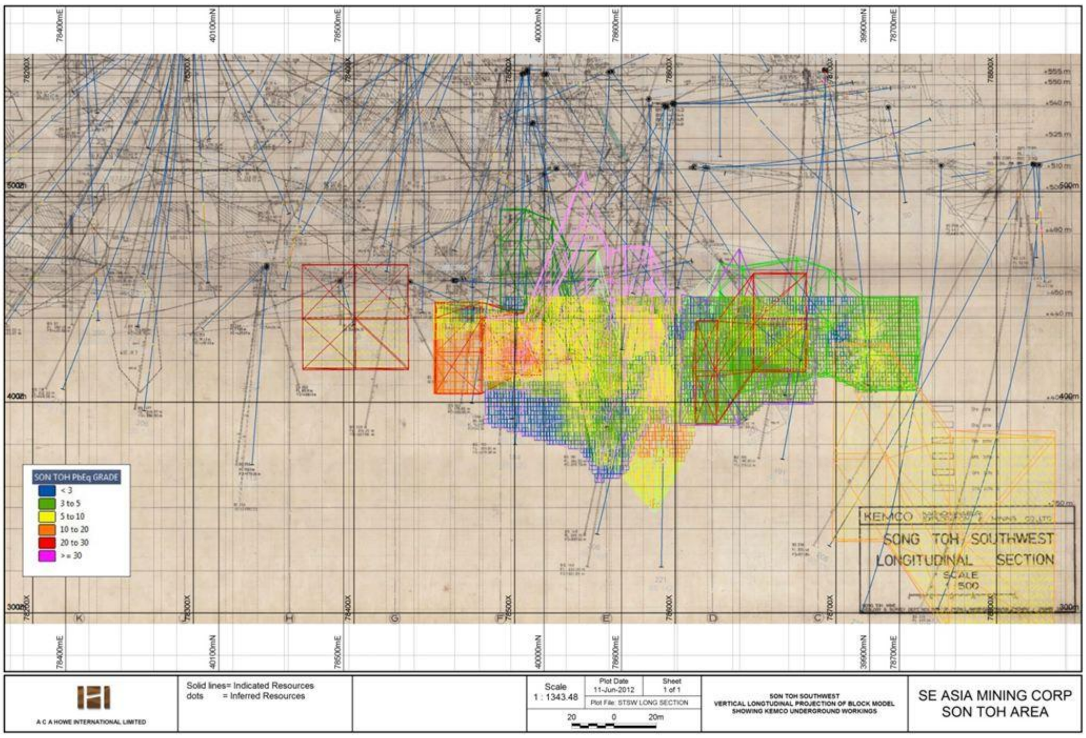


FIGURE 36. SONG TOH SOUTHWEST WIREFRAMES LONGITUDINAL SECTION

14.8. SAMPLE DATA SELECTION

Prior to selecting samples for use in resource estimation of the Boh Yai and Song Toh deposits exploratory data analysis was undertaken on the raw sample database to assess the statistical characteristics of each sample support. Statistical data is contained in TABLE 19 below.

Histograms of these data indicate a skewed distribution of silver values with the possibility of anomalous outlying values which may not be representative. These anomalous values contribute to corresponding anomalous Pbeq values of up to 260% Pbeq.

The raw assay databases were flagged so that each assay value was assigned to the domain it informed and classical statistical analysis was undertaken on assays within each domain to investigate the statistical characteristics of each domain and to provide useful information when considering top-cutting data prior to estimation. The raw mean grades for samples that fall within each of the domains are contained in table 19.

TABLE 19.BOH YAI AND SONG TOH ASSAY RAW STATISTICS		
Boh Yai	Pbeq	Ag
Minimum	0	1
Maximum	260	3170
No. of points	2177	2057
Sum	20537	163459
Mean	9	79
Variance	250	47457
Std Dev	16	218
Rel Std Dev	1.676	2.744
Song Toh Assay Raw Statistics		
	Pbeq	Ag
Minimum	0.01	1
Maximum	56.2	1398
No. of points	1740	1662
Sum	9407	179136
Mean	5.41	108
Variance	57.68	23204
Std Dev	7.59	152
Rel Std Dev	1.405	1.413

14.9. TOP-CUTTING

Prior to compositing, top-cut analysis was performed on assay values sample data. Top-cutting is an important step in resource estimation, and particularly so for the estimation of resources at Boh Yai, since extreme silver grades (>3000 g/t Ag) are known to occur.

Whilst extreme grades are real, they may not be representative grades of any given domain, and may represent outliers that have the potential to overestimate domain grade if left un-capped since, were a hole to be drilled into any given domain, the probability of returning an extreme grade assay is low, and it is more likely that a grade closer to the mean grade of the domain will be returned.

A histogram of Ag values for Boh Yai indicates that values above 1000 g/t Ag form anomalous outliers that are probably not representative. Accordingly 24 such assays were cut to a maximum of 1000 g/t (this includes 5 assays above 2000 g/t Ag). Examination of the location of the high value silver assays in the range 500-1000g/t Ag shows that they are confined to a single domain in Hill 7 (7 NSN 091) where they occur in adjacent samples rather than isolated outliers; cutting of high silver values below 500 g/t Ag was therefore considered not to be justified. Appendix 5 contains a list of assays that were affected by top cutting.

For Song Toh the distribution of Ag indicates a maximum of 1398 g/t with no significant outliers, accordingly no top-cutting was applied to the Song Toh assays.

14.10. COMPOSITING

Data compositing was undertaken on raw sample data prior to geostatistical analysis and interpolation in order to standardize the sample database by generating sample points of equal support to be used in estimation. Historical and recent drill hole sampling was undertaken over drilled intervals of between 0.20m and 10.0m, averaging 1.6m. A composite length of 1.0 m was chosen as representative.

Raw drill hole samples within each mineralized zone were flagged by domain in the sample database and composited to 1.0m intervals, starting at the drill hole collar and progressing downhole.

Compositing was stopped and restarted at domain boundaries and at the end of every hole.

Though isolated and rare, un-sampled intervals within the domain model were inserted in to the sample database and assigned a grade value of 0 prior to compositing. The minimum permitted composite length was 0.3m, defined in order to capture the final grade interval downhole, commonly at the edges of mineralized domains and often less than 0.5m. In these instances, a final composite was created if the interval was greater than 0.30m. If the final interval was less than 0.30m, a weighted average was calculated from the final two composites.

14.11. GEOSTATISTICS

Semivariograms were calculated and modelled separately for the main domains at Boh Yai and Song Toh.

The experimental semivariogram models for the directions of maximum grade continuity were attempted, and although the models for the first direction (main direction) appeared reliable and were based on a significant number of sample points, the sample points captured in models for the second (dip) and third (across dip) directions were few, and well defined semivariograms, for use in Kriging, could not be modelled.

Directional semivariograms oriented parallel to the strike indicated ranges of between 50 and 80 metres, as listed in TABLE 20 below.

Although the generated semivariogram parameters are not sufficiently defined to be used as inputs to Kriging, the orientations and dimensions approximate the geometry of interpreted mineralized zones and so are considered valid inputs to define the search ellipse used in the interpolation process. In the absence of third direction parameters, the third direction in each domain was defaulted as being perpendicular to the other main directions, and approximates the across-dip direction of each mineralized domain. The range in the third direction was input as being 1/3 the range of the other directions, to honour the narrow thickness of the mineral zones in the across-dip direction.

TABLE 20. BOH YAI AND SONG TOH SEMIVARIOGRAM SUMMARY				
Area	Data	Main Azimuth	Dip	Range, m
Boh Yai	All Composites	356	0	60
Boh Yai	Hill 1 Composites	345	0	80
Boh Yai	Hill 7 Composites	335	0	50
Song Toh SW and Song Toh Camp	All Composites	345	0	75

Generated semi-variograms from this study are contained in Appendix 7. FIGURE 37 below represents one of the better-defined semivariograms:

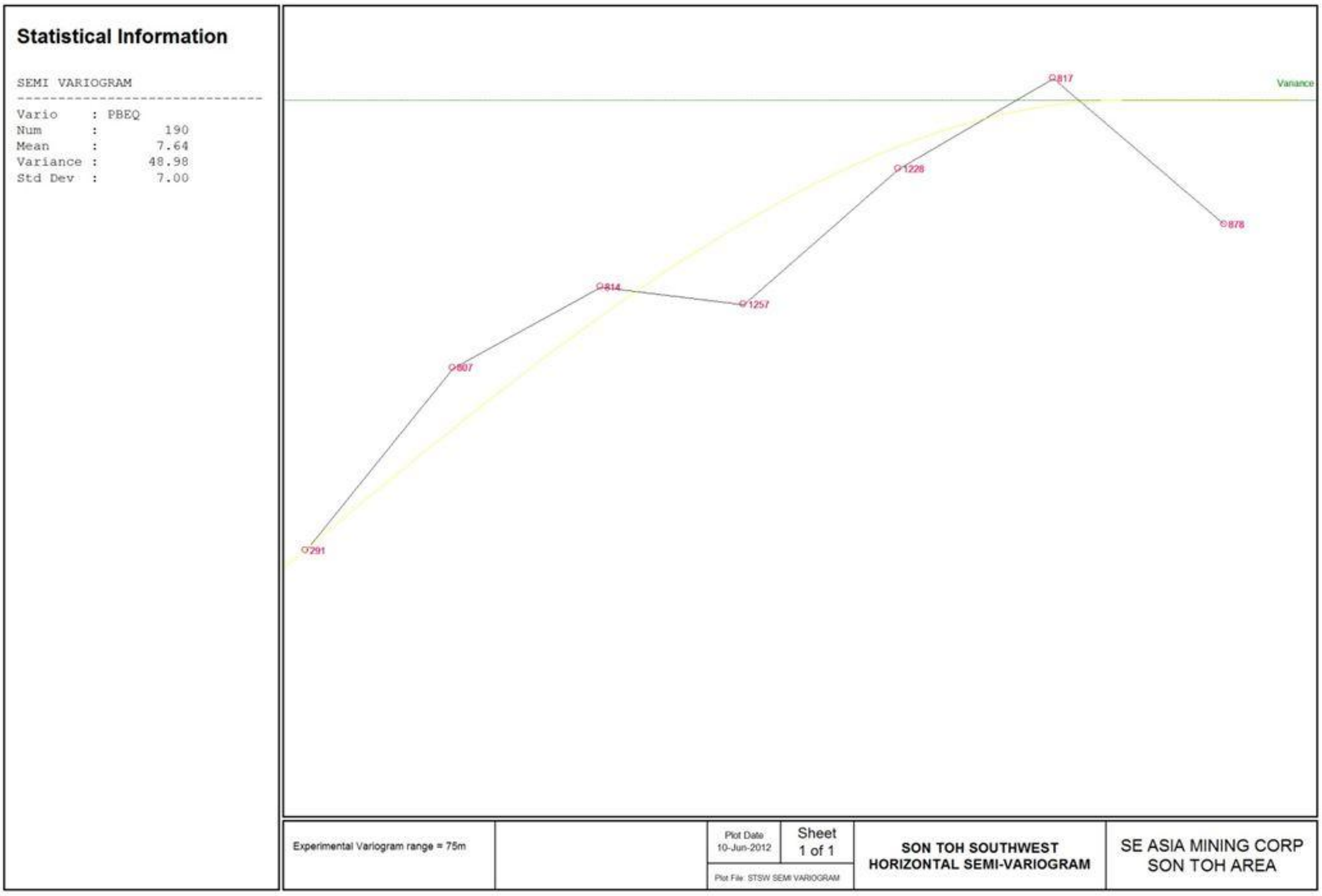


FIGURE 37. SONG TOH SOUTHWEST SEMIVARIOGRAM

14.12. BLOCK MODELING

Block modelling was undertaken in several stages. Firstly, an empty block model was generated for the Boh Yai and Song Toh deposits covering the extents of all domain wireframes within each deposit (TABLE 21 below). The block models were then constrained to the wireframe domains and each three dimensional wireframe solid populated with blocks to create an empty resource block model for each deposit. Assigned blocks were then coded with the code of the domain into which they were assigned.

TABLE 21. BLOCK MODEL PARAMETERS

Area	Sector	Eastings			Northings			Elevation			No. Of Blocks & Sub-Blocks
		From, m	To, m	Extent, m	From, m	To, m	Extent, m	From, m	To, m	Extent, m	
Boh Yai North	By Hills 1 & 2	80608	81060	452	31424	31766	342	400	711	311	34372
Boh Yai Central	By Hills 3,4, & 5	80698	80943	245	30648	31324	676	467	710	243	17528
Boh Yai South	By Hill 7	80209	80575	366	29766	30376	610	407	618	211	11741
Song Toh Sw	All	78480	78776	296	39812	40078	266	290	508	218	9353
Song Toh Camp	All	78187	78431	244	40915	41264	349	446	602	156	7593

Parent block dimensions of 4m in X, Y and Z direction were used, with sub-blocking down to 2m in each direction in order to maintain the resolution of the mineralized envelopes so as to accurately honor wireframe volume.

14.13. GRADE INTERPOLATION

Grades for Pbeq, Pb, Zn and Ag were interpolated into the empty block model separately for each domain using the Inverse Distance Weighting interpolation, raised to the second power (IDW^2). Each block model was populated on a domain-by-domain basis using composited assay data (top-cut for Boh Yai). A closed interpolation approach was adopted, whereby only composite assay data situated within each domain was used to interpolate the grade of blocks within that domain. Variographic analysis was not considered to be robust enough to define the input parameters required for a reliable kriged estimate. However the observed nugget effect, derived from variograms, is considered reliable and is found to be low for each of the domains investigated through variography (<10%). One of the main advantages that kriging has over IDW interpolation is that the nugget effect, or grade variability over very short distances, is factored in to the kriging algorithm whereas it is assumed to be 0 when using IDW. The presence of a very low nugget effect therefore validates the use of IDW as a reliable interpolation method.

Interpolation of each deposit block model was undertaken on a domain-by-domain basis and for each domain, grade interpolation was run twice, or sometimes three times at successively larger search radii until all blocks received an interpolated grade. Concentric search ellipses were used in order to avoid grade smearing and to preserve local grade variation.

The radii of the search ellipses listed were determined by the results of variographic analysis, from consideration of appropriate ranges of continuity applicable to this type of deposit, and from a consideration of the drill grid spacing. The directions of the ellipsoids were adjusted according to the orientations of each domain, as listed in Table 18

TABLE 22. SEARCH STRATEGY USED AT SONG TOH AND BOH YAI

Interpolation Method	IDW2	
Interpolation Run Number	1	2
Search Radii	Equal to the range in all directions	Twice the range in all directions
Search Radii, Metres	1	2
Factor, Axis1 And 2	60	120
Factor, Axis 3	20	40
Minimum Number of Samples	4	2
Maximum Number of Samples	16	16
Minimum Number Holes	2	1
Resource Category	Indicated	Inferred

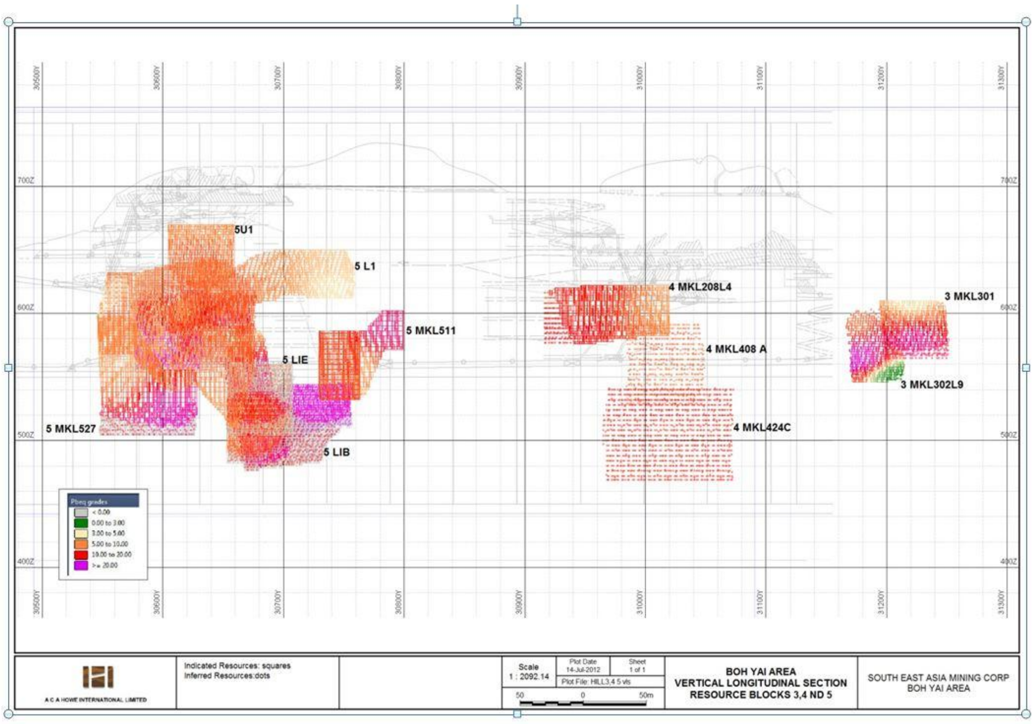
For all domain interpolations, the first search radius was selected to be equal to the range, and the radius was increased in all directions until all domain blocks received an interpolated grade.

To increase the reliability of the estimates, when model blocks were interpolated in the first run, a restriction of at least four samples, from at least two drill holes was applied. When blocks were interpolated using search radii exceeding the range, the criteria was reduced to at least two samples from at least one drill hole. TABLE 22 details the search strategy used.

An unbalance between the numbers of samples in adjacent drillholes (clustering) may lead to a bias in local estimation. This effect was mitigated by the use of the Micromine sector method whereby the search ellipse, regardless of the radii employed, is divided into four sectors and a constraint used during interpolation, whereby a maximum of eight points per sector were allowed. Therefore, the maximum combined number of sample allowable for the interpolation was 32.

Once grade interpolation was complete, all block models were checked against longitudinal sections depicting topography and underground workings. Blocks which were above the lowest level of stoping were excluded by from the estimate by applying an appropriate vertical (Z) filter.

FIGURES 38 to 41 below show typical plans and cross sections of block models generated for Song Toh and Boh Yai.



BOH YAI HILLS 3,4 AND 5 RESOURCE BLOCK MODELS, VERTICAL LONGITUDINAL PROJECTION

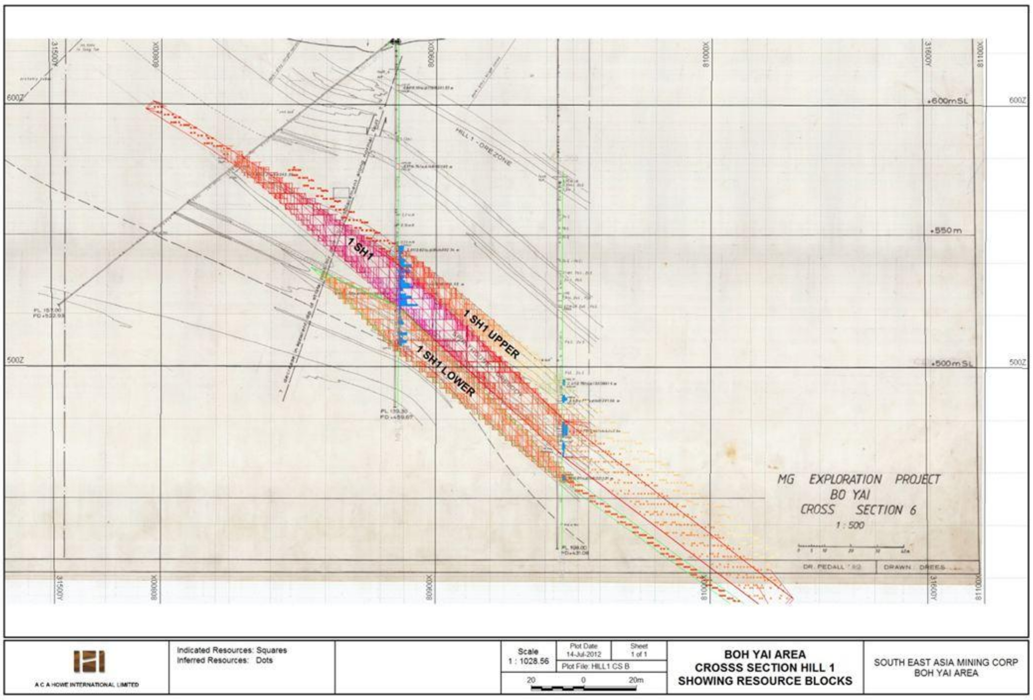


FIGURE 38. BOH YAI HILL1; RESOURCE BLOCK MODEL, CROSS SECTION

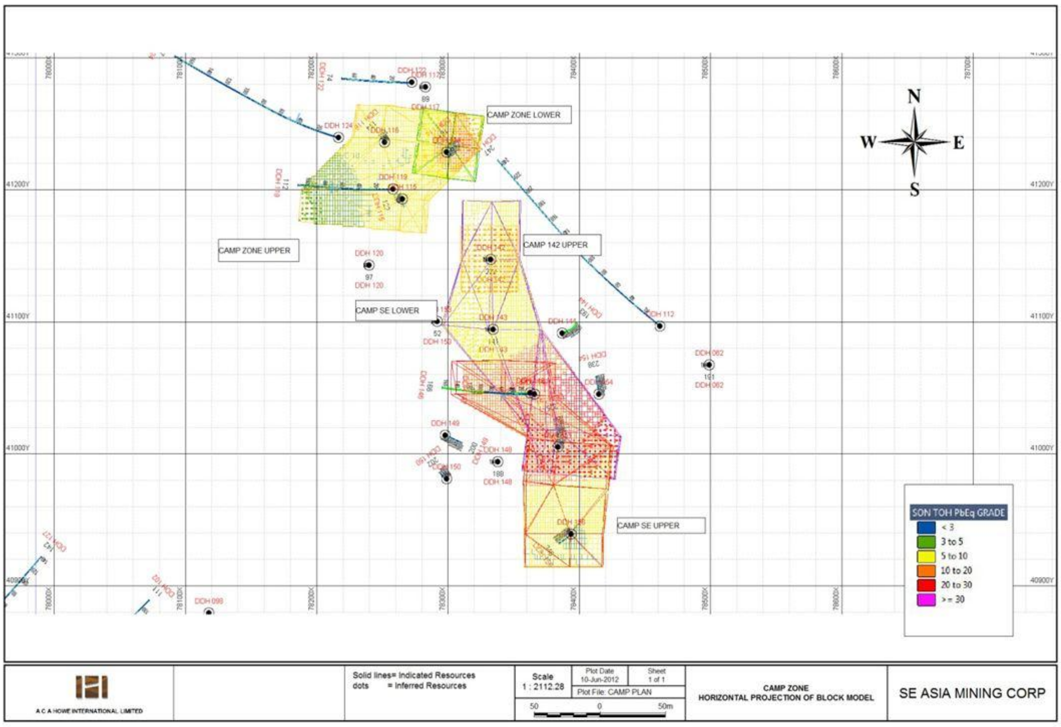


FIGURE 39. SONG TOH CAMP DEPOSIT; RESOURCE BLOCK MODEL

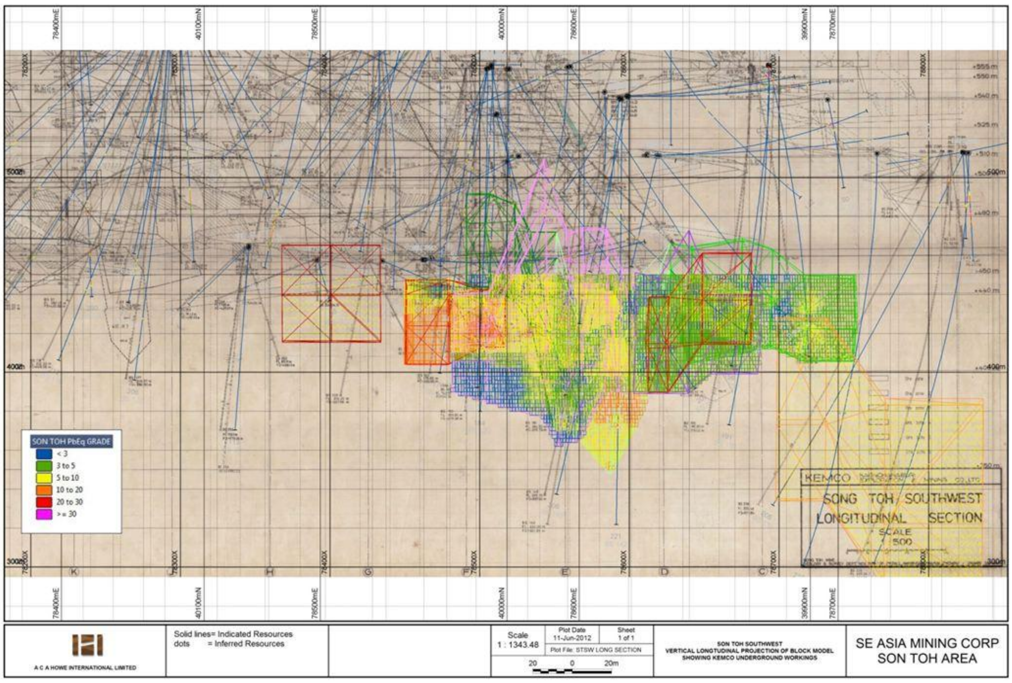


FIGURE 40. SONG TOH SOUTHWEST; RESOURCE BLOCK MODEL, VERTICAL LONGITUDINAL SECTION

14.14. RESOURCE CLASSIFICATION

The CIM Definition Standards on Mineral Resources and Mineral Reserves, prepared by the CIM Standing Committee on Resource Definitions and adopted by the CIM council on December 11, 2005, provide standards for the classification of Mineral Resources and Mineral Reserve estimates into various categories. The category to which a resource or reserve estimate is assigned depends on the level of confidence in the geological information available on the mineral deposit, the quality and quantity of data available, the level of detail of the technical and economic information which has been generated about the deposit and the interpretation of that data and information. Under CIM Definition Standards:

> *An "Inferred Mineral Resource" is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological or grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.*

> *An "Indicated Mineral Resource" is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.*

> *A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.*

Classification, or assigning a level of confidence to Mineral Resources has been undertaken in strict adherence to the CIM Definition Standards on Mineral Resources and Mineral Reserves referred to above, and follows the Micromine Consulting Resource Modelling Standard Procedures (2001).

Classification of interpolated blocks is undertaken using the following criteria:

- Interpolation criteria and estimate reliability based on sample density, search and interpolation parameters;
- Assessment of the reliability of geological, sample, survey and bulk density data;
- Assessment of geological/grade continuity over the various domains at each deposit; and
- Drilling exploration grid dimensions.

The interpolation strategy largely dictates the classification of blocks since the parameters of each interpolation run result in a greater level of confidence in assigned block grade during the first interpolation run, whereas interpolation runs at search radii larger than the defined range, capturing fewer points from fewer holes results in a lower level of confidence in block grade, even though the block estimates are reliably calculated from available sample points.

No measured resources have been classified at Boh Yai or Song Toh, as the density of the drilling grid is insufficient to support this class of resource. Measured resources at both Song Toh and Boh Yai would require further underground development and sampling.

Blocks were classified as "indicated" if the following criteria were fulfilled:

- Blocks in any domain at either deposit that have been captured in the first interpolation run at distances up to the range in all directions, and are informed by more than one drillhole.
- Blocks in domains where good geological continuity can be established from historical plans and sections

Blocks were classified as "inferred" if the following criteria were fulfilled:

- Blocks in any domain at either deposit that have been captured in the second interpolation run at distances equal to or exceeding the range in all directions, and are informed by one drillhole, *or*
- Blocks in any domain at either deposit that have been captured in the first interpolation run at distances up to the range in all directions, but where good geological continuity cannot be established from historical plans and sections.

14.15. DENSITY

A density of 2.9 tonnes per cubic metre (t/m^3) was used historically throughout the mine's history for historical resource and reserve estimation and for production records. It is unlikely that any significant error in this figure would have remained un-noticed over the 22 year period of the mines' operation.

This density figure of 2.9 t/m^3 is in close accord with the theoretically calculated density of limestone containing 3.5% Pb as galena.

In view of these considerations a density of 2.9 t/m^3 is considered reliable and has been used in the present resource estimate.

14.16. RESOURCE TABLE

The resource estimates for the Boh Yai and Song Toh deposits is summarised in the following table, with resources classified in strict accordance with CIM Definition Standards on Mineral Resources and Mineral Reserves, prepared by the CIM Standing Committee on Resource Definitions and adopted by the CIM council on December 11, 2005.

TABLE 23. BOH YAI AND SONG TOH RESOURCES BY DEPOSIT (CUT-OFF GRADE 3% PBEQ)

Deposit	Class	Tonnes	Pbeq, %	Pb, %	Zn, %	Ag, g/t
BOH YAI	Indicated	2,138,000	9.14	3.12	3.49	73.84
SONG TOH SW	Indicated	318,000	6.23	2.84	0.25	87.27
SONG TOH CAMP	Indicated	439,000	9.69	6.29	1.42	56.13
TOTAL	Indicated	2,896,000	8.91	3.57	2.82	72.63
BOH YAI	Inferred	1,643,000	7.20	2.36	3.37	44.10
SONG TOH SW	Inferred	179,000	7.58	4.70	0.05	78.35
SONG TOH CAMP	Inferred	133,000	13.67	7.80	3.53	68.40
TOTAL	Inferred	1,955,000	7.68	2.95	3.08	48.89

(note: tonnages are rounded to nearest 1,000)

Resources listed by domain are listed in Appendix 2.

To the best knowledge of ACA Howe, the stated mineral resources are not materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issues, unless stated in this report.

The mineral estimate, prepared by Richard Parker, ACA Howe Senior Associate Geologist – Resources, is compliant with current standards and definitions required under NI 43-101 and is reportable as a mineral resource by Southeast Asia Mining Corporation. However, the reader should understand that mineral resources are not mineral reserves and do not have demonstrated economic viability.

14.17. MODEL VALIDATIONS

Upon completion of resource estimations for Boh Yai and Song Toh deposits, model validations were run and a series of checks performed to validate each block model. Screenshots of each block model, coloured by Pbeq grade are contained in Appendix 5.

Detailed visual inspection of the block models was undertaken following completion of each domain interpolation to ensure that all blocks received an interpolated grade. In addition, the proper assignment of domain codes to blocks was verified. Once modeling was complete, a series of sectional slices through each block model was undertaken, with drill hole traces, composite grade data and block grade data displayed and compared to assess whether block grades honour the general sense of composite grades, that is to say that high grade blocks are located around high grade composite sample grades, and vice versa. A degree of grade smoothing is evident in all block models, which is expected but the blocks grades do honour composite grades in all models, as shown in the example in FIGURE 42 below

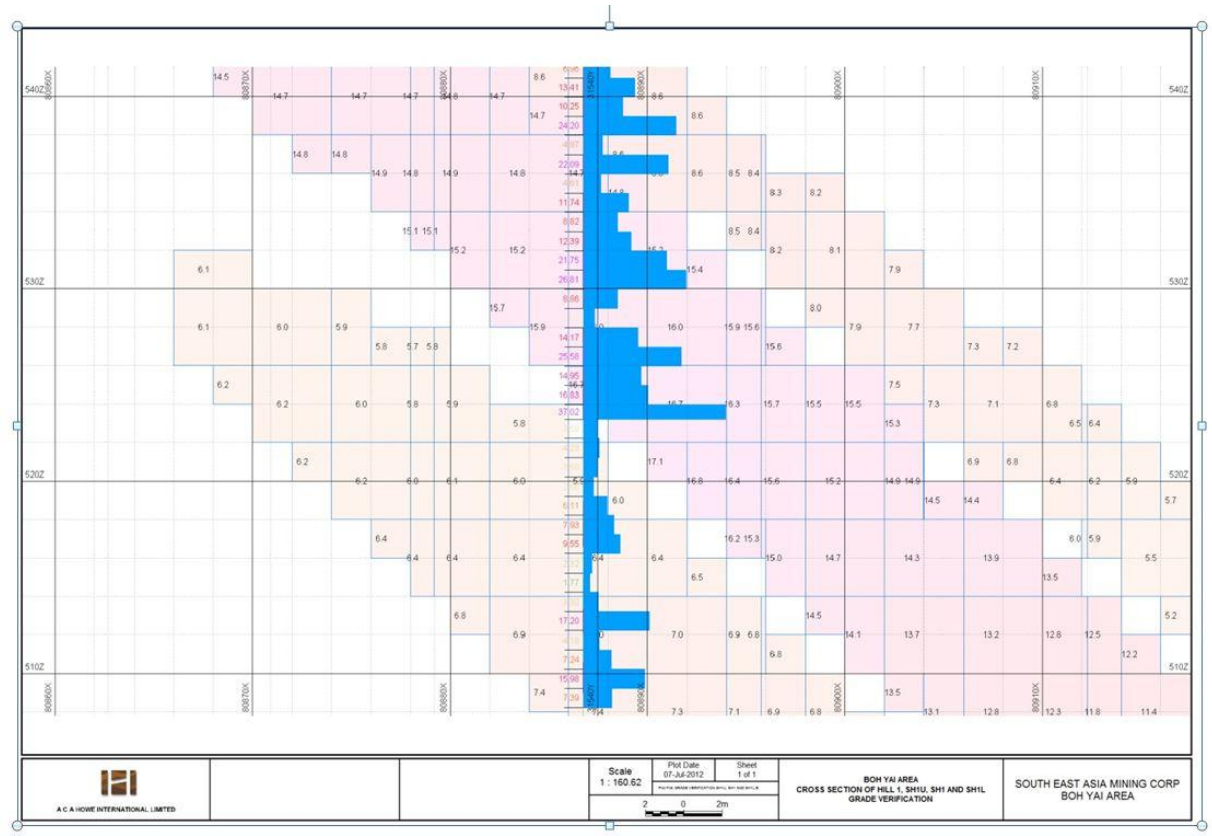


FIGURE 41. BLOCK GRADE VERIFICATION (BOH YAI HILL 1)

A useful measure of the reliability of resource estimates is the comparison of mean block grade and mean composite grade on a domain by domain basis. A good correlation between average block grade and average composite grade suggests that block grade data honours the composite data used in the interpolation process and therefore the estimated grades reliably reflect the input grades.

Mean composite grades and mean block grades for each domain are contained in TABLE 24 below.

On the whole, mean block grades correlate well with input composite grades, within acceptable limits. A degree of grade smoothing is evident, which occurs in all estimations where grades are interpolated into blocks at unsampled locations, often at significant distances away from sampled points, regardless of estimation methodology. In most cases where there is a significant discrepancy between composite grades and resource grades the difference can be attributed to the fact that resource blocks have been restricted only to the lower part of the wireframe due to stoping and are may not therefore be representative of composites contained within the upper part.

TABLE 24. BOH YAI AND SONG TOH COMPOSITE GRADES V RESOURCE GRADES

Domain	Affected By Stoping/ Lowest Level	Location	Number Of Composites	Composite Mean Grade, Pbeq%	Indicated Resource Grade, Pbeq	Inferred Resource Grade, Pbeq
1 105L	no	Boh Yai - Hill 1	104	6.74	9.72	6.83
1 105U	no	Boh Yai - Hill 1	37	5.16	4.88	5.57
1 SH1	no	Boh Yai - Hill 1	78	9.48	10.78	6.33
1SH1L	no	Boh Yai - Hill 1	37	6.33	6.43	6.52
1SH1U	no	Boh Yai - Hill 1	16	5.52	5.64	4.67
3 MKL302L9	no	Boh Yai - Hill 3	16	6.41	11.83	9.95
4 MKL301	610	Boh Yai - Hill 4	11	7.67	9.26	13.12
4 MKL408L4	620	Boh Yai - Hill 4	35	8.49	7.88	9.48
4 MKL424A	no	Boh Yai - Hill 4	8	6.59	6.60	6.59
4 MKL424C	no	Boh Yai - Hill 4	9	9.40	9.34	9.34
5 L1	no	Boh Yai - Hill 5	63	6.93	6.35	-
5 L1B	no	Boh Yai - Hill 5	34	10.44	10.04	11.79
5 L1C	no	Boh Yai - Hill 5	11	4.35	4.36	-
5 L1D	no	Boh Yai - Hill 5	7	16.39	-	14.94
5 L1E	no	Boh Yai - Hill 5	10	6.06	-	6.12
5 MKL 527	no	Boh Yai - Hill 5	6	17.78	17.94	18.48
5 MKL511	no	Boh Yai - Hill 5	7	10.53	10.05	8.79
5 MKL563	no	Boh Yai - Hill 5	24	7.53	-	7.39
5 U1	670	Boh Yai - Hill 5	17	5.59	5.99	6.21
5 U3	no	Boh Yai - Hill 5	31	6.06	6.31	6.07
5 U4	no	Boh Yai - Hill 5	30	6.94	8.69	8.02
7 NSN091	500	Boh Yai - Hill 7	115	19.00	17.82	15.10
7 nsn129	no	Boh Yai - Hill 7	10	16.12	15.80	-
7NSN031	no	Boh Yai - Hill 7	8	16.38	16.49	10.38
7NSN058	454	Boh Yai - Hill 7	11	7.85	-	7.07
7NSN159	no	Boh Yai - Hill 7	46	5.35	8.59	6.30
7NSN343	454	Boh Yai - Hill 7	91	8.41	10.84	11.80

TABLE 24. BOH YAI AND SONG TOH COMPOSITE GRADES V RESOURCE GRADES						
Domain	Affected By Stoping/ Lowest Level	Location	Number Of Composites	Composite Mean Grade, Pbeq%	Indicated Resource Grade, Pbeq	Inferred Resource Grade, Pbeq
BS123	no	Song Toh Sw	26	11.91	10.72	14.40
BS235	no	Song Toh Sw	15	9.17	7.32	7.54
BS245	450	Song Toh SW	3	6.15	-	7.35
CN	450	Song Toh SW	91	4.93	6.50	7.63
CS	no	Song Toh SW	17	4.13	3.71	-
NE1	450	Song Toh SW	75	4.90	5.29	-
NE2	no	Song Toh SW	29	8.36	6.50	-
NE3	no	Song Toh SW	31	4.47	4.15	2.63
SC	no	Song Toh SW	9	6.25	4.97	-
Camp 142 Upper	no	Song Toh Camp	3	12.86	-	12.86
Camp Lower	no	Song Toh Camp	6	9.57	-	9.45
Camp SE Lower	no	Song Toh Camp	12	15.1	16.1	16.9
Camp SE Upper	no	Song Toh Camp	16	10.2	10.0	-
Camp Upper	no	Song Toh Camp	26	6.13	6.01	5.66

14.18. COMPARISON WITH PREVIOUS ESTIMATES

Historical documents refer only to ‘reserves’ and make no mention of ‘resources’; any comparison of figures should be conscious of this distinction.

As discussed in section 6.4 of this report, the 2002 historical Reserve Balance for Boh Yai and Song Toh SW totalled 955,000 of which ACA Howe has categorised 236,000 tonnes as ‘developed’ and 719,000 as ‘undeveloped’. Former mine management also estimated approximately 1.5 Mt of ‘potential ore’.

The developed historical reserves were defined principally by channel sampling whereas the undeveloped historical reserves were defined by diamond drilling in areas outside the limits of mining. The CIM-compliant resources are based on the same drill data as the undeveloped historical reserves and therefore deserve comparison.

The undeveloped reserve of 719,000 and 1.5Mt of potential ore contrasts with CIM compliant indicated resources of 2.9 million tonnes and inferred resources of 1.9 million tonnes. This difference is due to a number of factors, including the following:

- CIM compliant resources include Song Toh Camp (439,000t indicated, 133,000t inferred) which is not included in the former mine manager's estimates;

- Lower cutoff used in CIM compliant resources of 3% PbEq vs 6% PbEq used by former mine management;
- Inclusion of internal waste in CIM compliant resources results is a much wider area of influence;
- The fact that former management estimated its reserves based on short term production planning rather than a global estimate of resources.

Certain of these factors can be illustrated by reference to Figure 43. The lower cut-off used for the 2012 resources has resulted in the inclusion of numerous composites of between 3% and 6% PbEq which were not included in the historical reserve. This has resulted in much thicker domain envelopes for SH1, and the addition of two more domains, SH1 Upper and SH1 Lower, that were not included in the historical reserve balance.

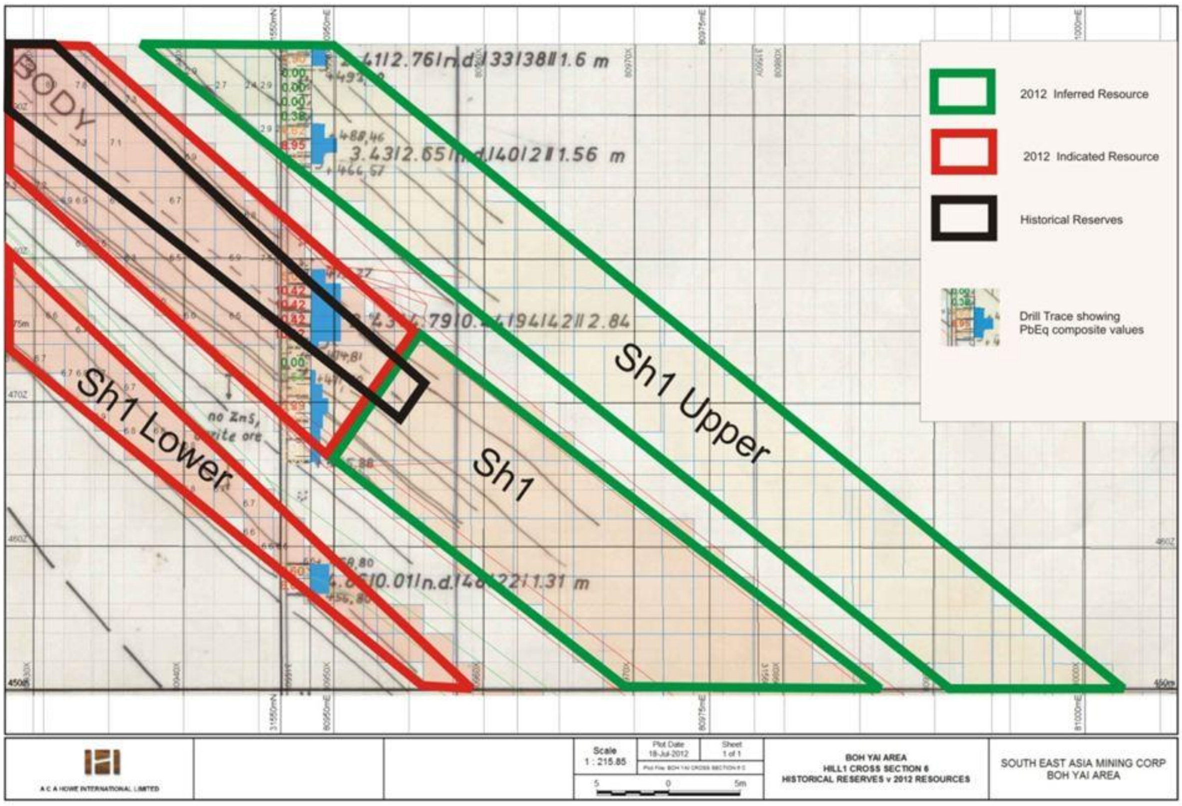


FIGURE 42. HILL 1 CROSS SECTION SHOWING HISTORICAL RESERVES AND 2012 RESOURCES

The historical reserve envelope extends for approximately 10 metres down-dip. ACA Howe considers that this is unduly conservative, in view of the demonstrated continuity of zones between drillholes and the 80m range of the relevant semivariogram. A down-dip extension of 100m was therefore considered reasonable and used for the construction of the relevant domain wireframes. Resource blocks in these areas were subsequently designated as inferred category as the search ellipsoid included composites from only one drill hole.

These factors apply generally to the comparison between the historical reserve balance and the CIM compliant resource estimate in other areas in Boh Yai and Song Toh and account for the majority of the difference between these estimates.

15. MINERAL RESERVE ESTIMATES

No mineral reserve estimates have been prepared on the Property by SEA. The existing reserve estimates on the Property are considered to be strictly historical in nature as outlined above in section 6.6.

The derivation of reserves from the CIM-compliant resources will require the application of economic factors including dilution and recovery and an examination and possible revision of the cut-off grade.

16. MINING METHODS

Historical mining methods are discussed in section 6 of this report (‘History’).

17. RECOVERY METHODS

Historical mineral processing was carried out in the floatation plant located near Song Toh, as discussed in section 6 of this report (‘History’).

18. PROJECT INFRASTRUCTURE

This subject should be considered as part of the proposed Preliminary Economic Assessment.

19. MARKET STUDIES AND CONTRACTS

This subject should be considered as part of the proposed Preliminary Economic Assessment.

20. ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

An Environmental Due Diligence Review (Bowman 2007) determined that the Environmental liabilities associated with the KEMCO Pb-Zn properties were judged to be “low” largely due to the mine’s historical design and operation by MG.

There are over 70 pieces of legislation that deal with environmental matters, and Thailand is party to several international agreements on the environment. Amendments have been made to domestic laws to comply with these international obligations. According to the Thailand Ministry of Science, Technology and Environment's ("MSTE") announcement concerning the Enhancement and Conservation of the National Environmental Quality Act B.E. 2535, all mining activities are required to be assessed by a HEIA. The HEIA report must be submitted to ONEP for review and approval prior to further proceedings of the mining project. The HEIA for mining projects under Thai law must also include a SIA ("Social Impact Assessment").

DPIM has effluent and off-property monitoring data available from which to judge environmental, as well as potential human health impacts associated with the mines' historical operations which will be considered in the impact assessments.

21. CAPITAL AND OPERATING COSTS

ACA Howe recommends that a preliminary economic assessment should be carried out during which capital and operating costs for any future mining operation will be investigated.

22. ECONOMIC ANALYSIS

This subject should be considered as part of the proposed Preliminary Economic Assessment.

23. ADJACENT PROPERTIES

The mineralized belt of Ordovician carbonates extends from Song Toh for approximately 22 km southwards to Nanya. Parallel mineralized belts also occur in the region hosted by limestone apparently of a similar age, such as at Boh Ngam and Kreung Kravia.

The Boh Noi area lies 6 km south of Boh Yai within the Sri Nakharin and Erawan National Parks, and is reported to be a small deposit with no (or low) silver. The ore zone was mined for years by numerous open pits and small adits (Diehl & Kern 1981) by the Bohl family in the 1950s and subsequently by KEMCO. Mine staff have reported verbally that approximately 100,000 tonnes of mineralization grading 5-7% Pb and 0.5-1.5% Zn is believed to exist with reported potential for a further 0.3 Mt. ACA Howe has not attempted to substantiate this data. SEAM has no intention at this time to further investigate this property as it is located in a National Park.

The Nanya area lies some 8km south east of Boh Noi and is reported to be a small deposit which has not been fully investigated as it currently lies within the boundaries of a Wildlife Park. SEAM has no intention at this time to further investigate this property as it is located on a Wildlife Park.

The Kreung Kravia district lies approximately 15 km north-west of Song Toh, where a further series of lead-zinc occurrences are known in a second parallel belt of Ordovician aged limestone. A drill indicated resource of 0.9 Mt of oxide ore, with a grade of 7% Pb has been reported verbally by mine staff. ACA Howe has not attempted to verify this data. SEAM has no intention at this time to further investigate this property as it is located on a National Park.

At Boh Ngam 20 kilometres north-east of Song Toh lead-zinc mineralization occurs in a third parallel belt of Ordovician aged limestone. A historical resource 0.2 Mt of has been reported verbally by mines staff. ACA Howe has not attempted to verify this data. SEAM has no intention at this time to further investigate this property as it is located on a National Park.

Numerous other mineral occurrences of lead-zinc mineralization are known in the area as shown on FIGURE 14, but no data on their extent is known to ACA Howe.

24. OTHER RELEVANT DATA AND INFORMATION

None

25. INTERPRETATION AND CONCLUSIONS

The following conclusions are based on the author's review of the data provided and include conclusions reached by other workers who have previously studied and written reports on the deposits.

- The property warrants further exploration.
- The property has had a successful operating history and only closed due to poor metal prices. There is no apparent reason why operations could not be resumed with higher metal prices and new operating staff.
- The deposits have demonstrated the potential to support continuous production and to exceed the historically reported resources at a similar grade during mining operations.
- There is considered to be significant potential to develop additional resources along or across strike of the presently defined zones and at depth below currently known mineralization.
- Exploration potential on much of the property remains largely untested, but mineralization is widespread in the region and the potential for the discovery of further mineralized zones must be considered good.
- A programme of check sampling of historical drill core and sample pulps has concluded that historical lead and zinc assays are within 5% of the true values, and are reliable and acceptable for use in CIM compliant resource estimation.
- The silver assay values indicate a bias of +15.8% when 2012 assays are compared with historical values. This suggests that the use of historical silver values for resource estimation may result in an underestimation of silver grades and an overall conservative bias in the silver resource. Since silver represents less than 30% of the Song Toh or Boh Yai resource, ACA Howe is of the opinion that any underestimate of resource silver values is insufficiently serious as to render the historical silver values unacceptable for use in CIM compliant resource estimation.

- Indicated and Inferred Resources are of adequate confidence level to support a Preliminary Economic Assessment (PEA)), but some infill drilling may be required to support a feasibility study.

- ACA Howe has carried out block modelled CIM-compliant resource estimates for The Song Toh and Boh Yai deposits, as contained in Table 25 on the following page.

- The Song Toh and Boh Yai deposits contain non CIM-compliant historical resources totaling 236,000 tonnes at 5.16% Pb, 2.70% Zn and 106.6 g/t Ag which are additional to the CIM-compliant resources. These historical resources are located in the developed part of the mine and were current in year 2002.

TABLE 25. BOH YAI AND SONG TOH RESOURCES BY DEPOSIT (CUT-OFF GRADE 3% PBEQ)

Deposit	Class	Tonnes	Pbeq, %	Pb, %	Zn, %	Ag, g/t
Boh Yai	Indicated	2,138,000	9.14	3.12	3.49	73.84
Song Toh Sw	Indicated	318,000	6.23	2.84	0.25	87.27
Song Toh Camp	Indicated	439,000	9.69	6.29	1.42	56.13
Total	Indicated	2,896,000	8.91	3.57	2.82	72.63
Boh Yai	Inferred	1,643,000	7.20	2.36	3.37	44.10
Song Toh Sw	Inferred	179,000	7.58	4.70	0.05	78.35
Song Toh Camp	Inferred	133,000	13.67	7.80	3.53	68.40
Total	Inferred	1,955,000	7.68	2.95	3.08	48.89

26. RECOMMENDATIONS

26.1. RECCOMENDATIONS - PHASE I

A program of engineering studies and evaluation is necessary to support the mine permitting process and the completion of a preliminary economic assessment. A continued exploration program is warranted on the SPLs. The following defines the proposed programme felt necessary at this stage.

26.1.1. PRELIMINARY ECONOMIC ASSESSMENT AND ENGINEERING STUDIES

ACA Howe recommends that a preliminary economic assessment should be carried out based on the 2012 CIM compliant resource estimate. The Company should proceed with the mine lease applications for the Song Toh and Boh Yai mines and the following engineering and environmental studies should be completed in order to support the applications.

- The Tailing Management Area should be evaluated by a Competent Geotechnical Engineer in regards to stability, capacity, and water management;

- An laboratory assessment of tailings water should be completed in order to make an assessment of any requirement for a water treatment plant;

- A detailed analysis of topography and hydrogeology should be conducted in order to determine the water flow in, and surrounding the former mines;

- A Health and Environmental and Impact Assessment should be completed as further detailed in section 26.4 below;

The cost to complete the preliminary economic assessment and the engineering studies outlined above is estimated to be $600,000.

26.1.2. EXPLORATION DATA

Data compilation within the immediate mine areas has largely been completed, but the Company should continue the compilation and indexing of all available historical data.

ACA Howe recommends that all plans should be properly indexed and the most recent and reliable of these should be imported as georeferenced images into a suitable GIS package such as Mapinfo. Other available data should also be imported into the GIS package, including radiometrics, all available satellite imagery, published and unpublished geological and topographic maps and SRTM data.

The integration and interpretation of this historical and modern data will allow:

- compilation of a geological map of the 35 km limestone belt;
- better characterization and understanding of the mineralisation controls at Song Toh and Boh Yai;
- better interpretation of exploration results and prioritization of targets;
- recognition of additional targets warranting exploration; and
- planning of new resource and district-scale exploration programmes.

The estimated cost to complete the data compilation is $100,000.

26.1.3. EXPLORATION

Following the compilation and review of available data an exploration programme should be designed to test the wider potential of the Limestone Belt. Consideration should be given to exploring the whole of the belt on a reconnaissance scale. Exploration to date has identified a number of Pb and Cu soil anomalies and IP anomalies peripheral to the Song Toh and Boh Yai mines, which may be indicative of more extensive Pb-Zn mineralisation in these areas. Further work, including geological mapping and more detailed geochemical and geophysical surveys is warranted in order to further define drill targets. A provision of 1,000 m of drilling would be appropriate for testing of targets emerging from this work.

The estimated cost to complete the exploration program is $300,000.

26.1.4. ENVIRONMENTAL

The following summary has been provided by International Environmental Management Co. Ltd. (“IEM”):

An HEIA is to be conducted by IEM, which is licensed by ONEP as an approved environmental consultant firm in Thailand. The HEIA scope of work involves the preparation of an HEIA to seek approval for the planned project and to demonstrate compliance with the Environmental Standards and Regulations of Thailand (“ESRT”) and international practices.

The impact assessment performed shall address and assess the potential environmental, social and health impacts of all activities of the planned project. The following will be included in the HEIA study:

- Define all relevant environmental legislation that the project must comply with;
- A full description of the project to be implemented;
- Full description of the project environment and neighbouring areas, which could be influenced by the implementation of the project or that could influence the project;
- All existing baseline environmental data will be obtained from the client and other available sources, assessed for its quality and relevance and analyzed;

- Liaison with Local Authorities to collect any further information;
- Screening & scoping studies to identify and define key environmental issues;
- Assessment of the potential positive or negative, cumulative or non-cumulative, direct or indirect, short or long term impacts on the environment, health, and socio-economic conditions that may be affected throughout the various project phases;
- Identification of mitigation measures for predicted environmental impacts for all stages of the project;
- Assessment of the requirement for environmental monitoring based on the study findings and a proposed environmental monitoring program to be implemented in different stages of the project;
- Design an environmental management plan consistent with the Equator Principles.

26.2. RECOMMENDATION – PHASE II

Following the successful permitting of the Song Toh and Boh Yai mines SEA could consider the following Phase II program:

- a more detailed economic analysis, if deemed necessary, prior to the commencement of commercial production;
- a drilling program on a 50m grid or smaller in order to increase the indicated reserve base by conversion of inferred resources;
- to date little to no exploration has been done to test the depth extent of the known zones of mineralization. Clearly there is considerable potential to be tested and part of the drilling program needs to be focused on deeper drilling beneath the known mineralization and along strike at Song Toh and Boh Yai. A detailed review of possible mine planning, targets and accessible collar locations are required before formulating a drilling programme. A provisional drill programme based on infill and step-out drilling totaling 10,000m metres is laid out in TABLE 26 below:

TABLE 26. BOH YAI AND SONG TOH PROVISIONAL DRILL PROGRAMME				
PROPOSED DRILLING	Number of Holes	Average Depth	total metres	collar location
Boy Yai Hill 1: 10 vertical holes, mean 200m to infill and test down-dip extension of SHI zone	10	200	2,000	surface
Boy Yai Hill 1: 10 vertical holes, mean 100m to infill and test down-dip extension of 1 105U and 1 105 L zone	10	100	1,000	surface
Boy Yai Hill 5: 4 angle holes, average 150m to infill and test down-dip extension of L1B, L1D and L1E zones	5	150	600	underground
Boy Yai Hill 5: 4 angle holes, average 100 m to infill and test up and down-dip extension of 5 MKL 563	4	100	400	underground
Boy Yai Hill 7: 7 x 100m angle holes to infill and test down-dip extension of 7 NSN 343 zone	7	100	700	underground
Boy Yai Hill 7: 5 x 120m angle holes to infill and test down-dip extension of 7 NSN091L zone	5	120	600	underground
Song Toh SW: 6x 250m angle holes to test BS235 zone	6	250	1,500	underground
Song Toh SW: 10x 200m angle holes to test extensions of BS123 and NE2 zones	10	200	2,000	underground
Song Toh Camp: 8 x150m vertical holes to test Upper and Lower zones	8	150	1,200	surface
TOTAL	65	154	10,000	

Subsequent to completion of the Phase I exploration program on the SPLs noted above, and depending on results, the Company should consider an expanded drill program.

Subsequent to the granting of SPLs on the 44 square kilometer area currently held under SPLAs, the Company should consider a district scale exploration program to test the wider potential of the Limestone Belt. Consideration should be given to exploring the whole of the belt on a reconnaissance scale using drainage and soil geochemistry, airborne EM and magnetics, prospecting and geological mapping.

27. REFERENCES

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28. CERTIFICATES

CERTIFICATE OF QUALIFICATIONS

Richard Parker

Senior Associate Geologist

ACA Howe International Limited

I, Richard Thomas Grenville Parker Bsc., FGS., MIMMM, as author of this report entitled "Mineral Resource Estimate of the Song Toh- Boh Yai properties, Kemco Project, Kanchanaburi Province, Thailand" ('The Technical Report') make the following statements:

- I received the degree of Bachelor of Science in Geology from the University of Newcastle upon Tyne, England, in 1968.

- I am a Chartered Engineer (323907, March 30th , 1983) registered with the Engineering Council (UK), a Professional Member of the Institute of Materials, Minerals and Mining (Member Number 46546) and a Fellow of the Geological Society of London (17806).

- I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with two professional associations, as defined in NI 43-101 and past relevant experience I fulfil the requirements to be a "Qualified Person" as defined in NI 43-101.

- I visited the Property between 3rd December and 7th December 2011.

- I have practiced as a geologist specializing in Mineral Exploration and Development for 42 years, and as a Chartered Engineer for 32 years. Examples of my relevant experience for the purpose of the Technical Report includes authorship of the following reports:

  Anglo Asian Gold, Gedabek Au-Cu Mine, Azerbaijan: Resource Audit,

  Geology and Mineral Resources of the Bilbao Silver-Lead-Zinc Deposit, Mexico, for Xtierra Inc. NI 43-101Report, *"Technical Review of Hummingbird Resources Limited Gold and Iron Ore Exploration Projects in Liberia" for Hummingbird Resources, AIM Qualifying Report, November 2010,*

"Geology and Revised Mineral Resources of the Bilbao Silver-Lead-Deposit, State of Zacatecas, Mexico" for Xtierra Inc. and dated 4th April 2011, NI 43-101Report,

"A Technical Review of the Yanfolila Gold Concession, Mali, West Africa" for Compass Gold Corporation July 2011, NI 43-101Report,

"A Technical Review of the Dandoko Gold Concession, Mali, West Africa" for Compass Gold Corporation July 2011, NI 43-101Report.

Technical Report on the Omagh Gold Project, Counties Tyrone and Fermanagh, Northern Ireland" for Galantas Gold Corporation, August 2012, NI 43-101Report.

- I am responsible for all items of the Technical Report.
- I have not had any prior involvement with the property that is the subject of the Technical Report.
- At the effective date of the Technical Report to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
- I am independent of the issuer as set out in Section 1.5 of NI 43-101.
- I have read National Instrument 43-101 and Form 43-101F1 and the Technical Report has been prepared in compliance with National Instrument 43-101 and Form 43-101-F1.
- I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their website accessible by the public.

Dated December 14th at Edinburgh, Scotland ,UK
"Signed"

Richard Parker, FGS, MIMMM, C.Eng,

Senior Associate, ACA Howe International Ltd.

APPENDIX 1. CERTIFICATES FOR ANALYTICAL QUALITY CONTROL

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32 Shand Street
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Brisbane QLD 4053
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www.alsglobal.com

ALS Minerals

Page: 1
Finalized Date: 2-FEB-2012
This copy reported on 3-FEB-2012
Account: SOUASI

QC CERTIFICATE BR12003796

Project:
P.O. No.:
This report is for 59 Crushed Rock samples submitted to our lab in Brisbane, QLD, Australia on 19-JAN-2012.

The following have access to data associated with this certificate:

SURAPOL UDOMPORNWIRAT

SAMPLE PREPARATION

ALS CODE	DESCRIPTION
WEI-21	Received Sample Weight
LEV-01	Waste Disposal Levy
LOG-22	Sample login - Rcd w/o BarCode
PUL-21	Pulverize entire sample

ANALYTICAL PROCEDURES

ALS CODE	DESCRIPTION	INSTRUMENT
ME-OG46h	Extended Ore Grade-Aqua Regia	ICP-AES
ME-OG46	Ore Grade Elements - AquaRegia	ICP-AES
Pb-OG46h	High Grade Pb - Aqua Regia	VARIABLE

To: **SOUTHEAST ASIA EXPLORATION & MINING CO LTD**
ATTN: SURAPOL UDOMPORNWIRAT
3RD FL, PERMPOOM BLDG, 32 SOI SUKHUMVITH 87
SUKHUMVITH ROAD, BANGCHACK, PHRACKANONG
BANGKOK 10260
THAILAND

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

Signature:
Shaun Kenny, Brisbane Laboratory Manager

Australian Laboratory Services Pty. Ltd.
32 Shand Street
Stafford
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ALS Minerals

Finalized Date: 2-FEB-2012
Account: SOUASI

QC CERTIFICATE OF ANALYSIS BR12003796

Sample Description	Method / Analyte / Units / LOR	ME-OG46 Ag ppm 1	ME-OG46 Pb % 0.001	ME-OG46 Zn % 0.001	Pb-OG46h Pb % 0.1
STANDARDS					
GBM303-1					23.0
Target Range - Lower Bound					22.7
Upper Bound					24.6
GBM305-11					11.2
Target Range - Lower Bound					11.9
Upper Bound					12.9
GBM306-12		6	2.64	2.02	
Target Range - Lower Bound		3	2.59	1.975	
Upper Bound		7	2.78	2.12	
GBM308-14		41	0.632	1.845	
GBM308-14		42	0.659	1.885	
Target Range - Lower Bound		38	0.628	1.835	
Upper Bound		43	0.675	1.970	
GBM398-1		4	2.62	2.04	
GBM398-1		6	2.64	2.05	
Target Range - Lower Bound		3	2.58	1.965	
Upper Bound		7	2.77	2.11	
GBM908-14		300	3.17	4.23	
GBM908-14		310	3.27	4.38	
Target Range - Lower Bound		292	3.18	4.12	
Upper Bound		315	3.41	4.42	
OGGeo08		20	0.717	0.718	
Target Range - Lower Bound		18	0.672	0.684	
Upper Bound		22	0.723	0.736	
BLANKS					
BLANK		<1	0.002	0.001	
BLANK		<1	<0.001	<0.001	
BLANK		<1	<0.001	<0.001	
Target Range - Lower Bound		<1	<0.001	<0.001	
Upper Bound		2	0.002	0.002	
BLANK					<0.1
Target Range - Lower Bound					<0.1
Upper Bound					0.2

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ALS Minerals

Finalized Date: 2-FEB-2012
Account: SOUASI

QC CERTIFICATE OF ANALYSIS BR12003796

Sample Description	Method / Analyte / Units / LOR	ME-OG46 Ag ppm 1	ME-OG46 Pb % 0.001	ME-OG46 Zn % 0.001	Pb-OG46h Pb % 0.1
DUPLICATES					
H7 +451 (17/2)		24	1.785	0.002	
DUP		23	1.775	0.003	
Target Range - Lower Bound		22	1.735	<0.001	
Upper Bound		25	1.825	0.004	
H5 +610					29.6
DUP					28.5
Target Range - Lower Bound					28.2
Upper Bound					29.9
STSW +484 (30)		340	16.65	5.77	
DUP		340	16.40	5.76	
Target Range - Lower Bound		331	16.10	5.62	
Upper Bound		350	16.95	5.91	
STS +447 (6/2)		365	18.00	3.78	
DUP		355	17.90	3.76	
Target Range - Lower Bound		350	17.50	3.67	
Upper Bound		370	18.40	3.87	
STS +447 (16)		287	14.15	11.85	
DUP		298	14.25	11.75	
Target Range - Lower Bound		284	13.85	11.50	
Upper Bound		301	14.55	12.10	
ORIGINAL		22	0.096	0.217	
DUP		24	0.097	0.214	
Target Range - Lower Bound		21	0.093	0.209	
Upper Bound		25	0.100	0.222	

APPENDIX 2. BOH YAI AND SONG TOH RESOURCES BY DOMAIN.

BOH YAI RESOURCES BY DOMAIN							
DOMAIN	HILL	CLASS	TONNES	Pbeq	Pb	Zn	Ag
1 105L_IND	HILL1	INDICATED	145,000	9.72	3.95	3.26	72.77
1 105U_IND	HILL1	INDICATED	207,640	4.88	0.97	3.20	23.19
1 SH1_IND	HILL1	INDICATED	643,452	10.78	3.10	4.57	90.95
1 SH1L_IND	HILL1	INDICATED	255,548	6.43	1.58	3.28	46.52
1 SH1U_IND	HILL1	INDICATED	69,693	5.64	1.52	2.44	49.01
3MKL309L9_IND	HILL3	INDICATED	16,031	11.83	4.66	5.80	44.21
3MKL301_IND	HILL3	INDICATED	26,634	9.26	1.77	6.84	25.30
4MKL408L4_IND	HILL4	INDICATED	130,477	7.88	3.16	4.29	16.40
5L1_IND	HILL5	INDICATED	76,328	6.35	2.97	1.14	63.17
5L1B_IND	HILL5	INDICATED	89,227	10.04	4.53	2.20	93.93
5L1C_IND	HILL5	INDICATED	17,006	4.36	2.56	0.35	40.43
5MKL527_IND	HILL5	INDICATED	23,618	17.93	9.82	0.01	224.65
5MKL511_IND	HILL5	INDICATED	11,414	10.05	2.98	6.44	24.21
5U1_IND	HILL5	INDICATED	53,453	5.99	2.36	2.85	24.48
5U3_IND	HILL5	INDICATED	95,213	6.33	1.61	4.46	11.73
5U4_IND	HILL5	INDICATED	35,658	8.69	3.05	5.30	14.53
7NSN091_IND_BB	HILL7	INDICATED	77,279	12.79	5.38	0.00	205.94
7NSN129_IND	HILL7	INDICATED	27,631	15.80	8.08	0.05	212.53
7NSN031_IND	HILL7	INDICATED	34,661	16.49	9.45	0.01	195.02
7NSN159_IND	HILL7	INDICATED	11,670	8.59	4.33	0.01	117.88
7NSNSN343_IND	HILL7	INDICATED		10.84	5.62	0.00	141.76
TOTAL		**INDICATED**	**2,138,112**	**8.96**	**3.12**	**3.30**	**73.84**
DOMAIN	HILL	CLASS	TONNES	Pbeq	Pb	Zn	Ag
1 105L_INF	HILL1	INFERRED	92,545	6.83	1.55	3.19	61.02
1 105U_INF	HILL1	INFERRED	303,665	5.57	1.09	3.36	34.70
1 SH1_INF	HILL1	INFERRED	330,925	6.33	2.02	2.50	52.86
1 SH1L_INF	HILL1	INFERRED	94,656	6.52	2.12	3.07	39.70
1 SH1U_INF	HILL1	INFERRED	135,650	4.67	1.48	1.94	36.51
3MKL309L9_INF	HILL3	INFERRED	1,276	9.95	3.73	5.11	36.20
3MKL301_INF	HILL3	INFERRED	9,744	13.12	2.44	9.92	31.58
4MKL408L4_INF	HILL4	INFERRED	25,079	9.48	3.86	4.99	22.46
4MKL424A_INF	HILL4	INFERRED	59,856	6.60	2.56	3.46	19.29
4MKL424C_INF	HILL4	INFERRED	147,900	9.34	2.66	6.47	12.48
5L1B_INF	HILL5	INFERRED	49,207	11.79	4.97	3.60	93.09

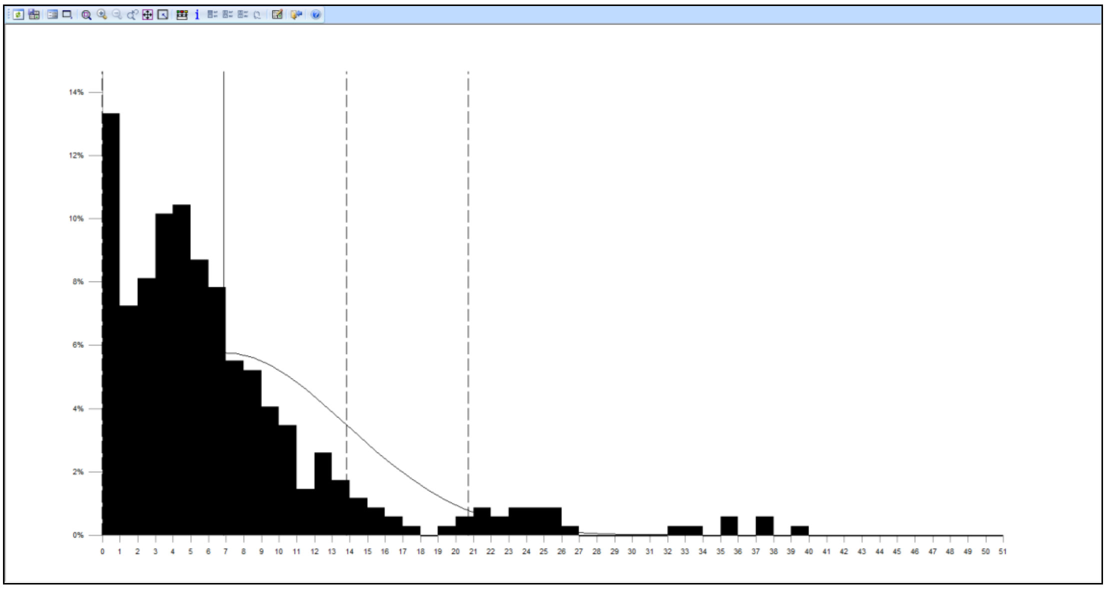
5L1D_INF	HILL5	INFERRED	57,234	14.94	6.04	6.99	60.07
5L1E_INF	HILL5	INFERRED	87,626	6.12	3.10	1.02	56.36
5MKL527_INF	HILL5	INFERRED	5,707	18.49	10.00	0.01	235.06
BOH YAI RESOURCES BY DOMAIN							
5MKL511_INF	HILL5	INFERRED	1,485	8.79	2.31	6.00	19.53
5MKL563_INF	HILL5	INFERRED	80,875	7.39	3.19	3.13	32.76
5U1_INF	HILL5	INFERRED	6,009	6.21	2.57	2.91	23.14
5U3_INF	HILL5	INFERRED	58,209	6.07	1.87	3.98	10.08
5U4_INF	HILL5	INFERRED	47,722	8.02	2.32	5.43	12.91
7NSN091_INF	HILL7	INFERRED	7,842	12.89	5.49	0.00	205.54
7NSN031_INF	HILL7	INFERRED	6,751	19.20	10.38	0.01	244.37
7NSN159_INF	HILL7	INFERRED	17,864	6.93	2.77	0.01	114.94
7NSNSN343_INF	HILL7	INFERRED	15,266	11.80	5.76	0.00	165.58
TOTAL		**INFERRED**	1,643,093	**7.19**	**2.36**	**3.36**	**44.10**

SONG TOH SOUTHWEST RESOURCES BY DOMAIN						
DOMAIN	CLASS	TONNES	Pbeq, %	Pb, %	Zn, %	Ag, %
CN	INDICATED	131,544	6.51	3.04	0.42	84.76
CS	INDICATED	30,137	3.71	2.05	0.02	45.31
NE2	INDICATED	47,490	6.50	0.73	0.04	158.99
NE3	INDICATED	44,034	4.16	2.89	0.20	29.65
SC	INDICATED	20,555	4.98	2.66	0.28	56.34
NE1	INDICATED	10,185	5.29	2.79	0.36	59.20
BS123	INDICATED	34,290	10.72	5.75	0.10	135.29
TOTAL	**INDICATED**	**318,234**	**6.23**	**2.84**	**0.25**	**87.27**
BS123	INFERRED	6,009	14.40	7.35	0.08	193.30
BS235	INFERRED	160,219	7.36	4.67	0.04	73.39
CN	INFERRED	603	7.63	4.49	0.46	74.34
NE3	INFERRED	742	3.58	2.63	0.21	20.88
BS245	INFERRED	10,927	7.35	3.88	0.14	91.98
TOTAL	**INFERRED**	**178,501**	**7.58**	**4.70**	**0.05**	**78.35**

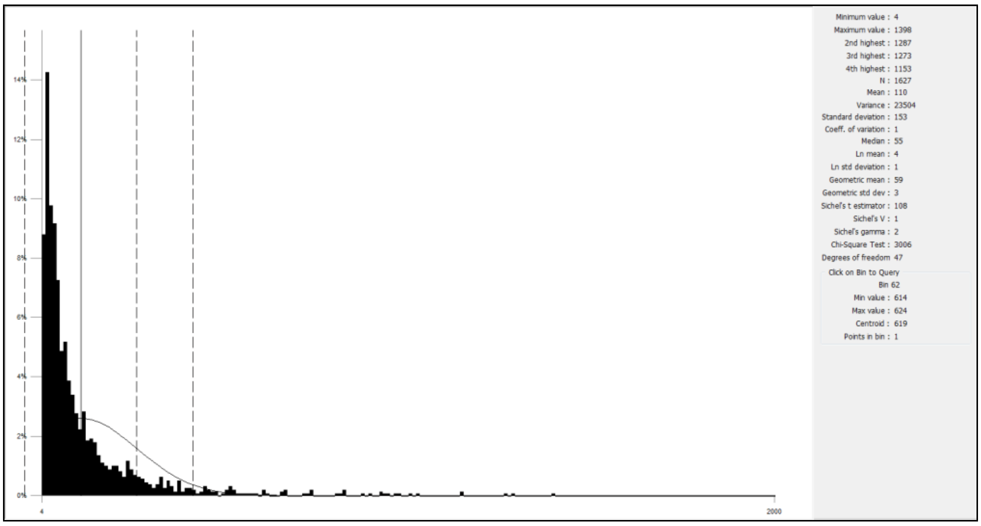
SONG TOH CAMP RESOURCES BY DOMAIN						
CAMP_SE_LOWER	INDICATED	91,918	16.08	8.93	4.46	79.48
CAMP_SE_UPPER	INDICATED	172,979	10.00	7.40	0.23	65.78
CAMP_UPPER	INDICATED	174,325	6.01	3.80	1.00	34.24
TOTAL	INDICATED	**439,222**	**9.69**	**6.29**	**1.42**	**56.13**
CAMP_142_UPPER	INFERRED	14,987	12.86	7.16	4.35	42.00

CAMP_LOWER	INFERRED	32,944	9.45	6.16	0.97	65.32
CAMP_SE_LOWER	INFERRED	74,542	16.87	9.30	4.85	80.61
CAMP_UPPER	INFERRED	10,997	5.66	3.45	1.14	30.82
TOTAL	**INFERRED**	**133,470**	**13.67**	**7.80**	**3.53**	**68.40**

APPENDIX 3. BOH YAI AND SONG TOH ANALYTICAL HISTOGRAMS

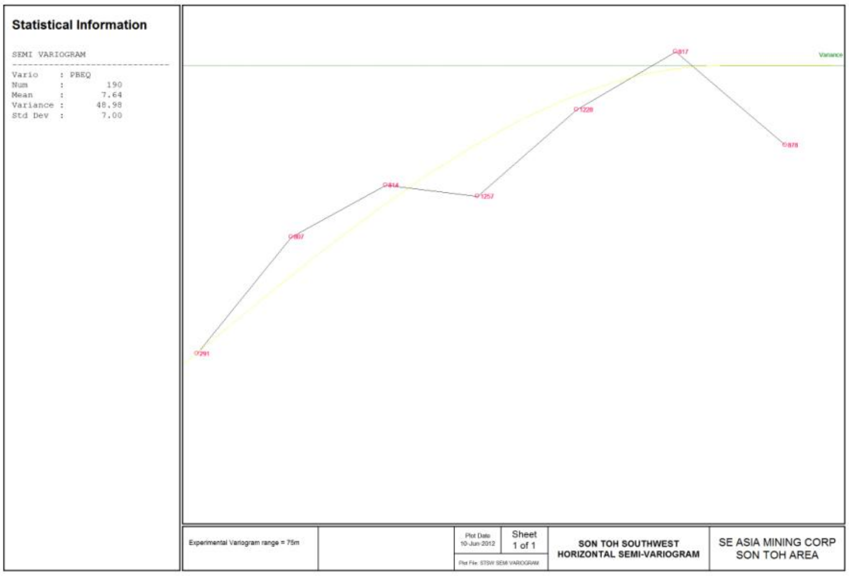


Boh Yai Hill 1 PbEq all assays histogram,

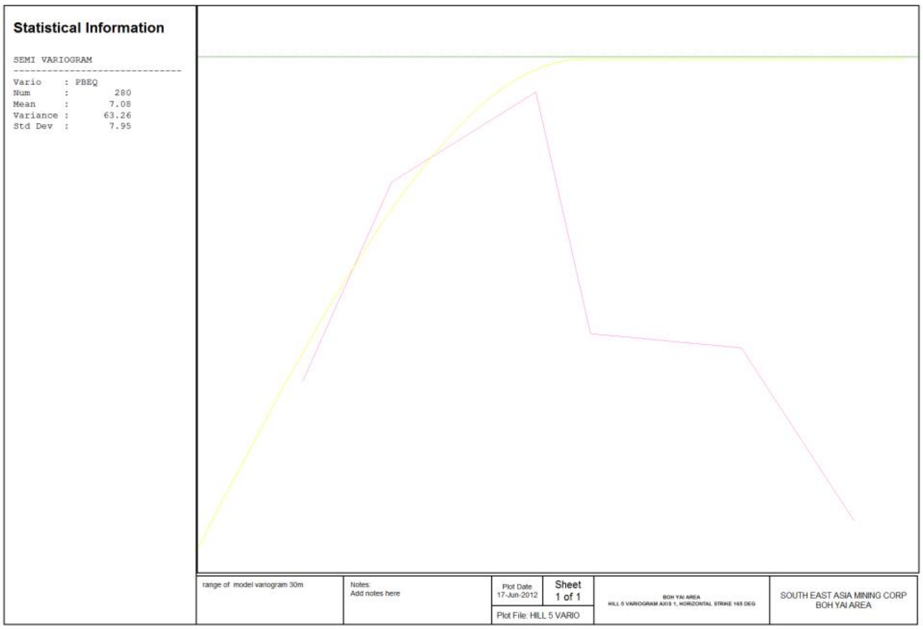


Song Toh Ag all assays histogram

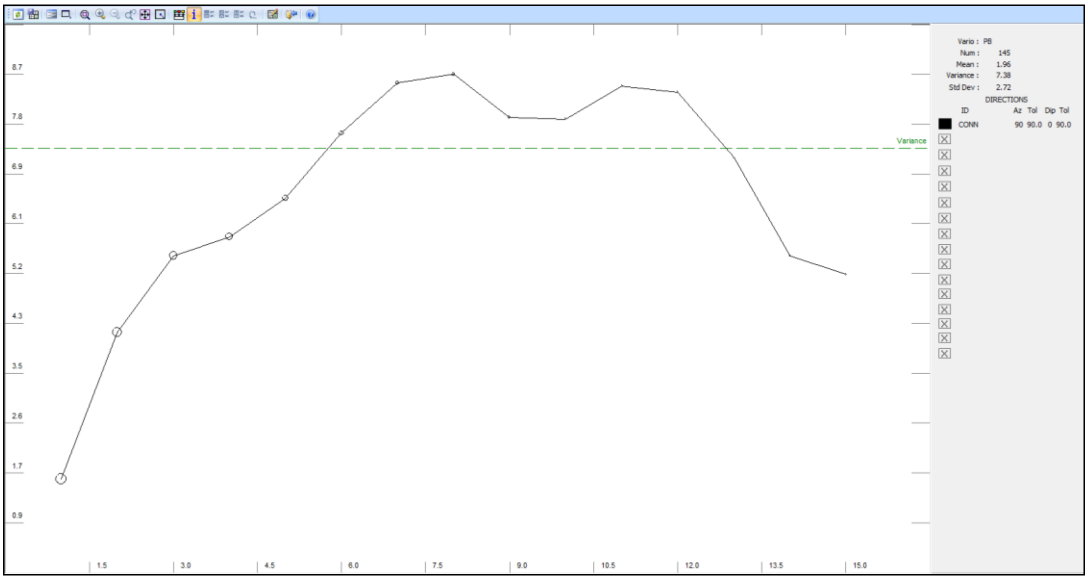
APPENDIX 4. BOH YAI AND SONG TOH SEMI-VARIOGRAMS



Song Toh Southwest Pbeq Horizontal semi-variogram Pbeq



Boh Yai Pbeq Horizontal semi-variogram Hill 5

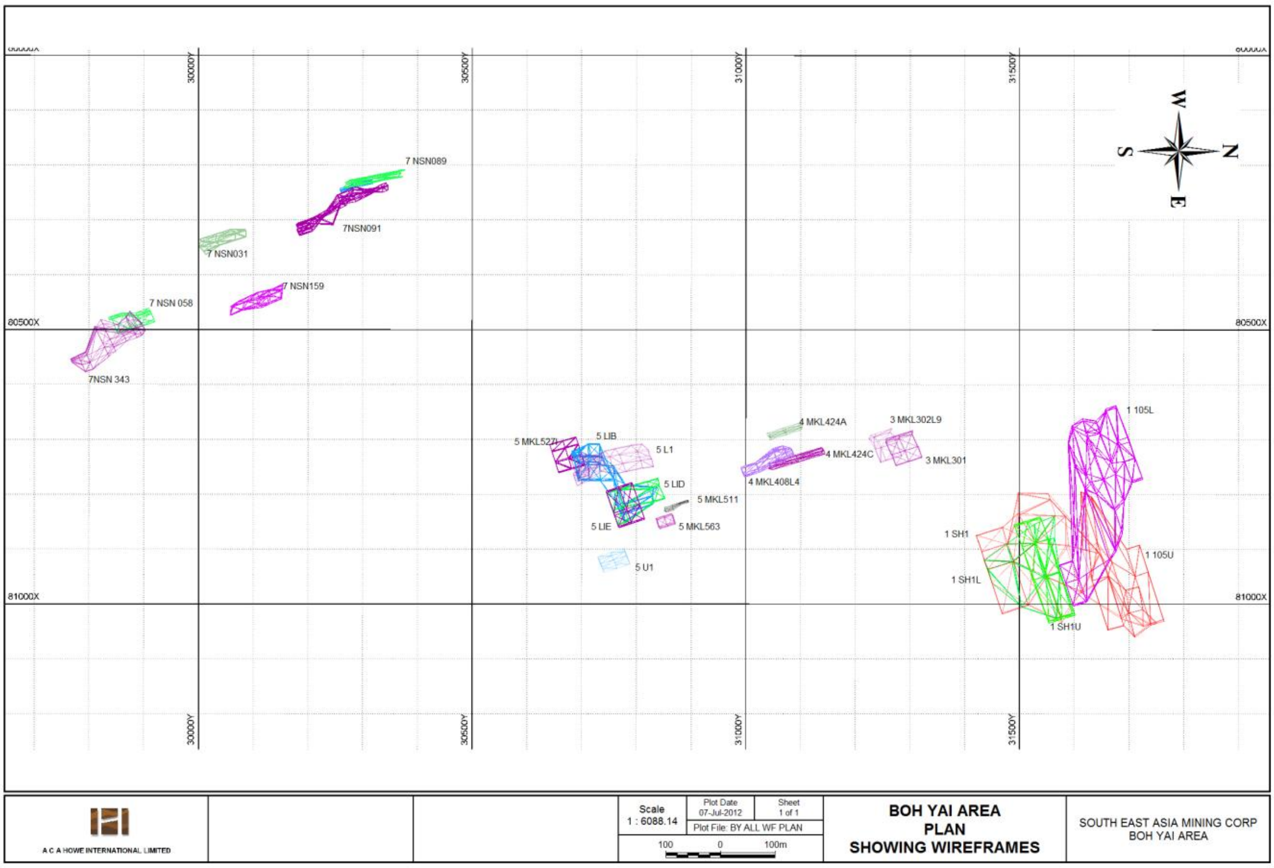


Boh Yai Pbeq down hole semi-variogram Hill 5

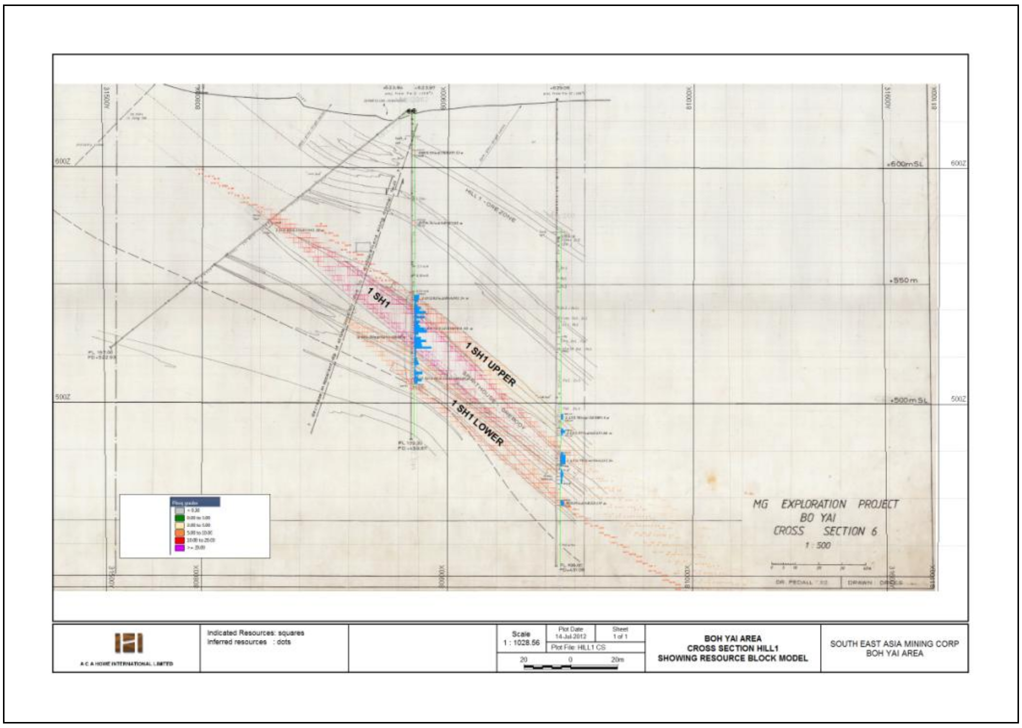
APPENDIX 5. BOH YAI; LIST OF CUT SILVER ASSAYS

BOH YAI, DETAILS OF CUT SILVER VALUES				
Drillhole Number	depth, from, metres	depth, to metres	Assay Value Ag g/t	Cut Value Ag g/t
NSN 128	22.83	23.07	3170	1000
NSN 094	0.11	0.54	2960	1000
NSN 090	39.92	40.45	2660	1000
NSN 075	46.63	46.95	2390	1000
NSN 098	24.28	25.19	2330	1000
NSN 002	206.07	206.18	1969	1000
NSN 091	48.34	49.36	1753	1000
NSN 096	26.30	26.43	1670	1000
NSN 010	138.70	139.12	1624	1000
NSN 097	20.93	21.27	1505	1000
DDH 072	161.64	161.89	1398	1000
NSN 023	182.35	182.87	1359	1000
NSN 085	17.63	19.52	1248	1000
NSN 130	72.42	72.65	1195	1000
NSN 128	14.93	16.62	1170	1000
NSN 129	46.28	48.29	1170	1000
NSN 105	58.03	58.27	1150	1000
NSN 032	17.16	17.79	1147	1000
NSN 090	37.66	38.86	1144	1000
NSN 075	45.13	45.64	1140	1000
NSN 090	32.22	33.50	1115	1000
NSN 005	34.33	35.34	1055	1000
NSN 064	6.09	6.41	1050	1000
MKL 5/47	65.67	66.01	1042	1000

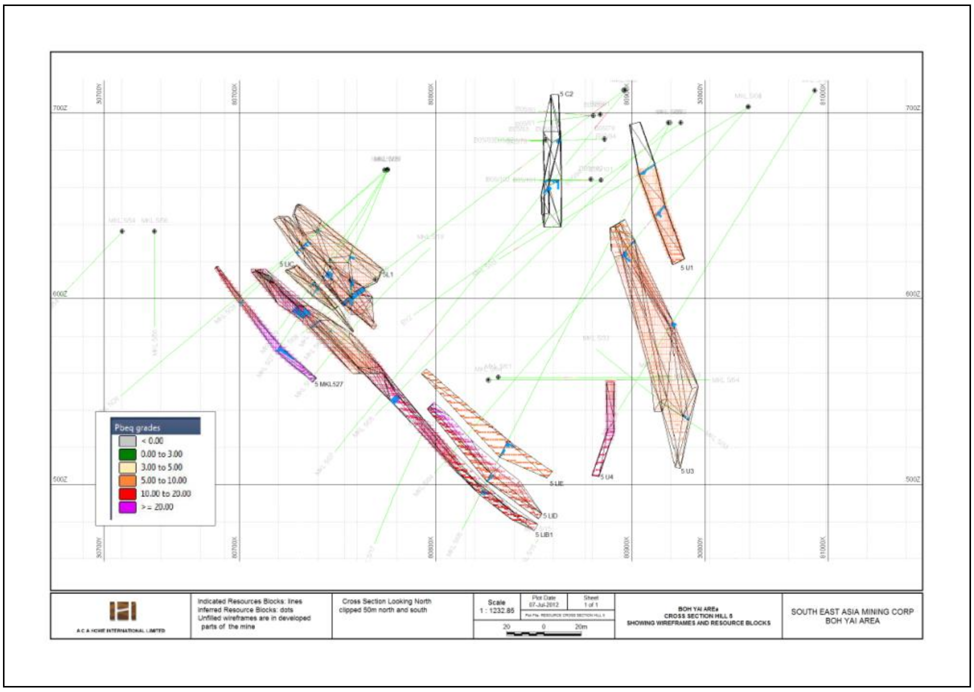
APPENDIX 6. SCREENSHOTS OF BLOCK MODELS



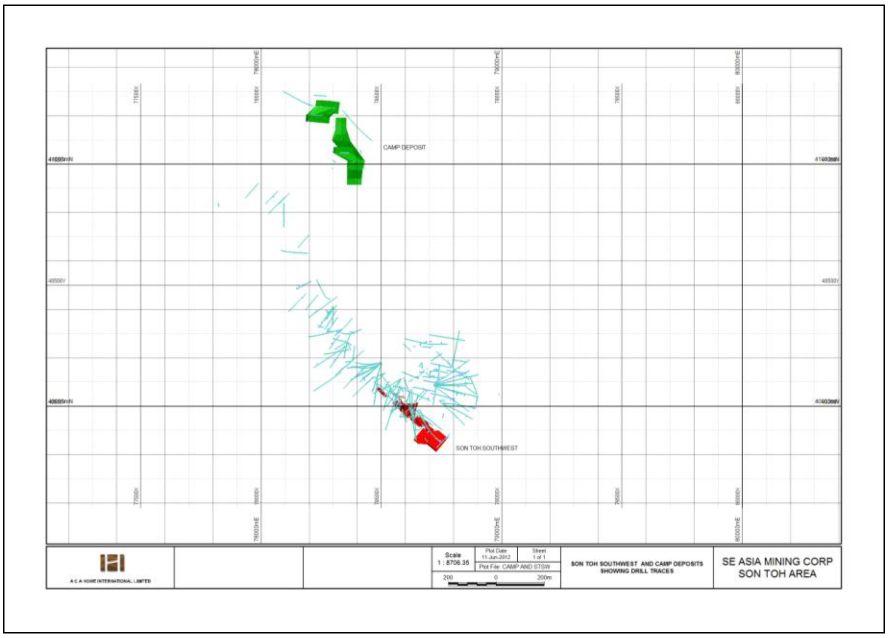
Boh Yai Plan showing wireframe locations



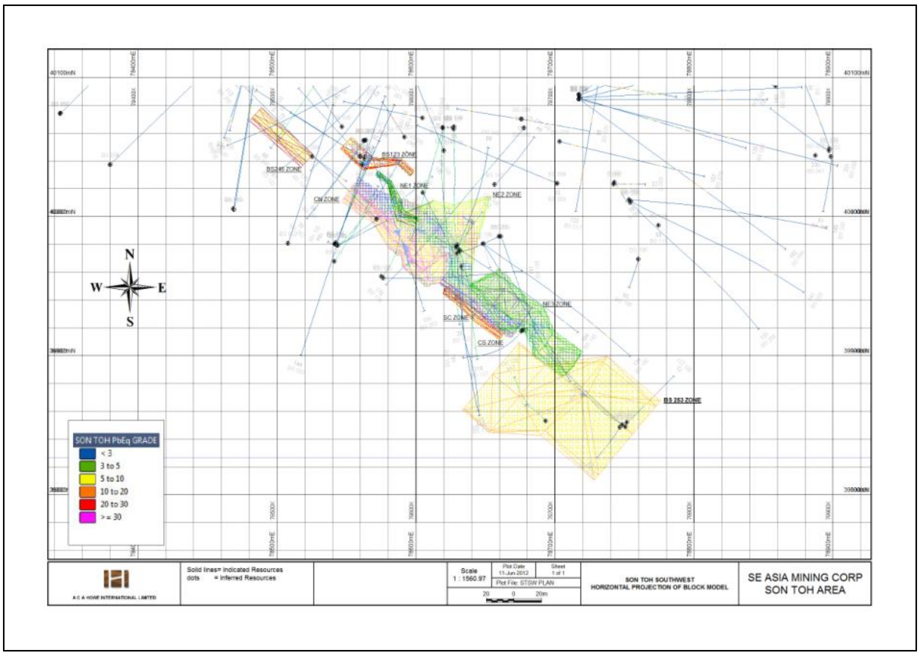
Boh Yai Hill 1 cross section showing resource blocks, Indicated blocks shown as squares, Inferred Blocks shown as dots. Superimposed on historical geological section



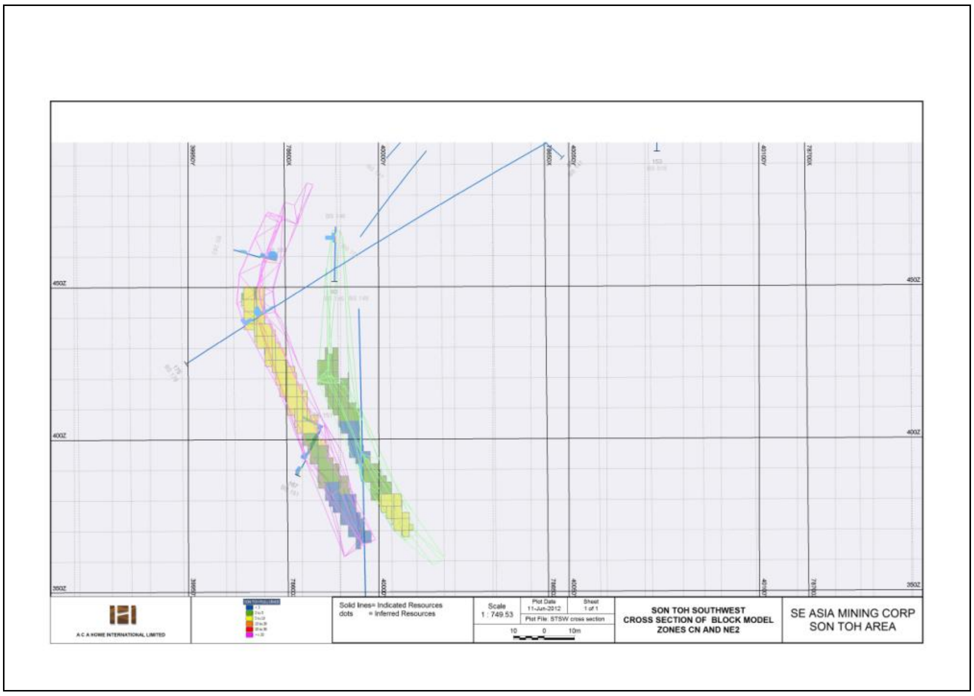
Boh Yai   Hill 5 cross section showing resource blocks, Indicated blocks shown as squares, Inferred Blocks shown as dots



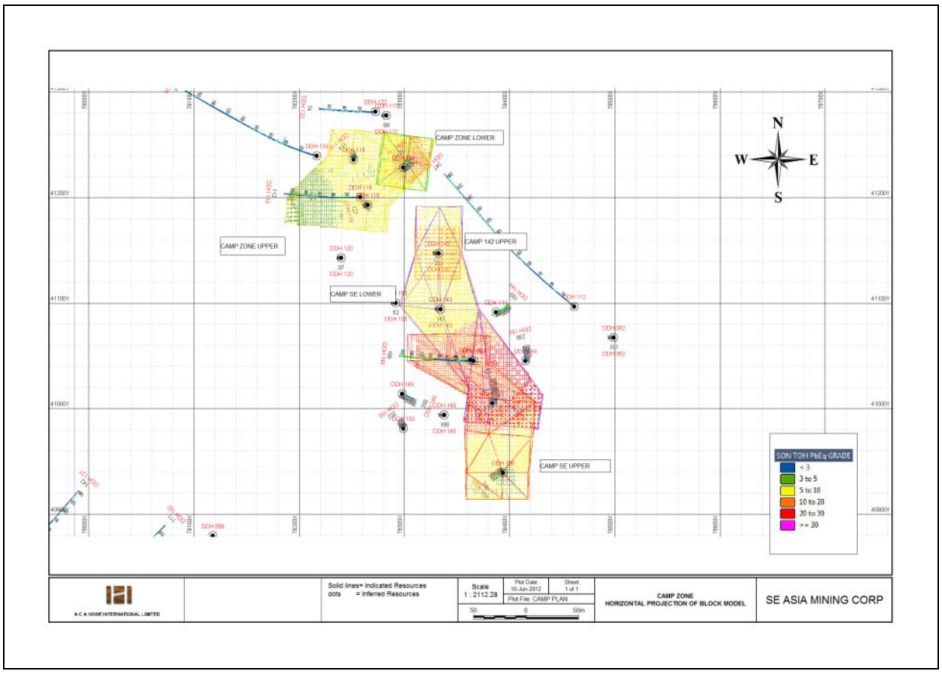
Song Toh Camp Deposit and Song Toh Southwest Deposits; locations showing drill traces



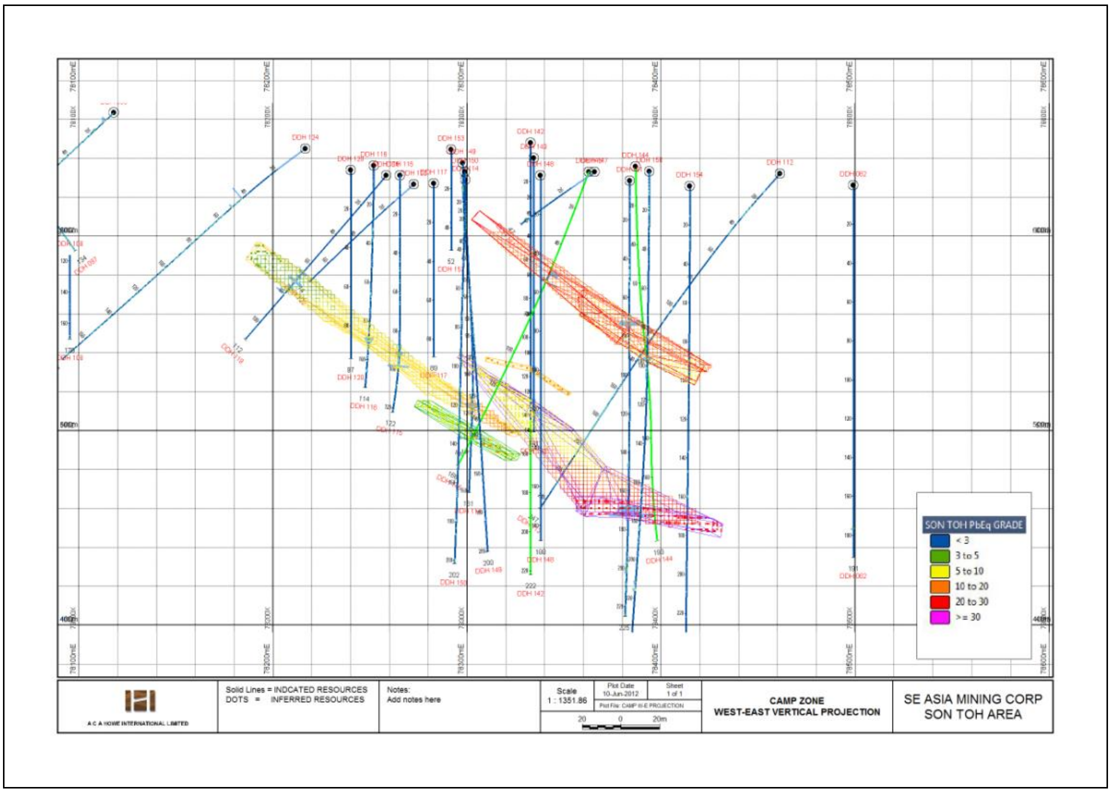
Song Toh Southwest Deposit: Plan showing drill traces and resource blocks



Song Toh Southwest Deposit: Typical cross section showing drill traces and resource blocks



Song Toh Camp Deposit; plan showing resource blocks, Indicated blocks shown as squares, Inferred Blocks shown as dots



Song Toh Camp Deposit; cross section showing resource blocks, Indicated blocks shown as squares, Inferred Blocks shown as dots