



MANAGEMENT'S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

MARCH 31, 2013

Management's discussion and analysis (MD&A) is current to May 24, 2013 and is management's assessment of the operations and the financial results together with future prospects of Southeast Asia Mining Corp. ("Southeast Asia Mining", "SEA" or the "Company"). This MD&A should be read in conjunction with our unaudited interim consolidated financial statements for the three month periods ended March 31, 2013 and 2012 and our audited consolidated financial statements for the years ended December 31, 2012 and 2011 and notes thereto, prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise. Please note that as at March 31, 2013, the Canadian dollar exchange rate with the Thailand Baht ("BAHT") was 1 Canadian dollar for every 28.5028 BAHT. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Southeast Asia Mining's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. Additional information relevant to SEA's activities, including SEA's Press Releases can be found on SEDAR at www.sedar.com.

Overview of the Business and Overall Performance

The Company was incorporated on August 18, 2006 as Southeast Asia Mining Corp. by Articles of Incorporation under the *Canada Business Corporations Act*. On November 3, 2011, the Company consolidated the common shares in the capital of the Company on a 1 for 8 basis. The focus of Southeast Asia Mining consists of mineral exploration in Thailand where it conducts business through its wholly-controlled subsidiaries Southeast Asia Exploration and Mining Company Limited (formerly Geotai Exploration and Mining Ltd.) ("SEAM"), Southeast Asia Resources Co, Ltd., White Trillium Ltd., and its 80% controlled subsidiary Southeast Asia Mining Co, Ltd. ("SEAMC"). All companies incorporated pursuant to the laws of Thailand.

Southeast Asia Mining is a junior exploration and development company engaged in the acquisition, exploration and development of mineral resource properties in Thailand. The Company has a joint venture agreement whereby it has an option to earn an 80% interest in the mining lease applications of the two historical operating Song Toh and Boh Yai silver-lead-zinc mines, flotation plant and equipment (the "Property"). The mines were originally discovered by Cominco in 1948 and explored and operated by the German mining company Metalgesellschaft from 1969 to 1991 and subsequently by a private Thai company KEMCO until 2002 when they were closed due to depressed metal prices. Historically the mines processed approximately 5.4 million tonnes of ore producing 520,000 tonnes of Pb and Zn concentrates at the 1,000 tpd flotation plant. The plant was refurbished in 2008 by SEA and its joint venture partner when approximately 60,000 tonnes of ore were processed. The Company also has a 100% interest in three special prospecting licenses (1,308 hectares) and seven special prospecting licence applications (4,400 hectares) surrounding the Property and two special prospecting license applications (2,878 hectares) for copper-gold exploration in the Province of Lopburi and Nakon Sawan within the area of the Loei-Phetchabun Gold Belt.

The Company's short term objective is to acquire an 80% interest in the Song Toh and Boh Yai mining lease applications by exercising the second option pursuant to the amended joint venture agreement as discussed below. Subsequent to acquiring an 80% interest, the Company will commence the formal permitting process in order to obtain mine permits for the Song Toh and Boh Yai mines.

Joint Venture Agreement

On October 15, 2012, SEA and its wholly controlled subsidiaries SEAM and Southeast Asia Mining Company Limited ("SEAMC") entered into an amended joint venture agreement ("Amended JVA") with Mr. Pornnaret Klipbua ("Pornnaret"), Kanchanaburi Exploration and Mining Company Limited ("KEMCO") and Boh Yai Mining Company Limited ("BYMC") for the Property which replaced all prior agreements. Under the terms of the Amended JVA, SEA can earn its 80% interest in the mining lease applications by exercising the first and second option. In connection with executing the Amended JVA, SEA made a USD\$48,528 payment on signing the Amended JVA and made payment of USD\$16,176 on closing of the first option to its joint venture partner as compensation for the current mine staff.

First Option

SEA may exercise the first option by making a payment of USD\$500,000 and issuing 3,000,000 Common Shares to its joint venture partner prior to December 13, 2012 for the exclusive right to exercise the second option detailed below. On December 13, 2012 SEA exercised the first option.

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 SEAMC which is controlled 80% by SEA and 20% by its joint venture partner, Pornnaret. The transfer of ownership is further described below under Mining Lease Applications Transfer of Title.

Production Payments

In order to maintain its 80% ownership interest in the Property, 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;
- 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; and
- Upon completion of the fifth complete year following the commencement of commercial production at the Boh Yai mine, SEA must pay 20% of any net profits in excess of USD\$2,000,000 and thereafter 20% of net profits.

Equipment Option

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

Date	Amount
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
July 15, 2016	USD\$367,650

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

Mining Lease Applications

The mining lease applications subject to the Amended JVA are as follows:

Company	Company Relationship to SEA	Mining Lease Number	License Priority
KEMCO	Joint Venture Partner	14/2520, 63/2523, and 37/2526	First Priority
BYMC	Joint Venture Partner	41/2528, 42/2528, 8/2529, 18/2540, 19/2540, 10/2550, and 3/2555	First Priority
SEAMC	80% controlled subsidiary of SEA and 20% controlled by Joint Venture Partner	7/2555 and 8/2555	Second Priority

Exploration Licenses

The Company has a 100% interest the following special prospecting licenses and special prospecting license applications on areas which are adjacent to the Song Toh and Boh Yai mines.

Company	Company Relationship to SEA	Special Prospecting License Number	License Priority
SEAM	Wholly controlled subsidiary of SEA	2/2552, 3/2552, and 4/2552	First Priority
		Special Prospecting License Application Number	
SEAM	Wholly controlled subsidiary of SEA	1/2555, 2/2555, 3/2555, 4/2555, 5/2555, 6/2555, and 7/2555	First Priority

Mining Lease Applications Transfer of Title

The principal law governing exploration and mining in Thailand is the Minerals Act B.E. 2510 (1967) (the “**Minerals Act**”), as amended, which allows for first priority mining lease applications and subordinate mining lease applications to be filed for overlapping areas.

KEMCO currently holds first priority mining lease applications Nos. 14/2520, 63/2523 and 37/2526 located on an area of land referred to as the Song Toh mine. BYMC currently holds first priority mining lease applications Nos. 41/2528, 42/2528, 8/2529, 18/2540, 19/2540, 10/2550 and 3/2555 located on an area of land referred to as the Boh Yai mine. SEAMC has submitted second priority mining lease applications nos. 7/2555 and 8/2555 which overlap the first priority mining lease applications currently held by KEMCO and BYMC as listed above and other areas covered by SEAM special prospecting license Nos. 2/2552, 3/2552, 4/2552.

The Company’s rights to the mining applications come from i) SEAMC’s secondary mining lease applications Nos. 7/2555 and 8/2555 already submitted and ii) KEMCO’s and BYMC’s obligations to withdraw their respective priority mining lease applications for areas overlapping SEAMC’s secondary mining lease applications as set forth in of the Amended JVA.

Pursuant to the Amended JVA, upon closing of the second option KEMCO and BYMC shall withdraw their respective first priority mining lease applications and SEAMC's second priority mining lease applications will be advanced to first priority moving forward according to applicable law subsequent to the closing of the second option.

Upon closing of the second option and the advancement of SEAMC's second priority mining lease application to first priority the Company will commence the formal mining lease application process.

GENERAL DEVELOPMENT OF THE BUSINESS

The Company has made the following progress with respect to the Property:

- On October 15, 2012, the Company entered into an Amended JVA which 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 as outlined above;
- On October 30, 2012, SEA announced that it received a resource estimate of 2,895,500 tonnes Indicated and 1,955,000 tonnes Inferred for the Boh Yai and Song Toh mines. The NI 43-101 compliant mineral resource was estimated by ACA Howe International Limited ("ACA Howe") using historical diamond drilling results that were verified by analyses of stored core and pulp samples. The resource table and notes are set out in detail below;
- From November 2012 to February 2013, the Company closed a private placement of unsecured convertible debentures for total gross proceeds of \$927,296;
- On December 13, 2012, SEA paid US\$500,000 and issued 3 million shares of the Company to its joint venture partner pursuant to the exercise of the first option under the Amended JVA;
- On April 12, 2013, the Company announced the results of a NI 43-101 compliant Preliminary Economic Assessment ("PEA"). Highlights of the PEA are as follows:
 - NPV \$88.8 million, IRR 148%, payback 1.3 years: pre-tax, 7.5% discount, and 100% of Project
 - NPV \$69.6 million, IRR 112%, payback 1.5 years: after-tax, 7.5% discount, and 100% of Project
 - Average EBITDA \$13.8 million per annum
 - Throughput 300,000 tonnes per annum
 - Pre-production capital requirements \$12.6 million
 - Life of mine 13.6 years
 - Life of mine production: 131,315 tonnes of lead concentrate and 128,318 tonnes of zinc concentrate containing the following net smelter return values:
 - Lead \$152.6 million
 - Silver \$131.3 million
 - Zinc \$94.3 million
 - Metal prices: three year trailing average prices - Silver \$30 /oz, Lead \$1.00 /lb, and Zinc \$0.95 /lb.
 - Breakeven: point at which project repays capital only - Silver \$18.21 /oz, Lead \$0.61 /lb, and Zinc \$0.58 /lb.
- During the year work has been ongoing with respect to various studies required in order to officially commence mine permitting subsequent to closing of the second option. The permitting work consisted of the following:
 - preparation of a conceptual tailings management plan,
 - waste and ground water management preliminary assessment,
 - geotechnical study,
 - mine plan, and
 - preparatory work related to an Environmental and Health Impact Assessment.
- During the year, the Company also conducted an exploration program on the three special prospecting licenses located adjacent to the Song Toh and Boh Yai mines sites. Work has included surface geological mapping, geochemical soil survey and an IP survey. The results of

the soil survey and the IP survey were encouraging and management is now planning the next phase of follow up exploration in order to identify future drill targets.

Resource Estimate

The following table presents the resource estimate used in the preparation of the PEA. The resource estimation procedure is fully described in the November 2012 NI 43-101 Technical Report.

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

Notes for Resource Estimate

1. Cut-off grade for mineralized zone interpretation was 3.0% Pb Equivalent.
2. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
3. The database used by ACA Howe for the resource estimate contains 3,914 Pb, Zn and Ag assay results from 551 surface and underground diamond drill holes (total of 58,078 metres). Samples were assayed historically by the mine laboratory at Song Toh with check samples by SGS. A representative number of core and pulp samples that were analysed in 2012 by ALS provided verification of the historical assays.
4. Lead Equivalent - Pbeq - was calculated using prices of US\$0.93/lb lead, US\$0.90/lb zinc, and US\$ 23.03/oz silver, (with no provision for metallurgical recoveries). The formula used was $Pbeq\% = Pb\% + 0.962Zn(\%) + 0.0360Ag(g/t)$. Small discrepancies may exist due to rounding errors.
5. Mineralized domains were modelled with the aid of drill results and detailed interpretations of geology recorded on historical plans. A total of 42 individual domains was identified, including 28 at the Boh Yai deposit 9 at the Song Toh SW deposit and 5 at the Song Toh Camp deposit.
6. Micromine block models with block cell dimensions of 4.0 metres and sub blocks of 2.0 metres were coded to reflect surface topography and geology. Metal values from 1.0 metre drill composites were interpolated to block models using Inverse Distance Squared weighting (IDW2) according to parameters and search ellipsoids established from analysis of the variability within each domain. A three-pass approach was used to interpolate metal into the blocks. A density factor of 2.9 t/m3 was assigned to all mineralized domains based on historical measurements of specific gravity. For resource classification, 2 drill holes with 3 composites and a search distance less than the range were required for Indicated category,

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remaining blocks were assigned to Inferred category.

7. Resource estimate prepared by Richard Parker, C.Eng.

The technical aspects of this MD&A have been reviewed and approved by Mr. Felix Lee BSc, MBA, PGeo, President, A.C.A. Howe International Limited and the "Qualified Person" as defined by National Instrument 43-101 for the Project.

Operational Discussion

The following is management's discussion and analysis of the results of operations and liquidity and financial condition of the Company for the three month period ended March 31, 2013. The MD&A should be read in conjunction with the unaudited interim consolidated financial statements for the three month periods ended March 31, 2013 and 2012 and the audited consolidated financial statements and related notes for the years ended December 31, 2012 and 2011.

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

Results of Operations and Selected Annual Information

The following table sets forth financial information which has been summarized from the Company's unaudited interim consolidated financial statements for the three month periods ended March 31, 2013 and 2012 and the Company's consolidated financial statements for the years ended December 31, 2012 and 2011. This summary information should be read in conjunction with the Company's unaudited interim consolidated financial statements for the three month periods ended March 31, 2013 and 2012 and the Company's audited financial statements for the years ended December 31, 2012 and 2011, including the notes thereto.

	Three month period ended March 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011
Statement of Operations Data			
Expenses excluding foreign exchange	\$ 534,179	\$ 3,366,163	\$ 1,811,760
Net Loss	(534,179)	(3,366,163)	(1,811,760)
Net Loss per Share – Basic and diluted	\$(0.02)	\$(0.12)	\$(0.13)
Balance Sheet Data			
Total Assets	506,450	712,953	1,644,326
Working Capital (Deficiency)	(1,269,170)	(1,054,304)	876,849
Long Term Liabilities	-	-	-
Shareholders' Equity (Deficiency)	(1,176,191)	(945,566)	1,039,832

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Results for the eight most recent three month periods ended:

	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
	\$	\$	\$	\$
Total revenue	-	-	-	-
Net Loss	534,179	2,045,403	463,882	363,447
Loss per share	0.02	0.07	0.02	0.01

	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011
	\$	\$	\$	\$
Total revenue	-	-	-	-
Loss before extraordinary item	-	-	-	-
Net loss	493,431	263,544	430,396	702,717
Loss per share	0.02	0.02	0.03	0.05

Three Months Ended March 31, 2013 vs 2012

The Company incurred a net loss of \$534,179 or \$0.02 per share for the three month period ended March 31, 2013 compared to \$493,431 or \$0.02 per share for the three month period ended March 31, 2012. This difference is mainly attributed to increased share based payments of \$248,000 due to 900,000 (2012 – nil) options issued in 2013 offset by a decrease of \$220,235 in exploration and evaluation expenditures on the Company's properties as the Company conserves cash and works towards securing additional financing.

Professional fees for the three month period ended March 31, 2013 were \$15,418 compared to \$67,225 in the same period in 2012. Professional fees decreased as the Company conserves cash and works towards securing additional financing.

During the three month period ended March 31, 2013 management and consulting expenses increased by \$12,710 to \$69,710 compared to \$57,000 in the same period in 2012. The increase in consulting is attributable to the Company's re-organization of its management team in 2012 and additional consultants hired in the later part of 2012.

During the three month period ended March 31, 2013, travel expenses decreased by \$5,498 to \$nil. The decrease is attributable to higher volume of travel during the comparative period due to financing initiatives, board and shareholder meetings and management travel to Thailand.

During the three month period ended March 31, 2013, exploration and evaluation expenses decreased to \$99,299 compared to \$319,534 during the same period in 2012. The decrease is due to the Company conserving cash as it works towards securing additional financing.

During the three month period ended March 31, 2013, office and general expenses increased by \$575 to \$39,940 compared to \$39,365 in the same period in 2012.

During the three month period ended March 31, 2013, shareholders information and regulatory costs decreased by \$2,748 to \$2,061 compared to \$4,809 in the same period in 2012.

During the three month period ended March 31, 2013, financing costs increased by \$59,571 to \$59,571 compared to \$Nil in the same period in 2012. The financing costs relate to the interest costs on the convertible debentures.

Related Party Transactions and Key Management Compensation

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

	March 31, 2013	March 31, 2012
Balances:		
Short-term employee benefits - cash	\$ 84,000	\$ 81,000
Share based payments	193,000	-
Total compensation to key management	\$ 277,000	\$ 81,000

At March 31, 2013, included in trade and other payables is \$118,000 (December 31, 2012 - \$163,000) due to these key management personnel.

Capital Resources and Liquidity

The Company's working capital deficiency at March 31, 2013 was \$1,269,170 compared with a working capital deficiency of \$1,054,304 at December 31, 2012. The decrease results from cash disbursements during the period of approximately \$99,299 relating to advancing the Project in Thailand and office and general costs and management and consulting fees of \$99,691 and \$69,710 respectively off set against the net proceeds of financing of \$55,860. As at March 31, 2013, \$991,256 (December 31, 2012 - \$924,611) of the working capital deficiency related to convertible debentures. As at the date of this MD&A, the Company fully expects to convert these into units and that no cash resources will be used to extinguish these liabilities.

A summary of the Company's cash position and changes in cash for the three months ended March 31, 2013 and 2012 are provided below:

	Three months ended March 31, 2013	Three months ended March 31, 2012
Cash used in operating activities – net	(271,986)	(467,315)
Cash provided by financing activities	55,860	-
Cash provided by (used in) investing activities	14,157	(8,921)
Decrease in cash	(201,969)	(476,236)
Foreign exchange gain on cash held in foreign currency	5,857	1,485
Cash, beginning of period	408,316	1,493,750
Cash, end of period	212,204	1,018,999

Cash Used in Operating Activities

Cash used in operating activities for the three months ended March 31, 2013 was \$271,986 compared to \$467,315 for the corresponding three months ended March 31, 2012. The decrease in cash used in 2013 compared to 2012 is primarily due to the Company conserving cash due to the current financial condition, and decreasing overall operations as it works towards securing additional financing.

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Cash Generated by Financing Activities

Total cash generated by financing activities during the three months ended March 31, 2013 was \$55,860 from the issuance of convertible debentures compared to \$nil during the three months ended March 31, 2012.

Cash From (Used in) Investing Activities

Total cash provided from investing activities during the three months ended March 31, 2013 was \$14,157 compared to cash used of \$8,921 for the corresponding three months ended March 31, 2012. The increase in cash from investing activities is primarily due to the release of restricted cash during the current period.

Recent Financing Activities

On December 7, 2012, the Company closed the first tranche of its brokered private placement of unsecured convertible debentures ("Debenture") for gross proceeds of \$927,296. These Debentures were issued at a 2% discount to face value. Therefore, face value of these debentures issued was \$946,220. On the maturity date, each Debenture will be convertible into units of the Company at a price of \$0.35 per Unit prior to June 30, 2013 and at a price of \$0.30 per Unit thereafter. Each Unit consists of one common share in the capital of the Company and one-half of a Common Share purchase warrant. Each Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.50 per Common Share in the event that the maturity date is prior to June 30, 2013, and at a price of \$0.40 in the event the maturity date is after June 30, 2013 for a period of two years from the maturity date. The maturity date is the earlier of: the date the Company receives approval for the listing of its Common Shares on a recognized stock exchange; the date upon which a change of control occurs; and December 31, 2014.

The rate of interest on the Debentures is 20% per annum, payable quarterly in equal installments on March 31, June 30, September 30 and December 31 of each year in cash or Common Shares, at the option of the Company.

In consideration of the services rendered by the Agent, the Agent received a cash commission of \$90,283. The Agent also received 179,040 broker warrants. Each Broker Warrant entitles the Agent to purchase one Common Share at a price of \$0.35 per Common Share for a period of 24 months from the closing of the private placement.

On February 13, 2013, the Company closed the second tranche of its Debentures. Tranche two consisted of additional gross proceeds of \$55,860.

Total combined gross proceeds of \$983,156 were raised for the first and second tranche.

On October 26, 2012, the Company entered into debt settlement agreements with certain creditors, of the Corporation to settle debt at a price of \$0.20 per share. The Company issued 1,052,192 shares in order to settle \$210,439 of debt owing by SEA during the year ended December 31, 2012.

Over the period from August 11, 2011 to October 11, 2011 the Company closed several tranches of a non-brokered private placement which generated gross proceeds of \$2,511,137 in cash in addition to the conversion of \$897,480 in outstanding accounts payable. The financing consisted of 137,344,697 units (17,043,082 post consolidation units), of which 25,642,286 units (3,205,286 post consolidation units), were issued on conversion of outstanding accounts payable. Each unit was issued at \$0.025 and was comprised one common share and one half of one common share purchase warrant for a total of 68,172,348 pre consolidation warrants (8,521,544 post consolidation warrants) being issued with each full warrant exercisable at \$0.035 (\$0.28 post consolidation) for a period of 36 months.

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

The Company's liabilities and obligations for the following five years and thereafter as of March 31, 2013, are summarized below.

Contractual Obligations	Payments due by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Trade payables and accrued liabilities	\$691,000	\$691,000	Nil	Nil	Nil
Convertible debentures – face value ⁽¹⁾	\$1,003,000	\$1,003,000	Nil	Nil	Nil
Property payments ⁽²⁾	\$2,500,000	\$2,500,000	Nil	Nil	Nil
Equipment option ⁽³⁾	\$1,400,000	\$17,000	\$515,000	\$868,000	Nil
Total contractual obligations	\$5,594,000	\$4,211,000	\$515,000	\$868,000	Nil

Note: ⁽¹⁾ The convertible debentures are convertible to equity at the Company's option. The Company does not anticipate the debentures to be settled for cash.

⁽²⁾ To exercise the second option on the property, the Company must make a USD\$2,500,000 payment to its joint venture partner on July 11, 2013.

⁽³⁾ See page 2 of this MD&A for full details of the required payments.

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

Off-Statement of Financial Position Arrangements

The Company has no off-statement of financial position arrangements.

Dividend Information

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

Proposed Transactions

On April 23, 2013, the Company engaged Jennings Capital Inc. ("Jennings") to lead a brokered private placement to raise, on a best efforts agency basis, a minimum of \$6,000,000 through the issue of special warrants ("Special Warrants"), at a price of \$0.50 per Special Warrant. Each Special Warrant will entitle the holder thereof to receive, without payment of any additional consideration, one Unit to be issued from treasury of the Company (the "Units") upon the exercise of the Special Warrants. The Special Warrants will be exercised or deemed exercised by the holders thereof at any time on or before 5:00 p.m. on the earlier of:

- (a) the date the Special Warrant is exercised at the election of the holder; and
- (b) the listing of shares on a recognized exchange

Each Unit will be comprised of one common share of the Company (a "Common Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each full warrant may be exercised for \$0.65 for one Common Share for a period of three years from the date that the common shares are listed on a recognized exchange. The closing of the Offering is anticipated to be on or about June 5, 2013.

The Company will make commercially reasonable efforts to obtain a listing of the Common Shares on a recognized exchange and obtain a final receipt for a short form prospectus qualifying the distribution of the Common Shares and the Warrants issuable upon conversion of the Special Warrants no later than thirty (30) days after the Closing Date. In the event that a final receipt for the short form prospectus is not obtained within thirty (30) days after the Closing Date, each subscriber of Special Warrants shall be entitled to receive in respect of each Special Warrant purchased, without the payment of any additional consideration and without any further action on the part of the holder thereof, an additional 0.10 of the securities underlying each Special Warrant purchased by such holder.

The proceeds from the sale of the Special Warrants will be used by the Company to make payments pursuant to the Company's Joint Venture Agreement, mine permitting, pre-production design and engineering, exploration data compilation, drilling and geophysical surveys at or near the Song Toh and Boh Yai mines, and for general working capital purposes.

Jennings will be paid a cash commission equal to 7% of the aggregate gross proceeds of the Offering, and will be issued broker warrants equal to 7% of the number of Special Warrants issued to qualified investors.

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Additional Disclosure for Venture Issuers without Significant Revenue

	March 31, 2013	March 31, 2012
Corporate expenses	534,179	493,431
Total assets	506,450	1,190,923
Corporate expenses		
Share based payments	\$ 248,000	\$ -
Exploration and evaluation expenditures	99,299	319,534
Management and consulting fees	69,710	57,000
Financing costs	59,751	-
Office and general	39,940	39,365
Professional fees	15,418	67,225
Shareholder information and regulatory costs	2,061	4,809
Travel	-	5,498
	\$ 534,179	\$ 493,431

A breakdown of the Company's exploration and evaluation expenditures is provided below:

	March 31, 2013	March 31, 2012
Exploration and evaluation expenditures		
Salaries and benefits	\$ 30,085	\$ 22,637
Consultants	55,577	72,050
Exploration work	7,712	202,467
Transportation	5,925	22,380
	\$ 99,299	\$ 319,534

Disclosure of Outstanding Share Data as of May 24, 2013

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	31,757,721 Common Shares
Securities convertible or exercisable into voting or equity shares		<ul style="list-style-type: none"> a) Options to acquire up to 3,025,000 common shares b) 9,984,804 Warrants exercisable to acquire common shares of the Company c) 3,344,067 shares issuable on conversion of Convertible debentures with face value of \$1,003,220⁽¹⁾

⁽¹⁾ Convertible at \$0.30 into 3,344,067 shares. Due to uncertainty of the conversion date, this is the lowest price they will be converted at. If converted by June 30, 2013, they will be converted at \$0.35 and 2,866,343 shares will be issued instead.

See notes 12 through 14 to the unaudited interim consolidated financial statements for the three months ended March 31, 2013 and 2012 for more detailed disclosure of outstanding shares data.

ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

New standards and interpretations adopted

The Company applies, for the first time, certain standards and amendments that require restatement of previous financial statements. These include IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 13 Fair Value Measurement and amendments to IAS 1 Presentation of Financial Statements. As required by IAS 34, the nature and effect of these changes are disclosed below. In addition, the application of IFRS 12 Disclosure of Interests in Other Entities would result in additional disclosures in the annual consolidated financial statements.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the annual consolidated financial statements of the Company or the interim consolidated financial statements of the Company.

The nature and impact of each new standard/amendment is described below:

- *IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS.* The amendments to IAS 1 introduce a grouping of items present in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit and loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items will never be reclassified (eg. actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Company's financial position or performance.
- *IAS 1 Clarification of the requirement for comparative information (Amendment).* The amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include the comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements.
- *IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements* IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replace the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over the investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investors returns. IFRS 10 had no impact to the Company.
- *IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures.* IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities-Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using the proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. The application of IFRS 11 has no impact to the Company.

- **IFRS 12 *Disclosure of Interests in Other Entities*.** IFRS 12 sets out the requirement for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for the interim consolidated financial statements, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Company has not made such disclosures.
- **IFRS 13 *Fair Value Measurement*.** IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not impacted the fair value measurements carried out by the Company.

New standards and interpretations to be adopted in future

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

- **IFRS 9 '*Financial Instruments: Classification and Measurement*'** – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- **IAS 32 '*Financial instruments, Presentation*'** – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

CRITICAL ACCOUNTING ESTIMATES

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

The critical accounting estimates for the Company relate to impairment of mineral properties and exploration and evaluation expenditures, recovery of deferred tax assets and the calculation of share based compensation and warrants.

The determination of the Company's functional currency requires analyzing facts that are considered primary factors, and if the result is not conclusive, the secondary factors. The analysis requires the Company to apply significant judgment since primary and secondary factors may be mixed. In determining its functional currency the Company analyzed both the primary and secondary factors, including the currency of the Company's operating costs in Canada and Thailand, and sources of equity financing.

The Black-Scholes option pricing model is used to determine the fair value for the share based compensation and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position or offset against deferred tax liabilities. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has recorded all of its deferred tax assets against deferred tax liabilities.

The determination of the Company's functional currency requires analyzing facts that are considered primary factors, and if the result is not conclusive, the secondary factors. The analysis requires the Company to apply significant judgment since primary and secondary factors may be mixed. In determining its functional currency the Company analyzed both the primary and secondary factors, including the currency of the Company's operating costs in Canada and Thailand, and sources of equity financing.

FINANCIAL RISK FACTORS

Fair value hierarchy and fair value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data.

The Company has designated its cash and cash equivalents as FVTPL, which are measured at fair value and are based on Level 1 measurements.

As at March 31, 2013, the carrying and fair value amounts of the Company's other financial instruments are approximately equivalent due to the relatively short periods to maturity of these investments.

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

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

i) Credit risk

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

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

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at March 31, 2013, the Company had a working capital deficiency of \$1,269,170 (December 31, 2012 – \$1,054,304) including convertible debentures or a working capital deficiency of \$277,914 (December 31, 2012 – \$129,693) excluding convertible debentures. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Southeast Asia Mining may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit some or all of its interests and reduce or terminate its operations therein.

iii) Interest rate risk

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

iv) Currency risk

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

Internal Control over Financial Reporting

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

During three month period ended March 31, 2013, there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Operational Risk Factors

The following risk factors should be given special consideration when evaluating trends, risks and uncertainties relating to the Company's business. Any of the following risks could have a material adverse effect upon the Company, its business and future prospects. In addition, other risks and uncertainties not presently known by management of the Company could impair the Company and its business in the future.

There are various risks that could have a material adverse effect on among other things, the properties, business, condition (financial or otherwise) and the prospects of the Company. These factors should be reviewed carefully. Set out below are certain risk factors affecting the Company.

Future Exploration and Development Activities

Exploration and development of mineral properties involve significant financial risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling, constructing mining and processing facilities at a site, developing metallurgical processes and extracting metals from ore. The Company cannot ensure that its current exploration and development programs will result in profitable commercial mining operations. Also, substantial expenses may be incurred on an exploration project which are subsequently abandoned due to poor exploration results or the inability to define reserves which can be mined economically.

The economic feasibility of development projects is based upon many factors, including the accuracy of reserve estimates, metal recoveries, capital and operating costs; government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting and environmental protection; and precious metal prices, which are highly volatile. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits and availability of adequate financing.

Development projects have no operating history upon which to base estimates of future cash flow. Estimates of measured, indicated and inferred resources are, to a large extent, based upon detailed geological and engineering analysis.

Non-compliance with or non-satisfaction of the terms of the Joint Venture Agreement

The Company does not currently own the Property, but rather holds certain rights to acquire an ownership interest in the Property. However, the transfer of ownership will not be completed until the Company has satisfied all of its obligations pursuant to the Joint Venture Agreement. Any non-compliance with or non-satisfaction of the terms of the Joint Venture Agreement by the Company could result in the Company losing its interest in the Property which would have a material adverse effect on the Company's operations.

The Company currently depends on the Property

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

Title to Properties and Property Interests

Although the Company has obtained title opinions with respect to certain of its properties and has taken reasonable measures to ensure proper title to its respective properties, there is no guarantee that title to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interest.

The agreements pursuant to which the Company holds its rights in certain of the properties provide that the Company must make a series of cash and/or common share payments over certain periods. If the Company fails to make such payments in a timely manner, the Company may lose some, or all of its interest in those properties.

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

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

Where required, obtaining necessary permits, licences and leases can be a complex, time consuming process and the Company cannot assure that required permits, licences and leases will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits, licences and leases and complying with these permits, licences and leases and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, licences and leases, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

To date the Company does not hold any mining leases or land use permits on the Property. Although applications with appropriate governmental authorities will be made upon closing of the second option for the issuance of mining licences, there is no guarantee that such leases and permits will be obtained or that they will be obtained in a timely manner or without modification or amendment. The failure to obtain such leases and permits would have a material adverse effect on the Company's operations.

The Company holds special prospecting licences for certain areas surrounding the Property, however, there is no guarantee that such licenses will be renewed.

There is no assurance the special prospecting license applications the Company has submitted will be advanced to a special prospecting license.

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

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

Should any of these risks and hazards affect the Company's mining operations or its exploration activities, it may cause the cost of production to increase to a point where it would no longer be economic to produce mineral resources from the Company's reserve, it may require the Company to write-down the carrying value of one or more mines or a property which is material to it, it may cause delays or a complete stoppage in the production of metals, it may result in damage to or destruction of mineral properties or processing facilities, it may result in personal injury or death or legal liability, all of which may have a material and adverse effect on the financial condition, results of operation, and cash flows of the Company.

The Company has no history of mineral production

The Company has never had mineral producing properties. There is no assurance that commercial quantities of minerals will be discovered at the Property or other future properties nor is there any assurance that the Company's exploration programs thereon will yield positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where mineral resources can profitably be produced therefrom. Factors which may limit the ability of the Company to produce mineral resources from its properties include, but are not limited to, the price of the mineral resources which are currently being explored for, availability of additional capital and financing, and the nature of any mineral deposits. Even if the Company discovers mineralization on its Property, extraction may not be economically viable.

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

Changes in political, social, business and economic conditions in Thailand could have a material effect on the business of the Company. The Company's operations and assets are concentrated in Thailand. Therefore, political, social, business and economic conditions in Thailand will have significant effect on the business of the Company. Thailand has been assessed as medium political risk by AON Political Risk, alongside South Africa and China. Any changes to tax regimes, laws which affect the Property, exchange controls or political action could impair the value of the Company's investment, and may adversely affect its financial position and the results of its operations. As the Property is located in Thailand, currency fluctuations, exchange controls, restriction on foreign investment, changes to laws which affect the Property, changes to tax regimes or political action could impair the value of the Company's investment, and may adversely affect its financial position and the results of its operations.

The Company may be adversely affected by fluctuations in foreign exchange rates. The Company does not use derivative instruments in order to reduce its exposure to foreign exchange risk but it may be required by financing institutions or may elect to adopt such procedures in conjunction with financing the ultimate construction of the Property if and when it receives the necessary permits. The Company's future capital expenditure and product revenue are largely expected to be denominated in U.S. dollars, while operating expenses are expected to be incurred in Thai baht or U.S. dollars.

The Company is subject to foreign operations risks

The Property is located in Thailand and, accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in Thailand. In addition, Thailand is a developing country that has experienced political and economic difficulties over the years. The Company's mineral exploration activities could be affected in varying degrees by such political stability and government regulation relating to foreign investment and the mining business. There have been several proposed revisions to the FBA to eliminate the corporate structure that allows for foreign companies to operate in Thailand. To the best of the Company's knowledge, it currently carries out its operations in accordance with all applicable rules and regulations, however, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development.

Operations may be affected by governmental regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Operations may also be affected in varying degrees by crime, extreme fluctuations in currency rates and high inflation. The Company's ability to conduct future exploration and development activities is subject to changes in government regulations and shifts in political attitudes over which the Company has no control.

Failure to obtain additional financing

In the past, the Company has not had and does not currently have positive cash flow from operations. The Company's available cash has been used and will continue to be used to fund its negative cash flow. No assurance can be given that the Company will ever generate a positive cash flow from operations.

The Company does not currently have the financial resources necessary to undertake all of its currently planned activities. There can be no assurance that the Company will be successful in obtaining any additional required funding necessary to conduct additional exploration, if warranted, on the Company's exploration properties or to develop mineral resources on such properties, if commercially mineable quantities of such resources are located thereon. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interest in such properties.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. All of the exploration licences and mining leases to which the Company has a right to acquire an interest are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favourable exploration results are obtained.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's proposed mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Environmental Regulations, Permits and Licenses

The Company's operations will be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation may provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to comply fully with all environmental regulations. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various central and local governmental authorities, and such operations may be governed by-laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities may also be subject to substantial regulation under applicable laws by governmental agencies that may require the Company to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for their operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, may have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of the Company's knowledge, it is operating in compliance with all applicable rules and regulations.

Production

Mineral exploration is highly speculative in nature, involves many risks, and frequently does not lead to the discovery of commercial reserves of minerals. While the rewards can be substantial if commercial reserves of minerals are found, there can be no assurance that the Company's future exploration efforts will be successful, that any production derived therefrom will be obtained or continued, or that any such production which is attempted will be profitable.

Lags

The Company is unable to predict the amount of time which may elapse between the date when any new mineral resource may be discovered and the date when production will commence from any such discovery.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company intends to put in place insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Competitive Conditions

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. The Company competes with a number of other entities and individuals in the exploration of, search for and the acquisition of attractive mineral properties. As a result of this competition, much of which is with corporations with greater financial resources than the Company, there can be no guarantee that the Company will be able to obtain funding for its exploration projects, or to obtain and maintain the necessary resources to carry out such exploration or acquire attractive properties in the future on terms it considers acceptable. Many of the other resource companies that the Company competes with have greater financial resources and/or more advanced properties that may be better able to attract equity investment and other capital. The ability of the Company to acquire attractive mineral properties in the future depends not only on its success in exploring and developing its present properties but also on its ability to select, acquire and bring into production or otherwise deal with suitable properties or prospects for exploration, mining and development. Factors beyond the control of the Company may affect the marketability of any minerals mined or discovered by the Company.

Commodity Prices

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

The Company's future profitability and long-term viability will depend, in large part, on the market price of metals. Market prices for metals, including silver, lead and zinc, are volatile and are affected by numerous factors beyond the Company's control, including expectations regarding inflation, global and regional demand, speculative activities, political and economical conditions and production costs in other regions. The aggregate effect of these factors on metal prices is impossible for the Company to predict.

The Company does not have a hedging policy and has no present intention to establish one. Accordingly, the Company has no protection from declines in mineral resource prices.

Management

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

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

The value of the securities of the Company will be affected by market volatility. There has been no public market for the Company's Common Shares. An active public market for the Common Shares might not develop or be sustained after the listing of the Common Shares.

Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of applicable corporate law.

Dividends

The Company has not paid any dividends or distributions on its Common Shares since incorporation. The declaration and payment of dividends are subject to the discretion of the Board and depend on, among other things, the Company's financial condition, general business conditions and other factors that the Board may in the future consider to be relevant.

Speculative Nature of the Securities of the Company

The securities of the Company are speculative in nature due to the Company's activities. Mineral exploration is highly speculative and involves material risks. The securities of the Company are more suited to persons who can accept the risks inherent in holding shares of a mineral exploration company. No guarantee can be given that an economical viable deposit will be discovered.

Absence of Public Trading Market

Currently there is no public market for the Common Shares, and there can be no assurance that an active market for the Common Shares will develop or be sustained. If an active public market for the Common Shares does not develop, the liquidity of an investor's investment may be limited and the share price may decline below an investors initial purchase price.

Inability to Enforce Legal Rights in Certain Circumstances

In the event a dispute arises in Thailand or in another foreign jurisdiction, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. Similarly to the extent that the Company's assets are located outside of Canada, investors may have difficulty collecting from the Company any judgments obtained in the Canadian courts and predicated on the civil liability provisions of securities legislation.

Repatriation of Earnings

Currently, Thailand has no limitation on profit or capital remittances to foreign shareholders provided that all applicable Thailand taxes have been paid. However, there can be no assurance that restrictions on the repatriation of earnings in Thailand will not be imposed in the future.

Officers and Directors of the Company Own Significant Common Shares and Can Exercise Significant Influence

The officers and directors of the Company, as a group, beneficially own, on a non-diluted basis, approximately 4.95% of the outstanding Common Shares of the Company. As such, as shareholders, the officers and directors will be able to exert significant influence on matters requiring approval by shareholders, including the election of directors and the approval of any significant corporate transactions. The concentration of ownership may also have the effect of delaying, deterring or preventing a change in control and may make some transactions more difficult or impossible to complete without the support of these shareholders.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares.

Future exploration and development activities may not be successful

Exploration for and development of mineral properties involve significant financial risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an orebody may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling, constructing mining and processing facilities at a site, connecting to a reliable infrastructure, developing metallurgical processes and extracting silver-lead-zinc from ore. The Company cannot ensure that its current exploration and development programs will result in profitable commercial mining operations. Also, substantial expenses may be incurred on exploration projects that are subsequently abandoned due to poor exploration results or the inability to define reserves that can be mined economically.

The economic feasibility of development projects is based upon many factors, including the accuracy of reserve estimates; metallurgical recoveries; capital and operating costs; government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting and environmental protection. Development projects are also subject to the successful completion of feasibility studies, issuance of necessary governmental permits and availability of adequate financing.

Nature of Operations

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

Outlook and Funding Requirements

As discussed above, the Company's mineral properties involved are in the exploration or development stage and provide no immediate source of operating cash flow. The Company currently does not have adequate working capital to exercise its second option pursuant to the Joint Venture Agreement or to commence any significant exploration and development activities and will be required to raise additional funds to continue operations. There can be no assurance that the Company will be successful in obtaining the required funding necessary to conduct additional exploration, if warranted, or to develop mineral resources on its mineral properties, if commercial quantities of such resources are located thereon.

Forward-Looking Information

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

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necessary to achieve its business objectives, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to the Company's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements.

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

Management's Responsibility

Management is responsible for all information contained in this report. The unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the unaudited interim consolidated financial statements with management. The Board of Directors has approved the unaudited interim consolidated financial statements on the recommendation of the Audit Committee.

External auditors, appointed by the shareholders, have not examined and reported on the interim consolidated financial statements for the three month periods ended March 31, 2013 and 2012.

May 24, 2013

(Signed) "Brian Jennings"
Brian Jennings
Chief Executive Officer

(Signed) "Johnny Oliveira"
Johnny Oliveira
Chief Financial Officer