SOUTHEAST ASIA
MINING CORP.

Annual and Special Meeting of Shareholders

Thursday, June 27, 2013

10 a.m.

33 Yonge Street, Suite 320
Toronto, Ontario M5E 1G4

Contents:

SOUTHEAST ASIA
MINING CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting of the shareholders (the "Meeting") of Southeast Asia Mining Corp. (the "Corporation") will be held at the offices of Jennings Capital Inc. at 33 Yonge Street, Suite 320, Toronto, Ontario, on Thursday, June 27, 2013 at the hour of 10 a.m. (Toronto time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2012, together with the report of the auditors thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of the auditor;
4. to confirm the Stock Option Plan of the Corporation for the ensuing year; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Particulars of the foregoing matters are set forth in the accompanying Management Information Circular. A copy of the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2012 and 2011 and the report of the auditor of the Corporation thereon, also accompanies this notice of the Meeting.

DATED at Toronto, Ontario this 17th day of May, 2013.

BY ORDER OF THE BOARD

"Brian Jennings"

President and CEO

Shareholders of record as of the close of business on May 17, 2013, will be entitled to vote at the Meeting. Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and return it in the envelope provided for that purpose not later than 48 hours prior to the Meeting.

MANAGEMENT INFORMATION CIRCULAR

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 27, 2013

SOLICITATION OF PROXIES

This management information circular ("Management Information Circular") is furnished in connection with the solicitation of proxies by the management of SOUTHEAST ASIA MINING CORP. (the "Corporation") for use at the Annual and Special Meeting of Shareholders (the "Meeting") of the Corporation to be held at Jennings Capital Inc. located at 33 Yonge Street, Suite 320, Toronto, Ontario, on Thursday, June 27, 2013 at the hour of 10 a.m., for the purposes set out in the Notice of Meeting, and at any adjournment or adjournments thereof. Except to the extent herein stated, all information set forth herein is given as of May 17, 2013.

Shareholders who are unable to be present at the Meeting in person are requested to fill in, sign, date and return the enclosed proxy instrument to the Corporation's transfer agent and registrar, Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 or to Jennings Capital Inc., 33 Yonge Street, Suite 320, Toronto, ON M5E 1G4, not later than 48 hours prior to the Meeting or any adjournment thereof. An addressed envelope accompanies this Management Information Circular and may be used for such purpose. The solicitation will be primarily by mail, however, proxies may be solicited by telephone or in writing by employees or designated agents of the Corporation. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation ("Common Shares") in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Management Information Circular to beneficial owners of Common Shares and obtaining proxies therefrom. The Corporation will bear the cost of solicitation on behalf of management of proxies in the form furnished herewith.

Appointment and Revocation of Proxies

The persons named in the enclosed proxy instrument shall represent management of the Corporation at the Meeting. A shareholder desiring to appoint another person (who need not be a shareholder) to represent him at the Meeting may do so either by inserting such person's name in the blank space provided in the proxy instrument and striking out the names of the two specified persons or by completing another proxy instrument and in either case delivering the completed proxy instrument by mail or personal delivery to the Corporation's registrar and transfer agent at the meeting on June 27, 2013, at the hour of 10 a.m. or to the head office of the Corporation, 130 Adelaide Street West, Suite 1010, Toronto, ON M5H 3P5, not later than 48 hours prior to the Meeting or any adjournment thereof

A shareholder who has given a proxy instrument may revoke it:

(a) by signing a proxy instrument bearing a later date and depositing it with the Secretary of the Corporation; or

(b) as to any matter on which a vote shall not have already been cast pursuant to the authority conferred by such proxy instrument, by signing a written notice of revocation and delivering it to the Secretary or the Chairman of the Meeting; or

(c) by attending the Meeting in person and personally voting the shares represented by the proxy instrument; or

(d) in addition to the revocation in any other manner permitted by law, a proxy may be revoked under subsection 148(4) of the *Canada Business Corporations Act* (the "*Act*") by an instrument in writing executed by the shareholder or by his attorney authorized in writing (or if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof authorized in writing), deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the proxy instrument is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof and upon either of such deposits the proxy shall be revoked.

Exercise of Discretion by Proxies

The Common Shares represented by the enclosed form of proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions of the shareholder executing the proxy and, if such shareholder has specified a choice with respect to any matter to be acted on at the Meeting, the shares will be voted accordingly. IN THE ABSENCE OF SUCH INSTRUCTIONS SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER IDENTIFIED IN THE FORM OF PROXY TO BE VOTED UPON AT THE MEETING.

The enclosed proxy instrument confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, or other matters which may properly come before the Meeting. At the time of printing this Management Information Circular, management knows of no such amendments or other matters to come before the Meeting other than matters referred to in the Notice of Meeting. However, if other matters not known to management should properly come before the meeting, the accompanying Proxy will be voted on such matters in accordance with the judgement of the person voting the Proxy.

Non-Registered Shareholders

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are "non-registered" shareholders because the Common Shares of the Corporation they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through they purchased the Common Shares. A person is not a registered shareholder (a Non-Registered Shareholder) in respect of Common Shares which are held either: (a) in the name of an intermediary (an Intermediary) that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS)), of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "NOBOs". Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as "OBOs" In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Security Administrators, the Corporation has elected to send the Notice and Management Information Circular and the forms of proxy (the meeting materials) directly to the NOBOs, and indirectly through intermediaries to the OBOs. The intermediaries (or their service companies) are responsible for forwarding the meeting materials to each OBO, unless the OBO has waived the right to receive them.

Intermediaries will frequently use service companies to forward the meeting materials to the OBOs. Generally, an OBO who has not waived the right to receive meeting materials will either:

(a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the OBO and must completed, but not signed, by the OBO and deposited with Equity Financial Trust Company; or

(b) more typically, be given a voting instruction form (VIF) which is not signed by the Intermediary, and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

These securityholder materials are being sent to both registered shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Corporation or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The meeting materials sent to NOBOs who have not waived the right to receive meeting materials are accompanied by a VIF, instead of a form of proxy. By returning the VIF in accordance with the instructions noted on it, a NOBO is able to instruct the voting of the Common Shares owned by it.

VIFs, whether provide by the Corporation or by an intermediary, should be completed and returned in accordance with the specified instructions noted on the VIF. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the Non-Registered Holder may simply clearly print the name of the person to attend the Meeting in the space provided for this purpose on the VIF and a legal form of proxy will be sent to the Non-Registered Holder which will grant the Non-Registered Holder's appointee the right to attend the Meeting and the vote in person.

If you receive a VIF, please return your voting instructions as specified in the VIF, Non-Registered Holders who receive a VIF should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

All references to shareholders in this Management Information Circular and the accompanying form of proxy and notice are to shareholders of record on the record date unless specifically stated otherwise.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Share Capital

As at May 17, 2013, the Corporation had 31,757,721 fully paid and non-assessable Common Shares outstanding. Each Common Share carries the right to one (1) vote per share. Each holder of record of Common Shares at the time of the close of business on May 17, 2013 (the "record date") will be given notice of the Meeting and will be entitled to vote at the Meeting, and all adjournments thereof, the number of Common Shares of record held by him on the record date except if such shareholder subsequently transfers the ownership of his Common Shares and the transferee demands not later than 10 days before the Meeting that the transferee's name be included on the list of shareholders entitled to vote at the Meeting and establishes to the Corporation that he owns such shares in which case the transferee is entitled to vote his Common Shares at the Meeting, and all adjournments thereof.

The directors of the Corporation have fixed May 17, 2013 as the record date for the determination of the shareholders of the Corporation entitled to receive Notice of the Meeting. Shareholders of the Corporation of record at the close of business will be entitled to vote at the Meeting and all adjournments thereof except to the extent that a shareholder has transferred any Common Shares after the record date and the transferee of such Common Shares produces a properly endorsed share certificate or otherwise establishes that the transferee owns the Common Shares and requests, not later than ten days before the Meeting, in which case the transferee will be entitled to vote such Common Shares at the Meeting and at all adjournments thereof.

Ownership of Securities of the Corporation

As of the record date, to the knowledge of the directors and officers of the Corporation, there is no person or corporation who beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation.

The directors and officers of the Corporation own or control directly or indirectly, in the aggregate, 1,565,740 Common Shares representing 4.93% of the outstanding Common Shares as at May 17, 2013.

COMPENSATION OF EXECUTIVE OFFICERS

For the purposes of this Management Information Circular, a Named Executive Officer ("NEO") of the Corporation means each of the following:

(a) a president ("President") of the Corporation;

(b) a chief executive officer ("CEO") of the Corporation;

(c) a chief financial officer ("CFO") of the Corporation;

(d) a vice-president ("VP") of the Corporation;

(e) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the President, CEO, VP and CFO at the end of the most recently completed fiscal year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that fiscal year; and

(f) each individual who would be a NEO under paragraph (e) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that fiscal year.

The Corporation currently has the following two NEOs: Brian Jennings, President and CEO and Johnny Oliveira, CFO. Geoffrey McIntyre, VP of the Corporation resigned on December 4, 2012.

Compensation Discussion and Analysis

The compensation committee (the "Compensation Committee") of the Board of Directors of the Corporation (the "Board of Directors") is responsible for ensuring that the Corporation has in place an appropriate plan for executive compensation and for making recommendations to the Board of Directors with respect to the compensation of the Corporation's executive officers. The Compensation Committee ensures that total compensation paid to all NEOs is fair and reasonable and is consistent with the Corporation's compensation philosophy.

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Corporation's compensation philosophy is to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options, a significant component of executive compensation. This approach is based on the assumption that the performance of the Corporation's common share price over the long term is an important indicator of long term performance.

The Corporation's compensation philosophy is based on the following fundamental principles:

(1) *Compensation programs align with shareholder interests* – the Corporation aligns the goals of executives with maximizing long term shareholder value;

(2) *Performance sensitive* - compensation for executive officers should be linked to operating and market performance of the Corporation and fluctuate with the performance; and

(3) *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest caliber.

(4) The objectives of the compensation program in compensating all NEOs were developed based on the above-mentioned compensation philosophy and are as follows:

    (a) to attract and retain highly qualified executive officers;

    (b) to align the interests of executive officers with shareholders' interests and with the execution of the Corporation business strategy;

    (c) to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and

    (d) to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

Competitive Compensation

The Compensation Committee reviews compensation practices of similarly situated companies in determining compensation policy. Although the Compensation Committee reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role within the Corporation, it is primarily focused on remaining competitive in the market with respect to total compensation.

The Compensation Committee reviews data related to compensation levels and programs of various companies that are similar in size to the Corporation and operate within the mining exploration and development industry ("Peer Companies"), prior to making its decisions. These companies are used as the Corporation's primary peer group because they have similar business characteristics or because they compete with the Corporation for employees and investors. The Compensation Committee also relies on the experience of its members as officers and/or Directors at other companies in similar lines of business as the Corporation in assessing compensation levels. These other companies are identified under the heading "Corporate Governance – Directorships".

The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish as a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

Aligning the Interests of the NEOs with the Corporation's Shareholders

The Corporation believes that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for the NEO's.

A combination of fixed variable compensation has been used to motivate executives to achieve overall corporate goals. For the fiscal year ended December 31, 2012, the three basic components of the executive officer compensation program were fixed salaries or consulting fees, stock option based compensation and share issuances. Fixed salaries or consulting fees and share issuances comprises a portion of the total cash-based compensation; however, annual incentives and option based compensation represent compensation that is "at risk" and thus are determined in accordance with the subjective factors set out below. To date, no specific formula has been developed to assign a specific weighting to each of these components. Instead, the Board of Directors considers each performance target and the Corporation's performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

Base Salary/Consulting Fees

The Compensation Committee and the Board of Directors approve the compensation for the NEOs. The review for each NEO is based on assessment of factors such as current competitive market conditions, compensation levels within the Peer Companies and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Corporation believes the type, mix and quantum of compensation paid to its NEOs is consistent with that of the Peer Companies based on its assessment of the compensation provided to similar executives at the Peer Companies and taking into account the fact that the Corporation is in the development stage and currently has no revenues. For the fiscal year ended December 31, 2012, all NEOs were paid salaries, consulting fees and shares.

Annual Incentives

The Corporation did not during the fiscal year ended December 31, 2012, award any annual incentives by way of cash bonuses. However, the Corporation, in its discretion, may award such incentives in the form of cash or options in order to motivate executives to achieve short term corporate goals. The Compensation Committee and the Board of Directors approve annual incentives.

The determination of annual incentives for each of the NEO's is subjective, however the Compensation Committee assesses each NEO's performance on the basis of his respective contribution to the achievement of corporate objectives, as well as to needs of the Corporation that arise on a day to day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board of Directors with respect to the determination of annual incentives for the NEO's. Where the Compensation Committee cannot unanimously agree, the matter is referred to the Board of Directors for decision. The Board of Directors relies heavily on the recommendations of the Compensation Committee in granting annual incentives.

Long Term Compensation

The Corporation currently has no long term incentive plans, other than stock options granted from time to time by the Board of Directors under the provisions of the Corporation's stock option plan (the "Plan"). For a discussion of the significant terms of the Corporation's Plan, please see below the Management Information Circular which describes the Plan that the Corporation maintains for the benefit of directors, officers, employees, consultants and other service providers of the Corporation and its subsidiaries in order to assist the Corporation in attracting, retaining and motivating such persons by providing them with the opportunity, through stock options ("Options"), to acquire an increased proprietary interest in the Corporation.

There are currently 31,757,721 Common Shares issued and outstanding, therefore the current number of Common Share issuable pursuant to the Plan is 3,175,772 Common Shares, representing 10% of the issued and outstanding Common Shares as at the date hereof.

Options may be granted under the Plan to directors, senior officers, employees and consultants of the Corporation and its subsidiaries and other designated persons as designated from time to time by the Board of Directors. The number of shares which may be reserved for issuance under the Plan is limited to 10%. The maximum number of Common Shares which may be reserved for issuance to any one director, senior officer or employee under the Plan is 5% of the Common Shares outstanding at the time of the grant (calculated on a non-diluted basis) and 2% with respect to any one consultant of the Corporation. Any shares subject to an Option which for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Plan. As the Corporation's shares are not currently listed, the Corporation has granted Options at a price equal to the price of the various private placements completed by the Corporation. In the event that the Corporation's Common Shares become listed on a recognized Canadian stock exchange, the Option price cannot be less than the closing price of the Common Shares on the day immediately preceding the day upon which the Option is granted, less any discount permitted by the policies of the exchange on which the Corporation is listed. Options granted under the Plan may be exercised during a period not exceeding five years, subject to earlier termination upon the termination of the optionee's employment or upon the optionee ceasing to have a designated relationship with the Corporation, as applicable. The Options are non-transferable. The Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Corporation's capitalization. Subject to shareholder approval in certain circumstances, the Board of Directors may from time to time amend or revise the terms of the Plan or may terminate the Plan at any time. The Plan does not contain any provision for financial assistance by the Corporation in respect of Options granted under the Plan.

Option-Based Awards (Equity Incentive Plan)

The Compensation Committee assesses each NEO's performance on the basis of his respective contribution to the achievement of any corporate objectives, as well as to needs of the Corporation that arise on a day to day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board of Directors with respect to the determination of option grants for the NEOs. Where the Compensation Committee cannot unanimously agree, the matter is referred to the Board of Directors for decision.

Summary Compensation Table for NEOs

The following table sets out the compensation for services in all capacities to the Corporation in respect of (a) the Corporation's President and CEO and CFO, and (b) the most highly compensated individuals, other than the President and CEO and CFO and whose total compensation for the fiscal year ended December 31, 2012 exceeded $150,000. The compensation paid to such individuals (collectively, the "NEOs") is set out, in each case, for services rendered during the fiscal year ended December 31, 2012. Unless otherwise noted, none of the persons depicted in the table received any share-based awards, non-equity long-term incentive plan compensation or deferred compensation earnings during the fiscal year ended December 31, 2012.

At any time during the fiscal year ended December 31, 2012, none of the options that are included in the following table, were adjusted, amended, cancelled, replaced or significantly modified as determined in accordance with section 3870 of the CICA Handbook that did not equally affect all holders of the class of securities underlying the options and that did not occur through a pre-existing formula or mechanism in the plan or award that results in periodic adjustment of the option exercise or base price, an anti-dilution provision in a plan or award, or a recapitalization or other similar transaction.

During the fiscal year ended December 31, 2012, none of the NEOs in the table elected to exchange any compensation awarded to, earned by, paid to, or payable to the NEO under a program that would allow the NEO to receive awards, earnings, payments, or payables in another form.

The Corporation confirms that there were no re-pricing or other significant changes to the terms of any share-based or option-based award program during the most recently completed fiscal year or in any prior years.

There were no bonuses earned for the fiscal year ended December 31, 2012.

The following table sets forth the annual and long term compensation for services rendered to the Corporation paid and payable for the fiscal year of the Corporation ended December 31, 2012, in respect of the NEOs.

Name and Principal Position	Fiscal Years Ending	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-Equity Incentive Plan Compensation		Pension Value ($)	All Other Compensation ($)	Total Compen-sation ($)
					Annual Incentive Plans ($)	Long-Term Incentive Plans ($)			
Brian Jennings[(1)] President and CEO	2012	60,000	200,000	149,000	Nil	Nil	Nil	Nil	409,000
	2011	37,500	Nil	Nil	Nil	Nil	Nil	Nil	37,500
Kerry Smith[(1)] Former President and CEO	2011	Nil	Nil	Nil	Nil	Nil	Nil	30,000	30,000
	2010	Nil	Nil	Nil	Nil	Nil	Nil	120,000	120,000
Geoffrey McIntyre VP[(2)]	2012	Nil	Nil	75,000	Nil	Nil	Nil	157,189[(4)]	232,189
	2011	Nil	Nil	Nil	Nil	Nil	Nil	83,376	83,376
	2010	Nil	Nil	Nil	Nil	Nil	Nil	86,400	86,400
Johnny Oliveira[(3)] CFO	2012	Nil	Nil	7,500	Nil	Nil	Nil	48,000	55,500
	2011	Nil	Nil	Nil	Nil	Nil	Nil	4,000	4,000
Colin Grant[(3)] Former CFO	2011	Nil	Nil	Nil	Nil	Nil	Nil	50,000	50,000
	2010	Nil	Nil	Nil	Nil	Nil	Nil	57,000	57,000

Note:

(1) Kerry Smith resigned as President and CEO effective November 25, 2011 and Brian Jennings was appointed in his stead. Mr. Smith resigned as a director of the Corporation effective May 1, 2012.
(2) Geoffrey McIntyre resigned as VP of the Corporation effective December 4, 2012.
(3) Colin Grant resigned as CFO effective November 25, 2011 and Johnny Oliveira was appointed in his stead.
(4) $36,000 of this amount was settled in shares of the Corporation.

NEOs Employment Agreements

The Corporation does not have any employment agreements with its NEOs.

Outstanding Share-Based Awards and Option Based-Awards

The following table sets forth certain information, in relation to the NEOs, regarding option-based awards outstanding as of the end of the financial year of the Corporation ended December 31, 2012.

	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Un-exercised In-the-Money Options(1) ($)	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-Based Awards that have not Vested ($)
Brian Jennings President and CEO	1,000,000	0.20	October 26, 2017	Nil	Nil	Nil
Geoffrey McIntyre VP(2)	500,000	0.20	October 26, 2017	Nil	Nil	Nil
Johnny Oliveira CFO	50,000	0.20	October 26, 2017	Nil	Nil	Nil

Note:
(1) The Corporation's shares are not listed on a stock exchange and accordingly the market value of unexercised options is assumed to equal the exercise price.
(2) Geoffrey McIntyre resigned as VP of the Corporation effective December 4, 2012.

Value Vested or Earned During the Year

The following table sets forth certain information, in relation to the NEOs, regarding the value vested or earned in connection with incentive plan awards during the financial of the Corporation ended December 31, 2012. None of the persons included in the table held any share-based awards.

Name	Option-Based Awards Value Vested During the Year(1) ($)	Share-Based Awards Value Vested During the Year(2) ($)	Non-Equity Incentive Plan Compensation Value Earned During the Year ($)
Brian Jennings President and CEO	Nil	200,000	Nil
Geoffrey McIntyre VP(3)	Nil	Nil	Nil
Johnny Oliveira CFO	Nil	Nil	Nil

Note:
(1) The Corporation's shares are not listed on a stock exchange and accordingly the market value of options vested during the year is assumed to equal the exercise price.
(2) The Corporation's shares are not listed on a stock exchange and accordingly the market value of shares issued during the year is calculated using the estimated fair market value on the date the shares were issued.
(3) Geoffrey McIntyre resigned as VP of the Corporation effective December 4, 2012.

Pension Plan Benefits

There are no pension plan benefits in place for the NEOs.

Termination and Change of Control Benefits

The Corporation does not have any agreements for termination and change of control benefits nor does it have any pension or retirement plan and the Corporation has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a NEO of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of a change of control of the Corporation, its subsidiaries or affiliates.

Director Compensation Table

The following table sets out all amounts of compensation provided to the directors of the Corporation (excluding directors who were also a NEO) for the fiscal year ended December 31, 2012.

Name[(1)]	Fees Earned ($)	Share-based awards ($)	Option-based awards ($)[(5)]	Non-equity incentive plan compensation ($)	Pension Value ($)	All Other Compen-sation ($)	Total ($)
Dorian Allum [(2)]	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Denis Clement[(3)]	Nil	Nil	30,000	Nil	Nil	Nil	30,000
John Cullen[(3)]	Nil	Nil	30,000	Nil	Nil	Nil	30,000
James Patterson	Nil	Nil	30,000	Nil	Nil	Nil	30,000
Stephen McIntyre[(4)]	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Johannes Stig Norregaard[(4)]	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Fairbairn[(4)]	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Information on Brian Jennings is included under Summary Compensation Table for NEOs.
(2) Ms. Dorian Allum resigned as a director of the Corporation effective October 26, 2012.
(3) Messrs. Denis Clement and John Cullen resigned as directors of the Corporation effective January 23, 2013.
(4) Messrs. Stephen McIntyre, Johannes Stig Norregaard, James Fairbairn were appointed directors of the Corporation on February 12, 2013.
(5) The fair value of the options on the date granted was estimated using the Black-Scholes pricing model.

Director Incentive Plan Awards

The following table sets forth certain information, in relation to the directors, regarding share-based and option-based awards outstanding as at the end of the financial year of the Corporation ended December 31, 2012.

	Option-Based Awards				Share-Based Awards	
Name[(1)]	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Un-exercised In-the-Money Options[(2)] ($)	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-Based Awards that have not Vested ($)
Denis Clement[(3)]	200,000	0.20	October 26, 2017	Nil	Nil	Nil
John Cullen[(3)]	200,000	0.20	October 26, 2017	Nil	Nil	Nil
James Patterson	200,000	0.20	October 26, 2017	Nil	Nil	Nil
James Fairbairn[(4)]	Nil	Nil	Nil	Nil	Nil	Nil
Stephen McIntyre[(4)]	Nil	Nil	Nil	Nil	Nil	Nil
Johannes Stig Norregaard[(4)]	Nil	Nil	Nil	Nil	Nil	Nil

Note:

(1) Information for Brian Jennings is included under Summary Compensation Table for NEOs.
(2) The Corporation's shares are not listed on a stock exchange and accordingly the market value of unexercised options is assumed to equal the exercise price.
(3) Messrs. Denis Clement and John Cullen resigned as directors of the Corporation effective January 23, 2013.
(4) Messrs. Stephen McIntyre, Johannes Stig Norregaard, James Fairbairn were appointed directors of the Corporation on February 12, 2013.

Value Vested or Options Earned During the Year

The following table sets forth certain information, in relation to the directors, regarding the value vested or earned in connection with incentive plan awards during the financial year of the Corporation ended December 31, 2012.

Name[(1)]	Option-Based Awards Value Vested During the Year[(2)] ($)	Share-Based Awards Value Vested During the Year ($)	Non –Equity Incentive Plan Compensation Value Earned During the Year ($)
Denis Clement[(3)]	Nil	Nil	Nil
John Cullen[(3)]	Nil	Nil	Nil
James Patterson	Nil	Nil	Nil
James Fairbairn[(4)]	Nil	Nil	Nil
Stephen McIntyre[(4)]	Nil	Nil	Nil
Johannes Stig Norregaard[(4)]	Nil	Nil	Nil

Note:
(1) Information for Brian Jennings is included under Summary Compensation Table for NEOs.
(2) The Corporation's shares are not listed on a stock exchange and accordingly the market value of options vested during the year is assumed to equal the exercise price.
(3) Messrs. Denis Clement and John Cullen resigned as directors of the Corporation effective January 23, 2013.
(4) Messrs. Stephen McIntyre, Johannes Stig Norregaard, James Fairbairn were appointed directors of the Corporation on February 12, 2013.

SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth, as of December 31, 2012, information concerning securities authorized for issue under equity compensation plans of the Corporation.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options (#)	Weighted Average Exercise Price of Outstanding Options (C$)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plan[(1)]
Equity compensation plans previously approved by security holders	2,325,000	0.20	836,783
Equity compensation plans not previously approved by security holders	N/A	N/A	N/A
Total	2,325,000	0.20	836,783

Note:

(1) The Plan is a "rolling" Plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Plan will not exceed 10% of the issued shares of the Corporation at the time of stock option grant. As at May 17, 2013, 150,772 Common Shares may be reserved for issuance pursuant to the Plan.

PARTICULAR MATTERS TO BE ACTED UPON

ITEM 1 – PRESENTATION OF FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the fiscal year ended December 31, 2012 and the report of the auditors thereon which accompany this Management Information Circular will be submitted to the Meeting. Receipt at the Meeting of the auditor's report and the Corporation's audited financial statements for its last completed fiscal period will not constitute approval or disapproval of any matter referred to therein.

ITEM 2 - ELECTION OF DIRECTORS

At the Meeting, shareholders of the Corporation will be asked to elect five directors for the ensuing year. The persons named in the form of proxy accompanying this Management Information Circular intend to vote for the election of the nominees whose names are set forth below, unless the shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the election of directors of the Corporation. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director of the Corporation for the ensuing year, however, if that should occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the form of proxy accompanying this Management Information Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion. Each director elected will hold office until the next special meeting of the shareholders of the Corporation following his election unless his office is earlier vacated in accordance with the by-laws of the Corporation. Each officer of the Corporation serves at the discretion of the directors of the Corporation.

The following table and the notes thereto state the names of all of the persons proposed to be nominated for election as Directors, all other positions and offices with the Corporation now held by them, their principal occupations or employment, their periods of service as Directors of the Corporation and the approximate number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof and indicates those nominees who are members of the Corporation's Audit Committee.

Name , province or state and country of residence, and position, if any, held in the Corporation	Principal Occupation	Served as Director of the Corporation Since	Number of shares of the Corporation beneficially owned, directly or indirectly, or controlled or directed as of the date hereof (1)
James Fairbairn(2)(3) Director Ontario, Canada	Self-employed Chartered Accountant. From October 1998 to December 2011, Mr. Fairbairn was Chief Financial Officer of CGX Energy Inc.	February 12, 2013	37,500
Brian Jennings Director, President and CEO Ontario, Canada	President and CEO of the Corporation since November 2011; and Director, CFO and Secretary, Soltoro Ltd. since 2011.	November 25, 2011	1,000,000
Stephen McIntyre(2)(3) Director, Ontario, Canada	Self-employed Consultant since 2009. From 2003 to 2009 self-financed private research on climate topics and operated Climate Audit. Has acted as an officer and/or director of several small public exploration companies, including Dumont Nickel Inc., Northwest Explorations Inc., Timmins Nickel Inc. and Vedron Gold Inc.	February 12, 2013	310,240

Name , province or state and country of residence, and position, if any, held in the Corporation	Principal Occupation	Served as Director of the Corporation Since	Number of shares of the Corporation beneficially owned, directly or indirectly, or controlled or directed as of the date hereof (1)
Johannes Stig Norregaard(3) Director Ontario, Canada	Managing Director of Red5 Limited since February 1, 2013. Mr. Norregaard served as Chief Executive Officer of Tectonic Resources NL from February 2003 to February 2011. He also served as Chief Operating Officer of Trelawney Mining and Exploration Inc. from July 2011 to August 2012.	February 12, 2013	Nil
James Patterson (2) Director British Columbia, Canada	Independent Consultant. Director, Merrex Gold Inc. since 2005; Director International Millennium Mining Corp. since 2006; Director Search Minerals Inc. since 2008; and Director, Acme Resources Inc. Frontline Gold Corporation since 2009.	September 24, 2006	218,000

Notes:
(1) The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by Directors individually.
(2) Member of Audit Committee.
(3) Member of Compensation Committee.

Each director elected at the Meeting will hold office until the next annual meeting or until his successor is duly elected or appointed.
As at the date of this Management Information Circular, the directors and officers of the Corporation own or control directly or indirectly, in the aggregate, 1,565,740 Common Shares representing 4.93% of the outstanding Common Shares.

The Corporation was subject to cease trade orders ("CTOs") imposed by the Ontario Securities Commission, Alberta Securities Commission, British Columbia Securities Commission and Manitoba Securities Commission (collectively the "Securities Commissions") in May 2009 for failure to file and mail to its shareholders audited financial statements and related MD&A for the year ended December 31, 2008. On June 29, 2011, the Corporation filed audited financial statements and related MD&A for the year ended December 31, 2008 on SEDAR as well as all continuous disclosure materials required for the fiscal years ended December 31, 2009 and 2010 and the interim period ended March 31, 2011 in accordance with *National Instrument* 51-102. James Patterson was the only director of the Corporation's subject to the CTOs until August 3, 2011, at which date the CTOs were revoked by the Securities Commissions.

Other than the foregoing and as set out below, no proposed director of the Corporation is, as at the date hereof, or has been, within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer, of any company that:

(a) while that person was acting in the capacity was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, other than:

  A. Stephen McIntyre was an officer and director of Timmins Nickel Inc. ("TNI") which became insolvent in 1991 as a result of losses arising from mining operations and, as a result, TNI was issued a cease trade order and made a proposal in bankruptcy in 1992. The proposal received court approval, but the required issuance of new shares has not yet been completed and TNI remains subject to a cease trade order.

  B. Mr. Patterson was a director of the Company when cease trade orders were issued by the Ontario Securities Commission, the British Columbia Securities Commission, the Alberta Securities Commission and the Manitoba Securities Commission on May 15, May 4, August 18 and May 13, 2009, respectively. The cease trade orders had been issued as the result of the Company's failure to file its annual audited financial statements, the related management's discussion and analysis ("MD&A") and the required CEO and CFO certificates (the "Certificates") by the filing deadline of April 30, 2009, as prescribed by National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102") and in the case of Alberta, for failure to file its interim financial statements, the related MD&A and Certificates for the three month period ended March 31, 2009 in addition to the year-end December 31, 2008.

(b) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of such company and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Corporation:

(a) is at the date hereof, or has been within 10 years before the date of this Management Information Circular, a director or executive officer of any corporation that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver manager or trustee appointed to hold its assets; other than:

    A. Brian Jennings was formerly a chief financial officer and secretary of Glendale International Corp. ("Glendale"), from May 2007 to May 2009. On January 19, 2010, Glendale filed a voluntary assignment in bankruptcy under the *Bankruptcy and Insolvency Act* (Canada), approximately eight months following Mr. Jennings' resignation.

(b) or has, within 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Proxies received in favour of management will be voted FOR the election of the above-named nominees, unless the shareholder has specified in the proxy that the Common Shares are to be withheld from voting in respect thereof. Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a nominee is for any reason unavailable to serve as a director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the shareholder has specified in the proxy that the Common Shares are to be withheld from voting in respect of the election of directors.

ITEM 3 - APPOINTMENT OF AUDITOR

The auditor of the Corporation is McCarney Greenwood LLP, who was retained on January 11, 2012. Unless authority to do so is withheld, the persons named in the form of proxy accompanying this Management Information Circular intend to vote for the appointment of McCarney Greenwood LLP as the auditors of the Corporation until the close of the next annual and special meeting of the shareholders of the Corporation or until a successor is appointed and to authorize the directors of the Corporation to fix the remuneration of the auditors of the Corporation.

External Auditor Disclosure

External Auditor Service Fees (by category)

	Year ended December 31, 2012 ($)	Year ended December 31, 2011 ($)
Audit Fees(1)	25,000	25,000
Audit Related Fees(2)	Nil	Nil
Tax Fees(3)	Nil	Nil
All Other Fees(4)	Nil	Nil

Notes:
(1) Aggregate fees billed or accrued for services provided in auditing the Corporation's annual financial statements.
(2) Aggregate fees not included in "audit fees" that are billed by the auditors for the assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's statements or as related to a prospectus.
(3) Aggregate fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning.
(4) Aggregate fees billed by the auditors for products and services not included in the foregoing categories.

Option/SAR Grants During the Financial Year Ended December 31, 2012

The Corporation has granted a total of 2,325,000 Options to Directors, Officers and Consultants of the Corporation. The table below outlines the Options granted to the directors and senior officers of the Corporation.

Name	Securities Under Options/SARs Granted (1) (#)	Percent of Total Options/SARs Granted to Employees in Financial Year (2)	Exercise or Base Price ($/Security)	Expiration Date
Dorian Allum(3) Director	25,000	1.08%	0.20	October 26, 2017
Denis Clement(4) Director	200,000	8.6%	0.20	October 26, 2017
John Cullen(4) Director	200,000	8.6%	0.20	October 26, 2017
Brian Jennings Director, President & CEO	1,000,000	43.01%	0.20	October 26, 2017
James Patterson Director	200,000	8.6%	0.20	October 26, 2017
Johnny Oliveira CFO	50,000	2.15%	0.20	October 26, 2017

Notes:
(1) The class of securities underlying all Options is Common Shares.
(2) Based on the total number of Options granted during the financial year.
(3) Dorian Allum resigned as a director of the Corporation on October 26, 2012.
(4) Messrs. Denis Clement and John Cullen resigned as directors of the corporation on January 23, 2013.

ITEM 4 - STOCK OPTION PLAN

Shareholders are being asked to confirm the actions of the Board of Directors in adopting the Stock Option Plan (the "Plan"), the particulars of which is outlined above under heading "Long Term Compensation". A majority of the votes cast at the meeting must be voted in favour of the Plan.

Accordingly, shareholders will be asked to confirm the following resolution:

> "BE IT RESOLVED THAT the Corporation's stock option plan, as described in the Management Information Circular of the Corporation dated May 17, 2013, be and is hereby confirmed."

The Board recommends that the Corporation's shareholders vote FOR the confirmation of the Plan. Proxies received in favour of management will be voted for the confirmation of the Plan and the amendments thereto, unless a shareholder has specified in the proxy that the shares are to be voted against such approval.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director, executive officer or other senior officer of the Corporation, or any associate of any such director or officer, is, or has been at any time since the incorporation of the Corporation, indebted to the Corporation or any of its subsidiaries nor is, or at any time since the incorporation of the Corporation has, any indebtedness of any such person to another entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation. The Board has confirmed the strategic objectives of the Corporation are to seek out, explore and develop mineral deposits in Southeast Asia.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors, certain prescribed disclosure in respect of corporate governance matters be included in its Management Information Circular.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F2 which is attached to NI 58-101 ("Form 58-101F2 – Corporate Governance Disclosure") and which is set out below.

National Policy 58-201- *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation's practices comply with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. The Corporation will continue to review and implement the corporate governance guidelines as the business of the Corporation progresses and becomes more active in operations.

Form 58–101F2 – Corporate Governance Disclosure

Board of Directors

The Board of Directors is currently composed of five directors. Form 58-101F2 suggests that the Board of Directors of an offering Corporation should be constituted with a majority of individuals who qualify as "independent" directors under N1 58-101 which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Corporation. "Material relationship" is defined as a relationship which could, in the view of the Corporation's Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment. Of the proposed nominees, Brian Jennings, President and CEO, is considered to be "inside". Mr. Jennings is a management director and accordingly is considered not "independent". Each of the remaining four proposed directors, James Fairbairn, Stephen McIntyre, Johannes Stig Norregaard and James Patterson are considered by the Board of Directors to be "independent", within the meaning of N1 58-101. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

The operation of the Corporation does not support a large Board of Directors and the Board of Directors has determined that the current constitution of the Board of Directors is appropriate for the Corporation's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having independent members. In addition, the Board of Directors has free access to the Corporation's external auditors, legal counsel and to any of the Corporation's officers.

Further supervision is performed through the audit committee who meet with the Corporation's auditors without management being in attendance.

Directorships

The adjacent table sets forth the directors of the Corporation who currently hold directorships with other reporting issuers.

Name	Issuer
James Fairbairn	Canada Lithium – TSX-V Crown Minerals Inc. - TSX-V Eurocontrol Technics Group – TSX-V Minerva Minerals Limited – CNSX Kitrinor Metals Inc. – TSX-V Schyan Exploration Inc. - n/a Takara Resource Inc. – TSX-V
Brian Jennings	Minerva Minerals Ltd. – CNSX Soltoro Ltd. – TSX-V
Stephen McIntyre	Mainstream Minerals Corporation – TSX-V Northern Gold Mining Inc. – TSX-V
James Patterson	Acme Resources Inc. – TSX-V Frontline Gold Corporation – TSX-V International Millennium Mining Corp. – TSX-V Merrex Gold Inc. – TSX-V Search Minerals Inc. – TSX-V

Orientation and Continuing Education

The Board of Directors does not have a formal orientation or education program for its members. The Board of Directors' continuing education is typically derived from correspondence with the Corporation's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. Additionally, historically members have been nominated who are familiar with the Corporation and the nature of its business.

Ethical Business Conduct

The Board of Directors has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct through the nomination of board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having a majority of its board members independent of corporate matters.

Nomination and Assessments

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board of Directors. Prior to standing for election, new nominees to the Board of Directors are reviewed by the entire Board of Directors.

Compensation

The directors decide as a Board of Directors the compensation for the Corporation's officers, based on industry standards and the Corporation's financial position. No cash compensation was paid to directors in the fiscal year ended December 31, 2012.

Other Board Committees

In addition to the Audit Committee, the Corporation has also organized a Compensation Committee which is comprised of three members, Messrs. James Fairbairn, Stephen McIntyre and Johannes Stig Norregaard who are both independent. The mandate of the Compensation Committee is to review and make recommendations to the Board of Directors in respect of the level of remuneration and other compensation to be paid to the executive officers of the Corporation.

The Board of Directors of the Corporation, in consultation with the Compensation Committee, determine the level of compensation in respect of the senior executive officers of the Corporation. Other than options to purchase Common Shares granted under the Plan, there were no long-term incentive awards made to the NEOs during the most recently completed fiscal year.

Assessments

Based upon the Corporation's size, its current state of development and the number of individuals on the Board of Directors, the Board of Directors considers a formal process for assessing regularly the effectiveness and contribution of the Board of Directors, as a whole, its committees or individual Directors to be unnecessary at this time. In light of the fact that Board of Directors and its Audit Committee meet on numerous occasions during each year, each Director has sufficient opportunity to assess other Directors. The Board of Directors plans to continue evaluating its own effectiveness on an *ad hoc* basis.

AUDIT COMMITTEE DISCLOSURE INFORMATION

Multilateral Instrument 52-110 ("MI 52-110") requires that certain information regarding the Audit Committee be included in the Management Information Circular sent to shareholders in accordance with the Corporation's annual meeting.

Audit Committee Charter

The full text of the charter of the Corporation's Audit Committee is attached hereto as Appendix B.

Composition of the Audit Committee

The Corporation's Audit Committee is comprised of three directors: Messrs. James Fairbairn, Chair of the Audit Committee and Stephen McIntyre and James Patterson.

Relevant Education and Experience

James Fairbairn (Chair)

Mr. Fairbairn graduated from the University of Western Ontario and received his Chartered Accountant designation in 1987 and received his Institute Certified Director Designation (ICD.D) in 2009. Mr. Fairbairn has worked as a consultant almost exclusively in the resource industry and has served as a senior officer and/or director and Chairman of the audit committees of a number of public and private companies.

Stephen McIntyre

Mr. McIntyre has over 30 years experience in the mining and mineral exploration business, including over 10 years with Noranda Mines Ltd. and 20 years as an officer and director of several junior mineral exploration companies, including Dumont Nickel Inc., Northwest Explorations Inc., Timmins Nickel Inc. and Vedron Gold Inc. Most recently, Mr. McIntyre has achieved international prominence through critical statistical analysis of climate research. In 2010, he was named as one of "50 People Who Matter" by the New Statesman, an English magazine, and was co-winner of the Julian Simon Award from the Competitive Enterprise Institute.

James Patterson

James Patterson is an independent consultant and formerly was a Vice President and Executive Consultant to FNX Mining, a TSX listed company. He is a director of Acme Resources Inc., Frontline Gold Corporation, International Millennium Mining Corp., Merrex Gold Inc. and Search Minerals Inc., all TSXV listed companies. James Patterson is a P.Geo, has a Bachelor of Arts (Honours) from the University of Dublin and a Ph.D. from Imperial College, University of London.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed fiscal year, the Board of Directors has adopted all recommendations of the Audit Committee to nominate or compensate an external auditor.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors:

(a) each person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last fiscal year;

(b) each proposed nominee for election as a director of the Corporation; and

(c) each associate or affiliate of any of the foregoing.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Management Information Circular, no informed person of the Corporation, any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Corporation's most recently completed fiscal year, which has materially affected or will materially affect the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Further financial information is provided in the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2012 and related management's discussion and analysis of results which have been filed on SEDAR. Shareholders may also contact the CFO of the Corporation by phone at (416) 361-2835 or by e-mail at info@seasiamining.com to request a copy of these documents.

The Corporation will provide any shareholder of the Corporation, without charge, upon request to the CFO of the Corporation:

(a) one copy of the comparative audited consolidated financial statements of the Corporation for the financial years ended December 31, 2012 and 2011 together with the report of the auditor thereon;

(b) one copy of the management's discussion and analysis for the fiscal year ended December 31, 2012; and

(c) one copy of this Management Information Circular.

APPROVAL

The contents of this Management Information Circular and the sending thereof to the shareholders of the Corporation have been approved by the directors of the Corporation.

DATED at Toronto, this 17th day of May, 2013.

BY ORDER OF THE BOARD

"Brian Jennings"

Brian Jennings
President and CEO

APPENDIX A

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Overall Purpose and Objective

The audit committee (the "**Committee**") will assist the directors (the "**Directors**") of Southeast Asia Mining Corp. (the "**Corporation**") in fulfilling their responsibilities under applicable legal and regulatory requirements. To the extent considered appropriate by the Committee or as required by applicable legal or regulatory requirements, the Committee will review the financial accounting and reporting process of the Corporation, the system of internal controls and management of the financial risks of the Corporation and the audit process of the financial information of the Corporation. In fulfilling its responsibilities, the Committee should maintain an effective working relationship with the Directors, management of the Corporation and the external auditor of the Corporation as well as monitor the independence of the external auditor.

Authority

1. The Committee shall have the authority to:

   (a) engage independent counsel and other advisors as the Committee determines necessary to carry out its duties;

   (b) set and pay the compensation for any advisors employed by the Committee;

   (c) communicate directly with the internal and external auditor of the Corporation and require that the external auditor of the Corporation report directly to the Committee; and

   (d) seek any information considered appropriate by the Committee from any employee of the Corporation.

2. The Committee shall have unrestricted and unfettered access to all personnel and documents of the Corporation and shall be provided with the resources reasonably necessary to fulfill its responsibilities.

Membership and Organization

1. The Committee will be composed of at least three members. The members of the Committee shall be appointed by the Directors to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. Every member of the Committee must be a Director who is independent and financially literate to the extent required by (and subject to the exemptions and other provisions set out in) applicable laws, rules and regulations, and stock exchange requirements ("Applicable Laws"). In this Charter, the terms "independent" and "financially literate" have the meaning ascribed to such terms by Applicable Laws, and include the meanings given to similar terms by Applicable Laws, including in the case of the term "independent" the terms "outside" and "unrelated" to the extent such latter terms are applicable under Applicable Laws.

2. The chairman of the Committee will be appointed by the Committee from time to time and must have such accounting or related financial management expertise as the Directors may determine in their business judgment.

3. The secretary of the Committee will be the Secretary of the Corporation or such other person as is chosen by the Committee.

4. The Committee may invite such persons to meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this Charter or Applicable Laws.

5. The Committee may invite the external auditor of the Corporation to be present at any meeting of the Committee and to comment on any financial statements, or on any of the financial aspects, of the Corporation.

6. The Committee will meet as considered appropriate or desirable by the Committee. Any member of the Committee or the external auditor of the Corporation may call a meeting of the Committee at any time upon 48 hours prior written notice.

7. All decisions of the Committee shall be by simple majority and the chairman of the Committee shall not have a deciding or casting vote.

8. Minutes shall be kept in respect of the proceedings of all meetings of the Committee.

9. No business shall be transacted by the Committee except at a meeting of the members thereof at which a majority of the members thereof is present.

10. The Committee may transact its business by a resolution in writing signed by all the members of the Committee in lieu of a meeting of the Committee.

Role and Responsibilities

To the extent considered appropriate or desirable or required by applicable legal or regulatory requirements, the Committee shall:

1. recommend to the Directors:

    (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Corporation or performing other audit, review or attest services for the Corporation, and

    (b) the compensation to be paid to the external auditor of the Corporation;

2. review the proposed audit scope and approach of the external auditor of the Corporation and ensure no unjustifiable restriction or limitations have been placed on the scope of the proposed audit;

3. meet separately and periodically with the management of the Corporation, the external auditor of the Corporation and the internal auditor (or other personnel responsible for the internal audit function of the Corporation) of the Corporation to discuss any matters that the Committee, the external auditor of the Corporation or the internal auditor of the Corporation, respectively, believes should be discussed privately;

4. be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Corporation or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management of the Corporation and the external auditor of the Corporation regarding any financial reporting matter and review the performance of the external auditor of the Corporation;

5. review judgmental areas, for example those involving a valuation of the assets and liabilities and other commitments and contingencies of the Corporation;

6. review audit issues related to the material associated and affiliated entities of the Corporation that may have a significant impact on the equity investment therein of the Corporation;

7. meet with management and the external auditor of the Corporation to review the annual financial statements of the Corporation and the results of the audit thereof;

8. review and determine if internal control recommendations made by the external auditor of the Corporation have been implemented by management of the Corporation;

9. pre-approve all non-audit services to be provided to the Corporation or any subsidiary entities thereof by the external auditor of the Corporation and, to the extent considered appropriate: (i) adopt specific policies and procedures in accordance with Applicable Laws for the engagement of such non-audit services; and/or (ii) delegate to one or more independent members of the Committee the authority to pre-approve all non-audit services to be provided to the Corporation or any subsidiary entities thereof by the external auditor of the Corporation provided that the other members of the Committee are informed of each such non-audit service;

10. consider the qualification and independence of the external auditor of the Corporation, including reviewing the range of services provided by the external auditor of the Corporation in the context of all consulting services obtained by the Corporation;

11. consider the fairness of the interim financial statements and financial disclosure of the Corporation and review with management of the Corporation whether,

    (a) actual financial results for the interim period varied significantly from budgeted or projected results,

    (b) generally accepted accounting principles have been consistently applied,

    (c) there are any actual or proposed changes in accounting or financial reporting practices of the Corporation, and

    (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure;

12. review the financial statements of the Corporation, management's discussion and analysis and any annual and interim earnings press releases of the Corporation before the Corporation publicly discloses such information and discuss these documents with the external auditor and with management of the Corporation, as appropriate;

13. review and be satisfied that adequate procedures are in place for the review of the public disclosure of the Corporation of financial information extracted or derived from the financial statements of the Corporation, other than the public disclosure referred to in paragraph 4(l) above, and periodically assess the adequacy of those procedures;

14. establish procedures for,

    (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and

    (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters relating to the Corporation;

15. review and approve the hiring policies of the Corporation regarding partners, employees and former partners and employees of the present and any former external auditor of the Corporation;

16. review the areas of greatest financial risk to the Corporation and whether management of the Corporation is managing these risks effectively;

17. review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and consider their impact on the financial statements of the Corporation;

18. review any legal matters which could significantly impact the financial statements of the Corporation as reported on by counsel and meet with counsel to the Corporation whenever deemed appropriate;

19. institute special investigations and, if appropriate, hire special counsel or experts to assist in such special investigations;

20. at least annually, obtain and review a report prepared by the external auditor of the Corporation describing: the firm's quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, in respect of one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Corporation;

21. review with the external auditor of the Corporation any audit problems or difficulties and management's response to such problems or difficulties;

22. discuss the Corporation's earnings press releases, as well as financial information and earning guidance provided to analysts and rating agencies, if applicable; and

23. review this charter and recommend changes to this charter to the Directors from time to time.

Communication with Directors

1. The Committee shall produce and provide the Directors with a written summary of all actions taken at each Committee meeting or by written resolution.

2. The Committee shall produce and provide the Directors with all reports or other information required to be prepared under Applicable Laws.

SOUTHEAST ASIA MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

DECEMBER 31, 2012

Management's discussion and analysis (MD&A) is current to April 30, 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 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 December 31, 2012, the Canadian dollar exchange rate with the Thailand Baht ("BAHT") was 1 Canadian dollar for every 30.4465 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'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 ("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, the Company entered into an amended joint venture agreement ("Amended JVA") 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; 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.

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 Joint Venture Agreement 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
Boh Yai	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, a party to the Joint Venture Agreement, 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. Boh Yai, a party to the Joint Venture Agreement, 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 Boh Yai 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 Boh Yai'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 Joint Venture Agreement.

Pursuant to the Joint Venture Agreement, upon closing of the second option KEMCO and Boh Yai 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 DEVLOPMENT 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 Joint Venture Agreement. The Joint Venture Agreement 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, Southeast Asia Mining 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 in Thailand. 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 the exercise of the first option under the Joint Venture Agreement,
- 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 variography 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, remaining blocks were assigned to Inferred category.

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

The technical aspects of this resource estimate 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 year ended December 31, 2012. The MD&A should be read in conjunction with 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 audited financial information of the Company contained elsewhere herein. This discussion contains forward looking statements that involve certain risks and uncertainties. See "*Forward Looking Information*".

Results of Operations and Selected Annual Information

The following table sets forth financial information for the Company which has been summarized from the Company's consolidated financial statements for the years ended December 31, 2012 and 2011. The years ended December 31, 2012 and year ended December 31, 2011 includes the consolidation of SEAM. Due to the Company's loss of control of SEAM in 2009, the Company's interests in the assets of SEAM were written down to a nominal amount and later recognized as a gain when control was re-acquired in 2010. Accordingly, during 2010 SEAM operations were consolidated subsequent to the re-acquisition of control. This summary information should be read in conjunction with the Company's audited financial statements for the years indicated, including the notes thereto.

Statement of Operations Data	**Year ended December 31, 2012**	**Year ended December 31, 2011**	**Year ended December 31, 2010**
Expenses excluding foreign exchange	$ 3,366,163	$ 1,811,760	$ 1,689,228
Gain on re-acquisition of control	-	-	(961,357)
Net Loss	(3,366,163)	(1,811,760)	(727,871)
Net Loss per Share – Basic and diluted	$(0.12)	$(0.13)	$(0.08)
Balance Sheet Data			
Total Assets	712,953	1,644,326	772,560
Working Capital (Deficiency)	(1,054,304)	876,849	(370,509)
Long Term Liabilities	-	-	-
Shareholders' Equity (Deficiency)	(945,566)	1,039,832	(370,509)

Results for the eight most recent three month periods ended:

	December 31, 2012	**September 30, 2012**	**June 30, 2012**	**March 31, 2012**
	$	$	$	$
Total revenue	-	-	-	-
Net Loss	2,045,403	463,882	363,447	493,431
Loss per share	0.07	0.02	0.01	0.02

	December 31, 2011	**September 30, 2011**	**June 30, 2011**	**March 31, 2011**
Total revenue	$	$	$	$
Loss before extraordinary item	-	-	-	-
Net (income) loss	263,544	430,396	702,717	415,103
Loss (income) per share	0.02	0.03	0.05	0.03

Three Months Ended December 31, 2012 vs 2011

Southeast Asia incurred a net loss of $2,045,403 or $0.07 per share for the three month period ended December 31, 2012 compared to $263,544 or $0.02 per share for the three month period ended December 31, 2011. This difference is mainly attributed to increased share based payments of $347,000 due to 2,325,000 (2011 – nil) options issued in October 2012 and the exercise of the first option on the Joint Venture Agreement with Kemco as well as exploration expenditures on the Company's properties.

Professional fees for the three month period ended December 31, 2012 were $84,867 compared to $73,964 in the same period in 2011. Professional fees remained fairly consistent between the two periods.

During the three month period ended December 31, 2012 management and consulting expenses increased by $83,077 to $200,216 compared to $117,139 in the same period in 2011. The increase in consulting is attributable to a bonus in shares paid to the CEO and the Company's re-organization of its management team in 2012.

During the three month period ended December 31, 2012, travel expenses decreased by $39,743 to $497 compared to $40,240 in the same period in 2011. 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 December 31, 2012, exploration and evaluation expenses increased to $1,235,441 compared to $(141,324) during the same period in 2011. The increase is due to USD$500,000 paid and 3,000,000 shares issued with a fair value of $600,000 on the exercise of the first option and due to the Company's increased focus on advancing the permitting process on its properties in Thailand and the completion of a NI 43-101 compliant resource. The negative amount in 2011 is due to account reclassifications.

During the three month period ended December 31, 2012, office and general expenses decreased by $99,219 to $61,138 compared to $160,357 in the same period in 2011. The decrease in office and general is attributable to cost saving measures in the current period as the Company focuses on conserving cash.

During the three month period ended December 31, 2012, shareholders information and regulatory costs decreased by $1,207 to $11,961 compared to $13,168 in the same period in 2011. The amount remained consistent between the two periods.

Year Ended December 31, 2012 vs 2011

Southeast Asia incurred a net loss of $3,366,163 or $0.12 per share for the year ended December 31, 2012 compared to $1,811,760 or $0.13 per share for the year ended December 31, 2011. This difference is mainly attributed to increased share based payments of $347,000 due to 2,325,000 (2011 – nil) options issued in October 2012 and the exercise of the first option on the Joint Venture Agreement with Kemco as well as exploration expenditures on the Company's properties, offset by a decrease in management and consulting fees, travel expenses and office and general costs.

Professional fees for the year ended December 31, 2012 were $268,725 compared to $254,175 in the same period in 2011. Professional fees remained consistent between the two periods.

During the year ended December 31, 2012 share based payments increased by $347,000 from $nil in the same period in 2011. The increase in share based payments is attributable to 2,325,000 (2011 – nil) options issued in October 2012 valued using the Black-Scholes model.

During the year ended December 31, 2012 management and consulting expenses decreased by $227,362 to $364,381 compared to $591,743 in the same period in 2011. The decrease in consulting is attributable to significant consulting expenses during 2011 resulting from the re-acquisition of control and the Company's continued focus on cost reductions.

During the year ended December 31, 2012, travel expenses decreased by $143,975 to $8,592 compared to $152,567 in the same period in 2011. 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 year ended December 31, 2012, exploration and evaluation expenses increased to $2,037,036 compared to $447,186 during the same period in 2011. The increase is due to USD$500,000 paid and 3,000,000 shares issued with a fair value of $600,000 on the exercise of the first option and due to the Company's increased focus on advancing the permitting process on its properties in Thailand and the completion of a NI 43-101 compliant resource.

During the year ended December 31, 2012, office and general expenses decreased by $125,088 to $213,771 compared to $338,859 in the same period in 2011. The decrease in office and general is attributable to cost saving measures in the current period as the Company focuses on conserving cash.

During the year ended December 31, 2012, shareholders information and regulatory costs decreased by $4,855 to $22,375 compared to $27,230 in the same period in 2011. Shareholder information and regulatory costs were higher in 2011 due to the costs associated with a special meeting of shareholders.

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:

	December 31, 2012	December 31, 2011
Balances:		
Short-term employee benefits - cash	**$ 179,000**	$ 276,000
Short-term employee benefits – shares issued for services	**200,000**	-
Share based payments	**321,000**	-
Total compensation to key management	**$ 699,000**	$ 276,000

At December 31, 2012, included in trade and other payables is $163,000 (2011 - $119,000) due to these key management personnel.

Capital Resources and Liquidity

The Company's working capital deficiency at December 31, 2012 was $1,054,304 compared with working capital of $876,849 at December 31, 2011. The decrease results from cash disbursements during the year of approximately $2,037,036 relating to advancing the Project in Thailand off set against the net proceeds of financing of $927,296. As at December 31, 2012, $924,611 (2011 - $Nil) 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 year ended December 31, 2012 and 2011 are provided below:

	Year ended December 31, 2012	Year ended December 31, 2011
Cash used in operating activities – net	**(1,905,267)**	(1,545,962)
Cash provided by financing activities	**927,296**	2,339,341
Cash provided by investing activities	**50,323**	(164,213)
Decrease in cash	**(927,648)**	629,166
Foreign exchange gain on cash held in foreign currency	**(2,674)**	(11,764)
Cash, beginning of year	**1,338,638**	721,236
Cash, end of year	**408,316**	1,338,638

Cash Used in Operating Activities

Cash used in operating activities for the year ended December 31, 2012 was $1,905,267 compared to $1,545,962 for the corresponding year ended December 31, 2011. The increase in cash used in 2012 compared to 2011 is primarily due to the payment of USD$500,000 to its joint venture partner under the Amended JVA.

Cash From (Used in) Investing Activities

Total cash provided from investing activities during the year ended December 31, 2012 was $50,323 compared to cash used of $164,123 for the corresponding year ended December 31, 2011. The increase in cash from investing activities is primarily due to the release of restricted cash during the current year.

Cash Generated by Financing Activities

Total cash generated by financing activities during the year ended December 31, 2012 was $927,296 from the issuance of convertible debentures compared to $2,339,341 during the year ended December 31, 2011 from private placements between August and October 2011.

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 as set out in the Company's press release dated November 21, 2012. 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.

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 December 31, 2012, 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	$734,000	$734,000	Nil	Nil	Nil
Convertible debentures – face value (1)	$946,000	$946,220	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	$5,580,000	$4,197,000	$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.

Additional Disclosure for Venture Issuers without Significant Revenue

	December 31, 2012	December 31, 2011
Corporate expenses	**3,366,163**	1,811,760
Total assets	**712,953**	1,644,326
Corporate expenses		
Professional fees	**$ 268,725**	$ 254,175
Share based payments	**347,000**	-
Management and consulting fees	**364,381**	591,743
Travel	**8,592**	152,567
Exploration and evaluation expenditures	**2,037,036**	447,186
Office and general	**213,771**	338,871
Financing costs	**104,283**	-
Shareholder information and regulatory costs	**22,375**	27,230
	$ 3,366,163	$ 1,811,772

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

	December 31, 2012	December 31, 2011
Exploration and evaluation expenditures		
Exercise of first option	**$ 1,095,250**	$ -
Salaries and benefits	**115,657**	-
Consultants	**503,171**	-
Exploration work	**100,894**	447,186
43-101 report	**199,261**	-
Transportation	**22,803**	-
	$ 2,037,036	$ 447,186

Disclosure of Outstanding Share Data as of April 30, 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		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 13 through 16 to the audited consolidated financial statements for the years ended December 31, 2012 for more detailed disclosure of outstanding shares data.

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, United States and Guyana, 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.

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 December 31, 2012, 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 December 31, 2012, the Company had a working capital deficiency of $1,054,304 (2011 – $876,849 working capital). There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Southeast Asia may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit some or all of its interests and reduce or terminate its operations therein.

iii) Interest rate risk

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

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 year ended December 31, 2012, 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 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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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, approximately4.95% 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

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

April 30, 2013

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

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

SOUTHEAST ASIA MINING CORP.

Consolidated Financial Statements

For the years ended
December 31, 2012 and 2011

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

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

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

"Brian Jennings"
Brian Jennings
Chief Executive Officer

"Johnny Oliveira"
Johnny Oliveira
Chief Financial Officer

Independent Auditor's Report

To the Shareholders of
Southeast Asia Mining Corp.

We have audited the accompanying consolidated financial statements of Southeast Asia Mining Corp., which comprise the consolidated statements of financial position as at December 31, 2012 and 2011 and the consolidated statements of loss and comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Southeast Asia Mining Corp. as at December 31, 2012 and 2011 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

McCarneyGreenwood

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements which describes that the Company will require additional financing in order to fund its planned activities. This condition, along with other matters set out in note 1, indicates the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

*"**McCarney Greenwood LLP**"*

Toronto, Canada
April 30, 2013

McCarney Greenwood LLP
Chartered Accountants
Licensed Public Accountants

McCarney Greenwood LLP
Chartered Accountants
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Southeast Asia Mining Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2012	December 31, 2011
	$	$
Assets		
Current Assets		
Cash and cash equivalents *(Note 6)*	**408,316**	1,338,638
Trade and other receivables *(Note 7)*	**156,741**	115,704
Prepaid expenses *(Note 8)*	**39,158**	27,001
	604,215	1,481,343
Restricted cash *(Note 6)*	**90,814**	155,112
Property, plant and equipment *(Note 9)*	**17,924**	7,871
	712,953	1,644,326
Liabilities		
Current Liabilities		
Trade and other payables *(Notes 11 and 12)*	**733,908**	604,494
Convertible debentures *(Note 17)*	**924,611**	-
	1,658,519	604,494
Shareholders' Equity (Deficiency)		
Capital stock *(Note 13)*	**18,403,198**	17,379,802
Reserve for warrants *(Note 14)*	**818,000**	804,000
Reserve for share based payments *(Note 16)*	**1,000,914**	648,407
Accumulated other comprehensive loss	**(23,858)**	(14,720)
Accumulated deficit	**(21,143,820)**	(17,777,657)
	(945,566)	1,039,832
	712,953	1,644,326

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 18)
Segmented Information (Note 19)
Subsequent Events (Note 22)

Approved on behalf of the Board of Directors on April 30, 2013:

"James Patterson" (signed)
Director

"James Fairbairn" (signed)
Director

Southeast Asia Mining Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Year ended December 31,	**2012**	2011
Expenses		
Exploration and evaluation expenditures *(Note 10)*	**$ 2,037,036**	$ 447,186
Management and consulting fees	**364,381**	591,743
Share based payments *(Note 15)*	**347,000**	-
Professional fees	**268,725**	254,175
Office and general	**213,771**	338,859
Financing costs *(Note 17)*	**104,283**	-
Shareholders information and regulatory costs	**22,375**	27,230
Travel	**8,592**	152,567
Net loss	**$ (3,366,163)**	$ (1,811,760)
Other Comprehensive loss		
Exchange difference on translation of foreign subsidiary	**(9,138)**	(14,720)
Total comprehensive loss	**$ (3,375,301)**	$ (1,826,480)
Basic and diluted loss per share	**$ (0.12)**	$ (0.13)
Weighted average number of shares outstanding:		
Basic and diluted (000's)	**26,950**	14,313

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

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

	Capital Stock		Reserves				
	Number of shares*	Amount	Warrants	Share-based payments	Accumulated other comprehensive loss	Accumulated deficit	Total
Balance at January 1, 2011	**9,485,533**	**$ 14,946,981**	**$ -**	**$ 648,407**	**$ -**	**$ (15,965,897)**	**$ (370,509)**
Private placement	12,555,687	2,511,137	-	-	-	-	2,511,137
Shares issued for settlement of trade and other payables	4,487,395	897,480	-	-	-	-	897,480
Warrants issued on private placement	-	(689,000)	689,000	-	-	-	-
Share issue costs							
Cash	-	(171,796)	-	-	-	-	(171,796)
Broker warrants	-	(115,000)	115,000	-	-	-	-
Foreign exchange on translation of foreign subsidiary	-	-	-	-	(14,720)	-	(14,720)
Net loss for the year	-	-	-	-	-	(1,811,760)	(1,811,760)
Balance at December 31, 2011	**26,528,615**	**$ 17,379,802**	**$ 804,000**	**$ 648,407**	**$ (14,720)**	**$ (17,777,657)**	**$ 1,039,832**
Shares issued for settlement of trade and other payables	1,052,192	210,438	-	-	-	-	210,438
Shares issued for non-cash consideration	4,037,022	812,958	-	-	-	-	812,958
Warrants issued on convertible debenture private placement	-	-	14,000	-	-	-	14,000
Conversion component of convertible debenture	-	-	-	5,507	-	-	5,507
Share based payments	-	-	-	347,000	-	-	347,000
Foreign exchange on translation of foreign subsidiary	-	-	-	-	(9,138)	-	(9,138)
Net loss for the year	-	-	-	-	-	(3,366,163)	(3,366,163)
Balance at December 31, 2012	**31,617,829**	**$ 18,403,198**	**$ 818,000**	**$ 1,000,914**	**$ (23,858)**	**$ (21,143,820)**	**$ (945,566)**

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

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

Year ended December 31,	**2012**	2011
Operating activities	**$**	$
Net loss for the year	**(3,366,163)**	(1,811,760)
Non-cash items:		
Share based payments	**347,000**	-
Accretion expense	**2,822**	-
Shares issued for exploration and evaluation expenditures	**600,000**	-
Warrants expensed on convertible debt financing	**14,000**	-
Amortization	**3,922**	1,230
Unrealized foreign exchange loss	**(6,464)**	(2,956)
Net change in non-working capital:		
Prepaid expenses	**(12,157)**	(18,102)
Trade and other receivables	**(41,037)**	(73,279)
Trade and other payables	**552,810**	358,905
Cash used in operating activities	**(1,905,267)**	(1,545,962)
Financing activities		
Proceeds received for shares to be issued	**-**	2,339,341
Proceeds from issuance of convertible debt	**927,296**	-
Cash provided from financing activities	**927,296**	2,339,341
Investing activities		
Purchase of property, plant and equipment	**(13,975)**	(9,101)
Restricted cash	**64,298**	(155,112)
Cash provided from (used in) investing activities	**50,323**	(164,213)
(Decrease) increase in cash and cash equivalents	**(927,648)**	629,166
Foreign exchange gain on cash held in foreign currency	**(2,674)**	(11,764)
Cash and cash equivalents, beginning of year	**1,338,638**	721,236
Cash and cash equivalents, end of year	**$ 408,316**	$ 1,338,638

Supplementary cash flow information		
Shares issued for settlement of trade and other payables	**$ 223,396**	$ 897,480

1. NATURE OF OPERATIONS AND GOING CONCERN

Southeast Asia Mining Corp. ("Southeast Asia", "SEA" or "the Company") was incorporated on August 18, 2006 under the Canada Business Corporations Act. Its principal business activity is that of mineral exploration and development in Thailand.

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

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

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

At December 31, 2012 the Company had a working capital deficiency of $1,054,304 (2011 – $876,849 working capital), had not yet achieved profitable operations, has accumulated losses of $21,143,820 (2011 – $17,777,657) and expects to incur further losses in the development of its business, all of which casts substantial doubt upon the Company's ability to continue as a going concern. Southeast Asia will require additional financing in order to conduct its planned work programs on mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Company's Consolidated Financial Statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2012.

These audited consolidated financial statements were authorized by the Board of Directors of the Company on April 30, 2013.

2.2 Basis of measurement

The audited consolidated financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

2.3 ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

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

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

2. BASIS OF PREPARATION (continued)

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

- IAS 19 '*Employee Benefits*' - effective for annual periods beginning on or after January 1, 2013, a number of amendments have been made to IAS 19, which included eliminating the use of the "corridor" approach and requiring remeasurements to be presented in OCI. The standard also includes amendments related to termination benefits as well as enhanced disclosures.
- IAS 27 '*Separate Financial Statements*' - effective for annual periods beginning on or after January 1, 2013, as a result of the issue of the new consolidation suite of standards, IAS 27 Separate Financial Statements has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.
- IAS 28 '*Investments in Associates and Joint Ventures'* - effective for annual periods beginning on or after January 1, 2013, as a consequence of the issue of IFRS 10, IFRS 11and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee.
- IAS 32 '*Financial instruments, Presentation'* – In December 2011, effective for annual periods beginning on or after January 1, 2013, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its wholly controlled subsidiaries, Southeast Asia Exploration and Mining Company Limited (formerly Geotai Exploration and Mining Ltd.), Southeast Asia Resource Company and White Trillium Ltd., and 80% of Southeast Asia Mining Company, companies based in Thailand. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein. Since the amount is not material, it is not reported. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses applicable to the non-controlling interests in excess of their interest in the subsidiary's equity are allocated against the interests of the Company except to the extent that the non-controlling interests have a binding obligation and are able to make an additional investment to cover the losses.

3.2 Mineral properties

All acquisition and exploration and evaluation costs are charged to operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized to mineral properties or property, plant and equipment ("PPE"). On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated reserves as the depletion base. Consideration received under option agreements is recorded as other income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the straight line method over the following expected useful lives:

• Office equipment	5 years
• Furniture and fixtures	5 years
• Leasehold improvements	5 years
• Computer equipment	3-5 years

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of comprehensive income.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for PPE and any changes arising from the assessment are applied by the Company prospectively.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

3.4 Decommissioning, restoration and similar liabilities ("Asset retirement obligation" or "ARO")

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties and PPE, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement obligation is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. As at December 31, 2012 no provision for restoration was necessary.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Share-based payments

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment.

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

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

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

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

3.6 Taxation

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Taxation (continued)

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

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

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

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

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

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

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

3.7 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The “treasury stock method” is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year. During the years ended December 31, 2012 and 2011, all the outstanding stock options and warrants were anti-dilutive.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial assets

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

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

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

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. As at December 31, 2012, the Company had no assets classified as available-for-sale.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.

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

3.9 Financial liabilities

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

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

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At December 31, 2012, the Company has not classified any financial liabilities as FVTPL.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Impairment of financial assets

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

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

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

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

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

3.11 Impairment of non-financial assets

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Cash and cash equivalents

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

3.13 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. As at December 31, 2012, the Company has no obligations that require provisions.

3.14 Related party transactions

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

3.15 Foreign currency transactions

Functional and presentation currency
Items included in the financial statements of each of the entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The functional currency of the Company is the Canadian dollar and the functional currency of the Company’s subsidiaries is the Thailand Baht. The consolidated financial statements are presented in Canadian dollars which is the group’s presentation currency.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Foreign currency transactions (continued)

Group companies

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

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

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

3.16 Significant accounting judgments and estimates

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

4. CAPITAL MANAGEMENT

The Company considers its capital to be equity, which is comprised of capital stock, reserve accounts, accumulated other comprehensive loss, and accumulated deficit, which as at December 31, 2012 totaled a deficiency of $945,566 (2011 - $1,039,832 positive capital). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue exploration and development of its properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The Company's properties are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the exercise of outstanding stock options or warrants, the sale of equity capital of the Company or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

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

There were no changes in the Company's approach to capital management during the year ended December 31, 2012. The Company is not subject to externally imposed capital restrictions.

5. FINANCIAL INSTRUMENTS

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 December 31, 2012, 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.

5. FINANCIAL INSTRUMENTS (continued)

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

i) Credit risk

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

a. **Cash and cash equivalents** – Cash and cash equivalents are held with major Canadian and Thai banks and therefore the risk of loss is minimal.

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

The Company's maximum exposure to credit risk as at December 31, 2012 is the carrying value of cash and cash equivalents and trade and other receivables.

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at December 31, 2012, the Company had a working capital deficiency of $1,054,304 (2011 – $876,849 working capital). There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Southeast Asia may change and shareholders may suffer additional dilution. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration activities or relinquish rights to certain of its interests. Failure to obtain additional financing on a timely basis could cause the Company to forfeit some or all of its interests and reduce or terminate its operations therein.

iii) Interest rate risk

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

iv) Currency risk

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

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

	Effect of a 10% increase in foreign exchange rates on translation of investments in foreign monetary assets	Effect of a 10% decrease in foreign exchange rates on translation of investments in foreign monetary assets
Thai Baht	$ 14,000	$ (14,000)

6. CASH AND CASH EQUIVALENTS

The balance at December 31, 2012, consists of $408,316 (2011 - $1,338,638) on deposit with major Canadian and Thai banks and $90,814 (2011 - $155,112) in restricted term deposits which have been pledged as collateral for certain property licenses that are restricted until the Company completes certain exploration commitments.

7. TRADE AND OTHER RECEIVABLES

	As at,	
	December 31, 2012	December 31, 2011
	$	$
Taxes recoverable	**140,591**	115,704
Other	**16,150**	-
Total Trade and Other Receivables	**$ 156,741**	$ 115,704

At December 31, 2012, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 5.

The Company holds no collateral for any receivable amounts outstanding as at December 31, 2012.

8. PREPAID EXPENSES

	As at,	
	December 31, 2012	December 31, 2011
	$	$
Insurance	**26,730**	22,060
Various deposits	**12,428**	4,941
Total Prepaid expenses	**$ 39,158**	$ 27,001

9. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Furniture and Fixtures	Computer Equipment	Leasehold Improvement	Total
	$	$	$	$	$
Cost					
As at January 1, 2011	-	-	-	-	-
Additions	1,665	4,226	3,210	-	9,101
As at December 31, 2011	**1,665**	**4,226**	**3,210**	**-**	**9,101**
Additions	5,192	3,443	3,697	1,643	13,975
As at December 31, 2012	**6,857**	**7,669**	**6,907**	**1,643**	**23,076**
Accumulated depreciation					
As at January 1, 2011	-	-	-	-	-
Depreciation expense	189	623	418	-	1,230
As at December 31, 2011	**189**	**623**	**418**	**-**	**1,230**
Depreciation expense	1,064	1,455	1,126	277	3,922
As at December 31, 2012	**1,253**	**2,078**	**1,544**	**277**	**5,152**
Net book value					
As at January 1, 2011	-	-	-	-	-
As at December 31, 2011	**1,476**	**3,603**	**2,792**	**7,871**	**7,871**
As at December 31, 2012	**5,604**	**5,591**	**5,363**	**1,366**	**17,924**

10. EXPLORATION AND EVALUATION PROPERTIES

Included in Mining and Exploration Costs are exploration rights, referred to as Special Prospecting Licenses (“SPL”), which are held by SEAM in certain locations in Thailand. As of December 31, 2012, SEAM held three such SPLs.

For the years ended December 31, 2012 and 2011, all of the Companies exploration and evaluation expenditures were spent on the Kemco and Boh Yai mining lease permit renewal and special prospecting licences.

During the years ended December 31, 2012 and 2011, exploration and evaluation expenditures on the Company’s properties were as follows:

Year ended December 31,	**2012**	2011
	$	$
Acquisition costs - cash	**495,250**	-
Acquisition costs - shares	**600,000**	-
Exploration and evaluation expenditures	**941,786**	447,186
Total exploration and evaluation expenditures	**$ 2,037,036**	$ 447,186

10. EXPLORATION AND EVALUATION PROPERTIES (continued)

Kemco and Boh Yai

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

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

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

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

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

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

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

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

Amended Joint Venture Agreement

On October 15, 2012, the Company entered into an amended joint venture agreement ("Amended JVA") which replace 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.

10. EXPLORATION AND EVALUATION PROPERTIES (continued)

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; 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.

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 totaling 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.

11. 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:

	December 31, 2012	December 31, 2011
Balances:		
Short-term employee benefits - cash	**$ 179,000**	$ 276,000
Short-term employee benefits – shares issued for services (Note 13)	**200,000**	-
Share based payments	**321,000**	-
Total compensation to key management	**$ 699,000**	$ 276,000

At December 31, 2012, included in trade and other payables is $163,000 (2011 - $119,000) due to these key management personnel.

12. TRADE AND OTHER PAYABLES

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

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

	As at,			
	December 31, 2012		December 31, 2011	
Less than one month	**$**	**88,800**	$	76,789
Over one month		**645,108**		527,705
Total Trade and Other Payables	**$**	**733,908**	$	604,494

13. CAPITAL STOCK

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

	No. of Shares		Amount
Balance at January 1, 2011	**75,884,262**	**$**	**14,946,981**
Private Placement	100,445,499		2,511,137
Shares issued for settlement of trade and other payables	35,899,198		897,480
Warrants issued on private placement	-		(689,000)
Share issuance costs – cash	-		(171,796)
Share issuance costs – broker warrants	-		(115,000)
Balance at November 14, 2011	**212,228,959**	**$**	**17,379,802**
Share consolidation (1:8)*	**(185,700,344)**		**-**
Balance at December 31, 2011	**26,528,615**	**$**	**17,379,802**
Shares issued for debt	**1,052,192**		**210,438**
Shares issued for non-cash consideration	**4,000,000**		**800,000**
Shares issued for interest on convertible bonds	**37,022**		**12,958**
Balance at December 31, 2012	**31,617,829**	**$**	**18,403,198**

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

Year ended December 31, 2012:

On November 5, 2012, the Company issued 1,052,192 shares to settle $210,438 in outstanding accounts payable. The shares were issued at a price of $0.20 which represents the fair value of the shares on the date of settlement.

On December 4, 2012 the Company issued 3,000,000 shares as part of the first option of its joint venture agreement with Kemco (see note 10). The shares were issued at a price of $0.20 which represents the fair value of the shares on the date of issuance.

On December 17, 2012 the Company issued 1,000,000 shares to the CEO of the Company for services provided. The shares were issued at a price of $0.20 which represents the fair value of the shares on the date of settlement.

On December 31, 2012 the Company issued 37,022 shares to various bond holders as settlement of interest accrued on the convertible debenture up to December 31, 2012. The shares were issued at a price of $0.35 which represents the fair value of the shares on the date of settlement.

13. CAPITAL STOCK (continued)

Year ended December 31, 2011:

Over the period from August 11, 2011 to October 11, 2011, the Company closed several tranches of a non-brokered private placement which generated gross proceeds of $2,511,137 in cash and the conversion of $897,480 in outstanding accounts payable. The financing consisted of 136,344,697 units pre-consolidation (17,043,082 post consolidation units), of which 35,899,198 pre-consolidation units (4,487,395 post consolidation units), were issued on conversion of outstanding accounts payable. Each unit was issued at $0.025 and was comprised one common share and one half of one common share purchase warrant for a total of 68,172,348 pre consolidation warrants (8,521,542 post consolidation warrants) being issued with each full warrant exercisable at $0.035 ($0.28 post consolidation) for a period of 36 months.

In connection with the financing, the Company has paid eligible persons a cash finder's fee of $171,796 and has issued 6,849,185 pre-consolidation finder's warrants (856,148 post consolidation warrants). Each finder's warrant entitles the holder to subscribe for one unit made up of one common share and one half common share purchase warrant at a price of $0.025 ($0.20 post consolidation) per pre-consolidation unit for a period of 36 months. The underlying broker warrant is exercisable at $0.035 ($0.28 post consolidation) per pre-consolidation share for a period of 36 months.

14. RESERVE FOR WARRANTS

The following table reflects the continuity of warrants for the year ended December 31, 2012 and 2011.

	Number of Warrants	Amount $
Balance – January 1, 2011	**-**	**-**
Issued pursuant to private placement (i)	8,521,542	689,000
Agent warrants issued (ii)	856,148	80,000
Warrants on agent units (iii)*	428,074	35,000
Balance – December 31, 2011	**9,805,764**	**804,000**
Agent warrants issued (iv)	**179,040**	**14,000**
Balance – December 31, 2012	**9,984,804**	**818,000**

*These warrants are issuable upon exercise of the agent units.
The warrants in the table are post 1:8 share consolidation on November 14, 2011

(i) The warrants issued pursuant to the private placement between August 11, 2011 and October 11, 2011 are described in Note 13 and have a fair value of $689,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

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

(ii) The agent's warrants issued pursuant to the private placement between August 11, 2011 and October 11, 2011 are described in Note 13 and have a fair value of $80,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

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

14. RESERVE FOR WARRANTS, (continued)

(iii) The warrants on exercise of agent's warrants issued pursuant to the private placement between August 11, 2011 and October 11, 2011 are described in Note 13 and have a fair value of $35,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

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

(iv) The agent's warrants were issued pursuant to the private placement of debentures described in Note 17 and have a fair value of $14,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

Risk-free interest rate	1.06%	Expected volatility	100%
Dividend yield	nil	Expected life-units	2 years

Warrants to purchase common shares carry exercise prices and terms to maturity at December 31, 2012 are as follows:

Exercise price $	Number of outstanding warrants exercisable warrants	Expiry date
0.35	179,040	December 2014
0.28	8,521,542	August to October 2014
0.20*	856,148	August to October 2014
0.28**	428,074	August to October 2014

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

15. SHARE BASED PAYMENTS

Share based payments

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

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

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

15. SHARE BASED PAYMENTS, (continued)

As at December 31, 2012, the Company had 836,783 (2011 – 2,652,862) options available for issuance under the plan.

Summary of stock option activity:

	Number of stock options	Weighted average exercise price
Beginning, January 1, 2011	**3,200,000**	**$ 0.70**
Expired	**(3,200,000)**	**$ 0.70**
Ending, December 31, 2011	**-**	**$ -**
Granted	**2,325,000**	**$ 0.20**
Ending, December 31, 2012	**2,325,000**	**$ 0.20**

The weighted average remaining contractual life for outstanding options is as follows:

Price Range	Number of Options	Weighted Average Remaining Life (years)	Weighted Average Exercise Price
$0.20	2,325,000	4.82	$ 0.20
$0.20	2,325,000	4.82	$ 0.20

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the stock-based compensation for the stock options granted during the year ended December 31, 2012:

	October 26, 2012
Number of options granted	2,325,000
Weighted average information	
Exercise Price	$0.20
Risk-free interest rate	1.39%
Expected life	5 years
Expected volatility	100%
Vesting	100% immediately
Expected dividends	0
Fair value of options granted	$ 347,000
Total share based payments	$ 347,000

The weighted average grant-date fair value of options granted during the year ended December 31, 2012 is $0.20 (2011 - $nil) per option issued.

16. RESERVE FOR SHARE BASED PAYMENTS

A summary of the changes in the Company's reserve for share based payments for the years ended December 31, 2012 and 2011 is set out below:

	December 31, 2012	December 31, 2011
	Amount ($)	Amount ($)
Balance at beginning of year	**648,407**	648,407
Share based payments	**347,000**	-
Conversion component of convertible debt	**5,507**	-
Balance at the end of year	**1,000,914**	648,407

17. CONVERTIBLE DEBENTURES

On December 7, 2012, the Company closed the first tranche of its brokered private placement of unsecured convertible debentures ("Debentures") 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 and had a fair value of $14,000 (see note 14). The total cost of $104,283 has been expensed for the year ended December 31, 2012.

The debenture is classified as a liability, with the exception of the portion relating to the conversion feature, resulting in the carrying value of the debenture being less than face value. The discount is being accreted over the term of the debenture utilizing the effective interest rate method at a 25% discount rate.

The following table reflects the continuity of convertible debt for the year ended December 31, 2012 and 2011.

	December 31, 2012	December 31, 2011
	Amount ($)	Amount ($)
Balance at beginning of year	**-**	-
Debentures issued	**921,789**	-
Accretion expense	**2,822**	-
Balance at the end of year	**924,611**	-

18. COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

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

19. SEGMENTED INFORMATION

Operating Segments

At December 31, 2012 the Company's operations comprise a single reporting operating segment engaged in mineral exploration in Thailand. The Company's corporate division only earns revenues that are considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment as defined in IFRS 8 *'Operating Segments'*. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent operating segment amounts.

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

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

Geographic Segments

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

	December 31, 2012	December 31, 2011
Consolidated net loss		
Canada	**$ 2,593,644**	$ 759,042
Thailand	**772,519**	1,052,718
	3,366,163	1,811,760
Identifiable assets		
Canada	**441,212**	995,522
Thailand	**271,741**	648,804
	712,953	1,644,326

20. INCOME TAXES

Deferred Income Tax Recovery

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the years ended December 31, 2012 and 2011 is as follows:

	2012	2011
Combined statutory income tax rate	**26.50%**	28.25%
Recovery of income taxes computed at statutory rates	**(892,000)**	(511,000)
Difference in foreign jurisdiction tax rates	**(27,000)**	(18,000)
Difference between current and deferred tax rates	**-**	29,000
Non-deductible expenses	**22,000**	12,000
Share issue costs	**(23,000)**	(43,000)
Tax benefits of losses and temporary differences not recognized	**920,000**	531,000
Income tax provision	**-**	-

The Canadian statutory income tax rate of 26.25% (2011 – 28.25%) is comprised of the federal income tax rate at approximately 15% (2011 – 16.5%) and the provincial income tax rate of approximately 11.25% (2011 – 11.75%). The Thailand statutory income tax rate is approximately 30% (2011 – 30%). The primary differences which give rise to the deferred income tax assets and liabilities at December 31, 2012 and 2011 are as follows:

	2012	2011
Deferred tax assets	**$**	$
Share issuance costs and other	**53,000**	44,000
Deferred exploration expenditures	**605,000**	145,000
Non-capital losses carried forward	**2,531,000**	2,080,000
	3,189,000	2,269,000
Less: deferred tax asset not recognized	**(3,189,000)**	(2,269,000)
Net deferred tax assets	**-**	-
Deferred tax liabilities	**-**	-
Net deferred tax liability	**-**	-

The unamortized balance, for income tax purposes, of the share issuance costs amounted to approximately $200,000 (2011 - $175,000) and will be deductible in Canada over the next four (2011 – four) years.

20. INCOME TAXES (continued)

The Company has available for carry forward non-capital losses in Canada of $7,467,000 (2011 - $6,826,000) and in Thailand of $1,840,000 (2011 - $1,247,000) to offset future taxable income. As at December 31, 2012, the non-capital loss carry forwards expire as follows:

	Thailand	Canada
	$	$
2014	52,000	-
2015	567,000	-
2016	628,000	-
2017	593,000	
2026	-	261,000
2027	-	630,000
2028	-	2,108,000
2029	-	1,127,000
2030	-	1,647,000
2031	-	1,053,000
2032	-	641,000
	1,840,000	7,467,000

21. COMPARABLE FIGURES

Certain comparative amounts have been reclassified to conform with the current year's basis of presentation.

22. SUBSEQUENT EVENTS

On February 12, 2013, the Company granted the 900,000 stock options to directors, officers and consultants of the Company. These stock options vest immediately and are exercisable at $0.25 for a period of 5 years.

On February 13, 2013, the Company closed the second tranche of its previously announced private placement of Debentures. Tranche two consisted of additional gross proceeds of $55,860 and were issued under the same terms as tranche one (See Note 17 for terms).

On April 16, 2013 the Company issued 139,892 shares to various bond holders as settlement of all interest accrued on the convertible debenture up to March 31, 2013 of $48,966. The shares were issued at a price of $0.35 which represents the fair value of the shares on the date of settlement.

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.

22. SUBSEQUENT EVENTS (continued)

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.