



SOUTHEAST ASIA MINING CORP.

Unaudited Interim Consolidated Financial Statements

**For the three month periods ended
March 31, 2014 and 2013**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

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

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

"Brian Jennings"

Brian Jennings
CEO, CFO

NOTICE TO READER

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim consolidated statements for the three month periods ended March 31, 2014 and 2013 have not been reviewed by the Company's auditors.

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

	March 31, 2014 \$	December 31, 2013 \$
Assets		
Current Assets		
Cash and cash equivalents (Note 5)	20,596	92,309
Trade and other receivables (Note 6)	2,585	6,055
Prepaid expenses (Note 7)	11,357	5,790
Total current assets	34,538	104,154
Non-current Assets		
Deposit (Note 5)	28,503	28,674
Property, plant and equipment (Note 8)	14,971	15,584
Total non-current assets	43,474	44,258
Total Assets	78,012	148,412
Liabilities		
Current Liabilities		
Trade and other payables (Notes 10 and 11)	1,136,939	1,090,002
Convertible debentures (Note 16)	128,736	128,736
Total Liabilities	1,265,675	1,218,738
Shareholders' Equity (Deficiency)		
Share capital (Note 12)	18,606,771	18,606,771
Shares to be issued (Note 12)	59,350	-
Reserve for warrants (Note 13)	822,000	822,000
Reserve for share based payments (Note 15)	1,243,407	1,243,407
Reserve for convertible debentures	916,613	916,613
Other comprehensive income	(21,902)	(23,583)
Accumulated deficit	(22,813,902)	(22,635,534)
Total Shareholders' Equity (Deficiency)	(1,187,663)	(1,070,326)
Total Liabilities and Shareholders' Equity	78,012	148,412

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 17)
Segmented Information (Note 18)

Approved on behalf of the Board of Directors on May 28, 2014:

“James Patterson” (signed)

Director

“James Fairbairn” (signed)

Director

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

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

<i>Three month periods ended March 31,</i>	2014	2013
Expenses		
Management and consulting fees <i>(Note 10)</i>	\$ 60,000	\$ 69,710
Exploration and evaluation expenditures <i>(Note 9)</i>	38,507	99,299
Office and general	13,614	50,725
Professional fees	5,653	15,418
Shareholders information and regulatory costs	1,244	2,061
Share based payments <i>(Notes 10 and 15)</i>	-	248,000
Net loss	\$ (119,018)	\$ (485,213)
Other Comprehensive loss		
Items that will be reclassified subsequently to loss		
Exchange difference on translation of foreign subsidiary	1,681	6,588
Net loss	\$ (117,337)	\$ (478,625)
Basic and diluted loss per share	\$ (0.00)	\$ (0.02)
Weighted average number of shares outstanding:		
Basic and diluted (000's)	32,249	31,618

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

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

	Capital Stock		Reserves					Other comprehensive Income	Accumulated deficit	Total
	Number of shares	Amount	Warrants	Share-based payments	Convertible debenture	Shares to be issued				
Balance at December 31, 2012	31,617,829	\$ 18,403,197	\$ 818,000	\$ 995,407	\$ 823,013	-	\$ (23,858)	\$ (21,036,714)	\$ (20,955)	
Share based payments	-	-	-	248,000	-	-	-	-	248,000	
Foreign exchange on translation of foreign subsidiary	-	-	-	-	-	-	6,588	-	6,588	
Dividends on convertible debentures	-	-	-	-	-	48,966	-	(48,966)	-	
Net loss for the period	-	-	-	-	-	-	-	(478,625)	(478,625)	
Balance at March 31, 2013	31,617,829	\$ 18,403,197	\$ 818,000	\$ 1,243,407	\$ 823,013	48,966	\$ (17,270)	\$ (21,564,305)	\$ (244,992)	
Warrants issued on convertible debentures	-	-	4,000	-	(907)	-	-	-	3,093	
Agent commissions on issue of convertible debentures	-	-	-	-	(2,183)	-	-	-	(2,183)	
Foreign exchange on translation of foreign subsidiary	-	-	-	-	-	-	(6,313)	-	(6,313)	
Convertible debentures	-	-	-	-	96,690	-	-	-	96,690	
Dividends on convertible debentures	631,351	203,574	-	-	-	(48,966)	-	(154,608)	-	
Net loss for the period	-	-	-	-	-	-	-	(916,621)	(916,621)	
Balance at December 31, 2013	32,249,180	\$ 18,606,771	\$ 822,000	\$ 1,243,407	\$ 916,613	-	\$ (23,583)	\$ (22,635,534)	\$ (1,070,326)	
Foreign exchange on translation of foreign subsidiary	-	-	-	-	-	-	1,681	-	1,681	
Dividends on convertible debentures	-	-	-	-	-	59,350	-	(59,350)	-	
Net loss for the period	-	-	-	-	-	-	-	(119,018)	(119,018)	
Balance at March 31, 2014	32,249,180	\$ 18,606,771	\$ 822,000	\$ 1,243,407	\$ 916,613	59,350	\$ (21,902)	\$ (22,813,902)	\$ (1,187,663)	

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

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

<i>Three month periods ended March 31,</i>	2014	2013
	\$	\$
Operating activities		
Net loss for the period	(119,018)	(478,625)
Non-cash items:		
Share based payments	-	248,000
Depreciation	1,803	1,602
Unrealized foreign exchange (gain) loss	(1,823)	731
Net change in non-cash working capital:		
Prepaid expenses	(5,567)	(15,201)
Trade and other receivables	3,470	9,833
Trade and other payables	46,937	(38,326)
Cash used in operating activities	(74,198)	(271,986)
Financing activities		
Proceeds from issuance of convertible debentures	-	55,860
Cost of issuance	-	-
Cash provided from financing activities	-	55,860
Investing activities		
Purchase of property, plant and equipment	(1,190)	(2,872)
Restricted cash	171	17,029
Cash (used in) provided from investing activities	(1,019)	14,157
Net decrease in cash and cash equivalents	(75,217)	(201,969)
Foreign exchange gain (loss) on cash held in foreign currency	3,504	5,857
Cash and cash equivalents, beginning of period	92,309	408,316
Cash and cash equivalents, end of period	\$ 20,596	\$ 212,204

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

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

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 evaluation in Thailand.

The primary office of the Company is located at 365 Bay Street, Suite 400, Toronto, Ontario, M5H 2V1.

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, evaluation and eventual development of the mineral properties if they are proven successful, 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 if those properties are proven successful, and future profitable production.

At March 31, 2014 the Company had a working capital deficiency of \$1,231,137 (December 31, 2013 – \$1,114,584 working capital deficiency). The Company had not yet achieved profitable operations, has accumulated losses of \$22,813,902 (December 31, 2013 – \$22,635,535) 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 exercise the second option and the equipment option as outlined in Note 9, conduct its planned work programs on mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

These unaudited interim consolidated financial statements were authorized by the Board of Directors of the Company on May 28, 2014.

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

2.2 Basis of presentation (continued)

These unaudited interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2013 annual financial statements.

New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the unaudited interim consolidated financial statements are consistent with those followed in the preparation of the Company's consolidated financial statements for the year ended December 31, 2013, except for the adoption of new standards and interpretations effective as of January 1, 2014.

2.3 Use of management estimates, judgments and measurement uncertainty

The preparation of these consolidated financial statements using accounting policies in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to valuation of deferred income tax amounts, determination of the appropriate amount of decommissioning liabilities, the estimated life for its property plant and equipment, and the calculation of share-based payments, warrants and the value of the conversion rights on convertible debentures. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

Calculation of share based payments and warrants

The Black-Scholes option pricing model is used to determine the fair value for the share based payments 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.

Fair value of financial instruments

Where fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Income taxes

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change and interpretation. As such, income taxes are subject to measurement uncertainty. The Company follows the liability method for calculating deferred taxes. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to the expectations of future cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the deferred tax assets and liabilities recorded at the statement of financial position date could be impacted. Additionally, changes in tax laws could limit the ability of the Company to obtain tax deductions in the future.

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

2.3 Use of management estimates, judgments and measurement uncertainty (continued)

Useful life of assets subject to depreciation

The Company reviews at the end of each reporting period the useful life of assets subject to depreciation.

Non-controlling interests

The amount of non-controlling interest as of March 31, 2014 and December 31, 2013 is not significant to the unaudited interim consolidated financial statements as a whole, hence, not recognized.

Decommissioning liability

These are made based on pre-tax discounting of the estimated future settlement amounts. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the provision required for decommissioning as a result of contamination and damages, if any, caused by exploration and evaluation activities. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed quarterly and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions on a quarterly basis. Actual rehabilitation costs will ultimately depend on actual future settlement amount for the rehabilitation costs which will reflect the market condition at the time of the rehabilitation costs are actually incurred.

The Company estimates no decommission liabilities as of March 31, 2014 and December 31, 2013.

Functional currency

The Company's management is required to make judgments as to the currency of the primary economic environment in which an entity operates to determine the functional currency of the entity. The Company has determined that the functional currency of the parent company to be the Canadian dollar and the BAHT is the functional currency for its Thai subsidiaries.

Going concern assumption

Going concern presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Convertible debentures

The classification of the Company's convertible debentures required management to analyze the terms and conditions of debentures and use judgment to assess whether these debentures are liability, equity or a combination of the two. IAS 32 provides the criteria for management to assess these complicated financial instruments to determine their appropriate classification(s). Factors considered are, but not limited to, whether the Company has a future obligation to settle the instrument in cash or exchange other assets or liabilities, and if the settlement is already known to be equity, the amount will not vary based the Company's future share price.

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

2.4 Adoption of new and revised standards and interpretations

Standards and interpretations adopted

The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on or after January 1, 2014. For the purpose of preparing and presenting the Financial Information for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods.

Several other new standards and amendments apply for the first time in 2014. However, they do not impact the annual consolidated financial statements of the Company or the interim consolidated financial statements of the Company.

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

- IAS 32 '*Financial instruments, Presentation*' –is effective for annual periods beginning on or after January 1, 2014, with earlier adoption permitted. 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. At January 1, 2014, the Company adopted this pronouncement and there is no impact on the Company's consolidated financial statements.
- IAS 36 – Impairments of Assets ("IAS 36") was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014. At January 1, 2014, the Company adopted this pronouncement and there is no impact on the Company's consolidated financial statements.
- IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") was amended by the IASB in June 2013 to clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014. At January 1, 2014, the Company adopted this pronouncement and there is no impact on the Company's consolidated financial statements.
- IFRIC 21 Levies - In May 2013, the IASB issued IFRIC 21 – Levies ("IFRIC 21"), an interpretation of IAS 37 – Provision, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligation event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. At January 1, 2014, the Company adopted this pronouncement and there is no impact on the Company's consolidated financial statements.

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

2.4 Adoption of new and revised standards and interpretations (continued)

Future accounting policies

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

- IFRS 9, 'Financial instruments', effective for annual periods beginning on or after January 1, 2018, addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

3. CAPITAL MANAGEMENT

The Company considers its capital to be equity, which is comprised of capital stock, reserve accounts, other comprehensive income, and accumulated deficit, which as at March 31, 2014 totaled a deficiency of \$1,187,663 (December 31, 2013 - \$1,070,326 deficiency). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue with its exploration and evaluation activities on its mineral properties. 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 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 work on 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 issuance 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, or 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 three month period ended March 31, 2014. The Company is not subject to externally imposed capital restrictions.

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

4. 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 March 31, 2014, 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, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

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

i) **Credit risk**

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

- a. **Cash and cash equivalents and deposit** – Cash and cash equivalents and deposit are held with a major Canadian (chartered bank) 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 government.

The Company's maximum exposure to credit risk as at March 31, 2014 is the carrying value of cash and cash equivalents, deposit, and trade and other receivables.

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

4. FINANCIAL INSTRUMENTS (continued)

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at March 31, 2014 the Company had a working capital deficiency of \$1,231,137 (December 31, 2013 – \$1,114,584 working capital deficiency). 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 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 the 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 impacting other comprehensive income as a result of a 10% change in the value of the BAHT against the Canadian dollar where the Company has significant exposure. The analysis assumes all other variables remain constant. The change in value of BAHT has no impact on the statement of loss.

	Effect of a 10% increase in foreign exchange rates of BAHT to Canadian dollar on translation of investments in foreign monetary assets	Effect of a 10% decrease in foreign exchange rates of BAHT to Canadian dollar on translation of investments in foreign monetary assets
Thai Baht	\$ 4,300	\$ (4,300)

5. CASH AND CASH EQUIVALENTS AND DEPOSIT

The balance at March 31, 2014, consists of \$20,596 (December 31, 2013 - \$92,309) on deposit with a chartered Canadian bank and Thai banks and \$28,503 (December 31, 2013 - \$28,674) in a restricted term deposit which has been pledged as collateral for certain property licenses that are restricted until the Company completes certain exploration commitments.

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

6. TRADE AND OTHER RECEIVABLES

	As at,	
	March 31, 2014	December 31, 2013
Taxes recoverable (i)	\$ 2,585	\$ 6,055
Other	-	-
Total Trade and Other Receivables	\$ 2,585	\$ 6,055

(i) The taxes recoverable amount as at March 31, 2014 was not past due.

At March 31, 2014, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 4. The Company holds no collateral for any receivable amounts outstanding as at March 31, 2014.

7. PREPAID EXPENSES

	As at,	
	March 31, 2014	December 31, 2013
Insurance	\$ 5,300	\$ -
Various deposits	6,057	5,790
Total Prepaid expenses	\$ 11,357	\$ 5,790

8. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Furniture and Fixtures	Computer Equipment	Leasehold Improvement	Total
	\$	\$	\$	\$	\$
Cost					
As at December 31, 2012	6,857	7,669	6,907	1,643	23,076
Additions	1,147	1,532	42	10	2,731
As at December 31, 2013	8,004	9,201	6,949	1,653	25,807
Additions	369	424	321	76	1,190
As at March 31, 2014	8,373	9,625	7,270	1,729	26,997
Accumulated depreciation					
As at December 31, 2012	1,253	2,078	1,544	277	5,152
Depreciation expense	1,531	1,809	1,399	332	5,071
As at December 31, 2013	2,784	3,887	2,943	609	10,223
Depreciation expense	542	654	494	113	1,803
As at March 31, 2014	3,326	4,541	3,437	722	12,026
Net book value					
As at December 31, 2013	5,220	5,314	4,006	1,044	15,584
As at March 31, 2014	5,047	5,084	3,833	1,007	14,971

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

9. EXPLORATION AND EVALUATION EXPENDITURES

During the three month periods ended March 31, 2014 and 2013, all of the Company's exploration and evaluation expenditures related to the Song Toh and Boh Yai mining lease applications and exploration expenditures on its special prospecting licences which were as follows:

<i>Three month periods ended March 31,</i>	2014	2013
Acquisition costs – cash	\$ -	\$ -
Acquisition costs - shares	-	-
Exploration and evaluation expenditures	38,507	99,299
Total exploration and evaluation expenditures	\$ 38,507	\$ 99,299

Amended Agreement

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

First Option

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

Second Option

SEA may exercise the second option by making a USD\$2,500,000 payment to its Partner on July 11, 2013 which was subsequently extended to September 30, to January 31, 2014, and to July 15, 2014. 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 Southeast Asia Mining Co, Ltd. ("SEAMC") which is controlled 80% by SEA and 20% by its Partner, Pornnaret.

Production Payments

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

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

As at March 31, 2014 and December 31, 2013, the Company is not in production yet and has not commenced the above production payments.

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

9. EXPLORATION AND EVALUATION PROPERTIES (continued)

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 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 September 24, 2013, the payment of the above noted installments were deferred until the earlier of the exercise of the second option or January 31, 2014.

On February 3, 2014, the payment of the above noted installments were deferred until the earlier of the exercise of the second option or July 15, 2014.

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.

Included in Mining and Exploration Costs are exploration rights, referred to as Special Prospecting Licenses ("SPL"), which are held by SEAM in the area of the Song Toh and Boy Yai historical mines. As of December 31, 2013, SEAM held three such SPLs.

10. RELATED PARTY DISCLOSURES AND KEY MANAGEMENT COMPENSATION

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

	March 31, 2014	March 31, 2013
	\$	\$
Short-term employee benefits – paid	-	43,866
Short-term employee benefits – payable	57,000	25,134
Share based payments	-	193,000
	\$	\$
Total compensation to key management	57,000	262,000

At March 31, 2014, included in trade and other payables is \$357,000 (December 31, 2013 - \$300,000) due to these key management personnel.

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

11. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities.

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

	As at,	
	March 31, 2014	December 31, 2013
Less than one month	\$ 17,379	\$ 80,328
Over one month	1,119,560	1,009,674
Total Trade and Other Payables	\$ 1,136,939	\$ 1,090,002

12. SHARE CAPITAL

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 December 31, 2012	31,617,829	\$ 18,403,198
Shares issued for dividends on convertible debenture	631,351	203,574
Balance at December 31, 2013 and March 31, 2014	32,249,180	\$ 18,606,772

On April 16, 2013 the Company issued 139,892 shares to various arms length debenture holders as settlement of \$48,966 of dividends on the convertible debentures to March 31, 2013. The shares were issued at a price of \$0.35 which represents the fair value of the shares on the date of settlement.

On July 22, 2013 the Company issued 143,306 shares to various debenture arms length holders as settlement of \$50,157 of dividends on the convertible debentures to June 30, 2013. The shares were issued at a price of \$0.35 which represents the fair value of the shares on the date of settlement.

On October 3, 2013 the Company issued 167,198 shares to various arms length debenture holders as settlement of all dividends payable on the convertible debenture to September 30, 2013 of \$50,161. The shares were issued at a price of \$0.30 which represents the fair value of the shares on the date of settlement.

On December 31, 2013 the Company issued 180,955 shares to various arms length debenture holders as settlement of all dividends payable on the convertible debenture to December 31, 2013 of \$54,289. The shares were issued at a price of \$0.30 which represents the fair value of the shares on the date of settlement.

Shares to be issued:

As of March 31, 2014 the Company incurred interest expense on the convertible debenture up to March 31, 2014 of \$59,350. Subsequent to quarter end, 197,823 shares will be issued to various bond holders as settlement of interest owing. The shares will be issued at a price of \$0.30.

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

13. RESERVE FOR WARRANTS

The following table reflects the continuity of warrants for the three month period ended March 31, 2014 and year ended December 31, 2013.

	Number of Warrants	Amount
Balance – December 31, 2012	9,984,804	\$ 818,000
Agent warrants issued ⁽ⁱ⁾	27,511	4,000
Balance – December 31, 2013 and March 31, 2014	10,012,315	\$ 822,000

- (i) The agent's warrants were issued pursuant to the private placement of debentures described in Note 16 and have a fair value of \$4,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

Risk-free interest rate	1.08%	Expected volatility	100%
Dividend yield	nil	Expected life-units	2 years
Market price	\$0.30	Exercise price	\$0.35

Warrants to purchase common shares carry exercise prices and terms to maturity at March 31, 2014 are as follows:

Exercise price \$	Number of outstanding warrants	Expiry date
0.35	27,511	November 2015
0.35	179,040	December 2014
0.28	8,521,542	3 years post liquidity event***
0.20*	856,148	3 years post liquidity event***
0.28**	428,074	3 years post liquidity event***

* These are broker warrants which are issuable for one common share and ½ purchase share warrant

** To be issued upon exercise of broker warrants

*** These warrants are exercisable for three years from the date the shares are listed on a recognized Canadian stock exchange.

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

14. SHARE BASED PAYMENTS

Share based payments

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

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

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

As at March 31, 2014, the Company had 249,918 (December 31, 2013 – 249,918) options remaining for issuance under the plan.

Summary of stock option activity is as follows:

	Number of stock options (outstanding and exercisable)	Weighted average exercise price
Beginning, December 31, 2012	2,325,000	\$ 0.20
Expired/forfeited(i)	(250,000)	\$ 0.20
Granted	900,000	\$ 0.25
Ending, December 31, 2013 and March 31, 2014	2,975,000	\$ 0.22

(i) These options were forfeited because the services from these option holders were no longer employed by the Company.

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

14. SHARE BASED PAYMENTS (continued)

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

Price Range	Expiry dates	Number of Options (outstanding and exercisable)	Weighted Average Remaining Life (years)	Weighted Average Exercise Price
\$0.20	October 26, 2017	2,075,000	3.57	\$ 0.20
\$0.25	February 11, 2018	900,000	4.87	\$ 0.25
\$0.20 - \$0.25		2,975,000	3.66	\$ 0.22

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the stock-based payments for the stock options granted:

	February 12, 2013
Number of options granted	900,000
Weighted average information	
Exercise Price	\$0.25
Market Price	\$0.35
Risk-free interest rate	1.46%
Expected life	5 years
Expected volatility	100%
Vesting	100% immediately
Expected dividends	0
Fair value of options granted	\$ 248,000
Total share based payments	\$ 248,000

The weighted average grant-date fair value of options granted during the three month period ended March 31, 2014 is \$nil (December 31, 2013 - \$0.28) per option issued.

15. RESERVE FOR SHARE BASED PAYMENTS

A summary of the changes in the Company's reserve for share based payments for the three month period ended March 31, 2014 and year ended December 31, 2013 is set out below:

	March 31, 2014	December 31, 2013
	Amount (\$)	Amount (\$)
Balance at beginning of period/year	1,243,407	995,407
Share based payments	-	248,000
Balance at the end of period/year	1,243,407	1,243,407

16. CONVERTIBLE DEBENTURES

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

A) CLASSIFIED AS EQUITY

On December 7, 2012, and February 13, 2013 the Company closed the first and second tranches respectively of its brokered private placement of unsecured convertible debentures for a total gross proceeds of \$983,156, broken down into gross proceeds of \$927,296 from the December 7, 2012 tranche and gross proceeds of \$55,860 from the February 13, 2013 tranche. These Debentures were issued at a 2% discount to face value. Therefore, face value of these debentures issued was \$1,003,220. 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 (adjusted rate based on the high risk of the Company), 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.

Since these debentures are classified as equity, the interest is treated as dividends in these financial statements.

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 value of \$14,000. The total cost of \$104,283 has been recognized in equity for the year ended December 31, 2012.

B) CLASSIFIED AS DEBT AND EQUITY

On November 21, 2013 the Company closed a non brokered private placement of unsecured convertible debentures for gross proceeds of \$180,105. The Debentures were issued at a 2% discount to the face value of \$183,780. On the maturity date, each Debenture will be convertible into units of the Company at a price deemed to be a 20% discount to the price of securities issued in connection with a qualifying transaction. 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 for a period of two years from the maturity date at a price deemed to be a 20% premium to the price of securities issued in connection with a qualifying transaction. 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; December 31, 2014; or in cash at any time at the discretion of the Company. A qualifying transaction is: a private placement of equity securities of the Company or convertible debt instruments of the Company, where the conversion price of such debt securities is determined; a merger, reverse takeover, amalgamation, arrangement or other reorganization by the Company with another unrelated entity; the sale, lease or transfer of all or substantially all of the Company's assets to any other person or persons; or such other transaction that the directors can reasonably determine a value for the securities of the Company.

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

Southeast Asia Mining Corp.

Notes to the Unaudited Interim Consolidated Financial Statements For the Three Months Ended March 31, 2014 and 2013 (Expressed in Canadian dollars)

16. CONVERTIBLE DEBENTURES (continued)

In consideration of the services rendered by qualifying brokers, the qualifying brokers received a cash commission of \$9,629. The qualifying brokers also received 27,511 broker warrants. Each Broker Warrant entitles the qualifying broker 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 value of \$4,000. The total cost of \$13,629 has been allocated proportionately to liability and equity component for the year ended December 31, 2013.

Classification

The debentures that closed on December 7, 2012 and February 13, 2013 are classified as equity.

The debentures that closed on November 21, 2013 are classified as a liability and equity. The debenture is classified as a short term liability as at December 31, 2013 as the maturity date will be December 31, 2014.

17. 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.

Other claims against the Company

In 2013 a statement of claim was filed against the company by a supplier of services in the amount of \$73,665. The Company has filed a statement of defense, provided for the full amount in the financial statements, and is of the opinion the amount claimed is excessive for the services provided by the supplier.

18. SEGMENTED INFORMATION

Operating Segments

At March 31, 2014 the Company's operations comprise a single operating segment engaged in mineral exploration in Thailand.

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.

Southeast Asia Mining Corp.

**Notes to the Unaudited Interim Consolidated Financial Statements
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18. SEGMENTED INFORMATION (continued)

Geographic Information

Southeast Asia is in the business of mineral exploration and evaluation in the country of Thailand. Southeast Asia's geographic information is as follows:

	March 31, 2014	December 31, 2013
Consolidated expenses		
Canada (Corporate)	\$ 67,795	\$ 765,259
Thailand	51,222	629,987
	119,017	1,395,246
Identifiable assets		
Canada	28,267	97,290
Thailand	49,745	51,122
	\$ 78,012	\$ 148,412