SOUTHEAST ASIA MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

DECEMBER 31, 2010

Southeast Asia Mining Corp. ("the Company") was incorporated on August 18, 2006 under the Canada Business Corporations Act. Its principal business activity is that of mineral exploration in the Southeast Asia region. The Company became a reporting issuer on November 28, 2008.

Management's discussion and analysis (MD&A) is current to June 29, 2011 and is management's assessment of the operations and the financial results. The following MD&A has been prepared in accordance with Canadian generally accepted accounting principles and should be read in conjunction with the audited financial statements of the Company for the years ended December 31, 2010 and 2009 and the related notes to these financial statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. All figures are in Canadian dollars unless otherwise stated.

Overview of the Business and Overall Performance

The Company was created in August 2006 to acquire and explore mineral properties in the Southeast Asia region, with the initial focus on Thailand. In November 2006, the Company entered into an arrangement with Geotai Exploration and Mining Co. Ltd. ("Geotai"), a non-active company based in Thailand, to commence development activities in that country. The Company obtained voting and economic control of Geotai on July 31, 2007.

Through Geotai the Company acquired certain rights to acquire an interest in a mining property in the Kanchanaburi Province of Thailand through a joint venture agreement with Kanchanaburi Exploration and Mining Co. Ltd. ("Kemco") and Boh Yai Mining Co. Ltd. ("Boh Yai") and obtained special prospecting licenses for four properties adjacent to the Kemco properties. As part of the arrangement with Kemco the Company advanced funds to Geotai in order to carry out the refurbishment of the Song Toh mill in order to commence commercial production, and thereby acquire the right to acquire an 80% interest in each. This mill refurbishment was substantially completed and stockpiled ore has been processed. However, the plant has not achieved commercial production as it is waiting for a mining license renewal that was delayed as a result of Environmental and Health Impact Assessments not being completed due to past operational issues. Geotai has recommenced the assessment process by acquiring the services of an engineering company to conduct the work. Without the requisite permits and approvals in place, production cannot commence. In management's opinion, Geotai is in compliance with all terms of its agreement with Kemco and Boh Yai. Activities of Geotai were substantially suspended during 2009 and 2010 until resolution on December 9, 2010 of the operational issues and legal actions involving the Company and the former senior management of Geotai.

Geotai has four Special Prospecting Licenses adjacent to the Kemco/Boh Yai properties in Kanchanaburi and three Special Prospecting Licenses for molybdenum in Chantaburi Province. While Geotai is behind on exploration and work reports for these licences, the situation is currently being remedied by extensive field work and reporting to government agencies to meet requirements without compromising Geotai's financial security with guarantees on exploration requirements.

Although some progress was made in 2008 and 2009 in enhancing the aforementioned assets, subsequent to December 31, 2008, operational issues surfaced in Geotai that severely inhibited the

Company's ability to carry on its business in Thailand as contemplated. These issues led to changes in Geotai management and to a number of legal actions initiated by the Company in Canada and Thailand in order to regain control of Geotai, which had been effectively lost. As a result of this loss of control the Company's interest in the assets of Geotai was written down to a nominal amount as of December 31, 2008. Following a Settlement Agreement of December 9, 2010 with the former management of Geotai, the Company was in a position to regain control of the assets and operations of Geotai and to resume its strategic plan. Since regaining control over Geotai, the Company along with new Geotai management have re-established contacts and business relationships in Thailand with the following accomplishments:

- Renewed the joint venture agreement with Kemco for the development of its lead/zinc mine;
- Re-commenced the mining license application process for Kemco by acquiring the services of an engineering company to perform environmental and health assessments on the property as the next step required in the process;
- Re-commenced work on its special prospecting licenses ("SPLs") in Kanchanaburi surrounding the KEMCO mine and in Chanthaburi for Molybdenum;
- Conducted site visits by geologists where SPL applications have been made for gold, copper, lead and zinc (Lopburi, Nakon Sawan, Udon Thani) with the goal of obtaining new licenses for these four areas;
- Met outstanding payments and commitments to government and third parties in Thailand including: (i) payment of fines at the Department of Primary Industry and Mines to commence work on the SPLs; (ii) paying fines at the Board of Investment Office to re-commence business operations; and (iii) paying dues at the Department of Mineral Resources to maintain Geotai's good standing;
- Extended board of investment privileges to import duty-free equipment into Thailand duty-free for 18 months; and
- Established a new Geotai office in Bangkok.

Having regained control of Geotai in December 2010, the financial statements of the Company at December 31, 2010 are presented on a consolidated basis, reflecting the assets and liabilities of Geotai at fair value after review by management, as at that date. It also includes the operations of Geotai from December 9, 2010, the date when control was regained through the Settlement agreement. The financial results of Geotai for the year ended December 31, 2009 were not consolidated because of the loss of control.

The Company became a reporting issuer in Canada on November 28, 2008, and on May 15, 2009 the Company was subject to a cease trade order issued by the Ontario Securities Commission as a result of its failure to file financial statements for the year ended December 31, 2008 on a timely basis. The Company made an application to revoke the cease trade order to the Ontario Securities Commission in October 2010 and is currently working on resolving all matters to meet its continuous disclosure requirements.

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, 2010. The MD&A should be read in conjunction with the audited financial statements of the Company for the years ended December 31, 2010 and 2009, together with the accompanying notes, which statements have been prepared in accordance with Canadian generally accepted accounting principles.

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 audited financial statements for the years ended December 31, 2010 and 2009. While the year ended December 31, 2010 includes consolidation of Geotai it includes only a minimal amount of 2010 Geotai expenses as control was only regained on December 9, 2010. Due to the Company's loss of control of Geotai, the year ended December 31, 2009 does not include Geotai operations. The Geotai assets were written down to a nominal amount as at December 31, 2008, and the financial statements for the year ended December 31, 2009 were not consolidated with the financial results of Geotai. This summary information should be read in conjunction with the Company's audited financial statements for the periods indicated, including the notes thereto.

Statement of Operations Data	**Year ended December 31, 2010 (consolidated)**	**Year ended December 31, 2009 (non consolidated)**	**Year ended December 31, 2008 (consolidated)**
Interest Income	$-	$-	$129,441
Expenses excluding foreign exchange	1,692,742	$861,331	$2,749,890
Foreign exchange loss (gain)	$(3,514)	$(4,513)	$228,981
Write down of mineral properties	$-	$-	$1,347,967
Advances written off	$-	$-	$288,135
Write-down of Geotai assets	$-	$-	$9,591,468
Gain on re-acquisition of control	$(4,132,738)	$-	$-
Net Income (Loss) and Comprehensive Income (Loss)	$2,443,510	$(856,357)	$(14,077,000)
Net Income (Loss) and Comprehensive Income (Loss) per Share – Basic(1)	$0.035	$(0.016)	$(0.253)
Balance Sheet Data			
Total Assets	$3,943,841	$5,708	$470,106
Working Capital (Deficiency)	$(370,509)	$(700,557)	$155,800
Long Term Liabilities	$-	$-	$-
Shareholders' Equity (Deficiency)	2,800,872	$(700,555)	$155,802

The year ended December 31, 2010 indicates net income of $2,443,510, or $0.035 per share for the year as the result of $4,132,738 a non cash accounting gain from the re-acquisition of Geotai and the revaluation of Geotai's assets and liabilities. This compares to a net loss of $856,357 or $0.016 per share for the year ended December 31, 2009.

Total expenses during the year ended December 31, 2010, which include the expenses of Geotai from December 9, 2010, were $1,689,228 compared with total expenses of $861,331 in the year ended December 31, 2009. The majority of expenses of the Company in each year comprise compensation costs to employees, consultants, and outside professionals. Major components of the increase include (a) professional fees, which increased to $646,555 from $241,668 in 2009, reflecting the substantial legal and advisory fees incurred in resolving the loss of control issues in Thailand; (b) management and consulting fees, which increased to $415,688 from $241,230, reflecting the management costs of recovering the business in Thailand ; (c) travel expenses, which decreased to $100,517 from $121,422; and (d) salaries, which increased from $24,200 to $213,661 as a result of compensation costs that were paid to Geotai staff following the December 2010 settlement.

Office and general decreased by $39,955 to $173,029 during the year ended December 31, 2010 compared to $212,984 in 2009. The major components of office and general expenses are as follows:

Year ended December 31	2010	2009
Insurance	42,743	48,720
Rent	24,053	27,098
Licence and permits	69,847	-
General and administrative costs	36,386	30,917
Directors' fees	-	106,250

173,029	212,984

Total assets on December 31, 2010, were $3,943,841, compared with $5,708 on December 31, 2009. The increase reflects the re-consolidation of Geotai following the regaining of control in December 2010 and the write up of Geotai assets to fair value, whereas the 2009 balance sheet reflected the Geotai assets written down to a nominal amount of $1.

Summary of Quarterly Results

	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
	$	$	$	$	$	$	$	$
Loss before extraordinary item	667,102	387,611	382,377	252,138	133,864	202,069	250,562	269,862
Gain on re-acquisition of control	4,132,738	-	-	-	-	-	-	-
Net (income) loss	(3,465,636)	387,611	382,377	269,862	133,864	202,069	250,562	269,862
(Income) Loss per share	$(0.05)	$0.005	$0.005	$0.005	$0.004	$0.004	$0.005	$0.005

The following components are relevant in comparing major variances in the net losses for the most recent quarters:

1. Commencing in the first quarter of 2010, and continuing into the fourth quarter of 2010, the Company incurred major legal and advisory costs related to disputes in Canada and Thailand with the former senior management of Geotai.
2. The fourth quarter of 2010 includes Geotai expenses from December 9, and includes compensation costs to Geotai employees, following settlement, of $213,661.
3. In the fourth quarter of 2010 the Company recorded an accounting gain of $4,132,738 related to regaining control of Geotai.

Fourth Quarter

The Company incurred a net income of $3,465,636 for the three months ended December 31, 2010 compared to a net loss of $133,864 for the three months ended December 31, 2009.

Total expenses excluding foreign exchange during the three months ended December 31, 2010 were $667,102 compared with $138,380 in the three months ended December 31, 2010. The increase year over year primarily is because of the re-acquisition of Geotai in the fourth quarter. The majority of expenses of the Company in each of the periods comprise compensation costs to employees, consultants, and outside professionals. Major components of expenses include (a) professional fees which increased from $116,777 in 2009 to $183,292 in 2010 due to substantial legal and advisory fees incurred in resolving the loss of control issues in Thailand; (b) travel expenses which decreased from $33,452 to $10,107; and (c) management and consulting fees which increased from $47,657 to $128,000 reflecting management costs of recovering the business in Thailand, and (d) salaries, which increased from $24,200 to $213,661 as a result of compensation costs that were paid to Geotai staff following the December 2010 settlement. All the expenses incurred are of a general and administrative nature.

Office and general expenses increased to $59,469 during the three month period December 31, 2010 compared to $4,408 in the same period in 2009. The increase is due to the inclusion of Geotai expenses

Regaining control of Geotai and the resultant write up of their assets to fair value generated a non cash gain of $4,132,738 during the three month period ended December 31, 2010.

The Company incurred a total net income of $3,465,636 for the three months ended December 31, 2010 compared to a net loss of $133,864 for the three months ended December 31, 2009.

Capital Resources and Liquidity

The Company's working capital deficiency at December 31, 2010 was $370,509 compared with a deficiency of $700,557 at December 31, 2009. As a result of the operational issues and the Company’s common shares becoming subject to a cease trade order by the Ontario Securities Commission in May 2009, the Company was unable to improve its working capital situation until April 2010 when a temporary lifting of the cease trade order enabled the Company to raise $1,120,000 to assist in rectifying the operational issues and bring itself back into compliance with its continuous disclosure obligations. In addition, when control of Geotai was regained in December 2010, a total of $1,094,512 of cash was recovered by the Company when it was able to access Geotai bank accounts.

The Company currently does not have a source of operating cash flow. Additional funds will be required to fully 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. In addition, the Company is still subject to the cease trade order issued by the Ontario Securities Commission that restricts the ability to access additional funding. The Company anticipates that it will be in compliance with its continuous disclosure obligations in the third quarter of 2011 and will be in a position to raise capital and continue operations.

There is no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company. 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.

Disclosure of Outstanding Share Data

	June 29, 2011	**December 31, 2010**
Issued and outstanding common shares	75,884,262	75,884,262
Outstanding options to purchase common shares	3,200,000	3,200,000

Contractual Obligations, Commitments, and Contingencies

The Company has no material contractual obligations or commitments.

Transactions with Related Parties

Certain of the Company’s officers and directors provide consulting services to the Company. The total of such expenses for the twelve months ended December 31, 2010 were $192,500 compared to $141,030 in the year ended December 31, 2009. These amounts, which are recorded at their exchange rate, have been paid for consulting services relative to each officer’s position in the Company as described below, are included with Management and consulting fees in the Statement of Loss, and are as follows:

Year Ended December 31,	**2010**		2009	
	Expense	**Payable**	Expense	Payable
Kerry D. Smith, for services as president and executive chairman of the Board	**120,000**	**81,250**	120,000	47,685
Colin Grant, for services as chief financial officer.	**57,000**	**53,085**	-	-
CMA Associates, a company controlled by Charlotte May, for services as corporate secretary	**15,500**	**5,650**	11,030	8,773
1282803 Ontario Inc., a company controlled by James Fairbairn, for services as former chief financial officer	**-**	**-**	10,000	-
Total	**$ 192,500**	**$ 139,985**	$ 141,030	$ 56,458

None of these related parties have contractual agreements with the Company. The expenses indicated above are included with Management and Consulting Fees in the Statement of Loss.

None of these related parties has any ongoing contractual commitments with the Company.

Additional Disclosure for Venture Issuers without Significant Revenue

	December 31, 2010	December 31, 2009
Capitalized mineral properties and deferred costs	**$ 3,171,281**	$ -
Corporate expenses	**1,692,742**	856,818
Total assets	**3,943,841**	5,708
Mineral properties and deferred costs	**Capitalized**	Capitalized
Deposits and prepayment	**$ 3,088,555**	$ -
Licenses	**82,726**	-
	$ 3,171,281	$ -
Corporate expenses		
Professional fees	**$ 646,555**	$ 241,668
Management and consulting fees	**415,688**	241,230
Travel	**100,517**	121,422
Shareholder information and regulatory costs	**36,057**	19,827
Salaries	**213,661**	24,200
Office and general:		
Insurance	**42,743**	48,720
Rent	**24,053**	27,098
License and permits	**69,847**	-
Directors' fees	**-**	106,250
General and admin	**36,386**	30,917
	$ 1,692,742	$ 856,818

Off-Balance Sheet Arrangements
The Company has no off-balance sheet arrangements.

Financial Instruments and Other Instruments
The Company's financial instruments consist of cash, sundry receivables, HST and taxes recoverable, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values.

Dividends
The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation 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.

Assessment of Recoverability of Mineral Property Costs
The Company's recorded value of its exploration properties is based on historical costs that expect to be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale.

Assessment of Recoverability of Receivables Including Taxes Recoverable
The carrying amount of accounts receivables, and taxes recoverable are considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

CRITICAL ACCOUNTING POLICIES

Basis of Presentation
These consolidated financial statements include the accounts of Southeast Asia and its subsidiary, Geotai Exploration and Mining Co. Ltd. ("Geotai"). Due to a loss of control, the financial results of Geotai were not consolidated in the year ended December 31, 2009. However, following the regaining of control on December 9, 2010, the financial results of Geotai were consolidated with those of the Company.

Income Taxes
Southeast Asia follows the liability method of accounting for income taxes. Under this method, future tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax liabilities and assets are measured using enacted tax rates. The effect on the future tax liabilities and assets of a change in tax rates is recognized in the period that the change occurs.

Loss per Share
Loss per share has been calculated using the weighted average number of common shares outstanding during the period. Fully diluted loss per share has been calculated reflecting the issuance of warrants and options but has not been presented as the factors referred to above are anti-dilutive.

Stock-based Compensation
Southeast Asia uses the fair value method in accounting for stock-based compensation. Under this method, stock-based payments are measured at the fair value of the equity instrument issued and are amortized over the vesting period. The offset to the recorded cost is to contributed surplus.

Cash and Cash Equivalents
Cash and cash equivalents consist of cash on hand and balances with banks and short-term deposits having an original maturity of less than or equal to 90 days.

Deferred Mining and Exploration Costs
The Company defers the costs of exploration on existing projects and carries them as assets until production commences. The amounts at which mining properties and deferred exploration costs are recorded do not necessarily reflect present or future values. If a project is successful, the related

mining properties and deferred exploration costs are amortized over the estimated economic life of the project. If a project is unsuccessful, or if exploration has ceased because of continuation is not economically feasible, the mining properties and the related deferred exploration costs are written off.

Foreign Currency Translation

Southeast Asia uses the temporal method of foreign currency translation in accounting for its integrated foreign operations. Under this method foreign currency denominated monetary assets and liabilities are translated into Canadian dollars at the exchange rate prevailing at the balance sheet date while non-monetary assets and liabilities are translated into Canadian dollars at the exchange rate prevailing on the date of the transaction. Revenue and expenditures denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing on the date of the transaction. Foreign exchange gains and losses arising from the translation of these foreign currencies denominated transactions are reflected in operations for the year.

Asset retirement obligations

The Company recognizes a liability for its legal obligations associated with the retirement of its tangible long-lived assets, which includes deferred mining and exploration costs and capital assets with a finite life. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is amortized over the life of the asset, provided a reasonable estimate of the obligations can be made. The liability is increased over time to reflect an accretion element consideration in the initial measurement at fair value. The liability may be adjusted prospectively in future periods as a result of the changes in estimates relating to timing or amounts of underlying cash flows. At December 31, 2010, the Company had not incurred and was not committed to any asset retirement obligations.

Comprehensive Income

Section 1530 – “Comprehensive Income” introduces the concept of comprehensive income to Canadian GAAP. Comprehensive income is the change in equity (net assets) of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a period except those resulting from investments by owner and distributions to owners. Comprehensive income is comprised of net income for the period and other comprehensive income.

The Company had no comprehensive income or loss transactions during the year ended December 31, 2010 and 2009. Accordingly a statement of accumulated comprehensive income has not been presented.

Financial Instruments

All financial instruments are classified into one of the following five categories: held-for-trading assets or liabilities, held-to–maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. Held-for-trading financial instruments are measured at fair value and all gains and losses are included in net income in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in accumulated other comprehensive income until the instruments are derecognized or impaired. Loans and receivables, investments held-to-maturity and other financial liabilities are measured at amortized cost using the effective interest method.

The Company had made the following classifications:

Cash and cash equivalents	Held–for-trading
Taxes recoverable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities

Transaction costs are expensed as incurred for financial instruments classified as held-for-trading. For other financial instruments, transaction costs are expensed on initial recognition.

FINANCIAL RISK FACTORS

a) Fair value
The carrying values of the Company's cash and cash equivalents, accounts payable and accrued liabilities and approximate their fair values due to the relatively short periods to maturity or sale of the instruments.

b) Interest rate risk
The Company is not exposed to significant interest rate price risk due to the short-term maturity of its monetary assets and liabilities.

c) Derivatives – mineral properties
The Company has no derivatives relative to its mineral properties.

d) 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 the most recent year end 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.

Proposed Transactions
The Company does not anticipate any major proposed asset or business acquisitions or dispositions as of the date hereof.

Evaluation of Disclosure Controls and Procedures
Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Corporation's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the year covered by this management's discussion and analysis, management of the Corporation, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Corporation, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Net Fair Value of Financial Assets and Liabilities
The Company's financial instruments comprise cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities.

Cash and cash equivalents have been designated as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and are classified as other financial liabilities, which are measured at amortized cost. The Company has no available for sale instruments.

Additional Capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

STATUS OF SOUTHEAST ASIA'S TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The Canadian Accounting Standards Board ("AcSB") has confirmed that International Financial Reporting Standards ("IFRS") will replace current Canadian GAAP for publicly accountable enterprises, effective for fiscal years beginning on or after January 1, 2011. Accordingly, the Company will report interim and annual financial statements (with comparatives) in accordance with IFRS beginning with the quarter ending March 31, 2011.

The Company developed an IFRS implementation plan to prepare for this transition, and is currently finalizing the analysis of the key areas where changes to current accounting policies may be required. While an analysis is required for all current accounting policies, the initial key areas of assessment included:

- Deferred Mining and Exploration Costs;
- Provisions, including asset retirement obligations;
- Stock-based compensation
- Accounting for income taxes; and
- First-time adoption of International Financial Reporting Standards (IFRS 1).

As the analysis of each of the key areas progressed, other elements of the Company's IFRS implementation plan were also addressed, including: the implication of changes to accounting policies and processes; financial statement note disclosures; information technology; internal controls; contractual arrangements; and employee training. The table below summarizes the activities related to the Company's transition to IFRS.

Initial analysis of key areas for which changes to accounting policies may be required.	Completed
Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives.	Completed
Assessment of first-time adoption (IFRS 1) requirements and alternatives.	Completed
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives	Completed
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements	Completed

Management and employee education and training	Completed
Quantification of the Financial Statement impact of changes in accounting policies	Completed

The Company continues to monitor the deliberations and progress on plans to converge to IFRS by accounting standard setting bodies and securities regulators in Canada.

The following provides a summary of the Company's evaluation to date of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but is intended to highlight the areas the Company has identified as having the most potential for a significant change. The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to the Company's accounting policies on adoption of IFRS. At the present time, however, the Company is not aware of any significant expected changes prior to its adoption of IFRS that would affect the summary provided below:

1) Mining and Exploration Costs
Subject to certain conditions, IFRS currently allows an entity to determine an accounting policy that specifies the treatment of costs related to the exploration for and evaluation of mineral properties. The Company has established an accounting policy to capitalize, as incurred, all costs relating to exploration and test these balances for impairment on a quarterly basis. These expenditures will be capitalized until the expenditures have been impaired and the property will be written off or until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, at which point the amount will be transferred to property, plant and equipment.

The application of this policy on the adoption of IFRS will have no impact on the Company's consolidated financial statements.

2) Impairment of (Non-financial) Assets
IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets will be changed to reflect these differences. Substantially all of the Company's deferred mining and exploration costs at December 31, 2010 consist of advances to a future joint venture partner and this change has no immediate impact on the carrying value of this asset.

3) Share-based Payments
In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current Canadian GAAP.

The application of this policy on the adoption of IFRS will have no impact on the Company's transition of its consolidated financial statements.

4) Asset Retirement Obligations
IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to asset retirement liabilities will be changed to reflect these differences. However, this change will have no immediate impact as the Company has yet to incur such liabilities.

5) Income Taxes
In certain circumstances, IFRS contains different requirements related to recognition and measurement of future income taxes.
The Company does not expect any changes to its accounting policies related to income taxes that would result in a significant change to line items within its financial statements.

6) Foreign Currency
IFRS requires that the functional currency of the Company be determined separately by the parent and its subsidiary, and the factors considered to determine functional currency are somewhat different than current Canadian GAAP. The Company has determined that the functional currency of its foreign subsidiary Geotai Exploration and Mining Company ltd. is the Thai baht. Under IFRS, the Company will no longer be able to translate this subsidiary under the temporal method at which historical rates were used to consolidate non-monetary assets and liabilities and any gains and losses on foreign exchange translation were realized under operations. The Company will now be required to translate non-monetary assets and liabilities using the current rate of the date of the statement of financial position and any gains and losses on foreign exchange translation will be recognized under other comprehensive income/loss.

The implementation of this requirement has no impact on the Company's on the Company's balance sheet at January 1 and December 31, 2010 as a result of the non consolidation of Geotai's operations until December 2010. Commencing with the Company's first quarter reporting under IFRS for the period ended March 31, 2011 the Company will report unrealized foreign currency gains or losses in a statement of other comprehensive income or loss.

Subsequent Disclosures
Further disclosures of the IFRS transition process are expected as follows:

- The Company's first consolidated financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ending March 31, 2011, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim consolidated financial statements for the three months ending March 31, 2011, will also include the comparative period adjusted to comply with IFRS, and the Company's transition date IFRS statement of financial position January 1, 2010.

Business combinations, consolidated financial statements and non-controlling interests

In January 2009, the CICA issued Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements, and Section 1602, Non-controlling interest, which replace Section 1581, Business Combinations and Section 1600, Consolidated Financial Statements. Section 1582 establishes standards for accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for business combinations with acquisition dates on or after January 1, 2011. Early adoption of this section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for fiscal years beginning on or after January 1, 2011. The Company does not expect this standard to have an impact on the Company's consolidated financial statements.

Risk Factors

The risk factors outlined below are not a definitive list of all risk factors associated with the Company's operations.

Non-compliance with or non-satisfaction of the terms of the Kemco Option Agreement

The Company does not currently own the Kemco Property, but rather holds an option through Geotai to acquire an 80% ownership interest in Kemco and Boh Yai and the Kemco Property. Any non-compliance with or non satisfaction of the terms of the Kemco Option by Geotai could affect its ability

to exercise the Kemco option and earn its interest in the mining concessions and assets relating to the KEMCO Property. In the event that Geotai does not satisfy all of its requirements, or commits a breach of the Kemco option the current owners may cancel the option, resulting in the loss of Geotai's rights to acquire its interest.
Furthermore, any non-compliance with or non-satisfaction of the terms of the Kemco Option on the part of either Kemco or Boh Yai, as it relates to the transfer or issuance of voting securities representing an 80% interest in those companies upon the due earn-in by Geotai of the Kemco Option, would have a material adverse effect on the Company's operations.

The Company has recently renewed the Kemco agreement following the operational disruption.The Company has met its requirements to acquire an 80% ownership interest in terms of funding the refurbishment of the Song Toh plant.

The Company currently depends on the KEMCO Property
The Company only has a material interest in the KEMCO property and also holds seven special prospecting licences. As a result, unless the company acquires additional properties or projects, any adverse development affecting the Kemco 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 Risks
Although the Company has exercised legal due diligence with respect to determining title to properties in which Geotai may have a material interest through its Kemco Option, there is no guarantee that title to such properties will not be challenged or impugned, particularly as they are located in a foreign jurisdiction, namely Thailand. Mineral property interests may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Licensing Risks
The Company cannot be assured that Geotai, Kemco and Boh Yai will receive the necessary permits to develop the KEMCO Property and recommence commercial production at the mine. The failure to obtain such permits could adversely affect the Company's operations. The Company, through Geotai, is ready to commence the licensing approval procedure beginning with Environmental/Health Impact Assessments but is dependent on obtaining new financing. The Company has obtained four special prospecting licences adjacent to the Kemco property in order to mitigate these risks.

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 exploration programs and future development projects.

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, 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 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.

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 and therefore political, social, business and economic conditions in Thailand will have significant effect on the business of the Company. Also currency fluctuations, exchange controls, restriction on foreign investment, changes to laws which affect the properties, 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 has made extensive use of local expertise to minimize such exposures.

The Company may be adversely affected by fluctuations in foreign exchange rates. The Company's future capital expenditure and product revenue are largely expected to be denominated in U.S. dollars, while operating expenses are largely expected to be incurred in Thai baht.

Legal System in Thailand may adversely affect the Company's operations
The Company no longer has any active legal actions in Thailand. However, the Company's operations and assets are concentrated in that country, therefore conditions of the Thai legal system could have a significant effect on the business of the Company. The Company has made extensive use of local legal expertise to minimize exposure to any legal action.

Enforcement of Civil Liabilities
As all of the assets of the Company and its subsidiary are located outside of Canada, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company and its subsidiaries.

Operating History
The Company has no history of earnings. The properties in which the Company is earning an interest through the Kemco Option have not been in operation since 2002. While management has limited experience in placing resource properties into production, its ability to do so is somewhat dependent upon using the services of appropriately experienced personnel or entering into agreements with other resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if the Company places its resource properties into production. The Company is currently mitigating such risk through employment of, or relationships with, local expertise in Thailand and the region.

Failure to obtain additional financing
The Company does not currently have the financial resources necessary to undertake all of its currently planned activities. In order to proceed with obtaining mining licenses, commencing commercial production and carrying out work on its prospecting licenses additional funding will be required. However, there can be no assurance that the Company will be successful in obtaining the necessary funding. Failure to obtain financing on a timely basis could cause the Company to forfeit its interest in its 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, potentially 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.

Development of the Company's mineral properties will proceed only if favourable exploration results are obtained.

Environmental Regulations
The Company's operations will be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides 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. 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 commencing with an Environmental and Health impact assessment on the Kemco 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.

Competition
There are a number of large established mining companies with substantial capabilities and greater financial and technical resources than those of the Company with which the Company will have to compete to capture markets for its products around the world. There is no established commodity exchange or forward market for base metals and the Company will have to compete in terms of price, product quality and quantity, service and reliability with these established companies to capture its market share.

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.

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.

Critical Accounting Estimates

The preparation of financial statements requires the Company to estimate the effect of various matters that are inherently uncertain as of the date of the financial statements. Each of these required estimates varies with respect to the level of judgment involved and the potential impact on the Company's reported financial results. Estimates are deemed critical when the Company's financial condition, change in financial condition or results of operations would be materially impacted by a different estimate or a change in estimate from period to period. The Company's significant accounting policies are discussed in note 1 of the Notes to Consolidated Financial Statements. Critical estimates inherent in these accounting policies are discussed in the following paragraphs.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Foreign Currency Translation

The Company employs the temporal method of translation for its integrated operations. Under this method, monetary assets and liabilities are translated at the year-end rates and all other assets and liabilities are translated at applicable historical exchange rates. Revenue and expense items are translated at the rate of exchange in effect at the date the transactions are recognized in income, with the exception of amortization which is translated at the historical rate for the associated asset. Realized exchange gains and losses and currency translation adjustments are included in income. The Company does not have any self sustaining operations.

Asset Retirement Obligations

Future costs to retire mining assets including dismantling, remediation and ongoing treatment, and monitoring of the site are recognized and recorded as a liability at fair value. The liability is accreted, over time through periodic charges to earnings. In addition, asset retirement costs are capitalized as part of the asset's carrying value and will be amortized over the asset’s useful life. As the mining plant which the Company has an interest in is not yet in production and there has been no development activity on exploration properties, the Company currently has no identifiable obligations relating to retirement of its assets and no liability has been recognized.

Income Taxes

The Company is based in Canada and operating in Thailand. The breadth of the Company’s operations and the complexity of the taxing legislation and practices require the Company to apply judgment in estimating its ultimate tax liability. Taxes payable will depend on many factors, including the Company’s interpretation of the legislation and the outcomes of audits by and negotiations with tax authorities, both in Canada and Thailand.

The Company provides for income taxes using the liability method of tax allocation. Under this method, future income taxes and liabilities are determined on deductible or taxable temporary differences between financial statement values and tax values of assets and liabilities using enacted or substantively enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse.

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.

The Company will try to maximize its exposure to promising exploration opportunities, to manage the risks inherent in exploration and make appropriate use of financial management resources. Following recovery of the Geotai assets the Company will rely on the employees of Kemco and Boh Yai who are currently working on the KEMCO Property, and who are familiar with the workings and historic infrastructure of the KEMCO Property. These persons are already familiar with the historic mine data and government reports that identify some of the positive attributes of the KEMCO Property. This experience and knowledge base will help mitigate the risk associated with otherwise unknown properties.

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 refurbishment of the Song Toh Plant is however substantially complete and the commencement of processing of ore could provide a source of revenue to the Company. The Company also intends to pursue other mineral properties in the South East Asia region.

The Company currently does not have adequate working capital 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 audited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the audited consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded. External auditors, appointed by the shareholders, have examined and reported on the consolidated financial statements for the year ended December 31, 2010. The Audit Committee has reviewed the audited consolidated financial statements with management. The Board of Directors has approved the audited consolidated financial statements on the recommendation of the Audit Committee.

June 29, 2011

Kerry Smith
Chief Executive Officer