

SOUTHEAST ASIA MINING CORP.

Interim Financial Statements *(unaudited)*

**For the period ended
March 31, 2011 and 2010**

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited consolidated interim financial statements of the Company enclosed within this interim report have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

MANAGEMENT'S RESPONSIBILITY FOR INTERIM FINANCIAL REPORTING

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

The unaudited interim 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 financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting and IFRS 1 - First-Time Adoption 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 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 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 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.

"Kerry D. Smith"

Kerry D. Smith
Chief Executive Officer

"Colin Grant"

Colin Grant
Chief Financial Officer

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

	March 31, 2011	December 31, 2010	January 1, 2010
	\$	\$	\$
Assets		(Note 3)	(Note 3)
Current Assets			
Cash and cash equivalents <i>(Note 7)</i>	251,534	721,236	1,706
Trade and other receivables <i>(Note 11)</i>	78,772	51,324	4,000
Prepaid expenses <i>(Note 8)</i>	29,844	-	-
Advances to related parties	-	-	2
Mining and exploration costs <i>(Note 9)</i>	3,181,677	3,171,281	-
	3,541,827	3,943,841	5,708
Liabilities			
Current Liabilities			
Trade and other payables <i>(Note 12)</i>	1,201,617	1,143,069	706,263
Shareholders' Equity			
Capital stock <i>(Note 13)</i>	14,946,981	14,946,981	13,889,064
Reserve for share based payment <i>(Note 14)</i>	648,407	648,407	648,407
Reserve for foreign currency translation	(55,955)	-	-
Accumulated deficit	(13,199,223)	(12,794,516)	(15,238,026)
	2,340,210	2,800,872	(700,555)
	3,541,827	3,943,841	5,708

Nature of Operations and Going Concern (Note 1)

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

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

Three month period ended March 31,	2011	2010
	\$	\$
		(Note 3)
Administrative Expenses		
Management and consulting fees	222,544	50,000
Professional fees	84,807	54,628
Office and general	61,970	100,473
Salaries	23,738	-
Travel	10,160	45,042
Shareholder information and regulatory costs	1,666	1,995
Foreign exchange gain	(178)	-
Net loss	(404,707)	(252,138)
Other comprehensive loss:		
Net loss	404,707	252,138
Exchange differences on translating foreign operations	55,955	-
Total other comprehensive loss	460,662	252,138
Loss per share - basic and diluted	(0.006)	(0.005)
Weighted average number of shares outstanding - basic	75,884,262	53,484,262
Weighted average number of shares outstanding - diluted	75,884,262	53,484,262

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

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

	Capital Stock		Reserves		Accumulated deficit	Total
	Number of Shares	Amount	Share based payments	Foreign currency translation		
Balance at January 1, 2010	53,484,262	\$ 13,889,064	\$ 648,407	-	\$ (15,238,026)	\$ (700,555)
Private Placement	22,400,000	1,120,000	-	-	-	1,120,000
Share issue cost – cash	-	(62,083)	-	-	-	(62,083)
Net income for the year	-	-	-	-	2,443,510	2,443,510
Balance at December 31, 2010	75,884,262	14,946,981	648,407	-	(12,794,516)	2,800,872
Currency translation adjustment	-	-	-	(55,955)	-	(55,955)
Net loss for the period	-	-	-	-	(404,707)	(404,707)
Balance at March 31, 2011	75,884,262	\$14,946,981	\$ 648,407	\$ (55,955)	\$ (13,199,223)	\$ 2,340,210

	Capital Stock		Reserves		Total
	Number of Shares	Amount	Share based payments	Accumulated deficit	
Balance at January 1, 2010	53,484,262	\$ 13,889,064	\$ 648,407	\$ (15,238,026)	\$ (700,555)
Common stock subscribed, but not issued	-	160,000	-	160,000	160,000
Net loss for the period	-	-	-	(252,138)	(252,138)
Balance at March 31, 2010	53,484,262	\$ 14,049,064	\$ 648,407	\$ (15,490,164)	\$ (792,693)

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

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

Three month period ended March 31,	2011	2010
Operating activities	\$	\$
		(Note 3)
Net Loss for the period	(404,707)	(252,138)
Non-cash items:		
Unrealized foreign exchange loss	(9,711)	-
Net Change in non-working capital: items:		
Prepaid expenses	(29,844)	(42,441)
Trade and other receivables	(28,121)	(5,057)
Trade and other payables	23,357	250,967
Cash used in operating activities	(449,026)	(48,669)
Financing activities		
Common stock subscribed, but not issued	-	160,000
Cash provided by financing activities	-	160,000
Investing activities		
Purchase of property, plant and equipment	(10,347)	-
Cash used in investing activities	(10,347)	-
Increase (decrease) in cash and cash equivalents	(459,373)	111,331
Foreign exchange loss on cash held in foreign currency	(10,329)	-
Cash and cash equivalents, beginning of period	721,236	1,706
Cash and cash equivalents, end of period	\$ 251,534	\$ 113,037

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

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Southeast Asia Mining Corp. ("Southeast Asia" or 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 South East Asia region.

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

The Company is in the process of exploring and evaluating its mineral properties. On the basis of information to date, it has not yet determined whether these properties contain economically recoverable mineral deposits. The amounts shown as mineral properties and deferred expenditures represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral properties is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest, the ability of the Company to obtain the necessary financing to complete development, and future profitable production.

At March 31, 2011 the Company had a working capital deficit of \$841,467 (December 31, 2010 – \$370,509), had not yet achieved profitable operations, has accumulated losses of \$13,199,223 (2009 – \$12,794,516) 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 develop its exploration activities, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

These 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim financial statements are unaudited and have been prepared in accordance with 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 are the Company's first IFRS interim financial statements for part of the period covered by the Company's first IFRS annual financial statements for the year ending December 31, 2011. Previously, the Company prepared its annual and interim financial statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP").

These financial statements are in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"), consistently applied, except as disclosed.

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

2. BASIS OF PREPARATION (continued)

2.1 Statement of compliance (continued)

As these are the Company's first set of interim financial statements in accordance with IFRS, the Company's disclosures exceed the minimum requirements under IAS 34. The Company has elected to exceed the minimum requirements in order to present the Company's accounting policies in accordance with IFRS and the additional disclosures required under IFRS, which also highlight the changes from the Company's 2010 annual financial statements prepared in accordance with Canadian GAAP. In 2011 and beyond, the Company may not provide the same amount of disclosure in the Company's interim financial statements under IFRS as the reader will be able to rely on the annual financial statements which will be prepared in accordance with IFRS.

2.2 Basis of presentation

The financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 4. The comparative figures presented in these interim financial statements are in accordance with IFRS and have not been audited.

2.3 Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Geotai Exploration and Mining Ltd. All intercompany transactions and balances have been eliminated.

2.4 Adoption of new and revised standards and interpretations

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, 2011. 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.

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.

- IFRS 9 '*Financial Instruments: Classification and Measurement*' – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IFRS 10 '*Consolidated Financial Statements*' – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- IFRS 11 '*Joint Arrangements*' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.
- IFRS 12 '*Disclosure of Interests in Other Entities*' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
- IFRS 13 '*Fair Value Measurement*' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

Management anticipates that the above standards will be adopted in the Company's financial statements for the period beginning January 1, 2013, and has not yet considered the impact of the adoption of these standards.

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

3. FIRST TIME ADOPTION OF IFRS

The Company has adopted IFRS on January 1, 2011 with a transition date of January 1, 2010. Under IFRS 1 'First time Adoption of International Financial Reporting Standards', the IFRS are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under GAAP taken to retained earnings unless certain exemptions are applied.

The Company elected to take the following IFRS 1 optional exemptions:

- to apply the requirements of IFRS 3, *Business Combinations*, prospectively from the Transition Date;
- to apply the requirements of IFRS 2, *Share-based payments*, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date; and

Below is the Company's Statement of Financial Position as at the transition date of January 1, 2010 under IFRS.

	As at January 1, 2010		
	GAAP	Effect of transition to IFRS	IFRS
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,706	-	\$ 1,706
Trade and other receivables	1,336	-	1,336
Prepaid expenses	2,664	-	2,664
	5,706	-	5,706
Advances to Geotai	2	-	2
	\$ 5,708	-	\$ 5,708
Liabilities			
Current Liabilities			
Trade and other payables	\$ 706,263		\$ 706,263
Shareholders' Equity			
Capital Stock	13,889,064	-	13,889,064
Contributed surplus	648,407	(648,407)	-
Reserve for share based payment	-	648,407	648,407
Accumulated deficit	(15,238,026)	-	(15,238,026)
	(700,555)	-	(700,555)
	\$ 5,708	-	\$ 5,708

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

3. FIRST TIME ADOPTION OF IFRS (continued)

IFRS employs a conceptual framework that is similar to Canadian GAAP. The adoption has resulted in significant changes to the reported financial position, results of operations, and cash flows of the Company. Presented below are reconciliations prepared by the Company to reconcile to IFRS the assets, liabilities, equity, net loss and cash flows of the Company from those reported under Canadian GAAP:

Reconciliation of assets, liabilities and equity

	As at March 31, 2010			Notes
	GAAP	Effect of transition to IFRS	IFRS	
Assets				
Current Assets				
Cash and cash equivalents	\$ 113,037	-	\$ 113,037	
Trade and other receivables	6,393	-	6,393	
Prepaid expenses	45,105	-	45,105	
	164,535	-	164,535	
Advances to Geotai	2	-	2	
	\$ 164,537	-	\$ 164,537	
Liabilities				
Current Liabilities				
Trade and other payables	\$ 957,230	-	\$ 957,230	
Shareholders' Equity				
Capital stock	13,889,064	-	2,926,080	
Common stock subscribed, but not issued	160,000	-	160,000	
Contributed surplus	648,407	(648,407)	-	(a)
Reserve for share based payments	-	648,407	648,407	(a)
Accumulated deficit	(15,490,164)	-	(15,490,164)	
	(792,693)	-	(792,693)	
	\$ 164,537	-	\$ 164,537	

Southeast Asia Mining Corp.

**Notes to Interim Consolidated Financial Statements
Three Months Ended March 31, 2011 and 2010
(Unaudited)**

3. FIRST TIME ADOPTION OF IFRS (continued)

Reconciliation of assets, liabilities and equity

	As at December 31, 2010			Notes
	GAAP	Effect of transition to IFRS	IFRS	
Assets				
Current Assets				
Cash and cash equivalents	\$ 721,236	-	\$ 721,236	
Trade and other receivables	42,425	-	42,425	
Prepaid expenses	8,899	-	8,899	
	772,560	-	772,560	
Mining and exploration costs	3,171,281	-	3,171,281	
	\$ 3,943,841	-	\$ 3,943,841	
Liabilities				
Current Liabilities				
Trade and other payables	\$ 1,143,069	-	\$ 1,143,069	
Shareholders' Equity				
Share capital	14,946,981	-	14,946,98	
Contributed surplus	648,407	(648,407)	-	(a)
Reserve for share based payments	-	648,407	648,507	(a)
Accumulated deficit	(12,794,516)	-	(12,794,516)	
	2,800,872	-	2,800,872	
	\$ 3,943,941	-	\$ 3,943,941	

Southeast Asia Mining Corp.

**Notes to Interim Consolidated Financial Statements
Three Months Ended March 31, 2011 and 2010
(Unaudited)**

3. FIRST TIME ADOPTION OF IFRS (continued)

Reconciliation of statement of loss and comprehensive loss

	Three months ended March 31, 2010		
	GAAP	Effect of transition to IFRS	IFRS
Administrative Expenses			
Professional fees	\$ 54,628	-	\$ 54,628
Management and consulting fees	50,000	-	50,000
Travel	45,042	-	45,042
Office and general	100,473	-	100,473
Shareholders information	1,995	-	1,995
Net loss and comprehensive loss	\$ 252,138	-	\$ 252,138

Southeast Asia Mining Corp.

**Notes to Interim Consolidated Financial Statements
Three Months Ended March 31, 2011 and 2010
(Unaudited)**

3. FIRST TIME ADOPTION OF IFRS (continued)

Reconciliation of statement of loss and comprehensive loss

	Year ended December 31, 2010			Notes
	GAAP	Effect of transition to IFRS	IFRS	
Administrative Expenses				
Professional fees	\$ 646,555	-	\$ 646,555	
Management and consulting fees	415,688	-	415,688	
Salaries	213,661	-	213,661	
Travel	100,517	-	100,517	
Office and general	173,029	-	173,029	
Shareholders information and regulatory costs	36,057	-	36,057	
Foreign exchange gain	(3,514)	-	(3,514)	
	1,581,993	-	1,581,993	
Gain on re-acquisition of control	(4,132,738)	-	(4,132,738)	
Net income and comprehensive income	\$ 2,443,510	-	\$ 2,443,510	

Southeast Asia Mining Corp.

**Notes to Interim Consolidated Financial Statements
Three Months Ended March 31, 2011 and 2010
(Unaudited)**

3. FIRST TIME ADOPTION OF IFRS (continued)

Reconciliation of Cash Flows

	Three months ended March 31, 2010		
	GAAP	Effect of transition to IFRS	IFRS
Operations			
Net loss	\$ (252,138)	-	\$ (252,138)
Net change in non-cash operating working capital items:			
Prepaid expenses and other	(5,057)		(5,057)
Trade and other receivables	(42,441)	-	(42,441)
Trade and other payables	250,967	-	250,967
	(48,669)	-	(48,669)
Operations			
Common stock subscribed, but not issued	160,000	-	160,000
	160,000	-	160,000
Net decrease in cash and cash equivalents	111,331	-	111,331
Cash and cash equivalents, beginning of period	1,706	-	1,706
Cash and cash equivalents, end of period	\$ 113,037	-	\$ 113,037

Southeast Asia Mining Corp.

**Notes to Interim Consolidated Financial Statements
Three Months Ended March 31, 2011 and 2010
(Unaudited)**

3. FIRST TIME ADOPTION OF IFRS (continued)

Reconciliation of Cash Flows

	Year ended December 31, 2010			Notes
	GAAP	Effect of transition to IFRS	IFRS	
Operations				
Net income	\$ 2,443,510	-	\$ 2,443,510	
Adjustments to reconcile net loss to cash flow from operating activities:				
Gain on re-acquisition of control	(4,132,738)	-	(4,132,738)	
Translation gain	155,734	-	155,734	
Net change in non-cash operating working capital items:				
Trade and other receivables	(9,985)	-	(9,985)	
Trade and other payables	121,387	-	121,387	
	(1,442,092)	-	(1,442,092)	
Financing				
Issuance of common shares	1,057,917	-	1,057,917	
	1,057,917	-	1,057,917	
Investing				
Cash from re-acquisition of control	1,094,512	-	1,094,512	
	1,094,512	-	1,094,512	
Net increase in cash and cash equivalents	730,337	-	730,337	
Exchange loss on holding foreign currencies	(10,807)	-	(10,807)	
Cash and cash equivalents, beginning of year	1,706	-	1,706	
Cash and cash equivalents, end of year	\$ 721,236	-	\$ 721,236	

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

3. FIRST TIME ADOPTION OF IFRS (continued)

Notes to Reconciliations

a) Reserves

Under Canadian GAAP – Prior to 2011, the Company recorded the value of share based payments and warrants issued to contributed surplus.

Under IFRS – IFRS requires an entity to present for each component of equity, a reconciliation between the carrying amount at the beginning and end of the period, separately disclosing each change. IFRS requires a separate disclosure of the value that relates to "Reserves for warrants", "Reserves for share based payments" and any other component of equity.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 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.

4.2 Share based payments

Share based payment transactions

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity settled transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

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

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

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

4.3 Taxation

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

Current income tax

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

Deferred income tax

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

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

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

4.4 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year. During the three months ended March 31, 2011 and 2010 all the outstanding stock options were antidilutive.

4.5 Financial assets

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

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

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

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Company's other financial assets and instalments receivable are classified financial assets as available-for-sale.

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

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Financial liabilities

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

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

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At March 31, 2011 the Company has not classified any financial liabilities as FVTPL.

4.7 Impairment of financial assets

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

Assets carried at amortized cost

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

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

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

Available-for-sale

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

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Impairment of non-financial assets

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

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

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

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

4.9 Cash and cash equivalents

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

4.10 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

4.11 Related party transactions

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

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Significant accounting judgments and estimates

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

5. CAPITAL MANAGEMENT

The Company considers its capital to be equity, which is comprised of share capital, reserve accounts, deficit, and accumulated other comprehensive income (loss), which as at March 31, 2011 totaled \$2,340,210 (December 31, 2010 - \$2,800,872). The Company's capital structure is adjusted based on the funds available to the Company such that it may continue exploration and development of its properties for the mining of minerals that are economically recoverable. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business

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

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

There were no changes in the Company's approach to capital management during the three month period ended March 31, 2011. The Company is not subject to externally imposed capital restrictions.

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

6. FINANCIAL INSTRUMENTS

Fair value

The Company has designated its cash and cash equivalents as FVTPL, which are measured at fair value. The Company's other financial assets have been classified for accounting purposes as available-for-sale, which are measured at fair value. Trade and other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value. Trade and other payables are classified for accounting purposes as other financial liabilities, which are measured at amortized cost, which also equals fair value. Fair values of trade and other receivables and trade and other payables are determined from transaction values which were derived from observable market inputs. Fair values of other financial assets are based on Level 1 measurements and the remaining financial instruments are based on Level 2 measurements.

As at March 31, 2011, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these investments.

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

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

i) **Credit risk**

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

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

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

6. 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, 2011, the Company had a working capital deficiency of \$841,467 (December 31, 2010 – deficit of \$370,509). The Company intends on securing further financing to ensure that the obligations are properly discharged. There can be no assurance that the Southeast Asia 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 its some or all of its interests and reduce or terminate its operations therein.

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

a. Interest rate risk

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

b. Currency risk

Although the Company's operations are conducted in Canadian dollars, it has entered into contracts and/or agreements that require payment in Thai Baht. Management believes that foreign currency risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

7. CASH AND CASH EQUIVALENTS

The balance at March 31, 2011, consists of \$251,534 (December 31, 2010 - \$721,236) on deposit with major Canadian and Thai banks.

Southeast Asia Mining Corp.

**Notes to Interim Consolidated Financial Statements
Three Months Ended March 31, 2011 and 2010
(Unaudited)**

8. PREPAID EXPENSES

	As at,		
	March 31, 2011	December 31, 2010	January 1, 2010
	\$	\$	\$
Insurance	29,844	-	-
Total Prepaid expenses	\$ 29,844	\$ -	\$ -

9. MINING AND EXPLORATION PROPERTIES

	As at,		
	March 31, 2011	December 31, 2010	January 1, 2010
	\$	\$	\$
Advances to Kemco	3,098,951	3,088,555	-
Special prospecting licenses	82,726	82,726	-
Total Prepaid expenses	\$ 3,181,677	\$ 3,171,281	\$ -

Kemco Agreement

On November 27, 2006 Geotai, on behalf of Southeast Asia entered into an agreement with Kanchanaburi Exploration and Mining Co. ("Kemco") and Boh Yai Mining Company Limited ("Boh Yai"), both companies incorporated and operating in Thailand, whereby Geotai obtained an exclusive right to acquire an 80 percent interest in Kemco and Boh Yai upon commencement of commercial production. Under the terms of the agreement, Geotai paid U.S. \$1,000,000 for its right, funded by Southeast Asia, and is committed to provide Kemco with the expertise and funds necessary to rehabilitate and commence Stockpile Production at the mine site.

Under the terms of the agreement, during each of the first five complete calendar years following the commencement of commercial production from the Kemco mine, Geotai is obligated to pay to the owners the greater of US\$2 million or 20 percent of the net profits of the operation and thereafter 20% of the net profits annually.

Upon Southeast Asia reacquiring control of Geotai in December 2010, negotiations were entered into with Kemco and Boh Yai to reconfirm Geotai's interest in the Kemco project. On March 1, 2011 a new Agreement was entered into, which essentially confirmed all of the terms and conditions of the November 27, 2006 agreement except for the following additional provisions:

- a) Geotai agreed to compensate Kemco and Boh Yai a total of 6.4 million Thai Baht as compensation for 40 of their terminated employees as well as reimbursement for twenty of their salaried employees for the period April 2010 to December 2010. Geotai agreed to pay Kemco and Boh Yai 4.0 million Thai Baht upon execution of this agreement, 2.6 million Thai Baht on June 1, 2011;
- b) Geotai agreed to pay 200,000 Thai Baht on the first day of every month for 20 of Kemco's and Boh Yai's salaried employees commencing January 1, 2011. The 600,000 Thai Baht owing for January, February and March 2011 was paid upon execution of the Agreement;
- c) Geotai agreed to pay for a Environmental Impact Assessment and Health Impact Assessment studies that are required to be filed with the Thai government; and
- d) Southeast Asia agreed to raise a minimum US\$2.0 million by March 1, 2012. If Southeast Asia is unable to raise these funds then Kemco and Boh Yai reserve the right to raise the funds through other potential investors. If this were to occur then Geotai's interest in Kemco will be reduced to 50% when commercial production commences;

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

9. EXPLORATION PROPERTIES (continued)

Included in Deferred Mining and Exploration Costs are exploration rights, referred to as Special Prospecting Licenses ("SPL"), which are held by Geotai in certain locations in Thailand. As of March 31, 2011, Geotai held seven SPLs.

As a result of the operational issues discussed elsewhere, with the status of the Kemco agreement and the exploration rights being uncertain, no value was attributed to them in the financial statements at December 31, 2009. Following the regaining of control of Geotai in December 2010 management re-valued these assets at fair value, which at December 31, 2010 was determined to be \$3,171,871

10. RELATED PARTY TRANSACTIONS

Certain of the Company's officers and directors provide consulting services to the Company. The total of such expenses for the three months ended March 31, 2011 were \$56,250 compared to \$41,500 in the three month period ended March 31, 2010. 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 follows:

<i>As at March 31,</i>	2011		2010	
	Expense	Payable	Expense	Payable
Kerry Smith, for services as president and as executive chairman of the Board	30,000	111,780	30,000	81,380
Colin Grant, for services as chief financial officer.	24,000	80,205	3,000	21,375
CMA Associates, a company controlled by Charlotte May, for services as corporate secretary	2,250	8,193	8,500	15,755
Total	\$ 56,250	\$ 200,178	\$ 41,500	\$ 118,510

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

11. TRADE AND OTHER RECEIVABLES

	As at,		
	March 31, 2011	December 31, 2010	January 1, 2010
	\$	\$	\$
Taxes recoverable	78,772	51,324	4,000
Total Trade and Other Receivables	\$ 78,772	\$ 51,324	\$ 4,000

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

12. TRADE AND OTHER PAYABLES

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

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

	As at,		
	March 31, 2011	December 31, 2010	January 1, 2010
	\$	\$	\$
Less than month	85,800	38,206	80,136
Over 3 months	1,115,817	1,104,863	626,127
Total Trade and Other Payables	\$ 1,201,617	\$ 1,143,069	\$ 706,263

13. CAPITAL STOCK

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 January 1, 2010	53,484,262	\$ 13,889,064
Private Placement – April 16, 2010	22,400,000	1,120,000
Share issuance costs – cash		(62,083)
Balance at March 31, 2011 and December 31, 2010	75,884,262	\$ 14,946,981

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 share capital increases.

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

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

Southeast Asia Mining Corp.

Notes to Interim Consolidated Financial Statements Three Months Ended March 31, 2011 and 2010 (Unaudited)

13. CAPITAL STOCK (continued)

Summary of stock option activity:

	Number of stock options	Weighted average exercise price
Balance, March 31, 2011 and December 31, 2010	3,200,000	\$0.70

These stock options expire on March 13, 2013.

14. RESERVE FOR SHARE BASED PAYMENTS

A summary of the changes in the Company's reserve for share based payments for the period ended March 31, 2011 and the year ended December 31, 2010 is set out below:

	March 31, 2011	December 31, 2010
	Amount	Amount
	\$	\$
Balance at end of period/year	648,407	648,407

15. COMMITMENTS AND CONTINGENCIES

Environmental Contingencies

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

15. SEGREGATED INFORMATION

Southeast Asia is in the business of mineral exploration in the Southeast Asia region. As such, management has organized the Company's reportable segments by geographic area. The Thai segment is responsible for that country's mineral exploration activities. The information which follows indicates Southeast Asia's reportable segments and for the period ended March 31, 2011 and 2010, includes income and expenditures of its Thai operations:

As at March 31,	2011	2010
Consolidated net loss		
Canada	\$ 115,275	\$ 252,138
Thailand	289,432	-
	\$ 404,707	\$ 252,138
Identifiable assets		
Canada	\$ 53,267	\$ 164,535
Thailand	3,488,560	-
	\$ 3,541,827	\$ 164,535