



MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
JUNE 30, 2016

Management's discussion and analysis (MD&A) is current to August 29, 2016 and is management's assessment of the operations and the financial results together with future prospects of Southeast Asia Mining Corp. ("Southeast Asia Mining", "SEA" or the "Company"). This MD&A should be read in conjunction with our unaudited interim financial statements for the three and six month periods ended June 30, 2016 and 2015 and our audited financial statements for the years ended December 31, 2015 and 2014 and notes thereto, prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Southeast Asia's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. Additional information relevant to SEA's activities, including SEA's Press Releases can be found on SEDAR at www.sedar.com.

OVERVIEW OF THE BUSINESS AND OVERALL PERFORMANCE

The Company was incorporated on August 18, 2006 as Southeast Asia Mining Corp. by Articles of Incorporation under the *Canada Business Corporations Act*. On November 3, 2011, the Company consolidated the common shares in the capital of the Company on a 1 for 8 basis.

As at December 31, 2015, the focus of Southeast Asia Mining consisted of mineral exploration in Thailand where it conducted business through its wholly-controlled subsidiaries Southeast Asia Exploration and Mining Company Limited (formerly Geotai Exploration and Mining Ltd.) ("SEAM"), Southeast Asia Resources Co, Ltd. ("SEAR"), White Trillium Ltd., its 80% controlled subsidiary Southeast Asia Mining Co, Ltd. ("SEAMC") and its 90% controlled subsidiaries Tiger Resources Ltd. and Tiger Minerals Ltd.. All companies incorporated pursuant to the laws of Thailand.

On November 23, 2015, the Company signed an agreement with Metal Tiger plc ("Metal Tiger"), a London Stock Exchange listed natural resources company focused on the mining sector. The Agreement provided for Metal Tiger to earn 100% ownership of the exploration applications in Nakhon Sawan, Lopburi and Chanthaburi Provinces subject to a Joint Venture Agreement entered into between SEA and Metal Tiger on October 27, 2014, and amended on October 2, 2015 (the "JV Buyout"), and an option to purchase all of the Company's remaining exploration assets and subsidiaries located in Thailand (the "Thailand Asset Acquisition Option").

The JV Buyout

Subsequent to signing the Agreement Metal Tiger fulfilled its obligations under the JV Buyout and paid SEA US\$50,000 for 100% ownership of the exploration applications and/or licenses in Nakhon Sawan, Lopburi and Chanthaburi Provinces. Metal Tiger also paid SEA US\$30,000 to be used to advance certain exploration applications and to hold a shareholders meeting of the Company during the term of the Thailand Asset Acquisition Option outlined below.

Thailand Asset Acquisition Option

SEA granted Metal Tiger an exclusive option to purchase all of the Company's remaining exploration assets and subsidiaries located in Thailand until February 15, 2016. The significant terms of the Thailand Asset Acquisition Option are as follows:

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- Upon exercising the Thailand Asset Acquisition Option metal Tiger will pay SEA US\$200,000 and issue to SEA Metal Tiger shares valued at \$US300,000. The price per Metal Tiger share will be determined using the volume weighted average price ("VWAP") of Metal Tiger shares for the 14 day period preceding the date the shareholders of SEA approve the Thailand Asset Acquisition Option. Metal Tiger will also pay SEA the cash value of deposits made by the Company with the Thailand mining authorities of US\$ 33,286 (the "First Option").
- Upon receipt of an exploration permit on for special prospecting license application 1/2557 which remains outstanding, Metal Tiger will pay SEA within 30 days \$US100,000 and issue SEA warrants to purchase Metal Tiger shares equal to the number of shares issued pursuant to the First Option with a three year term from the date of the First Option and an exercise price of two times the price the shares are issued pursuant to the First Option.
- Closing of the First Option is conditional on SEA obtaining shareholder approval for the Thailand Acquisition Option, the Thailand subsidiaries entering agreements with its creditors to meet certain minimum working capital thresholds, and Metal Tiger completing due diligence.

The Company obtained shareholders approval on January 12, 2016. On March 23, 2016 all the closing conditions of the Thailand Asset Acquisition Option were fulfilled. Metal Tiger paid SEA US\$200,000 and issued to SEA 23,799,000 Metal Tiger shares valued at US\$300,000 or GBP 0.0087 per share and paid SEA the cash value of deposits relating to mining applications of US\$33,286.

On March 23, 2016 in order to meet certain minimum working capital thresholds in the Thailand subsidiaries the Company converted \$258,324 of trade debt to 5,166,484 shares of the Company with a fair value of \$258,324. The Company also had additional debt settlements whereby \$51,682 of trade debt was converted to 5,166,484 shares of the Company with a fair value of \$51,682. In the aggregate, 6,200,116 shares were issued with a fair value of \$310,006. Subsequent to the conversion SEA has 39,477,701 shares issued and outstanding.

Pursuant to the agreement, upon receipt of an exploration permit for special prospecting license application 1/2557 which remains outstanding, Metal Tiger will pay SEA within 30 days US\$100,000 and issue SEA 23,799,000 warrants to purchase Metal Tiger shares to February 16, 2019 with an exercise price of GBP 0.0174.

The assets subject to the Thailand Acquisition Agreement consists of the Company's interest in the following:

- The shares of Southeast Asia Exploration & Mining Company Limited ("SEAM"), a company registered under the laws of Thailand, which holds seven (7) Special Prospecting Licence Applications ("SPLAs"), a renewal license of an Exploration Prospecting Licence Application ("EPLA") and geological data relating to the previous mining, development and exploration activities conducted in Thailand;
- The shares of Southeast Asia Resources Company Limited ("SEAR"), a company registered under the laws of Thailand; and
- Southeast Asia Mining Company Limited ("SEAMC"), a company registered under the laws of Thailand, which holds one (1) Mining Licence Application ("MLA").

The Company's short term objective is to monitor its investment of Metal Tiger common shares and assess other investment opportunities.

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Going Concern Uncertainty

At June 30, 2016 the Company had working capital of \$302,796 (December 31, 2015 – \$1,586,478 working capital deficiency). Working capital as at June 30, 2016 of \$302,796 consisted of: cash of \$334,028, an investment in Metal Tiger common shares of \$1,342,974, trade and other receivables of \$1,296, trade and other payables of \$1,212,222, and convertible debentures of \$163,280. The Company also has convertible debentures classified as equity of \$711,494. There can be no assurance the investment in Metal Tiger common shares can be sold at the current market value. The Company had not yet achieved profitable operations, has accumulated losses of \$21,659,883 (December 31, 2015 – \$23,231,882) and expects to incur further losses in the development of its business.

The Company does not have adequate cash resources to fund its operations and discharge its liabilities over the next twelve months and will require additional financing in order to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. There can be no assurance the Metal Tiger common shares can be sold at the current market value or certainty as to the ability of the Company to raise sufficient additional financing in order to continue to operate, and accordingly, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

OPERATIONAL DISCUSSION

The following is management's discussion and analysis of the results of operations and liquidity and financial condition of the Company for the three and six month period ended June 30, 2016. The MD&A should be read in conjunction with the unaudited interim financial statements for the three and six month periods ended June 30, 2016 and 2015 and the audited financial statements and related notes for the years ended December 31, 2015 and 2014.

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 unaudited interim financial statements for the three and six month periods ended June 30, 2016 and 2015 and the Company's financial statements for the years ended December 31, 2015 and 2014. This summary information should be read in conjunction with the Company's unaudited interim financial statements for the three and six month periods ended June 30, 2016 and 2015 and the Company's audited financial statements for the years ended December 31, 2015 and 2014, including the notes thereto.

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Statement of Operations Data	Six month period ended June 30, 2016 \$	Six month period ended June 30, 2015 \$	Year ended December 31, 2015 \$	Year ended December 31, 2014 \$	Year ended December 31, 2013 \$
Expenses	364,255	64,168	177,619	364,432	1,395,246
Net Income (Loss)	1,571,999	(64,168)	(177,619)	(364,432)	(1,395,246)
Net Loss per Share – Basic and diluted	\$0.04	\$(0.00)	\$(0.01)	\$(0.01)	\$(0.04)

Balance Sheet Data					
Total Assets	1,678,298	63,812	94,507	82,589	148,412
Working Capital (Deficiency)	302,796	(1,456,605)	(1,586,478)	(1,415,763)	(1,114,584)
Long Term Liabilities	-	-	-	-	-
Shareholders' Equity (Deficiency)	302,796	(1,450,052)	(1,586,478)	(1,404,443)	(1,070,326)

Results for the eight most recent three month periods ended

	June 30, 2016 \$	March 31, 2016 \$	December 31, 2015 \$	September 30, 2015 \$
Total revenue	-	-	-	-
Net income (loss)	(253,787)	1,825,786	(63,140)	(50,311)
Income (loss) per share	(0.01)	0.06	(0.00)	(0.00)

	June 30, 2015 \$	March 31, 2015 \$	December 31, 2014 \$	September 30, 2014 \$
Total revenue	-	-	-	-
Net income (loss)	(60,425)	(3,743)	55,015	(136,532)
Income (loss) per share	(0.00)	(0.00)	0.00	(0.01)

Three Months Ended June 30, 2016 vs 2015

Southeast Asia incurred a net loss of \$253,787 or \$(0.01) per share for the three month period ended June 30, 2016 compared to a net loss of 60,425 or \$(0.00) per share for the three month period ended June 30, 2015. The more significant differences are outlined below.

During the three month period ended June 30, 2016 management and consulting expenses remained consistent at \$18,000 compared to \$19,792 during the same period in 2015. The amount remained consistent between the two periods.

During the three month period ended June 30, 2016, exploration and evaluation expenses were \$nil compared to \$5,860 during the same period in 2015. As the Company sold its interest in mineral properties pursuant to the agreement with Metal Tiger, the Company no longer incurs exploration and evaluation expenditures.

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During the three month period ended June 30, 2016, office and general expenses decreased by \$24,897 to \$2,030 compared to \$26,927 in the same period in 2015. The decrease is due to the fact that the Company no longer incurs office and general expenses related to its former Thailand operations.

Professional fees for the three month period ended June 30, 2016 were \$10,897 compared to \$3,890 in the same period in 2015. The amount increased due to various costs relating to closing of the Thailand Asset Acquisition and the annual meeting of shareholders.

During the three month period ended June 30, 2016, shareholders information and regulatory costs increased by \$5,254 to \$9,210 compared to \$3,956 in the same period in 2015. The amount increased due to timing of various filings.

During the three month period ended June 30, 2016, the Company recognized an unrealized loss on marketable securities of \$322,253 (2015 - \$nil) as the value of the shares received from Metal Tiger in connection with the Thailand asset acquisition decreased in the period.

During the three month period ended June 30, 2016, the Company recognized a realized gain on the sale of marketable securities of \$75,333 (2015 - \$nil) from the sale of 1,200,000 shares received from Metal Tiger in connection with the Thailand asset acquisition.

Six Months Ended June 30, 2015 vs 2014

Southeast Asia incurred a net income of \$1,571,999 or \$0.04 per share for the six month period ended June 30, 2016 compared to a loss of \$64,168 or \$(0.00) per share for the six month period ended June 30, 2015. The more significant differences are outlined below.

During the six month period ended June 30, 2016, exploration and evaluation expenses increased to \$61,607 compared to a recovery of \$27,484 during the same period in 2015. The recovery recorded in the prior period is due to an option payment of USD\$50,000 received in connection with the Metal Tiger joint venture agreement.

During the six month period ended June 30, 2016 management and consulting expenses increased by \$172,182 to \$210,742 compared to \$38,560 in the same period in 2015. The increase is due to management bonuses accrued during the current period in connection with the successful closing of the Thailand asset acquisition as described above.

Professional fees for the six month period ended June 30, 2016 were \$17,201 compared to \$7,920 in the same period in 2015. The amount increased due to various costs relating to closing of the Thailand Asset Acquisition and the annual meeting of shareholders.

During the six month period ended June 30, 2016, office and general expenses decreased by \$5,276 to \$34,935 compared to \$40,211 in the same period in 2014. The decrease is due to the fact that the Company no longer incurs office and general expenses related to its former Thailand operations.

During the six month period ended June 30, 2016, shareholders information and regulatory costs increased by \$5,299 to \$10,260 compared to \$4,961 in the same period in 2014. The amount increased due to timing of various filings.

During the six month period ended June 30, 2016, the Company recognized a gain on sale of subsidiaries in the amount of \$829,128 (2015 - \$nil) in connection with cash and shares received from Metal Tiger in connection with the Thailand asset acquisition described above. The Company also recognized an unrealized gain on marketable securities of \$940,158 (2015 - \$nil) as the value of the shares received from Metal Tiger in connection with the Thailand asset acquisition increased in the period.

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During the three month period ended June 30, 2016, the Company recognized a realized gain on the sale of marketable securities of \$75,333 (2015 - \$nil) from the sale of 1,200,000 shares received from Metal Tiger in connection with the Thailand asset acquisition.

Year Ended December 31, 2015 vs 2014

Southeast Asia incurred a net loss of \$177,619 or \$(0.01) per share for the year ended December 31, 2015 compared to a loss of \$364,432 or \$(0.01) per share for the year ended December 31, 2014. The more significant differences are outlined below.

During the year ended December 31, 2015, exploration and evaluation expenses decreased to a recovery of \$66,641 compared to expenditures of \$111,233 during the same period in 2014. The decrease in expenditures or increase in recovery is due to the timing of the Metal Tiger JV buyout payments.

During the year ended December 31, 2015 management and consulting expenses increased by \$132,825 to \$172,825 compared to \$40,000 in the same period in 2014. The fluctuation is due to the Company amending certain compensation expenses during the fourth quarter of 2014 and 2015. In 2014 annual compensation was reduced during the fourth quarter while in 2015 annual compensation was increased during the fourth quarter.

Professional fees for the year ended December 31, 2015 were \$12,428 compared to \$19,690 in the same period in 2014. The decrease in the current year is due to a negotiated reduction of professional fees recorded in a previous period.

During the year ended December 31, 2015, office and general expenses decreased by \$15,439 to \$78,593 compared to \$94,032 in the same period in 2014. The amount decreased due the Company incurring the basic necessary expenses to continue operations.

During the year ended December 31, 2015, shareholders information and regulatory costs increased by \$5,393 to \$13,070 compared to \$7,677 in the same period in 2014. The amounts increased as a result of the costs associated with holding a shareholders meeting to approve the Metal Tiger agreement.

Financial Position

As at June 30, 2016 the Company had assets of \$1,678,298 (December 31, 2015 – \$94,507), liabilities of \$1,375,502 (December 31, 2015 – \$1,680,985), and a shareholders' equity position of \$302,796 (December 31, 2015 - \$1,586,478 shareholders' deficiency position).

Total assets as at June 30, 2016 consisted primarily of cash and cash equivalents of \$334,028 (December 31, 2015 – \$46,440), marketable securities of \$1,342,974 (December 31, 2015 - \$nil), assets held for sale of \$nil (December 31, 2015 - \$44,573) and receivables of \$1,296 (December 31, 2015 – \$3,494).

Total liabilities as at June 30, 2016 consisted primarily of trade and other payables of \$1,212,222 (December 31, 2015 - \$1,420,406), convertible debentures \$163,280 (December 31, 2015 - \$163,280), and liabilities related to assets held for sale \$nil (December 31, 2015 – \$97,299).

Included in current liabilities are convertible debentures of \$163,280 (December 31, 2015 - \$163,280) with a face value of \$163,280 (December 31, 2015 - \$163,280). Included in shareholders' deficiency is a reserve for convertible debentures of \$711,494 (December 31, 2015 - \$711,494) with a face value of \$778,720 (December 31, 2015 - \$778,720). As at the date of this MD&A, the Company expects to convert the debentures into shares and that no cash will be used to extinguish the liabilities.

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RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

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

	June 30, 2016	June 30, 2015
Short-term employee benefits	\$ 200,100	\$ 24,000
Share based payments	-	-
Total compensation to key management	\$ 200,100	\$ 24,000

At June 30, 2016, included in trade and other payables is \$575,230 (December 31, 2015 - \$452,000) due to these key management personnel.

At June 30, 2016, included in trade and other payables is \$nil (December 31, 2015 - \$37,000) due to a service provider controlled by a member of key management of the Company.

During the year ended December 31, 2014, \$68,800 was advanced to SEA by a company related to a Director of SEA. As at June 30, 2016, \$nil (December 31, 2015 - \$68,800) is due. The note payable is unsecured, bears no interest and has no fixed terms of repayment. The promissory note was included in liabilities related to assets held for sale as at December 31, 2015, which were sold during the current quarter.

SALE OF SUBSIDIARIES

On November 23, 2015, the Company signed an agreement with Metal Tiger plc ("Metal Tiger"), a London Stock Exchange listed natural resources company focused on the mining sector. The agreement provided for Metal Tiger to earn 100% ownership of the exploration applications in Nakon Sawan, Lopburi and Chanthaburi Provinces subject to a Joint Venture Agreement entered into between SEA and Metal Tiger on October 27, 2014, and amended on October 2, 2015 (the "JV Buyout"), and an option to purchase all of the Company's remaining exploration assets and subsidiaries located in Thailand (the "Thailand Asset Acquisition Option"). See detailed discussion above under Overview of the Business and Overall Performance.

Financial Statement Presentation

As at December 31, 2015, assets and liabilities related to the Thailand subsidiaries have been classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell in the unaudited interim statements of financial position.

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As at June 30, 2016, the transaction closed and assets held for sale and liabilities related to assets held for sale are \$nil. As at December 31, 2015, the assets and liabilities held for sale were comprised of:

	December 31, 2015
Assets	
Cash	\$ 25,778
Restricted cash	11,597
Prepaid expenses	2,494
Property, plant and equipment	4,704
	\$ 44,573
Liabilities	
Trade and other payables	\$ 28,499
Promissory note (Note 8)	68,800
	\$ 97,299

The Company recognized a gain on the transaction of \$829,128, recorded as a gain on sale of subsidiaries on the unaudited interim statement of income (loss) and comprehensive income (loss) for the six month period ended June 30, 2016, which was determined as follows:

Shares received (23,799,000 shares in Metal Tiger PLC) (1)	\$ 424,205
Cash consideration	322,074
	\$ 746,279
Net assets disposed of:	
Cash	2,924
Restricted cash	1,866
Prepaid expenses	2,776
Property, plant and equipment	4,741
Accounts payable and accrued liabilities	(22,057)
Promissory note	(73,099)
	(82,849)
Gain on sale of subsidiaries	829,128

(1) The value of the 23,799,000 shares received in Metal Tiger PLC was based on the trading price on the London Stock Exchange of the shares on the date received.

CAPITAL RESOURCES AND LIQUIDITY

At June 30, 2016 the Company had working capital of \$302,796 (December 31, 2015 – \$1,586,478 working capital deficiency). Working capital as at June 30, 2016 of \$302,796 consisted of: cash of \$334,028, an investment in Metal Tiger common shares of \$1,342,974, trade and other receivables of \$1,296, trade and other payables of \$1,212,222, and convertible debentures of \$163,280. The Company also has convertible debentures classified as equity of \$711,494. There can be no assurance the investment in Metal Tiger common shares can be sold at the current market value. The Company had not yet achieved profitable operations, has accumulated losses of \$21,659,883 (December 31, 2015 – \$23,231,882) and expects to incur further losses in the development of its business.

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Recent Financing Activities

On March 23, 2016 in order to meet certain minimum working capital thresholds in the Thailand subsidiaries the Company converted \$258,324 of trade debt to 5,166,484 shares of the Company with a fair value of \$258,324. The Company also had additional debt settlements whereby \$51,682 of trade debt was converted to 5,166,484 shares of the Company with a fair value of \$51,682. In the aggregate, 6,200,116 shares were issued with a fair value of \$310,006. Subsequent to the conversion SEA has 39,477,701 shares issued and outstanding. As part of the transaction, certain creditors agreed to forgive their debt resulting in a gain on forgiveness of debt of \$47,970.

Convertible Debentures Classified as Equity

On December 7, 2012, and February 13, 2013 the Company closed the first and second tranches respectively of its brokered private placement of unsecured convertible debentures for total gross proceeds of \$983,156, broken down into gross proceeds of \$927,296 from the December 7, 2012 tranche and gross proceeds of \$55,860 from the February 13, 2013 tranche. These debentures were issued at a 2% discount to face value. Therefore, face value of these debentures issued was \$1,003,220. On the maturity date, each debenture will be convertible into units of the Company at a price of \$0.35 per unit prior to June 30, 2013 and at a price of \$0.30 per unit thereafter. Each unit consists of one common share in the capital of the Company and one-half of a common share purchase warrant. Each warrant will entitle the holder thereof to purchase one common share at a price of \$0.50 per common share in the event that the maturity date is prior to June 30, 2013, and at a price of \$0.40 in the event the maturity date is after June 30, 2013 for a period of two years from the maturity date. The maturity date is the earlier of: the date the Company receives approval for the listing of its common shares on a recognized stock exchange; the date upon which a change of control occurs; and December 31, 2014.

On March 11, 2015 the Company paid dividends of \$53,510 by issuing 178,369 common shares with respect to convertible debentures issued on December 7, 2012 with a principal amount of \$224,500. Dividends were paid for the period January 1, 2014 to March 11, 2015 and pursuant to the terms of the debentures the common shares were issued at a price of \$0.30. On March 11, 2015 the Company also converted the same debentures with a principal amount of \$224,500 to 748,333 units of the Company at a conversion price of \$0.30 per unit. Each unit consists of one common share in the capital of the Company and one-half of a common share purchase warrant which will entitle the holder thereof to purchase one common share at a price of \$0.40 to December 31, 2016.

During the first quarter of 2015, the Company entered into Acknowledgement, Forbearance & Direction Agreements ("Forbearance Agreements") with all other convertible debenture holders issued on December 7, 2012 and February 13, 2013 and not subject to the conversion on March 11, 2015 in the aggregate principal amount of \$778,720. Pursuant to the Forbearance Agreement, the convertible debenture holders have agreed to waive the right to all dividend payments commencing January 1, 2014 and to negotiate in good faith to amend certain terms of the convertible debenture.

The rate of interest on the debentures (paid on March 11, 2015 and subject to the Forbearance Agreements) is 20% per annum (adjusted rate based on the high risk of the Company), payable quarterly in equal installments on March 31, June 30, September 30 and December 31 of each year in cash or common shares, at the option of the Company.

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

Convertible Debentures Classified as Debt and Equity

On November 21, 2013 the Company closed a non-brokered private placement of unsecured convertible debentures for gross proceeds of \$180,105. The debentures were issued at a 2% discount to the face value of \$183,780. On the maturity date, each debenture will be convertible into units of

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the Company at a price deemed to be a 20% discount to the price of securities issued in connection with a qualifying transaction. Each unit consists of one common share in the capital of the Company and one-half of a common share purchase warrant. Each warrant will entitle the holder thereof to purchase one common share for a period of two years from the maturity date at a price deemed to be a 20% premium to the price of securities issued in connection with a qualifying transaction. The maturity date is the earlier of: the date the Company receives approval for the listing of its common shares on a recognized stock exchange; the date upon which a change of control occurs; December 31, 2014. A qualifying transaction is: a private placement of equity securities of the Company or convertible debt instruments of the Company, where the conversion price of such debt securities is determined; a merger, reverse takeover, amalgamation, arrangement or other reorganization by the Company with another unrelated entity; the sale, lease or transfer of all or substantially all of the Company's assets to any other person or persons; or such other transaction that the directors can reasonably determine a value for the securities of the Company.

On March 11, 2015, the Company paid dividends of \$4,887 by issuing 16,287 common shares with respect to convertible debentures issued on November 21, 2013 with a principal amount of \$20,500. Dividends were paid for the period January 1, 2014 to March 11, 2015 and pursuant to the terms of the debentures the common shares were issued at a price of \$0.30. On March 11, 2015 the Company converted the same debentures with a principal amount of \$20,500 to units of the Company at a price of \$0.24 per unit. Each unit consists of one common share in the capital of the Company and one-half of a common share purchase warrant which will entitle the holder thereof to purchase one common share at a price of \$0.32 to December 31, 2016.

During the first quarter, the Company entered into Forbearance Agreements with all other holders of convertible debentures issued on November 21, 2013 and not subject to the conversion on March 11, 2015 in the aggregate principal amount of \$163,280. Pursuant to the Forbearance Agreements, the convertible debenture holders have agreed to waive the right to all dividend payments commencing January 1, 2014 and to negotiate in good faith to amend certain terms of the convertible debenture.

The rate of interest on the debentures (paid on March 11, 2015 and subject to the Forbearance Agreements) is 20% per annum (adjusted rate based on the high risk of the Company), payable quarterly in equal installments on December 31, March 31, June 30, and September 30 of each year in cash or common shares, at the option of the Company.

Classification

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

The debentures that closed on November 21, 2013 are classified as a current liability.

OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

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

DIVIDEND INFORMATION

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

The interest on the debentures that are classified as equity is treated as dividends in these financial statements.

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ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

	June 30, 2016	June 30, 2015
	\$	\$
Corporate expenses	364,255	64,168
Total assets	1,678,298	63,812
Corporate expenses		
Management and consulting fees	210,742	38,560
Exploration and evaluation expenditures	61,607	(27,484)
Office and general	20,254	40,211
Professional fees	17,201	7,920
Shareholder information and regulatory costs	10,260	4,961
Foreign exchange loss	44,191	-
	364,255	64,168

DISCLOSURE OF OUTSTANDING SHARE DATA AS OF AUGUST 29, 2016

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	39,477,701 Common Shares
Securities convertible or exercisable into voting or equity shares		a) Options to acquire up to 2,975,000 common shares b) 10,222,638 warrants exercisable to acquire common shares of the Company c) Shares issuable on conversion of Convertible debentures with principal amount of \$778,720 ⁽¹⁾ d) Shares issuable on conversion of Convertible debentures with principal amount of \$163,280 ⁽²⁾

- (1) During 2015, the Company converted to units or entered into Acknowledgement, Forbearance & Direction Agreements ("Forbearance Agreements") with all convertible debenture holders issued on December 7, 2012 and February 13, 2013. Pursuant to the Forbearance Agreement the convertible debenture holders have agreed to waive the right to all dividend payments commencing January 1, 2014 and to negotiate in good faith to amend certain terms of the convertible debenture.
- (2) During 2015, the Company converted to units or entered into Acknowledgement, Forbearance & Direction Agreements ("Forbearance Agreements") with all convertible debenture holders issued on November 21, 2013. Pursuant to the Forbearance Agreement the convertible debenture holders have agreed to waive the right to all dividend payments commencing January 1, 2014 and to negotiate in good faith to amend certain terms of the convertible debenture.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements using accounting policies in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such

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

Calculation of share based payments, warrants and conversion rights on convertible debentures

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

Fair value of financial instruments

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

Income taxes

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

Useful life of assets subject to depreciation

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

Going concern assumption

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

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FINANCIAL RISK FACTORS

Fair value hierarchy and fair value

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

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

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

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

The Company has designated its cash and cash equivalents and as FVTPL, which are measured at fair value and are based on Level 1 measurements. As at June 30, 2016, the carrying and fair value amounts of the Company's other financial instruments are approximately equivalent due to the relatively short periods to maturity of these investments. Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates. A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

i) Credit risk

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

- a. **Cash and cash equivalents and deposit** – Cash and cash equivalents and restricted cash are held with a major Canadian (chartered bank) and Thai banks and therefore the risk of loss is minimal.
- b. **Trade and other receivables** – The Company is not exposed to significant credit risk from its trade and other receivables.

The Company's maximum exposure to credit risk as at June 30, 2016 and December 31, 2015 is the carrying value of cash and cash equivalents and trade and other receivables.

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At June 30, 2016 the Company had working capital of \$302,796 (December 31, 2015 – \$1,586,478 working capital deficiency). Working capital as at June 30, 2016 of \$302,796 consisted of: cash of \$334,028, an investment in Metal Tiger common shares of \$1,342,974, trade and other receivables of \$1,296, trade and other payables of \$1,212,222, and convertible debentures of \$163,280. The Company also has convertible debentures classified as equity of \$711,494. There can be no assurance the investment in Metal Tiger common shares can be sold at the current market value. The Company had not yet achieved profitable operations, has

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accumulated losses of \$21,659,883 (December 31, 2015 – \$23,231,882) and expects to incur further losses in the development of its business.

The Company does not have adequate cash resources to fund its operations and discharge its liabilities over the next twelve months and will require additional financing in order to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. There can be no assurance the Metal Tiger common shares can be sold at the current market value or certainty as to the ability of the Company to raise sufficient additional financing in order to continue to operate, and accordingly, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

iii) Price risk

The Company holds the common shares of a London Stock Exchange traded company. The Company has classified this investment as fair value through profit and loss investments and such common shares are subject to stock market volatility. The value of this financial instrument fluctuates on a daily basis due to external market factors that are not within the control of the Company. The Company monitors the trading value of these common shares in order to ensure that, if in the best interest of the Company, sale of the shares is made under favourable conditions.

(iv) Interest rate risk

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

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 six month period ended June 30, 2016, 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.

The Corporation's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information related to the Corporation is made known to the Corporation's certifying officers. The Corporation's controls are based on the Committee of Sponsoring Organizations ("COSO") 2013 framework. The Corporation's CEO and the CFO have evaluated the design and effectiveness of the Corporation's DC&P as of June 30, 2016 and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Corporation is made known to them by others within the Corporation. The CEO and CFO have also evaluated the design and effectiveness of the Corporation's ICFR as of June 30, 2016 and concluded that these controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

During the current period there have been no changes in the Corporation's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

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Operational Risk Factors

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

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

Investment in Metal Tiger

As a result of the sale of the Company's subsidiaries on March 23, 2016 to Metal Tiger the nature of our activities, our results of operations and financial condition are dependent upon the market value and liquidity of the Metal Tiger securities. Market value can be reflective of the actual or anticipated operating results of Metal Tiger and/or the general market conditions that affect the sectors in which Metal Tiger operates. Metal Tiger is currently concentrated in the natural resource industry sector which has been shown to experience significant performance shifts. There are various factors which could have a negative impact on the market value of Metal Tiger and thereby have an adverse effect on our business. Additionally, Metal Tiger is a small-cap business which may not ever mature or generate the returns we expect or may require a number of years to do so. Junior exploration companies may never achieve commercial discoveries and production. This may create an irregular pattern in our revenues (if any) and an investment in our securities may only be suitable for investors who are prepared to hold their investment for a long period of time. Macro factors such as fluctuations in commodity prices and global political and economic conditions could have an adverse effect on the market value of Metal Tiger. Company-specific risks, such as the risks associated with mining operations generally, could have an adverse effect on Metal Tiger. Company-specific and industry-specific risks which materially adversely affect metal Tiger may have a material adverse impact on our operating results.

Share Prices of Investments

Our investment in Metal Tiger is subject to share price volatility. There can be no assurance that an active trading market for Metal Tiger is sustainable. The trading prices of Metal Tiger could be subject to wide fluctuations in response to various factors beyond our control, including, quarterly variations in results of operations, changes in earnings (if any), estimates by analysts, conditions in the industry and general market or economic conditions. In recent years equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific companies. Such market fluctuations could adversely affect the market price of Metal Tiger.

Illiquid Securities

A considerable period of time may elapse between the time a decision is made to sell Metal Tiger and the time we are able to do so, and the value of Metal Tiger could decline during such period. Illiquid investments are subject to various risks, particularly the risk that we will be unable to realize our investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. We are prohibited by contract from selling 50% of our investment in Metal Tiger for a period of six months from March 23, 2016. Furthermore, it may require a substantial length of time to liquidate the investment. Also, it may be difficult for us to make trades in the securities of Metal Tiger without adversely affecting the price of such securities.

Failure to obtain additional financing

In the past, the Company has not had and does not currently have positive cash flow from operations. The Company's available cash has been used and will continue to be used to fund its negative cash

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flow. No assurance can be given that the Company will ever generate a positive cash flow from operations. The Company does not currently have the financial resources necessary to fund its operations and discharge its liabilities. There can be no assurance that the Company will be successful in obtaining any additional required funding.

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 effect on the Company and its prospects.

Price Volatility of Publicly Traded Securities

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

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

Conflicts of Interest

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

Dividends

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

Speculative Nature of the Securities of the Company

The securities of the Company are speculative in nature due to the Company's activities. The securities of the Company are more suited to persons who can accept a high degree of risk.

Absence of Public Trading Market

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

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

The officers and directors of the Company, as a group, beneficially own, on a non-diluted basis, approximately 4.95% of the outstanding Common Shares of the Company. As such, as shareholders, the officers and directors will be able to exert significant influence on matters requiring approval by shareholders, including the election of directors and the approval of any significant corporate

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transactions. The concentration of ownership may also have the effect of delaying, deterring or preventing a change in control and may make some transactions more difficult or impossible to complete without the support of these shareholders.

Future Sales of Common Shares by Existing Shareholders

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

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 unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on management's informed judgments and estimates.

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

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

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August 29, 2016

(Signed) "Brian Jennings"
Brian Jennings
CEO, CFO