Management Discussion and Analysis

FOR THE YEAR ENDED SEPTEMBER 30, 2013

Introduction

This Management Discussion and Analysis ("MD&A") of AsiaBaseMetals Inc. (the "Company") has been prepared by management as of December 17, 2013 and should be read in conjunction with the financial statements and related notes thereto of the Company for the year ended on September 30, 2013, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar figures are expressed in Canadian dollars unless otherwise stated. These documents and additional information on the Corporation are available on the Company's website at www.asiabasemetals.com or on SEDAR at www.sedar.com.

Forward-looking Statements

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking information"). In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations or the negative of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

1. Executive Summary

AsiaBaseMetals Inc. is a Vancouver based resource company focused globally on exploration and development of zinc and base metals. The Company has a project in British Columbia, Canada – the Gnome zinc project.

The Company is primarily focused on advancing the Gnome property, and identifying, acquiring and developing copper and other base and precious-metal properties in Asia, and North and South America.

The Gnome zinc project has land claims that encompass 5,429 hectares and are located strategically in the heart of an area home to some of Canada's important zinc deposits and the focus of much past exploration. The Gnome project lies 70 km SE from the Cirque Zn-Pb-Ag deposit and 46 km SE along trend from the Akie Zn-Pb-Ag deposit, all of which are in the Kechika trough, a geological belt northeast of Williston Lake containing these and other sediment-hosted Zn-Pb-Ag prospects along trend. These deposits and prospects were discovered in the heyday of northern British Columba Zn-Pb-Ag exploration during the late 1970's and early 1980's.

Work on the Gnome project to date includes mapping and sampling during the 1970's and recent work by the Company. The Company conducted an exploration program during fiscal 2012 and completed the program early fiscal 2013. The Company prepared an updated geological report and is evaluating and assessing the data obtained from the program to determine the next course of action.

2. Highlights for the year ended September 30, 2013

For the year ended September 30, 2013, the Company incurred a comprehensive loss of $212,504 and had an accumulated deficit of $1,554,989. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The Company's cash position at September 30, 2013 was $146,719.

3. Selected Annual Information

The Company's fiscal year end is September 30. Selected annual information presented as follows:

	September 30, 2013	September 30, 2012	September 30, 2011
Total revenues	$Nil	$Nil	$Nil
Loss for the year	$(212,504)	$(490,759)	$(334,821)
Loss per share	$(0.00)	$(0.01)	$0.00
Total assets	$195,394	$428,468	$499,921
Total long term liabilities	$Nil	$Nil	$Nil

4. Results of Operations

The following is a summary of the total project costs to date for the Gnome zinc project:

	Acquisition Costs	Project Costs	Total
Balance as of September 30, 2012	28,276	359,725	388,001
Year ended September 30, 2013	1,000	20,339	21,339
Balance as of September 30, 2013	29,276	380,064	409,340

During the year ended September 30, 2013:

- Exploration costs decreased $106,893 from $103,435 during the year ended September 30, 2012 to a credit of $3,458 during the year ended September 30, 2013. The Company continued to perform exploration work on the Gnome property during the year ended September 30, 2013. In addition, BC Mining tax credit of $29,802 decreased exploration costs during the year ended September 30, 2013.
- Office, administration and miscellaneous costs decreased $23,276 from $48,238 during the year ended September 30, 2012 to $24,962 during the year ended September 30, 2013. The decrease is primarily due to reduction in accounting and administrative services fees paid to Tintina Resources Inc. (“Tintina”).
- Professional fees decreased $56,522 from $84,970 during the year ended September 30, 2012 to $28,448 during the year ended September 30, 2013. The decrease is primarily due to less accounting, tax, and legal fees incurred in the year ended September 30, 2013 with respect to new exploration opportunities.
- Regulatory and transfer agent fees decreased $1,840 from $18,163 during the year ended September 30, 2012 to $16,323 during the year ended September 30, 2013 primarily due to reduction in agency service fees.
- There were no share-based payments for the year ended September 30, 2013 (2012 - $25,035). All stock options have vested last fiscal year.

5. Summary of Quarterly Results

The following is a summary of certain financial information concerning the Company for the last eight reported quarters:

Quarter Ended	Total Revenues	Comprehensive Loss for the Period	Basic and Diluted Loss Per Share
December 31, 2011	Nil	(172,102)	(0.00)
March 31, 2012	Nil	(200,051)	(0.00)
June 30, 2012	Nil	(36,502)	(0.00)
September 30, 2012	Nil	(82,104)	(0.00)
December 31, 2012	Nil	(79,534)	(0.00)
March 31, 2013	Nil	(54,445)	(0.00)
June 30, 2013	Nil	(44,408)	(0.00)
September 30, 2013	Nil	(34,117)	(0.00)

6. Liquidity and Capital Resources

As at September 30, 2013, the Company reported working capital of $145,807. Net decrease in cash for the year ended September 30, 2013 was $223,667 leaving cash on hand in the amount of $146,719.

Current assets excluding cash at September 30, 2013 consist of amounts receivable of $2,549 and prepaid expense of $16,850.

Current liabilities as at September 30, 2013 consist of accounts payable and accrued liabilities of $20,311.

7. Off-Balance Sheet Arrangements and Commitments

At the date of this MD&A, the Company had no off-balance sheet arrangements and commitments.

8. Transactions with Related Parties

During the year ended September 30, 2013, the Company incurred expenses payable to Tintina for services rendered: (i) $10,500 of rent and (ii) $17,938 of administration fees. Tintina is a related party having three directors and a major shareholder in common with the Company. The Company also paid short-term benefits as management fees of $120,000 to a company owned by the President of the Company for his services in his role.

The remuneration of directors and other members of key management is as follows:

	For the year ended September 30,			
		2013		**2012**
Management fees	$	120,000	$	120,000
Share-based payments		-		23,097
Total remuneration	$	120,000	$	143,097

9. Significant Accounting Estimates and Judgments

The preparation of the Company's financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant accounts that require estimates as the basis for determining the stated amounts include deferred income taxes, assessment of decommissioning provision and assessment of impairment of exploration and evaluation assets.

9. Significant Accounting Estimates and Judgments (continued)

Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a 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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that 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. A reversal of an impairment loss is recognized immediately in profit or loss.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective or assessments with a significant risk of material adjustment in the next year.

10. New Standards and Interpretations Not Yet Adopted

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

New accounting standards effective for annual periods beginning on or after January 1, 2013:

IFRS 10 – *Consolidated Financial Statements*

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation - Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 11 – *Joint Arrangements*

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Venturers.

10. New Standards and Interpretations Not Yet Adopted (continued)

IFRS 12 – *Disclosure of Interests in Other Entities*

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 – *Fair Value Measurement*

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to other standards

In addition, there have been other amendments to existing standards, including IAS 27 – *Separate Financial Statements* and IAS 28 – *Investments in Associates and Joint Ventures*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

IFRIC 20 – *Stripping Costs in the Production Phase of a Surface Mine*

IFRIC 20 addresses the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. Stripping activity may result in two types of benefits: i) inventory produced and ii) improved access to ore that will be mined in the future. Stripping costs associated with inventory production should be accounted for as a current production cost in accordance with IAS 2 Inventories, and those associated with improved access to ore should be accounted for as an addition to, or enhancement of, an existing asset.

New accounting standards effective for annual periods beginning on or after January 1, 2014:

IAS 36 – *Impairment of Assets*

In May 2013, the IASB, as a consequential amendment to IFRS 13 *Fair Value Measurement*, modified some of the disclosure requirements in IAS 36 regarding measurement of the recoverable amount of impaired assets. The amendments resulted from the IASB's decision in December 2010 to require additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal.

IAS 39 – *Financial Instruments: Recognition and Measurement*

In June 2013, the IASB issued a narrow scope amendment to IAS 39. Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided that certain criteria are met.

10. New Standards and Interpretations Not Yet Adopted (continued)

IFRIC 21 – *Levies*

IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain.

New accounting standards effective for annual periods beginning on or after January 1, 2017:

IFRS 9 – *Financial Instruments: Classification and Measurement*

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after January 1, 2017. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. As a result from the issuance of IFRS 9, there were amendments to IAS 32, *Financial Instruments – Presentation,* to clarify the offsetting between financial assets and liabilities, which are mandatory effective on or after January 1, 2014. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

11. Financial Instruments and Other Instruments

Financial Instruments and Fair Value Measurements

IFRS 7 – *Financial Instruments: Disclosures*, establishes 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 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - 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); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets measured at fair value on a recurring basis were presented on the Company's statement of financial position as at September 30, 2013 as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash	$ 146,719	$ -	$ -	$ 146,719

11. Financial Instruments and Other Instruments (continued)

Financial Risk

(i) Credit Risk

Credit risk arises from non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is primarily attributable to its cash. The Company limits its exposure to credit loss for cash by placing such instruments with high credit quality financial institutions.

As at September 30, 2013, the Company's maximum exposure to credit risk is the carrying value of cash of $146,719.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at September 30, 2013, the Company had working capital of $145,807. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

As at September 30, 2013, the Company has adequate working capital to discharge its existing financial obligations.

(iii) Interest Rate Risk

In management's opinion, the Company's interest rate risk is minimal as the Company does not have any bank indebtedness or loans payable that bear interest at fixed or variable rates.

(iv) Foreign Currency Risk

The Company is exposed to currency fluctuations in the acquisition of foreign currencies. The Company holds balance in cash in foreign currencies (US dollars) and is therefore exposed to gains or losses on foreign exchange. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

(v) Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities.

12. Business Operations

The Company was incorporated on August 11, 2009 under the laws of British Columbia. The Company's principal business activities include the acquisition, exploration and development of resource property. The address of the Company's corporate office is Suite 2560-200 Granville Street, Vancouver, British Columbia, V6C 1S4, Canada.

At September 30, 2013, the Company had not yet determined whether its property contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition of the resource property.

13. Outstanding Share Data

Summary of Outstanding Share Data at December 17, 2013:

i) Authorized:
Unlimited common shares without par value

Issued and outstanding:
72,900,892 common shares

ii) Stock options outstanding: 1,680,000

iii) Warrants outstanding: Nil

14. Disclosure Controls

Management has designed disclosure controls and procedures, or has caused them to be designed under its supervision to provide reasonable assurance that material information relating to the Company is made known to management, particularly during the period in which the annual filings are being prepared. Management has also designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for the year ended September 30, 2013, in accordance with IFRS.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures in place as at September 30, 2013. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer of the Company concluded that the design and operations of these controls and procedures were effective.

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com. The shareholders will be kept informed of any material changes.