AsiaBaseMetals Inc.

Management Discussion and Analysis

FOR THE THREE MONTHS ENDED DECEMBER 31, 2012

1.1 General

This Management Discussion and Analysis ("MD&A") of AsiaBaseMetals Inc. (the "Company") has been prepared by management as of February 19, 2013 and should be read in conjunction with the financial statements and related notes thereto of the Company for the three months ended on December 31, 2012, 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.

This MD&A may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, 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.

Description of Business

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. At December 31, 2012, 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.

1.2 Overall Performance

For the three months ended December 31, 2012, the Company incurred a loss of $79,534 and had an accumulated deficit of $1,422,019. 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 December 31, 2012 was $309,706.

During the three months ended December 31, 2012:

- Exploration costs decreased $10,957 from $29,417 during the period ended December 31, 2011 to $18,460 during the period ended December 31, 2012. During the period ended December 31, 2011, technical and legal due diligence work was performed for new exploration opportunities and exploration work on the Gnome property. During the period ended December 31, 2012, exploration work was done on the Gnome property only.

- Professional fees decreased $33,549 from $40,257 during the period ended December 31, 2011 to $6,708 during the period ended December 31, 2012 primarily due to less accounting, tax, and legal fees incurred in the period ended December 31, 2012 with respect to new exploration opportunities.

1.2 Overall Performance (continued)

- The Company did not incur any travel expenses during the period ended December 31, 2012 (2011 - $32,546). The travel expenses incurred during the period ended December 31, 2011 were for due diligence work related to the Vientiane Potash Project.

- There were no share-based payments for the period ended December 31, 2012 (2011 - $11,072). All stock options have vested by June 30, 2012.

1.3 Selected Annual Information

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

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

1.4 Results of Operations

AsiaBaseMetals Inc. is a growth company focused globally on exploration and development of zinc and base metals. The Company currently has one property, Gnome, located in British Columbia, Canada.

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.

Gnome Zinc Project

The Gnome zinc project is located in British Columbia, Canada. The land claims 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.

1.4 Results of Operations (continued)

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

	Acquisition Costs	Project Costs	Total
Balance as of September 30, 2012	28,276	359,725	388,001
Three months ended December 31, 2012	500	18,460	18,960
Balance as of December 31, 2012	28,776	378,185	406,961

1.5 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	Net Loss	Basic and Diluted Loss Per share
March 31, 2011	Nil	(82,542)	(0.00)
June 30, 2011	Nil	(84,038)	(0.00)
September 30, 2011	Nil	(108,675)	(0.00)
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)

1.6/1.7 Liquidity and Capital Resources

As at December 31, 2012, the Company reported working capital of $279,277. Net decrease in cash for the three months ended December 31, 2012 was $60,680 leaving cash on hand in the amount of $309,706.

1.8 Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

1.9 Transactions with Related Parties

During the three months ended December 31, 2012, the Company incurred expenses payable to Tintina Resources Inc. ("Tintina") for services rendered: (i) $6,000 of rent and (ii) $13,500 of administration fees. Tintina is a related party having three directors and a major shareholder in common with the Company. These transactions were in the normal course of business and were measured at the exchange amount, which is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities. The Company also paid short-term benefits as management fees of $30,000 to a company owned by the President of the Company for his services in his role.

1.9 Transactions with Related Parties (continued)

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

	For the three months ended December 31, 2012		2011
Management fees	$ 30,000	$	30,000
Share-based payments	-		9,992
Total remuneration	$ 30,000	$	39,992

1.10 First Quarter

For the three months ended December 31, 2012, the Company incurred a loss of $79,534 and had an accumulated deficit of $1,422,019.

1.11 Subsequent Events and Proposed Transactions

There were no subsequent events after December 31, 2012.

1.12 Critical Accounting Estimates

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 income taxes, share-based payments, and assessment of impairment of exploration and evaluation assets.

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.

1.12 Critical Accounting Estimates (continued)

Impairment (continued)

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.

1.13 Change in Accounting Policies

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company:

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.

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, 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. As a result for 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.

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*.

1.13 Change in Accounting Policies (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.

Each of the new standards, IFRS 10 to 13, IFRIC 20 and the amendments to other standards, is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

1.14 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).

1.14 Financial Instruments and Other Instruments (continued)

Financial Instruments and Fair Value Measurements (continued)

Assets measured at fair value on a recurring basis were presented on the Company's balance sheet as of December 31, 2012 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 and cash equivalents	$ 309,706	$ –	$ –	$ 309,706

Financial Risk

(i) Credit Risk

Credit risk arises from the 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 December 31, 2012, the Company's maximum exposure to credit risk is the carrying value of cash of $309,706.

(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 December 31, 2012, the Company had working capital of $279,277. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

As at December 31, 2012, 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.

1.15 Other Requirements

a) 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 three months ended December 31, 2012, 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 December 31, 2012. 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.

b) Summary of Outstanding Share Data at February 19, 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

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.