Management Discussion and Analysis

FOR THE THREE MONTHS ENDED DECEMBER 31, 2010

1.1 General

This Management Discussion and Analysis ("MD&A") of AsiaBaseMetals Inc. (the "Company") has been prepared by management as of January 28, 2011 and should be read in conjunction with the unaudited annual financial statements and related notes thereto of the Company for the three months ended on December 31, 2010, which were prepared in accordance with Canadian generally accepted accounting policies ("Canadian GAAP"). 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. On June 22, 2009, TintinaGold Resources Inc. ("TintinaGold") announced a reorganization of its business by way of a plan of arrangement ("Arrangement") in which TintinaGold would incorporate a newly formed subsidiary named AsiaBaseMetals Inc. and transfer its Gnome Zinc project and $500,000 in cash in exchange for 68,692,558 common shares of the Company. TintinaGold would then distribute its 68,692,558 common shares of the Company to its current shareholders. On September 30, 2009, the Arrangement was approved by the TintinaGold shareholders and granted final approval by the British Columbia Supreme Court. On October 8, 2009, the Company listed its shares on the TSX Venture Exchange under the symbol ABZ.

The Company's principal business activities include the acquisition, exploration and development of mineral properties. At December 31, 2010, the Company had not yet determined whether the property contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration costs 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 mineral property.

1.2 Overall Performance

For the three month period ending on December 31, 2010, the Company incurred loss of $57,222 and had an accumulated deficit of $324,456. 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, 2010 was $328,707.

During the three month period ended December 31, 2010:

- The Company incurred the following expenses payable to TintinaGold, a related party, for services rendered: (i) $12,000 of rent and administration expenses and (ii) $1,875 of geological services.
- The Company incurred $33,213 of stock-based compensation expenses as the result of granting 1,790,000 options to directors, employees and consultants during the year ended September 30, 2010.

1.3 Selected Annual Information

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

	September 30, 2010	Period from incorporation on August 11, 2009 to September 30, 2009
Total revenues	$Nil	$Nil
Loss before income tax	$(267,055)	$(179)
Loss before discontinued operations	$(267,055)	$(179)
Loss for the year	$(267,055)	$(179)
Loss per share	–	–
Total assets	$631,090	$646,569
Total long term liabilities	$Nil	$Nil

1.4 Results of Operations

AsiaBaseMetals Inc. is a growth company focused globally on exploration and development of base metals. The Company currently has one property, Gnome, located in British Columbia, Canada. The Company is primarily focused on advancing this property; and identifying, acquiring and developing copper and other base- and precious-metal properties in India, and North and South America.

Gnome

The Gnome 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 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. During the three months ended on December 31, 2010, the Company spent $8,296 on planning, reporting and land maintenance activities on Gnome. The Company conducted an exploration program in fiscal 2010 comprised of an airborne EM and magnetic survey, soil and rock sampling, and detailed geologic mapping of anomaly areas. The Company is planning additional geologic work in fiscal 2011.

1.5 Summary of Quarterly Results

The Company started operations on August 11, 2009. The following is a summary of certain financial information concerning the Company for the last reported quarters:

Quarter Ended	Total Revenues	Net Income (Loss)	Net Income (Loss) Per share
December 31, 2009	Nil	(8,853)	–
March 31, 2010	Nil	(37,035)	–
June 30, 2010	Nil	(164,902)	–
September 30, 2010	Nil	(56,265)	–
December 31, 2010	Nil	(57,222)	–

1.6/1.7 Liquidity and Capital Resources

As at December 31, 2010, the Company reported working capital of $253,790.

The Company's continuing operations, as intended, are dependent upon its ability to obtain debt or the necessary financing to meet its liabilities and commitments as they become payable.

Exercise of Warrants & Issuance of Common Shares

There were no outstanding warrants during the period ended December 31, 2010.

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 month period ended December 31, 2010, the Company expenses payable to TintinaGold for services rendered: (i) $12,000 of rent and administrative charges and (ii) $1,875 for geological services. TintinaGold 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.

1.10 First Quarter

For the three month period ending on December 31, 2010, the Company incurred loss of $57,222 and had an accumulated deficit of $324,456.

1.11 Subsequent Events and Proposed Transactions

There were no subsequent events after December 31, 2010.

1.12 Critical Accounting Estimates

Not applicable to the Company.

1.13 Change in Accounting Policies Including Initial Adoption

a) Recent accounting pronouncements

i) Business combinations

In January 2009, the CICA issued Section 1582, *Business Combinations*, which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method for business combination and related disclosures. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 2011 with earlier adoption permitted. The Company is currently evaluating the impact of this standard on the consolidated financial statements.

ii) Consolidated financial statements

In January 2009, the CICA issued Section 1601, *Consolidated Financial Statements*, and 1602, *Non-controlling interests*, which replaces existing guidance. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are effective on or after the beginning of the first annual reporting period on or after January 2011 with earlier adoption permitted. The Company is currently evaluating the impact of this standard on the consolidated financial statements.

In August 2009, the AcSB issued amendments to Section 1625, *Comprehensive Revaluation of Assets and Liabilitie*s, for consistency with the new Section 1582. The amendments require that, when push-down accounting is used following the acquisition of an enterprise, the assets and liabilities are to be measured at the values used in accounting for the purchase transaction or transactions in accordance with Section 1582. The amendments also require that, when a future income tax asset that arose prior to the date of a comprehensive revaluation and that was not recognized in the comprehensive revaluation, is subsequently recognized, the benefit should be recognized in accordance with Section 1582 and Section 3465, *Income Taxes*.

The amendments apply prospectively to comprehensive revaluations of assets and liabilities occurring in fiscal years beginning on or after January 1, 2011. Early adoption is permitted as of the beginning of a fiscal year. An entity adopting this Section for a fiscal year beginning before January 1, 2011 also adopts Section 1582.

In August 2009, the AcSB issued amendments to Section 3251, *Equity*, as a result of issuing Section 1602, *Non-controlling Interests*. The amendments require non-controlling interests to be recognized as a separate component of equity.

The amendments apply only to entities that have adopted Section 1602.

iii) International financial reporting standards

Under the pronouncement issued by In February 2008, the CICA Accounting Standards Board in February 2008, effective for its fiscal year commencing October 1, 2011, the Company will be required to prepare interim and annual financial statements under International Financial Reporting Standards ("IFRS") including restatement of amounts reported for comparative purposes. The conversion to IFRS will impact the Company's accounting policies, information technology and data systems, internal controls over financial reporting and disclosure controls and procedures. The transition will also impact business activities, such as foreign currency activities, certain contractual arrangements, capital requirements and compensation arrangements.

1.13 Change in Accounting Policies Including Initial Adoption (continued)

iii) International financial reporting standards (continued)

The Company completed its IFRS diagnostic plan and is currently preparing its IFRS conversion plan which will outline the steps require to complete the transition to IFRS. An external IFRS consultant has been engaged to assist with the Company's efforts. Significant areas of difference highlighted by the diagnostic plan include: (i) resource properties, (ii) impairment of long-lived assets, (iii) share-based payments, (iv) accounting for income taxes, and (v) initial adoption of IFRS under the provisions of IFRS 1.

As part of its transition process, the Company will continue to invest in training and resources to ensure a timely conversion.

1.14 Financial Instruments and Other Instruments

a) Financial Instruments

As at December 31, 2010, the Company's financial instruments include cash, accounts payable and amounts due to related parties. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

b) Fair Value Measurements

CICA 3862, *Financial Instruments – Disclosures*, requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. CICA 3862 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. CICA 3862 prioritizes the inputs into three levels that may be used to measure fair value:

<u>Level 1</u>

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

<u>Level 2</u>

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

<u>Level 3</u>

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets.

1.14 Financial Instruments and Other Instruments (continued)

Assets measured at fair value on a recurring basis were presented on the Company's balance sheet as of December 31, 2010 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	328,707	–	–	328,707

c) Financial Risks

(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 and amounts receivable. The Company limits its exposure to credit loss for cash by placing such instruments with high credit quality financial institutions. The Company manages credit risk for receivables through established credit monitoring activities. As at December 31, 2010, the Company's maximum exposure to credit risk is the carrying value of cash and amounts receivable of $332,165.

(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, 2010, the Company had working capital of $253,790. 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, 2010 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 on December 31, 2010, in accordance with Canadian generally accepted accounting principles.

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, 2010. 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.

a) Summary of Outstanding Share Data at January 28, 2011:

a. Authorized: Unlimited common shares without par value
Issued and outstanding: 68,692,558 common shares

b. Stock options
Options outstanding as of December 31, 2010: 1,790,000

c. Warrants
Warrants outstanding as of December 31, 2010: 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.