Management Discussion and Analysis

FOR THE NINE MONTHS ENDED JUNE 30, 2018

Introduction

This Management Discussion and Analysis ("MD&A") of AsiaBaseMetals Inc. (the "Company" and/or the "Corporation") has been prepared by management as of August 21, 2018 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes thereto of the Company for the nine months ended June 30, 2018. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34 – *Interim Financial Reporting*, 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 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. ("the Company") is a growth company focused on the exploration and development of metals, including base metals such as zinc and iron. The Company has projects in British Columbia and Ontario, Canada.

The Gnome zinc project has land claims that encompass 5,237 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 35 km SE from the Cirque Zn-Pb-Ag deposit and 15 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 exploration work by the Company. The Company conducted an exploration program during fiscal 2012 and early fiscal 2013, prepared an updated geological report and based on the market conditions is evaluating and assessing the next work program, to determine the next course of action.

The Jean Iron Ore Property ("Jean Property") is an iron ore exploration property located in the Thunder Bay Mining District of Northwestern Ontario, Canada. It is comprised of 17 claims totaling 1,824 hectares and is located approximately 65 kilometres to the southwest of Thunder Bay, approximately 2 kilometres north of the Whitefish Lake on Highway 588.

As at October 1, 2016, the Jean Property consisted of 18 mineral claims in 115 units covering 1,840 hectares' land. On November 16, 2016, the Company forfeited 4 mineral claims consisting of 17 units covering 272 hectares' land. On March 14, 2017, the Company staked one additional claim consisting of 1 unit covering 16 hectares' land. As at June 30, 2018, the Jean Property consists of 15 mineral claims covering 1,584 hectares land consisting of 99 units.

During the year ended September 30, 2016 the Company completed an exploration program for the Jean Property and completed a report on the property. The Ontario Ministry of Northern Development and Mines has accepted the work submission and all claims have been extended to November 2017.

In addition to advancing the Gnome and the Jean projects, the Company is focused on identifying, acquiring and developing other business opportunities.

2. Third Quarter 2018 Highlights

On October 24, 2017, the Company completed a non-brokered private placement of 65,000 flow-through shares at a price of $0.30 per share for gross proceeds of $19,500. The Company incurred share issuance costs of $2,681 which consisted solely of legal fees. The shares were subject to a four month hold period that expired on February 25, 2018.

On December 31, 2017, the Company forfeited 11 mineral claims encompassed in the Gnome Project covering 4,886 hectares of land and on January 2, 2018, the Company re-staked these same 11 mineral claims. The land holding remains the same as of January 2, 2018. On February 27, 2018, the Company forfeited one mineral claim covering 351 hectares of land and on February 28, 2018, the Company re-staked the same mineral claim covering 351 hectares of land. As a result of the forfeited claims at the end of the first quarter, the Company recorded a write down of $9,201 on the property during the period ended June 30, 2018.

2. Third Quarter 2018 Highlights (continued)

On October 23, 2017, the Company granted a board member a total of 50,000 stock options exercisable at a price of $0.36 per share for a period of 2 years. All options vested on the grant date.

On May16, 2018, the Company closed a non-brokered private placement of 320,000 common shares at a price of $0.25 per share, raising gross proceeds of $80,000. The Company incurred share issuance costs of $4,632. The shares are subject to a 4 month hold which will expire on September 17, 2018.

On July 6, 2018, the Company announced a Forward Split of its common shares on a one-and-one-half-for-one basis (the "Forward Split"). The Company commenced trading on a split basis at the opening, July 12, 2018. The Forward Split was approved by the TSX Venture Exchange on July 9, 2018.

The Forward Split resulted in the Company's current issued and outstanding share capital of 24,518,685 shares being increased to 36,778,032 issued and outstanding shares. The Forward Split is being conducted on a push-out basis. The Company’s name, CUSIP number and trading symbol will remain the same.

Any outstanding share purchase warrants and stock options were adjusted by the same one-and-one-half-for-one ratio and the respective exercise prices of outstanding warrants and stock options were adjusted accordingly.

On July 23, 2018 the Company granted to directors, officers, employees and consultants an aggregate of 1,112,500 stock options (the "Options") under the Company’s Stock Option Plan, subject to TSX Venture Exchange approval. The Options will be exercisable for a period of two years, at a price of $0.30 per share. Of the total Options granted, 50% will be fully vested upon grant; with 25% of the Options vesting on January 23, 2019 and the remaining 25% on July 23, 2019.

For the period ended June 30, 2018 (“Q3-2018”), the Company incurred a comprehensive loss of $241,922 and had an accumulated deficit of $3,294,239. 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 June 30, 2018 was $261,382.

3. Selected Annual Information

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

	September 30, 2017	September 30, 2016	September 30, 2015
Total revenues	$Nil	$Nil	$Nil
Loss for the year	$(584,647)	$(448,854)	$(217,372)
Loss per share	$(0.03)	$(0.04)	$(0.02)
Total assets	$446,343	$47,516	$105,626
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, 2017	$	9,814	$	385,873	$	395,687
Nine months ended June 30, 2018		10,000		1,193		11,193
Impairment during the period		(9,201)		-		(9,201)
Balance as of June 30, 2018	$	10,613	$	387,066	$	397,679

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

		Acquisition Costs		Project Costs		Total
Balance as of September 30, 2017	$	11,516	$	68,810	$	80,326
Nine months ended June 30, 2018		-		21,679		21,679
Balance as of June 30, 2018	$	11,516	$	90,489	$	102,005

During the period ended June 30, 2018:

- Exploration costs increased $21,822 from $1,050 during the period ended June 30, 2017 (“Q3-2017”) to $22,872 during Q3-2018 primarily due to the exploration program and report on the Jean project during FY2018.
- Management fees of $120,938 incurred in Q3-2018 were consistent with fees of $128,325 incurred during Q3-2017. Fees for the CEO were matched during the period, while CFO Fees decreased during the current period to date.
- Regulatory and transfer agent fees of $14,168 incurred in Q3-2018 were lower than fees of $19,565 incurred during Q3-2017 due to costs associated with the FY2016 AGM which were incurred during Q1-2017 and FY2017 AGM costs will be incurred in the subsequent quarter in 2018.
- Professional fees of $41,521 during Q3-2018 were consistent with fees of $40,671 incurred during Q3-2017. Legal fees in the current period were higher that reported in the first two quarters of the fiscal year due to an increase in activity in the Company. See the Interim Condensed Financial Statements for the three and nine months ended June 30, 2018 and 2017, Note 9 (ii) – Subsequent Events for more details.
- Office and miscellaneous costs of $18,252 incurred during Q3-2018 were lower than costs of $30,053 incurred during Q3-2017. This is a result of a decrease in meals and entertainment costs during the period.
- Travel costs of $2,846 were incurred during Q3-2018 as compared to $9,404 incurred in Q3-2017.
- Write-off of mineral property costs of $9,201 relates to the forfeited claims at December 31, 2017 with respect to the Gnome property.
- Gain on debt settlement of $14,547 during Q1-2017 relates to an agreement to settle a debt owed by the Company. See Note 8 for further details.

4. Results of Operations (continued)

- Share-based payments of $11,658 relates to the Stock Options issued to a Director during Q1-2018.

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
September 30, 2016	$Nil	$ (50,701)	$(0.00)
December 31, 2016	$Nil	$ (55,684)	$(0.00)
March 31, 2017	$Nil	$ (273,771)	$(0.02)
June 30, 2017	$Nil	$ (182,609)	$(0.01)
September 30, 2017	$Nil	$ (72,583)	$(0.00)
December 31, 2017	$Nil	$ (99,036)	$(0.00)
March 31, 2018	$Nil	$ (70,171)	$(0.00)
June 30, 2018	$Nil	$ (72,715)	$(0.00)

6. Liquidity and Capital Resources

As at June 30, 2018, the Company reported working capital of $259,971. Net decrease in cash during the period ended June 30, 2018 was $161,386 leaving cash on hand in the amount of $261,382.

Current assets excluding cash at June 30, 2018 consist of amounts receivable of $8,173 and prepaid expenses of $12,775.

Current liabilities as at June 30, 2018 consist of accounts payable and accrued liabilities of $22,359.

7. Off-Balance Sheet Arrangements and Commitments

At the date of this MD&A, the Company had no off-balance sheet obligation. Commitments to incur exploration and evaluation costs are detailed in Note 3 of the Interim Condensed Financial Statements for the period ended June 30, 2018.

On April 1, 2015 the Company entered into an agreement with a contractor to provide Chief Executive Officer services at a rate of $12,500 per month ($150,000 per year) for an indefinite term. The agreement can be terminated without cause by the Company with a fourteen (14) month cash payment in the amount of $175,000.

8. *Transactions with Related Parties*

During the periods ended June 30, 2018 and 2017, the following amounts were incurred or paid to officers and directors and/or their related companies:

i) The Company incurred $Nil (2017 - $Nil) for CFO fees to a company controlled by common directors.

ii) The Company incurred $8,438 (2017 - $15,825) for Consulting Fees payable to the CFO.

iii) The Company incurred $112,500 (2017 - $112,500) for management fees to a company controlled by an officer.

As at June 30, 2018 and 2017, the following balances were due to officers and directors and/or related companies:

i) Included in accounts payable and accrued liabilities is $450 owed to the CFO (2017 $1,538) and $Nil (2017: $Nil) due to a company controlled by the CEO. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

On December 6, 2016 the Company entered into a Debt Settlement Agreement (“the Agreement”) with SolidusGold Inc. (“Solidus”), a related party, to settle $24,547 of debt owed by the Company as at October 31, 2016. The terms of the agreement state the Company will pay $10,000 cash by December 20, 2016 and Solidus will write off the remaining balance of $14,547 owed. Payment was made to Solidus on December 13, 2016 and having fulfilled the conditions of the Agreement, the debt is paid in full and the Company recorded a gain on debt settlement of $14,547.

Key management personnel compensation:

Key management personnel include the Chief Executive Officer (“CEO”), Chief Financial Officer, and directors of the Company.

The remuneration of directors and officers of the Company is as follows:

		Nine months ended June 30,		
		2018		**2017**
Management fees	$	112,500	$	112,500
CFO Fees		8,438		15,825
Total remuneration	$	120,938	$	128,325

Key management personnel receive compensation in the form of short-term employee benefits and share-based payments. Short-term benefits include management fees paid to the CEO and the interim CFO of the Company for their services in their roles.

9. Changes in Accounting Policies

The preparation of financial statements in conformity with IFRS requires the Company to establish accounting policies and to make estimates that affect both the amount and timing of the recording of assets, liabilities, revenues and expenses.

A detailed summary of the Company's significant accounting policies and adoption of new or amended accounting standards are included in Note 2 of the Interim Condensed Financial Statements for the period ended June 30, 2018.

10. Financial Instruments and Other Instruments

Financial Instruments and Fair Value Measurements

IFRS 13 – *Fair Value Measurement*, 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)

Financial Instruments and Fair Value Measurements (continued)

Assets measured at fair value on a June 30, 2018 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
Financial assets				
Cash and cash equivalents	$ 261,382	$ –	$ –	$ 261,382

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 financial institutions.

As at June 30, 2018, the Company's maximum exposure to credit risk is the carrying value of cash of $261,382.

(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 June 30, 2018, the Company had working capital of $259,971. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

10. Financial Instruments and Other Instruments (continued)

Financial Risk (continued)

(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.

As at June 30, 2018, a change of 10%+/- in US dollar would not result in a significant impact to the statements of loss and comprehensive loss.

(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.

11. 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 6153 Glendalough Pl., Vancouver, British Columbia, V6N 1S5, Canada.

At June 30, 2018, 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.

12. Outstanding Share Data

Summary of Outstanding Share Data at August 21, 2018:

i) Authorized:
Unlimited common shares without par value

Issued and outstanding:
36,778,032 common shares

ii) Stock options outstanding: 2,687,500

iii) Warrants outstanding: 512,145 units

13. 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, 2017 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 June 30, 2018. 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 information pertaining to the Company, including the 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

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