AsiaBaseMetals Inc.

Management Discussion and Analysis

FOR THE THREE MONTHS ENDED DECEMBER 31, 2018

Introduction

This Management Discussion and Analysis ("MD&A") of AsiaBaseMetals Inc. (the "Company") has been prepared by management as of February 21, 2019 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes thereto of the Company for the three months ended December 31, 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, iron and alkali metals such as cobalt and lithium. The Company has projects in British Columbia and Ontario, Canada.

The Gnome zinc project has land claims that encompass 5,868 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 exploration work by the Company. The Company conducted an exploration program during fiscal 2012, fiscal 2013, and fiscal 2018 and prepared an updated geological report and intends to complete exploration work including trenching and possible drilling during the summer months of 2019.

The Jean Iron Ore Property ("Jean Property") is an iron ore exploration property located in the Thunder Bay Mining District of Northwestern Ontario, Canada. The property is currently comprised of 89 mineral claims covering 1,760 hectares' land (after re-staking of expired mineral claims in January 2019) located approximately 65 kilometres to the southwest of Thunder Bay, approximately 2 kilometres north of the Whitefish Lake on Highway 588. (Previously the claims comprised of 17 claims totaling 1,584 hectares).

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 March 31, 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. As at December 20, 2017, the Company has initiated and completed a work program and has filed a request to extend the filing deadline to January 2018. These claims will likely be re-staked by January of 2019.

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

2. First Quarter 2019 Highlights

On January 11, 2019, the Company closed a non-brokered private placement of 625,000 flow-through common shares and 356,250 non-flow-through common shares at a price of $0.16 per share, raising gross proceeds of $157,000. The shares are subject to a four month hold period which will expire on May 12, 2019.

On February 11, 2019, the Company granted to directors and advisory board members 1,312,500 stock options exercisable at a price of $0.30 per share for a period of 2 years. The options are subject to vesting conditions with 50% of the options vesting on the grant dated, 25% vesting on August 11, 2019 and the remaining 25% vesting on February 11, 2020.

2. First Quarter 2019 Highlights (continued)

During February 2019, the Company made an application for an exploration permit for the Thazi Mineral Claims from the Myanmar's mining ministry; further to the Company earlier having received registration from The Directorate of Investment and Company Administration, which handles company registrations for foreign businesses and serves as a secretary to the Myanmar Investment Commission, the responsible body for investment applications. The Company has opened an interim-local branch/representative office in Myanmar and a local bank account, commencing operations in Myanmar. Previous work carried out in the Hlaing Det area is described in two separate reports. Please refer to the February 11, 2019 news release for further details on the project and the historical reports written on the property.

The Company completed its 2018 fieldwork exploration program on the Gnome Zinc Project. The fieldwork included prospecting, geological mapping, 34 grab rock sampling, 123 sediment and soil sampling and selecting of drill targets form future work. The Company staked an additional 613.91 hectares of ground to the south, south-west and south-east of the property to cover historical geophysical anomalous and other prospective geological trends, increasing the size of the property to 5,868 hectares.

For the three month period ended December 31, 2018 ("Q1-2019"), the Company incurred a comprehensive loss of $220,472 and had an accumulated deficit of $3,714,545. 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, 2018 was $123,958.

3. Selected Annual Information

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

	September 30, 2018	September 30, 2017	September 30, 2016
Total revenues	$Nil	$Nil	$Nil
Loss for the year	$(441,756)	$(584,647)	$(448,854)
Loss per share	$(0.01)	$(0.02)	$(0.04)
Total assets	$293,263	$446,343	$47,516
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, 2018	$	11,688	$	421,813	$	433,501
Three months ended December 31, 2018		-		19,318		19,318
Balance as of December 31, 2018	$	11,688	$	441,131	$	452,819

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, 2018	$	11,516	$	90,489	$	102,005
Three months ended December 30, 2018		-		-		-
Balance as of December 31, 2018	$	11,516	$	90,489	$	102,005

During the period ended December 31, 2018:

- Exploration costs $19,318 during Q1-2019 were consistent with costs of $22,057 during the period ended December 31, 2017 (“Q1-2018”). The costs incurred in Q1-2019 were for work completed on the Gnome project and Q1-2018 costs were for work completed on the Jean Iron Ore project.
- Management fees of $140,688 incurred in Q1-2019 were consistent with fees of $41,306 incurred during Q1-20187. Fees for the CEO were matched during the period, with the exception of a $100,000 one-time bonus payment made to the CEO. A bonus was paid to the CEO during the period ended December 31, 2018. The bonus was paid to reflect current and past efforts of the director and CEO. In order to determine the bonus, the directors reviewed the past performance and also noted that there had not been any increase in the fees since inception of the agreement. The services provided by the director and CEO included, assisting the Company to identify business opportunities, maintain and advance current assets, together with financing projects, especially under recent economic and financial market environments; as the Company continued the execution of its envisioned business plan to continue to build and enhance shareholder value. CFO Fees decreased during period.
- Regulatory and transfer agent fees of $635 incurred in Q1-2019 were lower than fees of $1,281 incurred during Q1-2018 due to non-occurrence of costs associated with financings completed .
- Professional fees of $6,432 during Q1-2019 were lower than fees of $10,730 incurred during Q1-2018. Legal fees decreased during comparative periods due to the non-occurrence of a private placement by the Company.
- Office and miscellaneous costs of $11,237 incurred during Q1-2019 were higher than costs of $2,697 incurred during Q1-2018 due to costs associated with news release disseminations.

4. Results of Operations (continued)

- Travel costs of $1,472 were incurred during Q1-2019 as compared to $Nil incurred in Q1-2018.
- Write-off of mineral property costs of $9,201 relates to the forfeited claims at December 31, 2017 with respect to the Gnome property.
- Share-based payments of $39,982 relates to the Stock Options issued to a Directors, Officers and Consultants of the Company during the fiscal year ended September 30, 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
March 31, 2017	$Nil	$ (273,771)	$(0.01)
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)
September 30, 2018	$Nil	$ (199,834)	$(0.01)
December 31, 2018	$Nil	$ (220,472)	$(0.01)

6. Liquidity and Capital Resources

As at December 31, 2018, the Company reported working capital of $133,524. Net decrease in cash during the three months period ended December 31, 2018 was $109,631 leaving cash on hand in the amount of $123,958.

Current assets excluding cash at December 31, 2018 consist of amounts receivable of $13,827 and prepaid expenses of $28,819.

6. Liquidity and Capital Resources (continued)

Current liabilities as at December 31, 2018 consist of accounts payable and accrued liabilities of $33,080.

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 6 of the Audited Financial Statements for the period ended December 31, 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 December 31, 2018 and 2017, the following amounts were incurred or paid to officers and directors and/or their related companies:

i) The Company incurred $3,188 (2017 - $3,806) for consulting fees to the Chief Financial Officer ("CFO").

ii) The Company incurred $137,500 (2017 - $37,500) for management fees and bonus to a company controlled by an officer.

As at December 31, 2018 and 2017, the following balances were due to officers and directors and/or related companies:

i) Included in accounts payable is $3,806 due to the CFO (2017 - $3,806) and $5,129 (2017 – $Nil) due to the CEO of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

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:

	Three months ended December 31,			
		2018		**2017**
Management fees	$	137,500	$	37,500
CFO Fees		3,806		3,806
Share-based payments		11,012		-
Total remuneration	$	152,318	$	41,306

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 (d) of the Unaudited Interim Condensed Financial Statements for the three months ended December 31, 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)

Assets measured at fair value on a December 31, 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	$ 123,958	$ –	$ –	$ 123,958

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 September 30, 2018, the Company's maximum exposure to credit risk is the carrying value of cash of $123,958.

(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, 2018, the Company had working capital of $133,524. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(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.

10. Financial Instruments and Other Instruments (continued)

Financial Risk (continued)

(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 December 31, 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 December 31, 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 February 21, 2019:

i) Authorized:
Unlimited common shares without par value

Issued and outstanding:
38,181,282 common shares

ii) Stock options outstanding: 3,100,000

iii) Warrants outstanding: 362,145 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, 2018 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, 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.