Management Discussion and Analysis

FOR THE SIX MONTHS ENDED MARCH 31, 2020

Introduction

This Management Discussion and Analysis ("MD&A") of AsiaBaseMetals Inc. (the "Company") has been prepared by management as of May 27, 2020 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes thereto of the Company for the six months ended March 31, 2020. 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, fiscal 2018 and fiscal 2019. This historical work has identified six target areas listed as Areas A-F on the Property. The 2019 exploration program included drilling on HQ size core hole down to a depth of 140m to test targets in Area C. Although the drill hole intersected favourable lithological unit of Gunsteel Formation comprising of grey and black carbonaceous shales with 1-3% sulphides, the assays indicated no anomalous values of target metals. The 2019 work also included prospecting, mapping and sampling work in areas D and G (a newly identified target area). Results of 16 soil and 4 rock sampling in new area G has shown favourable results. The results indicate Area G as new potential target for further exploration work.

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 78 mineral claims covering 1,560 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 awaiting the grant of mineral claims applied for in Myanmar for a Lithium project. The Company continues to be focused on identifying, acquiring and developing other business opportunities with a special focus in the cannabis sector in legal jurisdictions and real-estate in Croatia (a member country of the European Union “EU”).

2. Second Quarter 2020 Highlights

On October 25, 2019, the Company granted a director, 225,000 stock options exercisable at a price of $0.40 per share for a period of 2 years. The options are subject to vesting conditions with 50% of the options vesting on the grant date, 25% vesting on April 25, 2020 and the remaining 25% vesting on October 25, 2020.

On November 1, 2019, the Company cancelled the 225,000 stock options granted on July 16, 2019.

On November 6, 2019, the Company issued 51,418 units at a deemed price of $0.35 per unit in settlement of outstanding debt of $17,996. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of $0.38 per share for a period of two years.

On November 18, 2019, the Company closed a non-brokered private placement of 1,945,000 units at a price of $0.18 per unit for gross proceeds of $350,100. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of $0.25 per share for a period of two years. The units are subject to a four month hold period which expired on March 19, 2020.

On February 6, 2020, the Company granted a director, 375,000 stock options exercisable at a price of $0.40 per share for a period of 2 years. The options are subject to vesting conditions with 50% of the options vesting on the grant date, 25% vesting on August 6, 2020 and the remaining 25% vesting on February 6, 2021.

On February 20, 2020, the Company granted a consultant 20,000 stock options exercisable at a price of $0.40 per share for a period of 2 years. The options are subject to vesting conditions with 50% of the options vesting on the grant date, 25% vesting on August 20, 2020 and the remaining 25% vesting on February 20, 2021.

On March 23, 2020, the Company granted advisory board members 300,000 stock options exercisable at a price of $0.40 per share for a period of 2 years. The options are subject to vesting conditions with 50% of the options vesting on the grant date, 25% vesting on September 23, 2020 and the remaining 25% vesting on March 23, 2021.

On April 16, 2020, the Company announced it has entered into an agreement with a director of the Company (the “Optionor”), pursuant to which the Company will have an option (the “Option”) to acquire an underlying agreement (the “Agreement”) with the owner of real estate in Rogoznica-Lozica, Croatia (the “Property”) to develop the Property. The Property is being considered for development into hotels, villas and /or other entertainment structures.

Pursuant to the terms of the agreement, the Option may be exercised within a three year period by paying to the Optionor (i) EUR€30,000 upon execution of the Agreement (paid), and (ii) the aggregate amount already paid by the Optionor to the vendor under the underlying agreement at the time of Option exercise. The exercise of the Option is in the Company’s sole discretion and the Company has no further payment obligations over the three year option term, unless and until the Option is exercised.

The Company intends to exercise the Option, if at all, through a newly incorporated subsidiary ("NewCo") in which the Company’s shareholders would receive shares through a “spin-out” transaction, and NewCo would seek a separate stock exchange listing, to create a new company focused on the real estate sector in Croatia. Any exercise of the Option and any such spin-out transaction would be subject to all required approvals, including the approval of the TSX Venture Exchange and, if applicable, shareholder approval. The Agreement, the transactions contemplated by the Agreement and any spin-out transaction is subject to the approval of the TSX Venture Exchange. There can be no assurance that required approvals will be received or that the Option

2. Second Quarter 2020 Highlights (continued)

will be exercised.

For the six months ended March 31, 2020 ("Q2-2020"), the Company incurred a comprehensive loss of $347,772 and had an accumulated deficit of $4,668,420. 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 March 31, 2020 was $164,927.

3. Selected Annual Information

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

	September 30, 2019	September 30, 2018	September 30, 2017
Total revenues	$Nil	$Nil	$Nil
Loss for the year	$(826,575)	$(441,756)	$(584,647)
Loss per share	$(0.02)	$(0.01)	$(0.02)
Total assets	$141,415	$293,263	$446,343
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, 2019	$	11,688	$	591,560	$	603,248
Six months March 31, 2020		-		5,864		,5,864
Balance as of March 31, 2020	$	11,688	$	597,424	$	609,112

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, 2019	$	11,516	$	90,489	$	102,005
Six months March 31, 2020		-		-		-
Balance as of March 31, 2020	$	11,516	$	90,489	$	102,005

During the six months ended March 31, 2020:

- Exploration costs $5,864 during Q2-2020 were lower than costs of $19,745 during the six month period ended March 31, 2020 ("Q2-2019"). The costs incurred in Q2-2020 and Q2-2019 were for work completed on the Gnome project. Work on the project in 2018 was delayed into Q1-2019 due to the wildfires in British Columbia.

4. Results of Operations (continued)

During the six months ended March 31, 2020: (continued)

- Management fees of $75,000 incurred in Q2-2020 were consistent with fees of $175,000 incurred during Q2-2019. 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 were Nil during the current period.
- Regulatory and transfer agent fees of $12,401 incurred in Q2-2020 were higher than fees of $9,340 incurred during Q2-2019. The increase is due to costs associated with issuances of common shares due to private placements by the Company.
- Professional fees of $44,963 during Q2-2020 were higher than fees of $22,377 incurred during Q2-2019. Legal fees increased during comparative periods due the private placement by the Company and ongoing legal costs related to the evaluation of new projects and business opportunities for the Company.
- Office and miscellaneous costs of $29,793 incurred during Q2-2020 were consistent with costs of $32,631 incurred during Q2-2019.
- Travel costs of $38,748 were incurred during Q2-2020 as compared to $2,962 incurred in Q2-2019. The increase in costs during Q2-2020 relates to travel to investigate potential projects for the Company.
- Share-based payments of $148,770 relates to the Stock Options issued to a Directors, Officers and Consultants of the Company granted on February 11, 2019, May 21, 2019, July 16, 2019, October 25, 2019, February 6, 2020, February 20, 2020 and March 23, 2020.

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
June 30, 2018	$Nil	$ (72,715)	$(0.00)
September 30, 2018	$Nil	$ (199,834)	$(0.01)
December 31, 2018	$Nil	$ (220,472)	$(0.01)
March 31, 2019	$Nil	$ (191,887)	$(0.01)
June 30, 2019	$Nil	$ (150,560)	$(0.00)
September 30, 2019	$Nil	$ (263,656)	$(0.01)
December 31, 2019	$Nil	$ (154,769)	$(0.00)
March 31, 2020	$Nil	$ (193,003)	$(0.00)

6. Liquidity and Capital Resources

As at March 31, 2020, the Company reported working capital surplus of $116,545. Net increase in cash during the six months ended March 31, 2020 was $89,801 leaving cash on hand in the amount of $164,927.

Current assets excluding cash at March 31, 2020 consist of amounts receivable of $7,489 and prepaid expenses of $40,109.

Current liabilities as at March 31, 2020 consist of accounts payable and accrued liabilities of $95,980.

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 March 31, 2020.

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.

On June 5, 2019, in consideration for the CEO's services in locating, arranging and consummating the cooperation agreement described in Note 1 of the Interim Condensed Financial Statements for the period ended March 31, 2020, the Company entered into an agreement with the CEO to impose a perpetual royalty obligation of 2.5% of gross revenue generated by a subsidiary or such other entity which holds the licenses for growing and selling cannabis for medical purposes under the cooperation agreement.

8. Transactions with Related Parties

During the periods ended March 31, 2020 and 2019, the following amounts were incurred or paid to officers and directors and/or their related companies:

i) The Company incurred $Nil (2019 - $6,263) for consulting fees to the former Chief Financial Officer ("CFO").

ii) The Company incurred $75,000 (2019 - $75,000) for management fees and bonus to a company controlled by an officer.

As at March 31, 2020 and 2019, the following balances were due to officers and directors and/or related companies:

i) Included in accounts payable is $Nil due to the former CFO (2019 - $3,075) and $10,918 (2019 – $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.

8. Transactions with Related Parties (continued)

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

		2020		2019
Management fees	$	75,000	$	175,000
CFO Fees		-		6,263
Share-based payments		-		62,700
Total remuneration	$	75,000	$	243,963

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 Interim Condensed Financial Statements for the period ended March 31, 2020.

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 March 31, 2020 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	$ 164,927	$ –	$ –	$ 164,927

10. 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 financial institutions.

As at March 31, 2020, the Company's maximum exposure to credit risk is the carrying value of cash of $164,927.

(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 March 31, 2020, the Company had working capital of $116,545. 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.

(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 March 31, 2020, 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 March 31, 2020, 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.

During March 2020, the World Health Organization declared COVID-19 a global pandemic. The contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

Outstanding Share Data

Summary of Outstanding Share Data at May 27, 2020:

i) Authorized:
Unlimited common shares without par value

Issued and outstanding:
42,086,745 common shares

ii) Stock options outstanding: 3,570,000

iii) Warrants outstanding: 4,267,608 units

12. 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, 2019 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 March 31, 2020. 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.