



**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
DECEMBER 31, 2021 AND 2020**

(UNAUDITED – PREPARED BY MANAGEMENT)

ASIABASEMETALS INC.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by CPA Canada for a review of interim financial statements by an entity's auditors.

ASIABASEMETALS INC.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION****AS AT DECEMBER 31, 2021 AND SEPTEMBER 30, 2020**(Unaudited - Expressed in Canadian Dollars)

	December 31, 2021	September 30, 2021
ASSETS	(unaudited)	(audited)
Current		
Cash	\$ 32,905	\$ 65,548
Amounts receivable	16,746	14,262
Prepaid expenses	327	4,779
	49,978	84,589
Reclamation deposit (Note 6)	10,000	10,000
Exploration and evaluation assets (Note 5)	11,688	11,688
	\$ 71,666	\$ 106,277
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 371,530	\$ 357,668
DEFICIENCY		
Share capital (Note 7)	4,179,821	4,179,821
Share-based payment reserves	1,410,321	1,410,321
Accumulated deficit	(5,890,006)	(5,841,533)
	(299,864)	(251,391)
	\$ 71,666	\$ 106,277

CORPORATE INFORMATION AND NATURE OF CONTINUANCE OF OPERATIONS (Note 1)

Approved by the Board on February 24, 2022:

"Raj Chowdhry"
Director

"Ioannis Tsitos"
Director

(The accompanying notes are an integral part of these condensed interim financial statements.)

ASIABASEMETALS INC.**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS****FOR THREE MONTHS ENDED DECEMBER 31, 2021 AND 2020**

(Unaudited - Expressed in Canadian Dollars)

	2021	Three months ended December 31, 2020
EXPENSES		
Management fees (Note 9)	\$ 37,500	\$ 37,500
Share-based payments (Note 9)	-	56,311
Professional fees	10,835	16,366
Office, administration, and miscellaneous	(8,980)	8,625
Regulatory and transfer agent fees	4,276	891
Travel	-	2,478
Exploration, net	259	435
Foreign exchange loss (gain)	-	1,165
Interest and bank charges	130	110
Property investigation	4,453	-
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	\$ (48,473)	\$ (123,881)
LOSS PER SHARE – BASIC AND DILUTED	\$ (0.00)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	45,080,714	42,737,810

(The accompanying notes are an integral part of these condensed interim financial statements.)

ASIABASEMETALS INC.**CONDENSED INTERIM STATEMENTS OF CHANGES IN DEFICIENCY****FOR THE THREE MONTHS ENDED DECEMBER 31, 2021 AND 2020**

(Unaudited – Expressed in Canadian Dollars)

	Common Shares (Note 7)		Share-based Payment Reserves	Accumulated Deficit	Total
	Number of Common Shares	Amount			
Balances at October 1, 2020	43,224,651	\$ 3,853,054	\$ 1,309,429	\$ (5,472,737)	\$ (310,254)
Exercise of warrants	732,603	100,280	-	-	100,280
Share-based payments	-	-	56,311	-	56,311
Net loss and comprehensive loss	-	-	-	(123,881)	(123,881)
Balances at December 31, 2020	43,957,254	\$ 3,953,334	\$ 1,365,740	\$ (5,596,618)	\$ (277,544)
Balances at October 1, 2021	45,080,714	\$ 4,179,821	\$ 1,410,321	\$ (5,841,533)	\$ (251,391)
Net loss and comprehensive loss	-	-	-	(48,473)	(48,473)
Balances at December 31, 2021	45,080,714	\$ 4,179,821	\$ 1,410,321	\$ (5,890,006)	\$ (299,864)

(The accompanying notes are an integral part of these condensed interim financial statements.)

ASIABASEMETALS INC.**CONDENSED INTERIM STATEMENTS OF CASH FLOWS****FOR THE THREE MONTHS ENDED DECEMBER 31, 2021 AND 2020**(Unaudited – Expressed in Canadian Dollars)

	2021	Three months ended December 31, 2020
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (48,473)	\$ (123,881)
Items not involving cash		
Share-based payments	-	56,311
Change in non-cash working capital items		
Amounts receivable	(2,484)	(3,174)
Prepaid expenses	4,452	5,038
Accounts payable and accrued liabilities	13,862	(102,235)
Cash used in operating activities	(32,643)	(167,941)
CHANGE IN CASH DURING THE PERIOD	(32,643)	(67,661)
CASH, BEGINNING OF PERIOD	65,548	116,699
CASH, END OF PERIOD	\$ 32,905	\$ 49,038
Supplemental Cash Flow Information		
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

(The accompanying notes are an integral part of these condensed interim financial statements.)

ASIABASEMETALS INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2021 AND 2020**

(Unaudited - Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND NATURE OF CONTINUANCE OF OPERATIONS

AsiaBaseMetals Inc. (the "Company") was incorporated on August 11, 2009 under the laws of British Columbia. The Company is an exploration company focused on the exploration and development of zinc and base metals. The address of the Company's corporate office and principal place of business is 6153 Glendalough Pl., Vancouver, British Columbia, V6N 1S5, Canada.

At December 31, 2021, the Company had not yet determined whether its properties contain 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, confirmation of the Company's interest in the underlying mineral claims, 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. The outcome of these matters cannot be predicted at this time and these factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim financial statements.

During March 2020, the World Health Organization declared COVID-19 a global pandemic. This 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 has been limited, but management continues to monitor the situation.

2. SIGNIFICANT ACCOUNTING POLICIES**a) Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34 – *Interim Financial Reporting*. For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The accounting policies applied in these condensed interim financial statements are consistent with those applied in the preparation of, and disclosed in, the Company's audited annual financial statements for the year ended September 30, 2021.

b) Basis of presentation

The condensed interim financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Going Concern

These condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception and has an accumulated deficit of \$5,890,006 at December 31, 2021. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim 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 condensed interim 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 deferred income taxes, share-based payments, assessment of decommissioning provision and assessment of impairment of exploration and evaluation assets.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective or assessments with a significant risk of material adjustment.

(i) 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.

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.

(ii) Going Concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 2(c).

4. NEW ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant effect on the Company's financial statements.

ASIABASEMETALS INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2021 AND 2020**(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

		2021		2020
Gnome Zinc	\$	11,688	\$	11,688
Total	\$	11,688	\$	11,688

Gnome Zinc, BC

On September 30, 2009, Tintina Resources Inc. ("Tintina") transferred its interest in the Gnome Zinc project and \$500,000 in cash to the Company as part of its reorganization. Tintina also transferred its right, title and interest in the Gnome Zinc project to purchase a 1% NSR royalty for \$2,000,000 up to the period ending on March 11, 2020. The transaction was recorded as a shareholder transfer at Tintina's carrying value of the Gnome Zinc project of \$146,748 and an increase in cash of \$500,000.

As at December 31, 2021, the Gnome Zinc Property consists of 11 mineral claims covering 5,254 hectares of land.

Expenditures for the three months ended December 31, 2021 and September 30, 2021 are as follows:

	October 1, 2021	Acquisition Costs	Impairment	December 31, 2021
Gnome Zinc	\$ 11,688	\$ -	\$ -	\$ 11,688

	October 1, 2020	Acquisition Costs	Impairment	September 30, 2021
Gnome Zinc	\$ 11,688	\$ -	\$ -	\$ 11,688

ASIABASEMETALS INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2021 AND 2020**

(Unaudited - Expressed in Canadian Dollars)

6. RECLAMATION DEPOSIT

On July 23, 2019, the Company paid \$10,000 for a reclamation bond to the Minister of Finance for the Province of British Columbia ("the Province") with respect to the exploration drilling on the Gnome Property. This amount was determined by the Province to be sufficient to meet all anticipated reclamation requirements.

7. SHARE CAPITAL

- a) Authorized: The Company is authorized to issue an unlimited number of common shares without par value.
- b) Issued and outstanding as at December 31, 2021: 45,080,714 (December 31, 2020 – 43,957,254) common shares.
 - i. On October 28, 2020, the Company issued 732,603 shares upon the exercise of warrants for net proceeds of \$100,280.
 - ii. On March 23, 2021, the Company issued 1,123,460 shares upon the exercise of warrants for net proceeds of \$226,487.

8. STOCK OPTION PLAN, SHARE-BASED PAYMENTS AND WARRANTS

The Company adopted a rolling stock option plan (the "Plan") to grant options to directors, senior officers, employees, independent contractors and consultants of the Company. The Plan reserves for issuance up to 10% of the issued and outstanding share capital of the Company from time to time, and provides that it is solely within the discretion of the Board or, if the Board so elects, by a committee consisting of not less than two of its members appointed by the Board, to determine who should receive options and in what amounts.

Options granted under the Plan for a term not to exceed 10 years from the date of their grant and are exercisable at a price not less than the discounted market price (which is the market price less a discount of 25% for a closing price of up to \$0.33, a discount of 20% for a closing price of \$0.34 to \$1.33, and a discount of 15% for a closing price above \$1.34, subject to a minimum of \$0.07).

The Company did not issue any stock options during the three months period ended December 31, 2021 and 2020.

The Company uses the Black-Scholes option pricing model to estimate the fair value of stock options. The weighted average fair value of the options granted during the three months ended December 31, 2021 was \$nil (December 31, 2020 - \$0.19). For purposes of the calculations, the following weighted average assumptions were used under the Black-Scholes model:

	2021	2020
Exercise price	\$ -	\$ 0.297 - 0.397
Share price at grant date	-	0.25 – 0.40
Risk free interest rate	-	0.23 – 1.59%
Expected dividend yield	-	0%
Expected forfeiture rate	-	0%
Expected stock price volatility	-	104 - 124%
Expected life of options	-	2 years

ASIABASEMETALS INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2021 AND 2020**

(Unaudited - Expressed in Canadian Dollars)

8. STOCK OPTION PLAN, SHARE-BASED PAYMENTS AND WARRANTS (continued)

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance at September 30, 2019	3,054,356	\$ 0.32
Issued	2,264,452	\$ 0.34
Cancelled	(226,234)	\$ 0.55
Expired	(1,350,849)	\$ 0.24
Balance at September 30, 2020	3,741,725	\$ 0.32
Forfeited	(170,025)	\$ 0.40
Expired	(2,214,049)	\$ 0.33
Balance at December 31, 2021	1,357,651	\$ 0.30

The following table summarizes stock options outstanding and exercisable at December 31, 2021:

Options Outstanding			Options Exercisable		
Exercise Price	Number of Options	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$			\$		\$
0.40	20,151	0.14	0.40	20,151	0.40
0.30	1,337,500	0.73	0.30	1,337,500	0.30
	1,357,651	0.72	0.30	1,357,651	0.30

The stock options outstanding at December 31, 2021 will expire between February 20, 2022 and September 24, 2022.

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance at September 30, 2019	2,328,000	\$ 0.13
Issued	2,020,450	\$ 0.25
Exercised	(1,163,032)	\$ 0.14
Balance at September 30, 2020	3,185,418	\$ 0.20
Exercised	(1,856,063)	\$ 0.18
Expired	(1,329,355)	\$ 0.24
Balance at December 31, 2021	-	\$ -

ASIABASEMETALS INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2021 AND 2020**

(Unaudited - Expressed in Canadian Dollars)

9. RELATED PARTY BALANCES AND TRANSACTIONS

During the three months period ended December 31, 2021 and 2020, the following amounts were incurred or paid to officers and directors and/or their related companies:

- i) The Company incurred \$37,500 (2020 - \$37,500) for management fees to a company controlled by the Chief Executive Officer ("CEO").

As at December 31, 2021 and 2020, the following balances were due to officers and directors and/or related companies:

- i) Included in accounts payable and accrued liabilities is \$335,298 (2020 - \$309,476) due to a company controlled by the CEO of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

On April 1, 2015 the Company entered into an agreement with a company controlled by a director to provide CEO 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.

Key management personnel compensation:

Key management personnel include the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and directors of the Company. The remuneration of directors and officers of the Company is as follows:

	Three months ended December 31,			
	2021		2020	
Management fees	\$	37,500	\$	37,500
Share based payments		-		10,475
Total remuneration	\$	37,500	\$	47,975

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

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject to.

The Company considers the aggregate of its equity as capital. As at December 31, 2021, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating year.

ASIABASEMETALS INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTHS PERIOD ENDED DECEMBER 31, 2021 AND 2020**

(Unaudited - Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK*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 recurring basis were presented on the Company's statement of financial position as at December 31, 2021 as follows:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial assets				
Cash	\$ 32,905	\$ –	\$ –	\$ 32,905

*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 December 31, 2021, the Company's maximum exposure to credit risk is the carrying value of cash of \$32,905.

(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, 2021, the Company had working capital deficit of \$321,552. 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 that bear interest at fixed or variable rates.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(iv) Foreign Currency Risk

The Company is exposed to currency fluctuations in the acquisition of foreign currencies. The Company holds insignificant balance in cash in foreign currencies (US dollars) and is therefore not exposed to significant gains or losses on foreign exchange. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar would have an insignificant 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, 2021 and 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.