

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name AsiaBaseMetals Inc.		2 Issuer's employer identification number (EIN) None	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact (604) 323-3281	5 Email address of contact info@asiabasemetals.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 6153 Glendalough Pl.		7 City, town, or post office, state, and Zip code of contact Vancouver, British Columbia, Canada V6N 1S5	
8 Date of action March 4, 2016		9 Classification and description Common Shares	
10 CUSIP number 04521E408	11 Serial number(s) N/A	12 Ticker symbol TSX.V: ABZ	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On March 4, 2016, AsiaBaseMetals Inc. ("Issuer") undertook a reverse stock split (share consolidation) whereby it consolidated every 2 existing common shares into 1 new common share (the "Consolidation"). No shareholders received a fractional common share, as each fractional share was rounded to the nearest whole number of common shares. No cash was received by any shareholder in lieu of a fractional share.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **As a result of the Consolidation, shareholders will be required to allocate the aggregate tax basis in each block of their common shares held immediately prior to the Consolidation among the common shares held immediately after the Consolidation such that the per share tax basis in each common share is equal to 200% of the tax basis in a pre-Consolidation common share.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **While the per share tax basis is impacted, the tax basis of each shareholder's total investment remains the same. The post-Consolidation per share tax basis is equal to the pre-Consolidation aggregate tax basis in each 2 common shares held. This results in an increased per share tax basis for the fewer shares held.**

Part II Organizational Action (continued)

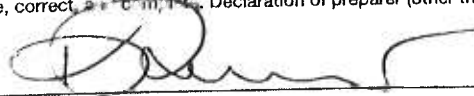
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► The Issuer believes that the Consolidation should be treated as a tax-free reverse stock-split (share consolidation). Consequently, the income tax consequences of the Consolidation to shareholders should be determined under Code Sections 305(a), 307(a), 358(b)(1), and 368(a)(1)(E).

18 Can any resulting loss be recognized? ► If the Consolidation constitutes a non-taxable transaction, shareholders who receive 1 new common share in exchange for 2 existing common shares should not recognize any loss.

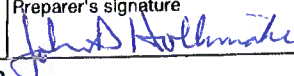
19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► In general, any gain recognized should be reported by shareholders for the tax year which includes March 4, 2016 (e. g., a calendar year shareholder would report the transaction on his or her federal income tax return for the 2016 calendar year).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ►  Date ► April 6, 2016

Print your name ► KARA NORMAN Title ► CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	John Hollinrake		8 Apr 2016		PO1568530
	Firm's name ► Dorsey & Whitney LLP			Firm's EIN ►	41-0223337
	Firm's address ► Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, Washington 98104			Phone no.	(206) 903-8812