AsiaBaseMetals Inc.

Management Discussion and Analysis

FOR THE SIX MONTHS ENDED MARCH 31, 2014

Introduction

This Management Discussion and Analysis ("MD&A") of AsiaBaseMetals Inc. (the "Company") has been prepared by management as of April 29, 2014 and should be read in conjunction with the unaudited interim condensed financial statements and related notes thereto of the Company for the six months ended on March 31, 2014. The financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These interim condensed financial statements do not contain all of the information required for full annual financial statements. 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. is a Vancouver based resource company focused globally on exploration and development of zinc and base metals. The Company has a project in British Columbia, Canada – the Gnome zinc project.

The Company is primarily focused on advancing the Gnome property, and identifying, acquiring and developing copper and other base and precious-metal properties in Asia, and North and South America.

The Gnome zinc project has land claims that encompass 5,429 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 recent work by the Company. The Company conducted an exploration program during fiscal 2012 and completed the program early fiscal 2013. The Company prepared an updated geological report and is evaluating and assessing the data obtained from the program to determine the next course of action.

2. Second Quarter 2014 Highlights

For the six months ended March 31, 2014, the Company incurred a comprehensive loss of $204,585 and had an accumulated deficit of $1,759,574. 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, 2014 was $9,018.

3. 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, 2013	$ 29,276	$ 380,064	$ 409,340
Six months ended March 31, 2014	-	734	734
Balance as of March 31, 2014	$ 29,276	$ 380,798	$ 410,074

During the six months ended March 31, 2014:

- Exploration costs decreased $17,726 from $18,460 during the six months ended March 31, 2013 to $734 during the six months ended March 31, 2014 as the Company assesses the Gnome property to determine the next course of action.
- Management fees decreased $6,773 from $60,000 during the six months ended March 31, 2013 to $53,227 during the six months ended March 31, 2014 primarily due to the former CEO resignation on March 10, 2014.
- Office, administration and miscellaneous costs increased $4,880 from $28,791 during the six months ended March 31, 2013 to $33,671 during the six months ended March 31, 2014 primarily due to increased meals and entertainment expenses.

3. Results of Operations (continued)

- Professional fees decreased $2,106 from $22,568 during the six months ended March 31, 2013 to $20,462 during the six months ended March 31, 2014 primarily due to less accounting, tax, and legal fees incurred.
- Regulatory and transfer agent fees increased $1,758 from $6,908 during the six months ended March 31, 2013 to $8,666 during the six months ended March 31, 2014 primarily due to increased transfer agent service fees.
- Separation payment of $60,000 was payable to the former CEO of the Company (2013 - $nil).
- The Company incurred $28,302 in travel expenses during the six months ended March 31, 2014 for new business development opportunities (2013 - $nil).

4. 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, 2012	$Nil	$ (36,502)	$(0.00)
September 30, 2012	$Nil	$ (82,104)	$(0.00)
December 31, 2012	$Nil	$ (79,534)	$(0.00)
March 31, 2013	$Nil	$ (54,445)	$(0.00)
June 30, 2013	$Nil	$ (44,408)	$(0.00)
September 30, 2013	$Nil	$ (34,117)	$(0.00)
December 31, 2013	$Nil	$ (88,527)	$(0.00)
March 31, 2014	$Nil	$ (116,058)	$(0.00)

5. Liquidity and Capital Resources

As at March 31, 2014, the Company reported negative working capital of $58,778. Net decrease in cash for the six months ended March 31, 2014 was $137,701, leaving cash on hand in the amount of $9,018.

Current assets excluding cash at March 31, 2014 consist of amounts receivable of $2,918 and prepaid expense of $8,425.

Current liabilities as at March 31, 2014 consist of accounts payable and accrued liabilities of $73,279 and amounts due to related party of $5,860.

6. Off-Balance Sheet Arrangements and Commitments

At the date of this MD&A, the Company had no off-balance sheet arrangements and commitments.

7. Transactions with Related Parties

During the six months ended March 31, 2014, the Company incurred expenses payable to Tintina for services rendered: (i) $3,000 of rent and (ii) $10,025 of administration fees. Tintina is a related party having three directors and a major shareholder in common with the Company.

7. Transactions with Related Parties (continued)

The Company also paid short-term benefits as management fees of $53,227 to a company owned by the former CEO and the new Interim CEO of the Company for their services in their roles.

As at March 31, 2014, the Company owed $5,860 to Tintina (September 30, 2013 - $nil) and also owed separation payment of $60,000 to the former CEO of the Company. The amount was non-interest bearing, unsecured and is due upon demand.

The remuneration of directors and other members of key management is as follows:

	Six months ended March 31, 2014	2013
Management fees	$ 53,227	$ 30,000
Separation payment	60,000	-
Total remuneration	$ 113,227	$ 30,000

8. 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 is included in Note 2 of the Interim Condensed Financial Statements for the six months ended March 31, 2014.

9. Financial Instruments and Other Instruments

a) Financial Instruments

As at March 31, 2014, the Company's financial instruments include cash and cash equivalents, amounts receivable, accounts payable and amounts due to related party. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

b) Financial Risks

The Company is exposed to a number of risks arising from financial instruments. The types of risk the Company is exposed to and the Company's principal risk management strategies are detailed in the Company's audited Financial Statements for the year ended September 30, 2013.

10. 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 Suite 2560-200 Granville Street, Vancouver, British Columbia, V6C 1S4, Canada.

At March 31, 2014, 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.

11. Outstanding Share Data

Summary of Outstanding Share Data at April 29, 2014:

i) Authorized:
Unlimited common shares without par value

Issued and outstanding:
72,900,892 common shares

ii) Stock options outstanding: 1,645,000

iii) Warrants outstanding: Nil

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 six months ended March 31, 2014, 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, 2014. 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 disclosures pertaining to the Company's 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.

13. Subsequent Event

On April 3, 2014, the Company announced that it intends to raise up to $212,500 through a non-brokered private placement of up to 4,250,000 common shares at a price of $0.05 per share. The Company expects to close the financing during the next fiscal quarter.