



**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED  
DECEMBER 31, 2023 AND 2022**  
(Expressed in Canadian dollars)  
(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 condensed interim financial statements by an entity's auditors.

DRAFT

---

**ASIABASEMETALS INC.****CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION****AS AT DECEMBER 31, 2023 and SEPTEMBER 30, 2023**(Expressed in Canadian Dollars)

---

	<b>December 31, 2023</b>	<b>September 30, 2023</b>
	(Unaudited)	(Audited)
<b>ASSETS</b>		
Current		
Cash (Note 5)	\$ 8,820	\$ 1,487
Amounts receivable	846	5,830
	9,666	7,317
Reclamation deposit (Note 7)	10,000	10,000
Exploration and evaluation assets (Note 6)	3,493	3,493
	\$ 23,159	\$ 20,810
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 10)	\$ 481,563	\$ 415,521
<b>DEFICIENCY</b>		
Share capital (Note 8)	4,661,354	4,661,354
Share-based payment reserves	1,770,289	1,725,847
Accumulated deficit	(6,890,047)	(6,781,912)
	(458,404)	(394,711)
	\$ 23,159	\$ 20,810

CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS (Note 1)  
SUBSEQUENT EVENT (Note 13)

Approved by the Board on February 21, 2024:

*"Rajinder Chowdhry"*  
Director*"Henry Park"*  
Director

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

---

**ASIABASEMETALS INC.****CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS****FOR THE THREE MONTHS ENDED DECEMBER 30, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

---

	<b>2023</b>	<b>2022</b>
<b>EXPENSES</b>		
Management fees (Note 10)	\$ 37,500	\$ 37,500
Share-based payments (Note 10)	44,442	-
Professional fees	17,281	3,138
Office, administration, and miscellaneous	5,112	5,014
Regulatory and transfer agent fees	2,328	938
Travel	1,463	1,463
Exploration, net	300	558
Foreign exchange loss (gain)	(401)	214
Interest and bank charges	110	116
Property investigation (Note 10 and 14)	-	1,463
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>\$ (108,135)</b>	<b>\$ (48,941)</b>
<b>LOSS AND PER SHARE – BASIC AND DILUTED</b>	<b>(0.00)</b>	<b>(0.00)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<b>49,402,871</b>	<b>49,095,714</b>

(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 SEPTEMBER 30, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

---

	Common Shares (Note 8)		Share-based Payment Reserves	Accumulated Deficit	Total
	Number of Common Shares	Amount			
Balances at October 1, 2022	49,095,714	\$ 4,616,709	\$ 1,410,321	\$ (6,188,808)	\$ (91,778)
Net loss and comprehensive loss	-	-	-	(48,941)	(48,941)
Balances at December 31, 2022	49,095,714	\$ 4,616,709	\$ 1,410,321	\$ (6,167,749)	\$ (140,719)
Balances at October 1, 2023	49,402,871	\$ 4,661,354	\$ 1,725,847	\$ (6,781,912)	\$ (394,711)
Share-based payments	-	-	44,442	-	44,442
Net loss and comprehensive loss	-	-	-	(108,135)	(108,135)
Balances at December 31, 2023	49,402,871	\$ 4,661,354	\$ 1,770,289	\$ (6,890,047)	\$ (458,404)

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

---

**ASIABASEMETALS INC.****CONDENSED INTERIM STATEMENTS OF CASH FLOWS****FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**(Unaudited - Expressed in Canadian Dollars)

---

	<b>2023</b>	<b>2022</b>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (108,135)	\$ (48,941)
Items not involving cash		
Share-based payments	44,442	-
Change in non-cash working capital items		
Amounts receivable	4,984	17,757
Prepaid expenses	-	-
Accounts payable and accrued liabilities	66,042	49,390
Cash provided by operating activities	7,333	18,206
CHANGE IN CASH DURING THE PERIOD	7,333	18,206
CASH, BEGINNING OF PERIOD	1,487	40,165
CASH, END OF PERIOD	\$ 8,820	\$ 58,371
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 ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

---

**1. CORPORATE INFORMATION AND 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 September 30, 2023, the Company has working capital deficit of \$408,204 and does not generate cash flow operations. The Company has 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.

**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, 2023.

**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 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 \$6,890,047 at December 31, 2023. 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.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

---

**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 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).

(iii) Cash held with Sanctioned Banks

The sanctions imposed against Myanmar Investment and Commercial Bank ("MICB") in Myanmar could directly affect the Company's ability to use or withdraw cash or cash equivalents. As a result, funds held by MICB could experience restrictions on withdrawal or on their use of the cash or cash equivalents for current operations, refer to Note 5.



**ASIABASEMETALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

**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.

**5. CASH**

The United States and Canada have sanctioned two of Burma's military regime-controlled banks, one of them being Myanma Investment and Commercial Bank ("MICB"). The Company's funds held with MICB are restricted and there is uncertainty whether the funds can be accessed and recovered. As a result, management has reduced the balance \$33,971 held with MICB to \$nil during the year ended September 30, 2023.

**6. EXPLORATION AND EVALUATION ASSETS**

	<b>Gnome Project (\$)</b>	<b>Cedar River Property (\$)</b>	<b>Robbins Lake Property (\$)</b>	<b>Moosetrack Lake Property (\$)</b>	<b>Total (\$)</b>
Balance, September 30, 2022	11,688	-	-	-	11,688
Acquisition Costs	3,493	14,882	14,881	14,882	48,138
Impairment	(11,688)	(14,882)	(14,881)	(14,882)	(56,333)
Balance, September 30, 2023	3,493	-	-	-	3,493
Acquisition Costs	-	-	-	-	-
Impairment	-	-	-	-	-
<b>Balance, December 31, 2023</b>	<b>3,493</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,493</b>

**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. During the year, the claims have expired of which \$11,688 was written-off and four claims were staked for a total of \$3,493.

**Paisano Gold, Peru**

On June 7, 2022, the Company entered into an option agreement with Regency Silver Corp. ("Regency Silver") (TSXV: RSMX) and its Peruvian subsidiary, to acquire a 70% interest in the Paisano Gold Project in North-Central Peru (the "Property").

---

**ASIABASEMETALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

---

**6. EXPLORATION AND EVALUATION ASSETS (continued)**

The Company may earn a 70% interest in the Property and to be in good standing, the Company must make the following:

- a) cash payments to keep the Property in good standing of approximately US\$3 per hectare over the next three years commencing in 2023 estimated as follows:
  - (i) \$11,000 on or before May 25, 2023;
  - (ii) \$11,000 on or before May 25, 2024; and
  - (iii) \$11,000 on or before May 25, 2025;
- b) issue Regency Silver a total of 250,000 common shares over three years as follows:
  - (i) 50,000 common shares on or before September 1, 2023;
  - (ii) 100,000 common shares on or before May 25, 2024; and
  - (iii) 100,000 common shares on or before May 25, 2025; and
- c) incur at least \$1,000,000 in exploration expenditures on the Property by expending the sum of \$200,000 on or before May 25, 2024, and the additional sum of \$800,000 on or before May 25, 2025.

The Company may elect to issue common shares instead of expending money on exploration. Such shares will be priced at the greater of \$0.17 per share or the closing price of the Company's share on the TSX Venture Exchange, or such other exchange on which the common shares are then principally traded, on the trading date immediately preceding the date on which notice of such election is delivered. In the event the Option is exercised, the parties will enter in a joint venture with their respective interests.

The Company has terminated the option agreement with Regency Silver during the year ended September 30, 2023.

**Cedar River Property, Ontario**

On March 30, 2023, the Company entered into an option agreement with 2758145 Ontario Ltd. To acquire 100% interest in 100 active mineral claims in Ontario and to be in good standing, the Company must make the following:

- a) Cash payments of \$45,600 over three years as follows
  - (i) \$6,667 on or before five business days following May 30, 2023 (paid);
  - (ii) \$9,120 on or before May 30, 2024;
  - (iii) \$13,680 on or before May 30, 2025; and
  - (iv) \$16,133 on or before May 30, 2026;
- b) Issue a total of 333,335 common shares over three years as follows
  - (i) 54,767 common shares (fair value of \$8,215) on or before thirty calendar following May 30, 2023 (issued - Note 7);
  - (ii) 73,067 common shares on or before May 30, 2024;
  - (iii) 91,334 common shares on or before May 30, 2025; and
  - (iv) 114,167 common shares on or before May 30, 2026.

The Company has written off \$14,882 as the Company does not intend to perform additional exploration work on the property. The Company has terminated the option agreement on December 20, 2023.

---

**ASIABASEMETALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

---

**6. EXPLORATION AND EVALUATION ASSETS (continued)****Robbins Lake Property, Ontario**

On March 30, 2023, the Company entered into an option agreement with 2758145 Ontario Ltd. To acquire 100% interest in 40 active mineral claims in Ontario and to be in good standing, the Company must make the following:

- a) Cash payments of \$45,600 over three years as follows
  - (i) \$6,666 on or before five business days following May 30, 2023 (paid);
  - (ii) \$9,120 on or before May 30, 2024;
  - (iii) \$13,680 on or before May 30, 2025; and
  - (iv) \$16,134 on or before May 30, 2026;
- b) Issue a total of 333,334 common shares over three years as follows
  - (i) 54,767 common shares (fair value of \$8,215) on or before thirty calendar following May 30, 2023 (issued - Note 7);
  - (ii) 73,067 common shares on or before May 30, 2024;
  - (iii) 91,333 common shares on or before May 30, 2025; and
  - (iv) 114,167 common shares on or before May 30, 2026.

The Company has written off \$14,881 and has terminated the option agreement with 2758145 Ontario Ltd. on October 24, 2023.

**Moosetrack Lake Property, Ontario**

On March 30, 2023, the Company entered into an option agreement with 2758145 Ontario Ltd. To acquire 100% interest in 50 active mineral claims in Ontario and to be in good standing, the Company must make the following:

- a) Cash payments of \$45,600 over three years as follows
  - (i) \$6,667 on or before five business days following May 30, 2023 (paid);
  - (ii) \$9,120 on or before May 30, 2024;
  - (iii) \$13,680 on or before May 30, 2025; and
  - (iv) \$16,133 on or before May 30, 2026;
- b) Issue a total of 333,331 common shares over three years as follows
  - (i) 54,766 common shares (fair value of \$8,215) on or before thirty calendar following May 30, 2023 (issued – Note 7);
  - (ii) 73,066 common shares on or before May 30, 2024;
  - (iii) 91,333 common shares on or before May 30, 2025; and
  - (iv) 114,166 common shares on or before May 30, 2026.

The Company has written off \$14,882 and has terminated the option agreement with 2758145 Ontario Ltd. on October 24, 2023.

**7. 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.

---

**ASIABASEMETALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

---

**8. 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, 2023: 49,402,871 (September 30, 2023 – 49,402,871) common shares.

There were no share transactions for the three months period ended December 31, 2023.

During the year ended September 30, 2023,

- i. On April 27, 2022, the Company closed a non-brokered private placement for gross proceeds of \$441,650 for issuing 4,015,000 units (“Units”) at a price of \$0.11 per Unit (the “Private Placement”) incurring share issuance costs of \$1,803. Each Unit is comprised of one common share of the Company (a “Share”) and one common share purchase warrant (each, a “Warrant”). Each Warrant entitles the holder to purchase an additional Share at a price of \$0.14 per Share for a period of five years.
- ii. On May 12, 2023, the Company issued 164,300 shares (fair value of \$24,645) in connection with the option agreements (Note 6).
- iii. The Company issued 142,857 shares upon the exercise of share purchase warrants for total proceeds of \$20,000.

**9. 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).

On March 30, 2023, the Company granted 2,925,000 to directors, advisors and consultants of the Company. The Stock Options will be exercisable at a price of \$0.20 per Share for a period of five years from date of grant, of which 50% will vest immediately, 25% will vest 6 months after the date of the grant and the remaining 25% will vest 12 months after the date of the grant.

On November 2, 2023, the Company granted 400,000 to advisors of the Company. The Stock Options will be exercisable at a price of \$0.20 per Share for a period of five years from date of grant, of which 50% will vest immediately, 25% will vest 6 months after the date of the grant and the remaining 25% will vest 12 months after the date of the grant.

**ASIABASEMETALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

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

The following weighted average assumptions were used in the valuation of stock options granted in the Black-Scholes Option Pricing model:

	Three months ended December 31, 2023	Year ended September 30, 2023
Risk-free interest rate	3.94%	3.06%
Expected life	5 years	5 years
Annualized volatility	107.14%	109.21%
Dividend rate	0.00%	0.00%

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance at September 30, 2022	-	\$ -
Granted	2,925,000	\$ 0.20
Balance at September 30, 2023	2,925,000	\$ 0.20
Granted	400,000	\$ 0.20
Balance at December 31, 2023	3,325,000	\$ 0.20

The stock options outstanding and exercisable as at December 31, 2023 are as follows:

Outstanding	Exercisable	Exercise price	Expiry date
2,925,000	2,193,750	\$ 0.20	March 30, 2028
400,000	200,000	\$0.20	November 2, 2028

For the three months ended December 31, 2023, the Company recognized share-based payments of \$44,442 (2022 - \$nil). The weighted average remaining life of the stock options is 4.32 years.

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance at September 30, 2022	4,015,000	\$ 0.14
Exercised	(142,857)	\$ 0.14
Balance at September 30, 2023	3,872,143	\$ 0.14
Issued	-	\$ -
Balance at December 31, 2023	3,872,143	\$ 0.14

The warrants outstanding as at December 31, 2023 are as follows:

Outstanding	Exercise price	Expiry date
3,872,143	\$ 0.14	April 27, 2027

The average remaining life of the warrants is 3.32 years.

---

**ASIABASEMETALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

---

**10. RELATED PARTY BALANCES AND TRANSACTIONS**

During the three months ended December 31, 2023 and 2022, the following amounts were incurred or paid to officers and directors and/or their related companies:

- i) The Company incurred \$37,500 (2022 - \$37,500) for management fees to a company controlled by the Chief Executive Officer ("CEO").

As at December 31, 2023 and 2022, the following balances were due to officers and directors and/or related companies:

- i) Included in accounts payable and accrued liabilities is \$281,556 (September 30, 2023 – \$242,191) due to company controlled by the CEO of the Company of which \$12,371 is secured by a promissory note. The remaining amounts are unsecured, non-interest bearing and have no fixed terms of repayment.
- ii) Included in accounts payable and accrued liabilities is \$46,213 (September 30, 2023 - \$37,993) due to 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:

	<b>Three months ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Management fees	\$ 37,500	\$ 37,500
Share based payments	11,612	-
<b>Total remuneration</b>	<b>\$ 49,112</b>	<b>\$ 37,500</b>

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.

**11. 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, 2023, 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.

---

**ASIABASEMETALS INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

---

**12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

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

*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, 2023 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
<b>Financial assets</b>				
Cash	\$ 8,820	\$ –	\$ –	\$ 8,820

*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, 2023, the Company's maximum exposure to credit risk is the carrying value of cash of \$8,820.

**(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, 2023, the Company has a working capital deficit of \$471,897. The Company requires funds to be raised from financing activities to meet its current obligations. 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.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

(Unaudited - Expressed in Canadian Dollars)

---

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

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, 2023 and September 30, 2023, a change of 10% +/- in US dollar would not result in a significant impact to the statements of loss and comprehensive loss.

(iv) 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.

13. SUBSEQUENT EVENT

Subsequent to December 31, 2023, the Company granted 250,000 stock options to a newly appointed director of the Company.

DRAFT