

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

▶ 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 Raj Chowdhry		4 Telephone No. of contact 1 (604) 765-2030	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 Place		7 City, town, or post office, state, and ZIP code of contact Vancouver, BC V6N 1S4 Canada	
8 Date of action September 1, 2020		9 Classification and description Common Shares	
10 CUSIP number 04521E	11 Serial number(s) N/A	12 Ticker symbol TSXV: 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 September 1, 2020, AsiaBaseMetals Inc. ("ABZ") and its three wholly-owned subsidiaries, Mantra Exploration Inc. ("SpinCo 1"), Mantra Pharma Inc. ("SpinCo 2"), and Mantra 2 Real Estate Inc. ("SpinCo 3"), engaged in a spin-out pursuant to a Canadian statutory plan of arrangement (the "Arrangement"). Specifically, in the Arrangement, each ABZ shareholder received one new ABZ common share ("New ABZ Share"), one SpinCo 1 common share, one SpinCo 2 common share, and one SpinCo 3 common share (the common shares of SpinCo 1, SpinCo 2, and SpinCo 3 received pursuant to the Arrangement, collectively, the "SpinCo Shares") in exchange for each ABZ Class A common share ("ABZ Share") surrendered in exchange therefor pursuant to the Arrangement. Upon completion of the Arrangement, ABZ shareholders held New ABZ Shares and the SpinCo Shares. No fractional shares were issued pursuant to the Arrangement, with any fractional shares rounded down to the nearest whole number.

The Arrangement is described in the Management Information Circular of ABZ dated July 17, 2020 (the "Circular"), which is available on www.sedar.com.

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 ▶ See Exhibit A.

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 ▶ For purposes of calculating fair market value, the fair market value of a SpinCo 1 common share on September 1, 2020 is estimated at U.S.\$0.000766 (as converted to U.S. dollars using the daily exchange rate published by the Bank of Canada on September 1, 2020), the fair market value of a SpinCo 2 common share on September 1, 2020 is estimated at U.S.\$0.000766 (as converted to U.S. dollars using the daily exchange rate published by the Bank of Canada on September 1, 2020), and the fair market value of a SpinCo 3 common share on September 1, 2020 is estimated at U.S.\$0.000766 (as converted to U.S. dollars using the daily exchange rate published by the Bank of Canada on September 1, 2020).

Shareholders should consult with their own tax advisors as to what measure of fair market value is appropriate.

Part II Organizational Action (continued)

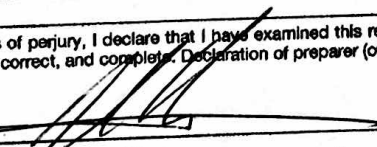
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Code Sections 301, 354, 356, 358, 368(a)(1)(E), and 1036.

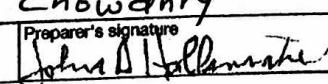
If ABZ was a PFIC at any time during the period that a shareholder held ABZ Shares, then the PFIC rules under Code Sections 1291-1298 would be applicable. Shareholders should consult with their own tax advisors regarding the potential application of the PFIC rules.

18 Can any resulting loss be recognized? ▶ No.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ In general, income recognized should be reported by holders for the taxable year which includes September 1, 2020 (e.g., a calendar-year shareholder would report the distribution on his or her federal income tax return filed for the 2020 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 ▶ Nov 4, 2020
 Print your name ▶ Rajinder Chowdhry Title ▶ CFO & CEO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<u>John D. Hollinrake Jr.</u>		<u>4 Nov 2020</u>		<u>P01568530</u>
	Firm's name ▶ <u>Dorsey & Whitney LLP</u>	Firm's address ▶ <u>Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, Washington 98104</u>		Firm's EIN ▶	<u>41-0223337</u>
	Firm's address ▶ <u>Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, Washington 98104</u>				Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

EXHIBIT A

ASIABASEMETALS INC. IRS FORM 8937

PERTAINING TO SECTION 15

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that might apply to particular categories of shareholders.

Though it is not free from doubt, ABZ believes the exchange by the ABZ shareholders of the ABZ Shares for New ABZ Shares and the SpinCo Shares, taken together, will be treated for U.S. federal income tax purposes, under the step-transaction doctrine or otherwise, as (i) a tax-deferred exchange by the ABZ shareholders of their ABZ Shares for New ABZ Shares, either under Code Section 1036 or Code Section 368(a)(1)(E), combined with (ii) a distribution of the SpinCo Shares to the ABZ shareholders under Code Section 301. As a result, and subject to certain passive foreign investment company ("PFIC") rules, ABZ shareholders should have the same tax basis and holding period in such shareholder's New ABZ Shares as such shareholder had in its ABZ Shares exchanged therefor pursuant to the Arrangement. ABZ has not computed its current or accumulated earnings and profits under U.S. tax principles. As a result, shareholders may have to assume that the distribution of the SpinCo Shares is ordinary dividend income equal to the fair market value of the SpinCo Shares distributed.

Certain special rules would apply if ABZ was classified as a PFIC, as defined under Code Section 1297, for any tax year during which a shareholder held ABZ Shares.

Shareholders should review the Circular and consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement.