

AFRASIA MINERAL FIELDS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

August 31, 2013

AFRASIA MINERAL FIELDS INC.

Management Discussion & Analysis

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1.1 Date

This Management Discussion and Analysis (“MD&A”) of Afrasia Mineral Fields Inc. (the “Company”) has been prepared by management as of October 15, 2013 and should be read in conjunction with the condensed interim financial statements and related notes thereto of the Company for the three months ended August 31, 2013 and 2012, and the audited financial statements and related notes thereto of the Company for the years ended May 31, 2013 and 2012, which were prepared in accordance with International Financial Reporting Standards (“IFRS”).

This MD&A may contain “forward-looking statements” which reflect the Company’s current expectations regarding the future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect” and similar expressions. The statements reflect the current beliefs of management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise.

1.2 Over-all Performance

The Company was incorporated on June 24, 1986 under the laws of British Columbia. The Company was listed on the TSX Venture Exchange (“TSX-V”) under the symbol “AFS” and on September 29, 2008 the Company’s listing was transferred from the TSX-V to the NEX board of the TSX-V. Effectively, the trading symbol for the Company changed from “AFS” to AFS.H”.

During fiscal 2013, the Company entered into a Letter of Intent (“LOI”) with Carecorp Holdings B.C. Ltd. (“Carecorp”), which is an arm’s length private company Incorporated under the Laws of British Columbia. However, the LOI was terminated on February 28, 2013 as both parties were unable to negotiate and enter into a definitive agreement.

Management is continuing to evaluate and negotiate suitable business opportunities.

1.3 Selected Annual Information

May 31,	2013	2012	2011
Total interest and other income	\$ 393	\$ 1,275	\$ 1,087
Net Loss	\$ (128,225)	\$ (159,784)	\$ (157,726)
Loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)
Total assets	\$ 35,250	\$ 118,127	\$ 235,217
Total long term liabilities	\$ Nil	\$ Nil	\$ Nil
Cash dividends declared per share for each class of share	\$ Nil	\$ Nil	\$ Nil

AFRASIA MINERAL FIELDS INC.

Management Discussion & Analysis

August 31, 2013

1.4 Results of Operations

During the period ended August 31, 2013, the Company incurred a loss of \$45,721 or \$0.002 per share as compared to a loss of \$29,329 or \$0.002 per share during the three months ended August 31, 2012, an increase in loss by \$16,392. The increase in loss was primarily due to legal fees incurred in connection to the due diligence on the proposed reverse takeover of Carecorp. which did not complete.

Office and administration increased by \$889 due to costs associated with the Company's AGM.

Professional fees by \$15,527 related to the due diligence of the proposed Carecorp transaction and other general corporate matters.

Regulatory fees by \$1,150 due to AGM related costs.

The increases above are offset by a decrease in wages and benefits by \$1,524 as the Company discontinued coverage to its related party.

1.5 Summary of Quarterly Results

The following is a summary of certain financial information concerning the Company for each of the last eight reported quarters:

Quarter ended	Interest and other income	Loss	Loss per share
August 31, 2013	\$ –	\$ (45,721)	\$ (0.00)
May 31, 2013	1	(33,818)	(0.00)
February 28, 2013	7	(29,082)	(0.00)
November 30, 2012	170	(35,996)	(0.00)
August 31, 2012	215	(29,329)	(0.00)
May 31, 2012	239	(38,419)	(0.01)
February 29, 2012	216	(29,968)	(0.00)
November 30, 2011	272	(40,471)	(0.00)

November 30, 2011 – higher net loss due to increase in travel costs in connection to a property visit as part of the Company's due diligence.

May 31, 2012 – higher net loss due to audit costs recognized in the quarter.

August 31, 2013 – higher net loss due to legal costs incurred in connection to the Carecorp. due diligence.

1.6/1.7 Liquidity and Capital Resources

The Company reported working capital deficiency of \$117,427 at August 31, 2013 compared to working capital deficiency of \$72,557 at May 31, 2013, representing a decrease in working capital of \$44,870.

AFRASIA MINERAL FIELDS INC.

Management Discussion & Analysis

August 31, 2013

As at August 31, 2013, the Company had net cash on hand of \$5,647 compared to \$18,531 as at May 31, 2013. During the period ended August 31, 2013, the Company used \$12,884 of its cash in operating activities, consisting primarily of general and administrative expenditures and change in non-cash working capital items.

Current assets excluding cash as at August 31, 2013 consisted of receivables of \$15,075 which comprised of government sales tax credits of \$12,205 (May 31, 2013 - \$13,056) and other receivables of \$2,870 (May 31, 2013 - \$234).

Current liabilities as at August 31, 2013 consisted of trade payables of accrued liabilities of \$35,771 (May 31, 2013 - \$14,981) and amounts due to related parties of \$102,795 (May 31, 2013 - \$89,814).

The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and has not raised funds in the last twelve months. The Company has an accumulated deficit of \$8,669,040, including a loss for the period ended August 31, 2013 of \$45,721 (2012 - \$29,329). These uncertainties may cast significant doubt upon the company's ability to continue as a going concern.

Management is continuing to evaluate and negotiate suitable business opportunities and actively targeting sources of additional financing. Although the Company has been successful in raising the funds in the past, there can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Risk and Uncertainties

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company's primary exposure to credit risk is on its cash, which consist of bank deposits of \$5,647. The Company limits its exposure to credit loss by placing its cash with a Canadian Chartered bank. While there is concentration of risk by holding all funds with one institution, management assesses credit risk of cash as very low due to the high credit quality rating the institution has with rating agencies.

The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist of refundable government sales taxes.

Liquidity and funding risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its cash requirements at any point in time. As at August 31, 2013, the Company had cash on hand of \$5,647, which is short to cover the current liabilities of \$138,566. Therefore, significant additional funding will

AFRASIA MINERAL FIELDS INC.

Management Discussion & Analysis

August 31, 2013

be required to fund operations for the next 12 months and in the future. There is a risk of failure to raise adequate capital when needed.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, both liquidity and funding risk are assessed as high.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

Currency Risk

Currency risk is the risk that exposes the Company to financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and is currently not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk as its bank accounts earn interest income at variable rates and are subject to the movement in interest rates. Management considers the interest rate to be minimal.

The Company has no debt and is not subject to any externally imposed capital requirements.

1.8 Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements.

1.9 Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers. Key management personnel compensation comprised:

	2013	2012
Administrative services (a)	\$ 9,000	\$ 9,000
Management services (a)	7,500	7,500
	\$ 16,500	\$ 16,500

(a) On February 1, 2009, the Company entered into a management and administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by two common directors, whereby the

AFRASIA MINERAL FIELDS INC.

Management Discussion & Analysis

August 31, 2013

Company agreed to pay management and administrative fees of \$2,500 and \$3,000 per month, respectively.

During the period ended August 31, 2013, the Company incurred \$7,500 (2012 – \$7,500) for management fees and \$9,000 (2012 – \$9,000) for administrative fees to VCC.

As at August 31, 2013, \$102,795 (May 31, 2013 - \$89,670) was due to VCC for management and administrative fees.

- (b) As at August 31, 2013, a total of \$2,870 (May 31, 2013 - \$234) was due from companies with directors and officers in common. The amounts resulted from recovery of expenses, were included in accounts receivable and repaid subsequent to August 31, 2013.

1.10 Fourth Quarter

None.

1.11 Proposed Transactions

Management is continuing to evaluate and negotiate suitable business opportunities.

1.12 Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the determination of the useful lives of property and equipment, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and liabilities, and the recoverability of receivables and prepaids. Actual results may differ from those estimates and judgments.

Judgments made by the management in the application of IFRS that have a significant effect on the financial statements and estimates with significant risk of material adjustment in the current and the following years are discussed in Note 2 of the audited financial statements for the year ended May 31, 2013.

1.13 Changes in Accounting Policies including Initial Adoption

Our significant accounting policies are set out in Note 2 of the audited financial statements for the year ended May 31, 2013.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, accounts receivable, trade payables, and accrued liabilities and due to related parties.

AFRASIA MINERAL FIELDS INC.

Management Discussion & Analysis

August 31, 2013

The Company has exposures to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are liquidity risk, funding risk and interest rate risk.

1.15 Other Requirements

Summary of Outstanding Share Data as at October 15, 2013:

Authorized - Unlimited common shares without par value

Issued – common shares: 20,026,663

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.

On behalf of the Board of Directors, thank you for your continued support.

“Praveen Varshney”

Praveen Varshney, C.A.
President and Director