DEBUT DIAMONDS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED JULY 31, 2014

This management's discussion and analysis (the "MD&A") follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure for reporting issuers. It is a complement and supplement to the financial statements of Debut Diamonds Inc., ("Debut" or the "Company"), and should be read in conjunction with those statements. It represents the view of management on current activities and past and current financial results of the Company, as well as an outlook of the activities of the coming months.

DATE

This MD&A for the three months ended July 31, 2014 is dated September 29, 2014.

COMPANY OVERVIEW

Debut is a junior mineral exploration company engaged in the acquisition, exploration and development of mineral properties in Canada. The Company is focused on exploration for diamond bearing kimberlite deposits in the James Bay Lowlands of Northern Ontario and gold exploration south of Timmins Ontario. Debut has joint ventures and wholly owned properties which include the previously discovered MacFadyen Kimberlites and the Pele Mountain, Victor West, and Uniform Surround claim blocks adjoining the De Beers Canada Inc. ("De Beers") Victor mine. Debut has an interest in 101 contiguous unpatented mining claims in the Victor Area located to the west and north-west of the De Beers Victor mine totaling approximately 22,900 hectares. The Diagnos Initiative and Kyle Kimberlites are within and adjacent to the 'Ring of Fire'. Other exploration and sampling initiatives by the Company include the Nakina Option and Canada Chrome Corporation Soil Sampling joint venture.

MacFadyen Kimberlites: The MacFadyen property is on the south shore of the Attawapiskat River about 86 miles (145 km) west of James Bay. MacFadyen consists of 5 claims totaling approximately 1,661 acres or 672 hectares, adjacent to the De Beers Victor Mine. MacFadyen Kimberlites is a joint project between Debut and Cliffs Chromite Far North Inc. ("Cliffs"). Debut is the operator and currently has a 58.35% interest in the joint project. Ashton Mining Canada Ltd., ("Ashton"), a previous owner, holds a 25% claw back entitlement to any kimberlite found or developed by Debut and/or Cliffs on the MacFadyen Kimberlites property. Ashton can execute the clawback by paying Debut and/or Cliffs an amount equal to 300% of all exploration expenditures on the property.

The MacFadyen project is comprised of 3 diamondiferous kimberlite pipes adjacent to the DeBeers Victor Mine. The pipes are in close proximity to each other (all within 1.5 km) and occur along the same lineament. Exploration on the MacFadyen Kimberlites has identified small quantities of commercial sized diamonds. Initial sampling and up to 2 ton mini-bulk samples on each pipe have been completed and on December 4, 2007 the results on four kimberlite mini-bulk samples received from SGS Lakefield using dense media separation on the +0.85 mm fraction were estimated at 19.7 carats per hundred ton ("cpht") from a 1,170 kg sample for the Good Friday Pipe, very low grade results from a 1,156.5 kg sample for the MacFadyen No.1 Pipe, 1.0 cpht from a 795.5 kg sample for the MacFadyen No.2 South Pipe, and 12.1 cpht from a 436.5 kg sample for the MacFadyen No.2 Dyke.

The results of preliminary sampling from the MacFadyen Kimberlites have added encouragement to the possibility that one or more of these pipes may prove to contain diamonds of a quality that enables economic recovery by the adjacent Victor plant of De Beers. Geochemistry of the known Debut pipes is considered analogous to the Victor pipe. The Victor Mine is significant for Debut because its MacFadyen Kimberlite claims are located within five miles of the Victor Mine's open pit. The Victor Mine began diamond production in June 2008.

Pele Mountain: The Pele Mountain property is comprised of 55 mining claims to the north-west of and adjoining the MacFadyen Kimberlite claims. Debut holds a 100% interest in the Pele Mountain claims and is operator of the project

Victor West: The Victor West group of claims is comprised of 37 mining claims, some of which are south of the Company's Pele Mountain property and are also adjoining the west side of the De Beers Victor property. The Victor West property also includes claim units that adjoin the Company's Pele Mountain property to its north-east and north-west. Debut holds a 100% interest in the Victor West claims and is operator of the project.

Uniform Surround: This property is comprised of 4 mining claims adjoining the east side of the MacFadyen Kimberlites and the north side of the Victor Mine property. Debut has a 28.12% participating interest and a 2% NSR in the Uniform Surround claims. These mineral claims surround an isolated De Beers claim that hosts a kimberlite pipe known as the Uniform Pipe.

Kyle Kimberlites: The five Kyle properties are located west of the Attawapiskat River in the James Bay Lowlands of northern Ontario. The Kyle Series of kimberlites encompass 5 different kimberlites which have been proven to be diamondiferous, with varying stages of work completed on each. The Kyle project is optioned to Renforth Resources Inc. ("Renforth"), the operator and on October 18, 2010 Renforth earned a 55% interest in the Kyle project by transferring a group of 39 adjacent claims and by incurring a total of $6 million of exploration expenditures over a period of three months. Debut's interests have been reduced to 22.5% and may be further reduced to 15% by Cliffs Chromite Far North Inc. ("Cliffs") incurring exploration expenditures equal to its prior capital in the joint project

Diagnos Initiative: Debut holds a 50.61% interest in certain isolated Diagnos Initiative claims in the McFaulds Lake area of the James Bay Lowlands. Debut has the right to explore and mine for diamonds on the six isolated Diagnos Initiative claims. The Diagnos Initiative project is funded equally by Debut and Cliffs Chromite Far North Inc. ("Cliffs") on a fifty-fifty (50:50) basis. On June 29, 2010 the discovery of a new kimberlite in the Diagnos Initiative Project Area was announced. The kimberlite is located on the eastern edge of the "Ring of Fire" exploration area and in the vicinity of the Kyle swarm of kimberlites. The new kimberlite is called Kyle #6 and was hidden beneath 35 meters of Paleozoic carbonate cover rock including limestone and dolomite. Vertical Hole DGN-10-01 intersected diatreme facies kimberlite between 35 meters and 111 meters down hole. The target anomaly was prioritized for acquisition by using a combination of regional airborne fixed wing magnetic geophysical methodology, local helicopter magnetic surveying, as well as a regional review by Diagnos Inc. ("Diagnos" - TSXV:ADK) using their proprietary Computer Aided Resource Detection System "CARDS" methodology for screening out and prioritizing anomalies. The drill test was a follow up to a ground magnetic geophysical program completed in 2006 as well as a horizontal loop electromagnetic "HLEM" program completed in early June 2010. The HLEM program concluded that the distinct magnetic feature was not conductive, ruling out the possibility of sulphides being the cause of the magnetic signature, providing more confidence in the initial interpretation of kimberlite source.

Nakina Project: Debut's Nakina Project consists of exploration targets located between 80 and 125 km north of Nakina, Ontario. On August 19, 2011 Debut acquired an Option to earn a 70% operating interest in a group of twenty eight (28) unpatented mining claims, which each contain potential kimberlite pipe targets as determined by analysis of airborne magnetic data generated in 2010 by the Ontario Geological Survey. Under the terms of the agreement, Debut was to incur a total of $750,000 in exploration expenditures within twelve months of signing the agreement (before August 19, 2012), and also pay the vendors an additional $25,000 and issue 600,000 Debut shares in each of the following two years to exercise the option and acquire a 70% interest in the claims. On August 18, 2012, Debut made a cash payment of $25,000 and issued 600,000 shares from its treasury to the vendor and on November 15, 2012, Debut made another cash payment of $25,000 and issued an additional 600,000 shares from its treasury to the vendor. Due to the initial delays in concluding consultations with affected First Nations for approval of exploration work on their traditional lands, the Company was unable to complete its $750,000 work commitment within the first twelve months of signing the agreement. The Company therefore requested an extension of time from the vendor in order to fulfill the work commitment on the property. The vendor granted the Company a one hundred and eighty day (180) extension so that the work was required to be completed by February 19, 2013. The work commitment requirement was met prior to this extension date and the Company has earned into its 70% interest.

On July 24, 2012 the Company expanded its Nakina Project, by acquiring in an all-stock transaction, a 100% interest in fifty-seven (57) unpatented mining claims, located to the north-east and south-west of the original Nakina properties. The Vendor retained a 2% net smelter return royalty (NSR), one half of which may be purchased by Debut for $3M for a period of 6 months after the claims are put into commercial production. The Nakina Project now covers a total of 85 unpatented mining claims (consisting of 436 total claim units), and represents a significant 'area play' for the Company.

Canada Chrome Corridor Soil Sampling: The geotechnical soil profile samples recovered at 500 meter intervals along the entire length of the Canada Chrome Corporation ("CCC") railroad corridor claims (a distance of approximately 330 kilometers from the *Ring of Fire* area south to Nakina, Ontario) constitutes an unprecedented opportunity to search for mineral deposits along this transect of the Canadian Shield. CCC is a wholly owned subsidiary of KWG Resources Inc. (TSX.V: KWG) and to facilitate that analysis CCC and Debut have an agreement under which Debut is conducting the heavy mineral separation and analysis of the entire suite of samples. The Ontario Geological Survey is collaborating in examining the soil samples in order to construct from them a detailed profile and understanding of the glacial till depositions. Diamond discoveries from this work, within the claims, plus a 30 kilometer area of interest in all directions will be the property of Debut; non-diamond mineral discoveries along the corridor of claims become the property of CCC.

None of the properties in which Debut currently holds an interest contain a known body of commercial ore or diamonds.

OUTLOOK

The exploration results to date have been discouraging and the Company's flow-through funds have been fully disbursed, however the Company is still optimistic about the potential of its properties. The Company has insufficient working capital and the Board of Directors has acted to reduce management and maintenance costs to a minimum in order to weather the current negative environment affecting the junior exploration industry. All opportunities that will employ the Company's status as a reporting issuer in good standing, with a large and engaged shareholder base, are being examined by the Board of Directors on a regular basis.

LIQUIDITY & CAPITAL RESOURCES

The Company has no operating revenues and relies on equity financings to fund its exploration and administrative costs.

The Company's operations consist of the exploration and evaluation of its various properties, a process that is ongoing, and is dependent on many factors some of which are beyond the Company's control. The Company maintains a policy of reviewing its working capital requirements on a continuous basis and is mindful of its property and administrative commitments. Each of Debut's projects has demonstrated sufficient evidence of geological merit to warrant retention and/or additional exploration.

At July 31, 2014, cash and cash equivalent balances were $45,972 compared with $49,768 at April 30, 2014.

Additional funding will be required for the Company to continue operations. Management believes that it has the ability to raise sufficient funds for the continuation of operations and while management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be able to obtain the required financing.

RESULTS FROM OPERATIONS

During the three months ended July 31, 2014 the Company recorded a loss of $260,827 compared to $137,400 for the three months ended July 31, 2013. The increase in the Company's loss is primarily the result of accretion expense of $37,000 and an increase in the loss in fair value of the KWG warrants of $84,000. The Company currently has no sources of revenue.

National Instrument 51-102 – Section 5.3

The following schedule provides the details of the Company's expenditures on its resource properties for the three months ended July 31, 2014 and 2013 on a property by property basis.

All exploration expenditures during both periods were on the Nakina project.

The following schedule provides details of Company general and administration expenditures for the three months ended July 31, 2014 and 2013:

		2014		2013
Accretion	**$**	**37,533**	$	-
Advertising and promotion		**1,555**		1,550
Directors fees		**-**		841
Filing fees		**1,575**		1,500
Insurance		**2,079**		5,044
Professional fees		**10,762**		9,975
Office and general		**18,235**		3,566
Salaries and benefits		**-**		10,175
	$	**71,739**	$	32,651

SUMMARY OF QUARTERLY RESULTS

	July 31, 2014	*Apr 30, 2014*	*Jan 31, 2014*	*Oct 31, 2013*	*July 31, 2013*	*Apr 30, 2013*	*Jan 31, 2013*	*Oct 31, 2012*
Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net loss	(260,827)	(48,661)	(107,513)	(122,148)	(137,400)	(512,579)	(2,058,927)	(1,685,644)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.04)	(0.03)

COMMITMENTS AND CONTINGENCIES

(a) The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

(b) The Company's mining and exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

RELATED PARTY DISCLOSURES

The Company defines its officers (CEO, CFO and corporate secretary) and directors as Key Management Personnel ("KMP"). During the three months ended July 31, 2014, companies controlled by officers and directors charged consulting fees totaling $2,138 ($2,475 in 2013) of which $2,138 remained payable at July 31, 2014 ($nil in 2013).

KWG Resources

The Company is indebted to KWG Resources Inc. in the amount of $1,181,683. The entire payable balance is subject to a loan agreement dated January 1, 2013. Under the loan agreement, interest is charged at 5% compounded annually and the loan matures on January 2, 2016. Prior to January 1, 2013 there was no set repayment date for the due to related party loan and the loan was non-interest bearing. Interest totalling $17,478 ($nil in 2013) and accretion totalling $37,533 ($nil in 2013) has been accrued in these financial statements. The agreement also contains a conversion provision whereby KWG can convert the amount of the loan outstanding including any accrued but unpaid interest thereon, or any portion thereof, into common shares of the Company at a rate of $0.05 per common share. The amount due to related party is classified as a liability, with the exception of the portion relating to the conversion feature, resulting in the carrying value being less than its face value. The discount is being accreted over the term of the loan, utilizing the effective interest rate method at a 20% discount rate. This debt is secured by a general security agreement over the assets of Debut.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

It is reasonably possible that, on the basis of existing knowledge, outcomes in the next financial year that are different from the assumptions used could require a material adjustment to the carrying amount of the asset or liability affected.

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 any future periods affected. The accompanying financial statements include all adjustments that are, in the opinion of management, necessary for fair presentation.

Management has made a number of significant estimates and valuation assumptions based on present conditions and management's planned course of action as well as assumptions about future business and economic conditions which include, but are not limited to, the following:

(i) Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

(ii) Stock-based compensation costs

Management determines costs for stock-based compensation using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk; and
- conflict of interest risk;

The following presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout the annual financial statements.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board fulfills its responsibility through the Audit Committee, which is responsible for overseeing the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management practices are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk and control framework is facilitated by the small-sized and hands-on executive team.

Credit Risk

Credit risk is the risk of an unexpected financial loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Cash and Cash Equivalents

The Company's cash and cash equivalents are held through large Canadian financial institutions. The Company has a corporate policy of investing its available cash in Canadian government instruments and certificates of deposit or other direct obligations of major Canadian banks, unless otherwise specifically approved by the Board. The Company does not own asset-backed commercial paper.

Receivables

When necessary, the Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures. Further, when the Company engages in corporate transactions, it seeks to manage its exposure by ensuring that appropriate recourse is included in such agreements upon the counterparty's failure to meet contractual obligations.

Marketable Securities

The Company limits its exposure to credit risk by investing only in securities of Companies which are listed on public stock exchanges. Such strategic investments are approved by the Board of Directors of the Company. Management actively monitors changes in the markets and management does not expect any counterparty to fail to meet its obligations. The Company's investments are generally in the junior natural resources sector and these companies are subject to similar areas of risk as the Company itself. The risks of these financial instruments are discussed in Note 7 to the Annual Financial Statements.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking undue damage to the Company's reputation.

The Company's objective is to maintain sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. This is accomplished by budgets and forecasts which are updated on a periodic basis to understand future cash needs and sources. Spending plans are adjusted accordingly when possible to provide for liquidity.

The Company manages its liquidity risk through the mechanisms described above and as part of Capital Disclosures below. The Company has historically relied on issuances of shares to develop projects and to finance day-to-day operations and may do so again in the future.

The Company has long term loan payable to a related party. All other contractually obligated cash flows are payable within the next fiscal year.

As at July 31, 2014, the Company had cash and cash equivalents in the amount of $45,972 ($49,768 on April 30, 2014) to settle current liabilities of $25,549 ($12,808 on April 30, 2014).

Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect the Company's income, the value of its exploration and evaluation properties or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Other Market Price Risk
The Company's marketable securities and strategic investments are subject to equity price risk. The values of these investments will fluctuate as a result of changes in market prices, the price of metals or other factors affecting the value of the investments.

Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The value of the Company's exploration and evaluation properties is related to the price of, and outlook for, base and precious metals. Historically, such prices have fluctuated and are affected by numerous factors outside of the Company's control, including, but not limited to: industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities and other factors such as significant mine closures. The Company does not have any hedging or other commodity-based risks respecting its operations. The value of the Company's strategic investments is also related to the price of, and outlook for, base and precious metals and other minerals.

Conflict of Interest Risk
Certain of the directors and officers of Debut are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of Debut may become subject to conflicts of interest. The Canada Business Corporations Act (CBCA) provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the CBCA. To the extent that other conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the CBCA.

RISKS INHERENT TO MINING EXPLORATION
The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Company's property interests are in the exploration stage only and are without a known body of commercial ore. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic deposit of minerals. However, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined.

Additional Equity Financing
The advancement, exploration and development of Debut's properties, including continuing exploration and development projects, and, if warranted, construction of mining facilities and commencement of mining operations, will require substantial additional financing. The most likely source of such future financing that would be available to Debut is through the sale of additional equity capital. However, there can be no assurance that such financing will be available to Debut or that it will be obtained on terms favourable to Debut or will provide Debut with sufficient funding to meet its objectives or capital or operating requirements, which may adversely affect Debut's business, financial condition and results of operations. Additional financing may not be available when needed or, if available, the terms of such financing might

not be favourable to Debut and might involve substantial dilution to existing shareholders.

Failure to obtain sufficient financing as and when required by Debut will result in a delay or indefinite postponement of the advancement, exploration or development on any or all of Debut's properties or even a loss of a property interest, which would have a material adverse effect on Debut's business, financial condition and results of operations. Global securities markets are currently experiencing volatility, which may result in difficulty in raising equity capital and market forces may render it difficult or impossible for Debut to secure purchasers of Debut's securities at prices which will not lead to severe dilution to existing shareholders, or at all.

Going Concern

Debut's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due. There can be no assurance once a decision is made with respect to future activities that Debut will be able to execute on its plans. The financial statements of Debut do not include any adjustments related to the carrying values and classification of assets and liabilities should Debut be unable to continue as a going concern.

Regulation and Environmental Requirements

The activities of the Company require permits from various governmental authorities and are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, environmental protection and other matters. Increased costs and delays may result of the need to comply with applicable laws and regulations. If the Company is unable to obtain or renew licenses, approvals and permits, it may be curtailed or prohibited from proceeding with exploration or development activities.

Capital Needs

The exploration, development, mining and processing of the Company's properties will require substantial additional financing. Debut's liquidity as at the date hereof is insufficient to meet Debut's corporate, administrative and exploration expenses and commitments for 2015. Debut's only source of liquidity is cash. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet Debut's obligations. Debut's ability to continue its business operations is dependent on management's ability to secure additional financing. There is no assurance that such funding will be available to the Company or that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. Debut will be required to seek additional sources of equity financing and is actively considering proposals as noted above. While Debut has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond its control, including, but not limited to, adverse market conditions and/or commodity price changes and economic downturn and those other factors listed under this "Risk Inherent to Mining Exploration" section, and there can be no assurance that Debut will be successful in obtaining any additional financing required to continue its business operations and/or maintain its property interests or that it will be obtained on terms favourable to Debut or will provide Debut with sufficient funds to meet its objectives. Failure to obtain sufficient financing as and when required may result in delaying or indefinite postponement of exploration and/or development on any or all of Debut's properties or even a loss of property interest, which would have a material adverse effect on Debut's business, financial condition and results of operations.

Commodity Prices

The market price of the Company's common shares, its financial results and its exploration, development and mining activities have previously been, or may in the future be, significantly adversely affected by declines in the price of precious or base minerals.

Uninsured Risks

Debut's business is subject to a number of risks and hazards, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Debut properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Land Title

Although the Company has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impugned. Third parties may have valid claims against the Company's properties.

OUTSTANDING SHARE DATA

As at the date of this report, Debut had 54,790,934 common shares and 7,100,000 common share purchase warrants outstanding. The warrants entitle the holder to purchase one common share each with 100,000 having an exercise price of $0.08 and expiring on December 20, 2014 and 7,000,000 having an exercise price of $0.07 and expiring on August 29, 2016. In addition, Debut had 5,200,000 stock options outstanding. Each option entitles the holder to purchase one common share at $0.10 until September 25, 2016.

FORWARD LOOKING INFORMATION

This MD&A contains or refers to forward-looking information. All information, other than information regarding historical fact that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future is forward-looking information. Such forward-looking information includes, without limitation: the continued maintenance, exploration and the development of the Company's properties and the costs related thereto, as well as the Company's expectation of periodically requiring additional funds; mineral resource estimates; potential mineral resources; estimates relating to critical accounting policies; the Company's expectations with respect to pursuing new opportunities and acquisitions and its future growth; estimated operating expenses; and the Company's ability to raise new funding.

The forward-looking information in this MD&A reflects the current expectations, assumptions or beliefs of the Company based on information currently available to the Company. With respect to forward looking information contained in this MD&A, the Company has made assumptions regarding, among other things, the Company's ability to successfully generate sufficient funds from capital markets to meet its future obligations as and when required, assumptions relating to the Company's critical accounting policies, the Company's business, the economy and the mineral exploration industry in general, the Company's ability to obtain, maintain, renew and/or extend required permits, licenses, authorizations and/or approvals from the appropriate regulatory authorities and reach an agreement with the First Nations; the Company's ability to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet the Company's demand, and has also assumed that no unusual geological or technical problems occur, plant and equipment work as anticipated, that greater interest in the exploration potential of properties adjacent to the Company's MacFadyen Kimberlites will improve the Company's ability to fund the project, no material adverse change in the price of diamonds occurs and no significant events occur outside of the Company's normal course of business. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: risks normally incidental to exploration and development of mineral properties; uncertainties in the interpretation of drill results; the possibility that future exploration, development or mining results will not be consistent with expectations; uncertainty of mineral resources estimates; the Company's inability to obtain, maintain, renew and/or extend required licenses, permits, authorizations and/or approvals from the appropriate regulatory authorities and other risks relating to the applicable regulatory framework; the Company's inability to maintain its title to its assets; capital and operating costs varying significantly from estimates; inflation; changes in exchange and interest rates; adverse changes in commodity prices; the inability of the Company to obtain required financing; adverse general market conditions; the Company's inability to delineate additional mineral resources and delineate mineral reserves; operating hazards and risks, management and control; environmental risks; adverse land claims; future unforeseen liabilities and other factors including, but not limited to, those listed under “Risks Inherent in Mining Exploration” in this MD&A.

Any mineral resource figures referred to in this MD&A are estimates and no assurances can be given that the indicated levels of minerals will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the mineral resource estimates in respect of its properties are well established, by their nature mineral resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such mineral resource estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration. Due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR (WWW.SEDAR.COM).