

DEBUT DIAMONDS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Form 51-102F1

*Interim Management's Discussion & Analysis - Quarterly Highlights
for the six months ended October 31, 2018*

DATE: December 24, 2018

The following Interim Management's Discussion and Analysis – Quarterly Highlights (“MD&A”) is a review of the operations, current financial position and outlook of Debut Diamonds Inc. (“Debut” or the “Company”), and has been prepared by management and should be read in conjunction with the April 30, 2018 annual MD&A, the interim condensed financial statements of Debut for the six months ended October 31, 2018, and the related notes thereto and the audited financial statements of Debut for the year ended April 30, 2018 and the related notes thereto, which are prepared in accordance with International Financial Reporting Standards (“IFRS”). The discussion covers the six months ended October 31, 2018 and up to the date of filing of this MD&A. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. All amounts are stated in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

DESCRIPTION OF BUSINESS

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 certain contiguous unpatented mining claims in the Victor Area located to the west and north-west of the De Beers Victor mine. The Diagnos Initiative and Kyle Kimberlites are within and adjacent to the ‘Ring of Fire’.

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

The Company is a reporting issuer in the Province of Ontario and trades on the Canadian Securities Exchange (“CSE”) under the symbol DDI

The head office of the Company is located at 141 Adelaide St. West, Suite 420 Toronto, ON, M5H 3L5.

RESULTS OF OPERATIONS

During the six months ended October 31, 2018, the Company recorded an operating loss of \$20,100 compared to \$23,066 for the six months ended October 31, 2017. The Company currently has no sources of revenue.

SUMMARY OF QUARTERLY RESULTS

	<i>Oct 31, 2018</i>	<i>July 31, 2018</i>	<i>Apr 30, 2018</i>	<i>Jan 31, 2018</i>	<i>Oct 31, 2017</i>	<i>July 31, 2017</i>	<i>Apr 30, 2017</i>	<i>Jan 31, 2017</i>
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income (loss)	(11,176)	(8,924)	(8,685)	(11,182)	(15,915)	(7,151)	(25,106)	(4,898)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.00)

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 October 31, 2018, the Company's cash balance was \$1,854 compared with \$10,535 on April 30, 2018.

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.

ADDITIONAL INFORMATION

RELATED PARTY DISCLOSURES

The Company defines its officers (CEO, CFO and corporate secretary) and directors as Key Management Personnel ("KMP"). During the six months ended October 31, 2018, companies controlled by officers and directors charged consulting fees for cash consideration of \$7,125 (\$1,500 in 2017). As at October 31, 2018, companies controlled by officers and directors were owed \$7,125. Directors' fees were not incurred for the six months ended October 31, 2018 (\$nil in 2017).

KWG Resources Inc

KWG has advanced cash funds to Debut by way of intercompany loan. This balance, which is shown as due to related party on the balance sheets, is non-interest bearing and has no fixed terms of repayment.

SUBSEQUENT EVENTS

- (a) Effective as of November 25, 2018, KWG disposed of all of the common shares it owned in the capital of Debut to four purchasers in private transactions.
- (b) The Company entered into an agreement with KWG, subject to certain conditions, to convert \$65,000 of KWG debt into units (each unit being comprised of one common share and one-half warrant of Debut, each whole warrant being exercisable to purchase one common share at \$0.003 (or \$0.05 on a post-consolidation basis) of Debut (at \$0.003 per unit on a pre-consolidation basis (\$0.05 per unit on a post-consolidation basis)) as part of a proposed private placement by Debut of up to \$600,000 and debt conversion of up to \$90,000 on those same terms and in connection with a proposed consolidation of Debut's shares on a 16:1 basis.
- (c) Debut appointed KWG sales agent to market Debut's interests in various diamond mineral resource properties to arm's length parties, pursuant to which KWG will be paid a 5% commission on any successful sale.

OUTSTANDING SHARE DATA

As at the date of this report, Debut had 204,254,934 common shares, no warrants and no stock options outstanding.