

Form 62-103F1

Required Disclosure under the Early Warning Requirements

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Common shares (“**Common Shares**”) and common share purchase warrants (“**Warrants**”) of Debut Diamonds Inc. (the “**Company**”), located at 420-141 Adelaide St W., Toronto, Ontario, M5H 3L5. Each Warrant entitles the holder thereof to acquire one (1) Common Share at a price of approximately \$0.003 per Common Share for a period of five years from the closing date.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

A private placement (the “**Private Placement**”) of units (“**Units**”), with each Unit comprised of one (1) Common Share and one half of one (1/2) Warrant, and the settlement of certain debt by acquiring Common Shares (the “**Debt Settlement**”, and together with the Private Placement, the “**Transactions**”).

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Marc Lustig (the “**Acquiror**”)
153 Stevens Drive
West Vancouver, BC
V7S1C3

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

The Acquiror acquired from the Company 60,001,200 Common Shares and 30,000,600 Warrants pursuant to the Private Placement, and 2,500,050 Common Shares pursuant to the Debt Settlement on January 9, 2019.

2.3 State the names of any joint actors.

Not Applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in

the acquiror's securityholding percentage in the class of securities.

The Acquiror acquired 60,001,200 Common Shares and 30,000,600 Warrants pursuant to the Private Placement, and 2,500,050 Common Shares pursuant to the Debt Settlement.

Prior to the Transactions, the Acquiror held 36,734,550 Common Shares. Further to the completion of the Transactions, the Acquiror has acquired (i) 62,501,250 Common Shares, which, together with the Common Shares held prior to the Transactions, represents approximately 22.85% of the issued and outstanding Common Shares on an undiluted basis, and (ii) 30,000,600 Warrants, which together with such acquired Common Shares, and assuming full exercise of the Warrants, represents approximately 27.84% of the issued and outstanding shares on a partially diluted basis assuming exercise of the Acquiror's convertible securities.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

The Acquiror acquired ownership of or control of 62,501,250 Common Shares and 30,000,600 Warrants.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not Applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Prior to the Transactions, the Acquiror held 36,734,550 Common Shares (8% of the outstanding Common Shares) and the Acquiror holds 99,235,800 Common Shares after the Transactions (22.85% of the issued and outstanding Common Shares). Assuming full exercise of the Warrants, the Acquiror will hold 129,236,400 Common Shares (27.84% of the issued and outstanding shares on a partially diluted basis).

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,**
- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any**

joint actor, and

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

In connection with the Transactions, the Acquiror has, together with the 36,734,550 Common Shares held prior to the Transactions, ownership or control over 99,235,800 Common Shares, which represents approximately 22.85% of the issued and outstanding shares on an undiluted basis, and 30,000,600 Warrants, which together with the 99,235,800 Common Shares and assuming full exercise of the Warrants, represent approximately 27.84% of the issued and outstanding shares on a partially diluted basis.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not Applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The Acquiror has acquired (i) the 60,001,200 Units issued to the Acquiror under the Private Placement pursuant to a subscription agreement at a price of approximately

\$0.003 per Unit or a total of \$180,003.60 and (ii) the 2,500,050 Common Shares issued under the Debt Settlement at deemed price of approximately \$0.003 per Common Share or a total consideration of \$7,500.15.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See section 4.1 above.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

2,500,050 Common Shares were issued to the Acquiror pursuant to the Debt Settlement, in satisfaction of indebtedness owed by the Company to the Acquiror.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**

- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The Common Shares and Warrants has been acquired by the Acquiror for investment purposes. In the future, the Acquiror may, depending on market and other conditions, increase or decrease the Acquiror's beneficial ownership of securities of the Company.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not Applicable

Item 7 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not Applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not Applicable.

Item 9 – Certification

The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent's best

knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

I, as the Acquiror, certify, or I, as the agent filing this report on behalf of an Acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated this 9th day of January, 2019.

(signed) "Marc Lustig"

Marc Lustig