Introduction

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations to a reader to assess material changes in the financial condition and results of operations as at and for the year ended March 31, 2018. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of Lithoquest Diamonds Inc. ("Lithoquest" or the "Company") for the years ended March 31, 2018 and 2017 and the notes thereto (the "Statements"). Readers are encouraged to review the Statements in conjunction with this document. All reported amounts are stated in Canadian Dollars unless otherwise indicated. The information contained herein is presented as at July 26, 2018, unless otherwise indicated.

Description of Business & Acquisition

On November 23, 2017, Consolidated Westview Resource Corp. ("Westview") completed a transaction in which it acquired a 100% interest in a private mineral exploration company focused on diamond exploration in the Australian state of Western Australia in exchange for a combination of common shares and warrants of Westview that would result in a reverse take-over ("RTO") of Westview by shareholders of the private company, Lithoquest Diamonds Inc.

Upon completion of the RTO, the private company Lithoquest Diamonds Inc., which changed its name to Lithoquest Holdings Inc., became a 100% subsidiary of Westview. At that time Westview changed its name to Lithoquest Diamonds Inc. ("Lithoquest" or the "Company")

Lithoquest is a mineral exploration and development company engaged in the acquisition, exploration and development of properties for the purpose of diamond mining. The Company does not have any resource properties in production currently.

The Company was incorporated in British Columbia, Canada. Its head office is located at Suite 2000, 1066 West Hastings Street, Vancouver, BC V6E 3X2

Discussion of Operations

<u>Australia Diamond Project</u>

Lithoquest has identified diamond exploration targets in Western Australia (the "North Kimberly Diamond Project", or the "Property") and, through its wholly owned Australian subsidiary Lithoquest Diamonds (Australia) Pty. Ltd. ("Lithoquest Australia") (formerly Primeform Investments Pty Ltd.), acquired a 100% interest in two exploration licenses to cover the targets, E80/5029 and E80/5030 (the "Exploration Licenses") covering a total of 100,803.77 hectares in the King George River region of Western Australia. The Exploration Licenses were granted on January 17, 2017 for a term of five-years.

Lithoquest Australia has made a further application to the Western Australia Department of Mines and Petroleum for a third exploration license covering 47,791.48 hectares. There are no assurances that this additional exploration license will be granted to Lithoquest Australia on the basis applied for or at all.

The North Kimberley Diamond Province, covering an estimated area of some 4,000 km2, was the first kimberlite province to be discovered in Western Australia. Despite early encouragement from the discovery of diamondiferous kimberlite dykes in the mid 1970's, it was not until the 1990's during the second phase of exploration that significant diamondiferous kimberlite pipes were discovered. The diamondiferous discoveries proved not to be economically viable and exploration ceased by 2005.

The benefit of this historic exploration is that it has provided insights on the preferential regional structures influencing the emplacement of the known pipes, as well as the exploration challenges posed by deep weathering and the development of post emplacement 'infill' sediments. Bulk testing of alluvial deposits, kimberlites pipes and dykes has demonstrated that a variety of diamond populations are present in the Province. Although many of the explorers have reported the occurrence of alluvial diamonds, no potential placer deposits have been identified. Large diamonds were confirmed when +10 ct sized diamonds were reported from bulk testing of the Ashmore cluster of pipes. The largest pipe discovered in the region is the weakly diamondiferous Pteropus 2 pipe, which has a surface area of 10 ha.

The Property covers the underexplored northwest portion of a prospective kimberlite corridor and is considered an early to intermediate stage exploration project. Very limited reconnaissance inspections and sampling of geomorphic features undertaken in this area in 2007, and again in 2017, have highlighted two targets which could potentially represent kimberlite bodies based on the recovery of high priority kimberlite indicator minerals ("KIMs") and textures observed in hand specimens that are typical of weathered kimberlite in the area.

The size of the North Kimberley Diamond Province, the range in size of the kimberlite bodies, the demonstrated variability of the diamond populations and the occurrence of large diamonds, are characteristics that when considered together support the potential for the region to host an economic diamond deposit.

The reader is directed to a NI 43-101 Technical Report available on SEDAR entitled "North Kimberley Diamond Project" (the "Report") prepared independently by T. H. Reddicliffe BSc Hons (Geol), MSc, FAUSIMM, for a fulsome description of the Property, its geology, historical work and recommended exploration program.

Exploration Activities

The Company conducted a field exploration program on the Property in December 2017. The program focused on the four highest priority targets, where composite rock samples of suspected (weathered) kimberlite collected in April 2017 yielded KIMs. The work included 60 line-kilometres of ground magnetic surveys, 20 line-kilometres of ground gravity surveys, geologic mapping and the collection of additional composite rock samples. This information will help to define the targets in preparation for drilling in 2018 as well as assist in determining the most effective tools for identifying additional kimberlite targets on the Property.

The Company also initiated desk top work to identify additional targets of interest. The work includes a detailed photo-geological study as well as a review and re-interpretation of archived diamond exploration data. Historic information comprises data from several generations of airborne geophysical surveys, kimberlite indicator mineral sampling programs and exploration drilling.

On February 21, 2018, the Company announced that KIMs with diamond inclusion chemistry were recovered from the April 2017 composite rock samples obtained from four targets. All grains underwent electron microprobe analysis to confirm their composition and kimberlitic affinity. Diamond inclusion chemistry from pyrope garnet and chrome diopside was obtained from two of the targets sampled: 702 and 1604.

Number of KIM Grains Recovered from Rock Samples Collected in April 2017

Target	Sample Weight (kilograms)	Pyrope (# of grains)	Picroilmenite (# of grains)	Chrome Diopside (# of grains)
0701	5.05	2	>161	
0702	5.75	2[a]	3	
1604	3.65			2[a]
1605	6.85	2	1	

*Grains were recovered from the -1.00mm +0.25mm size fraction
[a] One grain returned diamond inclusion chemistry

The Company is encouraged that KIMs were present at all four of the targets sampled, particularly given how extensively the rocks have been weathered. Furthermore, it is encouraging that the KIMs included grains that originated from within the diamond stability field.

On April 2, 2018 the Company announced that micro-diamonds were recovered from a sample of highly-weathered outcrop at target 0702. Three micro-diamonds were recovered from a 10.06 kg rock sample submitted for kimberlite indicator mineral analysis. The diamonds, two yellow and one grey, were recovered from the +0.1 mm to -0.3 mm size fraction and compositions were confirmed with a scanning electron microscope. The recovery of micro-diamonds confirms that rocks present at target 0702 are diamond bearing and reinforces the prospective nature of the North Kimberley Diamond Project. The sample that yielded the diamonds was collected in December 2017 from a highly-weathered outcrop of suspected kimberlite at target 0702. It was included in a group of six samples (two from anomaly 1605 and four from anomaly 0702) submitted for indicator mineral testing. No kimberlite indicator minerals or micro-diamonds were recovered from the other five samples submitted.

The Company has commenced its 2018 field program. See "Subsequent Events".

Exploration Expenditures

The following table sets forth a breakdown of the material components of the Company's exploration and land administration expenditures for the years ended March 31, 2018 and 2017, and cumulatively for its work on the North Kimberly Diamond Project.

	Year Ended March 31,		
	2018	2017	Cumulative
North Kimberly Diamond Project			
Geological	$ 133,402	$ 42,083	$ 175,485
Geophysical	50,330	-	50,330
Environmental and permitting	819	-	819
Laboratory	39,284	-	39,284
Local community	100,170	8,325	108,495
Site operations	27,781	16,451	44,232
Technical reports	23,601	4,951	28,552
Project management	72,928	20,000	92,928
Land administration	92,662	59,394	152,056
Local administration	34,896	5,760	40,656
Finder's fee	-	15,000	15,000
	$ 575,873	$ 171,964	$ 747,837

Outlook

As of the date of this MD&A, the Company has commenced its 2018 field exploration program at the North Kimberly Diamond Project which is budgeted at approximately $2,500,000 and will include drilling. See "*Subsequent Events*" for additional details regarding the 2018 field exploration season.

Selected Annual Information

The following selected annual financial data has been obtained from the Company's annual consolidated financial statements, which were prepared in accordance with IFRS.

	Year Ended March 31,		
	2018	2017	2016
Revenue	$0	$0	$0
Net Loss	$3,481,166	$301,301	$0
Loss per share, basic and diluted	$0.12	$0.03	$0.00

	As at March 31,		
	2018	2017	2016
Mineral properties	$747,837	$171,964	$0
Total assets	$5,406,038	$387,504	$16
Current liabilities	$362,238	$117,397	$3,609

For the year ended March 31, 2018, the Company reported a net loss of $3,418,166 (2017 - $301,301), comprised primarily of management and consulting fees of $372,263 (2017 - $184,250), stock-based compensation of $796,190 (2017 - $nil), professional fees $106,225 (2017 - $26,636), marketing and investor relations expenses of $98,678 (2017 - $4,848) and listing expense of $1,998,189 (2017 - $nil).

2018 was a significant change year for the company as it became a publicly traded company following the RTO in November 2017. Grants of incentive stock options to management and consultants resulted in stock-based compensation expense of $796,190. The amount of the expense is driven by the assumptions used in the Black-Scholes option-pricing model as well as the vesting period of the options. The increase in management and consulting fees reflects an increase in activity in the year as well as the public company transition. Additional personnel were added to support marketing effectiveness and capital markets awareness. Marketing and investor relations expenses increased $93,830 consistent with the increase in marketing activities during the year. Professional fees increased by $79,589 reflecting increased legal and other activity related to the public company transition. The listing expense reflects the value of the share consideration given to the former shareholders of Westview, together with other directs cost involved in the transaction including an estimated $268,000 of Australian stamp duty payable.

Summary of Quarterly Results

The selected quarterly financial information for the past eight financial quarters is outlined below. The information has been prepared in accordance with IFRS.

	Three Months Ended			
	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017
Net Loss	$677,695	$2,491,769	$176,158	$135,544
Loss per share, basic and diluted	$0.01	$0.08	$0.02	$0.02

	Three Months Ended			
	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016
Net Loss	$115,345	$100,085	$24,812	$61,059
Loss per share, basic and diluted	$0.01	$0.01	$0.00	$0.03

Discussion of Quarterly Variations

The timing of stock-based compensation expense and the listing expense impacts the variation of quarterly results. For the full fiscal year ended March 31, 2018, stock-based compensation was $796,190, compared to $nil in 2017. The quarterly amount of the expense is tied to the timing of the award and the vesting period, among other factors. The listing expense relates to the one-time RTO transaction.

Excluding stock-based compensation and listing expense, the quarterly losses for 2018 were: Q4 $219,487, Q3 $155,598, Q2 $176,158, and Q1 $135,544. Marketing activity stepped up in Q4 with a cost of $56,312, compared to an average of $14,122 in the first three quarters of the year. Consulting fees in Q4 were $66,263 and were not present in previous quarters. These costs relate mainly to the increased support for marketing and capital markets work.

Fourth Quarter 2018 Financial Review

During the fourth quarter, the Company used cash of $613,284 in operating activities and $70,754 in exploration activities. The cash position decreased by $515,854 to $4,394,892 at March 31, 2018.

Liquidity and Capital Resources

The Company generates cash solely through financing activities. During year ended March 31, 2018, the Company raised total gross proceeds of $6,068,863 through the issuance of units in two non-brokered private placement offerings. At March 31, 2018, the Company had cash of $4,394,892 and working capital of $4,295,963.

The Company's working capital will be used to fund, among other things, completion of the initial exploration phase of its North Kimberley Diamond Project in Western Australia and for the general corporate and working capital expenses of the Company. The Company expects to spend approximately $2,500,000 during the 2018 field season.

Under existing plans, the Company believes that it currently has sufficient capital resources available to meet its working capital needs for the coming year. The Company is involved in early stage exploration and data analysis. It has no current sources of revenue and does not anticipate receiving revenue in the foreseeable future. It is highly likely that it will continue to depend on equity financings in the future. The availability of future funding will depend on factors that include market conditions and the Company's exploration results.

As of the date of this MD&A, the Company has commenced its 2018 field exploration program and, in the process, is committed to most of the estimated program expenditure of $2,500,000. The Company has no other material commitments.

Off-Balance Sheet Arrangements

The Company does not have any material off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Related-Party Transactions

Key management compensation

Key management personnel include the directors of the Company. Key management compensation consists of the following:

		2018		2017
Management fees	$	306,000	$	184,250
Share-based payments		448,220		-
	$	754,220	$	184,250

During the year ended March 31, 2018, the Company recorded $306,000 ($184,250 – 2017) in management fees. $162,000 ($89,250 – 2017) was charged by Stonefish Capital Inc., a company controlled by Bruce Counts, for the services of Mr. Counts as CEO of the Company. $44,000 ($nil – 2017) was charged by Target Financial Services Inc., a company controlled by Mr. Walker, for the services of Mr. Walker as CFO of the Company. $80,000 ($65,000 - 2017) was charged by 859053 Alberta Ltd., a company controlled by Sean Mager, a director and officer of Holdings until November 23, 2017, for the services of Mr. Mager as Treasurer of Holdings. $20,000 ($30,000 – 2017) was changed by 678119 Alberta Ltd., a company controlled by John Williamson, a director of Holdings until November 23, 2017, for the services of Mr. Williamson as an officer of Holdings.

The amounts due to related parties as at March 31, 2018, exclusive of routine business expense reimbursements, was $13,000 (March 31, 2017, $115,750).

These transactions were in the normal course of business and were measured at the exchange amount. Amounts due to related parties are unsecured, non-interest-bearing, and are repayable on demand.

Proposed Transactions

As of the date of this MD&A, there have been no transactions of a material nature proposed.

New Accounting Policies

There were no new or amended accounting standards adopted in the year that would have material impact on the Company's consolidated financial statements.

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

Effective for annual periods beginning on January 1, 2018

IFRS 2 Share-based Payment

The amendments clarify the classification and measurement of share-based payment transactions.

IFRS 9 Financial Instruments – Classification and Measurement

IFRS 9 is the first step in the process to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities and carries over from the requirements of IAS 39.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 is a new standard which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

Effective for annual periods beginning on January 1, 2019

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties of a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

The Company does not expect the adoption of these standards and interpretations to have significant impact to the financial statements.

Financial Instruments

At March 31, 2018, the Company's financial instruments consist of cash, sales tax recoverable, and accounts payable and accrued liabilities.

Fair Values - The carrying amounts of cash, sales tax recoverable, and accounts payable and accrued liabilities approximate their fair value because of the short-term maturity of these instruments.

Currency Risk - The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable that are denominated in Australian dollars. Management does not maintain large cash balances in Australian dollars and does not hedge its exposure to foreign exchange risk as it believes its current exposure to exchange rate fluctuations is minimal.

Credit Risk - Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Subsequent Events

2018 Field Season

In June 2018, the Company initiated the 2018 field season at the North Kimberly Diamond Project by initially re-opening the road into the project area, and then in early July commencing exploration fieldwork. The field work has two objectives, the first being to drill test high-priority Targets 702 and 701 in order to: confirm the presence of kimberlite, obtain first estimates of kimberlite size and geometry, determine if geological variations (phases) exist within each kimberlite body, and to acquire samples of kimberlite for micro-diamond testing. The second program objective is to identify and evaluate potential drill targets using geological mapping, prospecting and ground geophysical surveying.

The exploration field-work program is expected to take approximately eight weeks to complete at an expected cost of approximately $2,500,000.

Disclosure of Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without par value. On July 25, 2018, there were 46,068,547 common shares issued and outstanding, 3,360,000 stock options outstanding with a weighted average exercise price of $0.32, expiring between 2022 and 2023, and 17,439,386 warrants with a weighted average exercise price of $0.35, expiring November 23, 2019.

Risks and Uncertainties

Mining Risks

The Company is subject to the risks typical in the mining business including uncertainty of success in exploration and development; operational risks including unusual and unexpected geological formations, rock bursts, particularly as mining moves into deeper levels, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as environmental damage and other hazards; risks that intended drilling schedules or estimated costs will not be achieved; and risks of fluctuations in the price of commodities and currency exchange rates. Mineral prices are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond the Company's control, including expectations of inflation, levels of interest rates, sale of gold by central banks, the demand for commodities, global or regional political, economic and banking crises and production rates in major producing regions. The aggregate effect of these factors is impossible to predict with any degree of certainty.

Business Risks

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations.

Financial risks include commodity prices, interest rates and foreign exchange rates, all of which are beyond the Company's control.

Regulatory risks include possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company and include increased fees for filings as well as the introduction of ever more complex reporting requirements, the cost of which the Company must meet to maintain its exchange listing.

Competition

The mineral exploration and mining business is competitive in all its phases. The Company will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive exploration and evaluation properties. The Company's ability to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable prospects for mineral exploration or development. There is no assurance that the Company will be able to compete successfully with others in acquiring such prospects.

No Operating History and Financial Resources

The Company does not have an operating history and has no operating revenues and is unlikely to generate any in the foreseeable future. It anticipates that its cash resources will be sufficient to cover its projected funding requirements for the ensuing year. If its exploration program is successful, additional funds will be required for further exploration to prove economic deposits and to bring such deposits to production. Additional funds will also be required for the Company to acquire and explore other mineral interests. The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to it fulfill its obligations or for further exploration and development, on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or terminate its operations.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly.

Key Executives

The Company is dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of the Company are likely to be of importance. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. The Company does not currently carry any key man life insurance on any of its executives.

Potential Conflicts of Interest

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Dividends

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of the Company deem relevant.

Nature of the Securities

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

Qualified Person

The content of the sections of this MD&A entitled "Discussion of Operations – Australia Diamond Project" and "Discussion of Operations – Exploration Activities" have been approved by Bruce Counts, B.A. Sc, P.Geo., who is a Qualified Person as defined by NI 43-101 and President, CEO and a Director of Lithoquest Diamonds.

Forward-Looking Statements & Cautionary Factors that may Affect Future Results

Certain statements contained in this MD&A constitute forward-looking statements, within the meaning of Canadian securities regulations. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, assumptions or future events or performance (often using words such as "plan", "estimate", "expect", "will", "believe" and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements contained in this MD&A include but are not limited to statements relating to the sufficiency of the Company's capital resources, exposure to exchange rate fluctuations, plans for and the duration of the exploration field work program, and expected expenditures of the Company. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth above. The Company assumes no obligation to update or revise forward looking statements to reflect new events or circumstances except as required by law.

Additional Information

Additional information relating to the Company is available on the SEDAR website, www.sedar.com.