

TALMORA RESOURCES INC.
6 Willowood Court, Toronto, Ontario M2J 2M3

Management's Discussion & Analysis
For the 6 months ending June 30, 2006

Date: August 21, 2006

Please read the following discussion and analysis with the audited financial statements of the Company for the year ending December 31, 2005, and the unaudited statements for the second quarter of 2006.

Overall Performance

Talmora Resources Inc. is a Junior Capital Pool as defined under the Alberta Securities Commission Policy 4.1.1. The Company was de-listed from the TSX Venture Exchange on July 3, 2001 for not completing Exchange Listing Requirements. Talmora must complete a Qualifying Transaction in order to be re-listed on the TSX Venture Exchange.

The Company was originally set up to acquire gold exploration projects. Raymond Davies took over as President of Talmora on May 17, 2002 and focused on acquiring diamond exploration projects. A number of potential Qualifying Transactions have been investigated.

Talmora entered into a letter of intent dated June 30, 2005 to amalgamate with Canadian Diamind Limited to continue as Talmora Diamond Inc., subject to shareholder and regulatory approval.

Amalgamation of Talmora with Canadian Diamind Limited (CDL)

The amalgamation of Talmora and CDL, a private Ontario junior exploration company established to explore for diamonds, is proceeding as planned.

The transaction is subject to definitive documentation, as well as other conditions including completion of satisfactory due diligence, completion of a private placement financing, the approval of disinterested shareholders and regulatory approval. Although there is no assurance this transaction will be completed as proposed or at all, it is anticipated that if it does go forward, completion should occur before yearend. The transaction cannot close until the required shareholder approval is obtained.

As of June 30, 2006 CDL has completed a private placement financing in which 32,500,000 units were issued at a price of \$0.02 per unit for gross proceeds of \$650,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of CDL for

\$0.032 until June 30, 2008. Finders fees of \$27,000 were paid to two financial intermediaries. CDL now has 56,264,150 common shares and 16,250,000 common share purchase warrants outstanding.

Selected Interim (Second Quarter) Information

As at June 30, 2006, Talmora had \$414,210 in share capital of which, \$83,274 was the initial share issuance cost, \$169,384 has been spent on maintaining the corporation and investigating potential Qualifying Transactions, and \$161,552 is the cash balance.

	6 Months ended June 30 (unaudited)	
	2006	2005
Interest Revenues	2,192	1,602
General and administrative expenses	21,284	9,253
Cash outflow	16,538	10,917
Project identification [deferred costs]	0	2,887
Deferred costs written off	0	0
Total assets	162,670	193,310
Cash and cash equivalents	161,552	189,281

Summary of Quarterly Results

	1Q	2Q	3Q	4Q
2006				
Net Loss	\$9,674	\$9,418		
Net loss per share- basic and diluted	\$0.0019	\$0.0018		
2005				
Net Loss	\$2,556	\$ 5,095	\$4,720	\$17,456*
Net loss per share- basic and diluted	\$0.0005	\$0.0010	\$0.0009	\$0.0034
2004				
Net Loss	\$2,432	\$4,298	\$2,292	\$11,347**
Net loss per share- basic and diluted	\$0.0005	\$0.0008	\$0.0004	\$0.0022

* This includes \$9,899 project identification costs written off.

** This includes \$4,459 project identification costs written off.

Interest revenues, which initially funded much of the general and administrative expenditures, have steadily declined in line with general interest rates. General and administrative expenditures have been steady but have increased in 2006 as a result of the proposed amalgamation with CDL.

General and administrative expenses in the first quarter of 2006 include TSX listing application fees of \$7,500 and in the second quarter of 2006 include audit fees of \$5,000 mostly related to the proposed amalgamation with CDL.

The increased cash outflow in the second quarter of 2006 is a reflection of the increased expenses related to the amalgamation.

Expenditures, of \$4,459 in 2004 and of \$9,899 in 2005, that were related to identifying and negotiating potential qualifying transactions were initially deferred but were written off in the fourth quarter of 2004 and 2005 respectively.

Talmora has been successful in conserving cash. As at June 30, 2006 cash on hand was \$161,552 and should be sufficient to cover the cost of re-listing Talmora. CDL with which Talmora proposes to amalgamate has completed a \$650,000 private placement which should be sufficient to fund the first phase of CDL's proposed exploration program and the first year administrative costs of the amalgamated companies.

Disclosure Controls

The certifying officers of Talmora have evaluated the disclosure controls and procedures of the corporation and are satisfied about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the interim filings based on such evaluation.