

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

**Management's Discussion & Analysis**  
**For the 12 months ending December 31, 2004**

Date: April 30, 2005

Please read the following discussion and analysis with the audited financial statements of the Company for the years ending December 31, 2003, and for the year ending December 31, 2004.

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. Several gold and oil exploration projects were investigated without success.

In the early part of 2002 Talmora identified a diamond exploration project in South Africa that had great potential and would have been a suitable Qualifying Transaction. Raymond Davies took over as President of Talmora on May 17, 2002, initiated negotiations with the South Africans and carried out considerable due diligence on the exploration property. Agreement in principle was imminent when the South African party backed out on July 10, 2003.

Two diamond exploration projects in Canada have since been investigated as potential Qualifying Transactions. A large project with considerable funding requirements was recently rejected because Talmora, having first to be re-listed, could not guarantee the necessary funds in a timely manner. Negotiations on a second project with more flexible funding requirements are on hold while some required exploration work is being done on the project by the other party.

Selected Annual Information

	Years ended December 31 (audited)	
	2004	2003
Interest Revenues	2,943	4,668
General and administrative expenses	23,312	19,362
Project identification [deferred costs]	-	-
Capitalized deferred costs written off	-	27,422
Financing activity –	-	-
Total assets	204,682	224,903
Cash and cash equivalents	203,085	223,232

	3 Months ended December 31	
	2004	2003
Interest Revenues	773	1,226
General and administrative expenses	7,951	4,586
Project identification [deferred costs]	2,327	725
Deferred costs written off	4,459	27,442
Total assets	204,682	224,903
Cash and cash equivalents	203,085	223,232

### Summary of Quarterly Results

	1Q	2Q	3Q	4Q
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
2003				
Net Loss	\$1,733	\$3,300	\$3,658	\$33,445**
Net loss per share- basic and diluted	\$0.0003	\$0.0006	\$0.0007	\$0.0065
2002				
Net Loss	\$2,478	\$3,145	\$4,410	\$8,610
Net loss per share- basic and diluted	\$0.0005	\$0.0006	\$0.0009	\$0.0017

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

\*\* This includes \$27,442 capitalized 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 except for additional costs in 2002 when an annual meeting of the Company was held.

Expenditures in 2002 and 2003 of \$27,442 were related to the South African project and included cost of negotiations, visits to the property and drafting of agreements. These costs initially capitalized were written off in the fourth quarter of 2003.

Expenditures in 2004 of \$4,459 were related to identifying and negotiating other potential qualifying transactions. These costs initially deferred were written off in the fourth quarter of 2004.

Talmora has been successful in conserving cash. As at December 31, 2004 cash on hand was \$203,085 and should be sufficient to cover the cost of re-listing Talmora. A public offering will be required to fund any project intended to be Talmora's Qualifying Transaction.