

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

Management's Discussion & Analysis
For the 12 months ending December 31, 2005

Date: May 15, 2006

Please read the following discussion and analysis with the audited financial statements of the Company for the year ending December 31, 2004, and for the year ending December 31, 2005.

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 Diamind Inc., subject to shareholder and regulatory approval.

Amalgamation of Talmora with Canadian Diamind Limited

The amalgamation of Talmora and Canadian Diamind Limited, 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 for an amount and on terms to be considered, 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.

Selected Annual Information

As at December 31, 2005, Talmora had \$414,210 in share capital of which, \$83,274 was the initial share issuance cost, \$152,846 has been spent on maintaining the corporation and investigating potential Qualifying Transactions, and \$178,090 is the cash balance.

	Years ended December 31 (audited)	
	2005	2004
Interest Revenues	3,320	2,943
General and administrative expenses	33,147	23,312
Project identification [deferred costs]	-	-
Capitalized deferred costs written off	-	-
Financing activity –	-	-
Total assets	180,315	204,682
Cash and cash equivalents	178,090	203,085

	3 Months ended December 31	
	2005	2004
Interest Revenues	946	773
General and administrative expenses	8,503	7,951
Project identification [deferred costs]	4301	2,327
Deferred costs written off	9899	4,459
Total assets	180,315	204,682
Cash and cash equivalents	178,090	203,085

Summary of Quarterly Results

	1Q	2Q	3Q	4Q
2005				
Net Loss	<u>\$2,556</u>	<u>\$ 5,095</u>	\$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
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

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

** 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 and in 2005 of \$9,899 were related to identifying and negotiating other potential qualifying transactions. These costs initially deferred were written off in the fourth quarter of 2004 and 2005 respectively.

Talmora has been successful in conserving cash. As at December 31, 2005 cash on hand was \$178,090 and should be sufficient to cover the cost of re-listing Talmora. CDL with which Talmora proposes to amalgamate is completing a 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.