

Moydow Mines International Inc.

Management's Discussion and Analysis of Financial Condition And Operating Results

General

The Management's Discussion and Analysis ("MD&A") provides a detailed analysis of Moydow's business and compares its 2005 financial results with those of the previous year. In order to better understand the MD&A, it should be read in conjunction with the audited consolidated financial statements of the Company and notes thereto for the year ended December 31, 2005. The MD&A has been prepared as at March 3, 2005. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The reporting currency for the Company is the United States dollar, and all amounts in the following discussion are in United States dollars unless otherwise noted.

Company Overview

Moydow Mines International Inc. ("Moydow" or the "Company") is an international exploration company with primary interests in precious and industrial minerals and diamonds. Exploration activities are focused principally in Africa. Moydow Mines' common shares are listed on both the Toronto Stock Exchange and the Alternative Investment Market ("AIM") of the London Stock Exchange (symbol "MOY"). For further information on the Company please visit our website at www.moydow.com or view our public filings on the SEDAR website at www.sedar.com.

On September 30, 2005, Moydow's common shares were admitted to trading on "AIM". The London listing is an integral part of Moydow's strategy to increase its shareholders' profile in the United Kingdom and Europe.

On February 28, 2006, the Company reached an agreement with Diamond Fields International Ltd. (Diamond Fields), pursuant to which, Moydow's common shareholders will exchange their Moydow securities for securities of Diamond Fields (the acquisition). Diamond Fields is engaged in mineral exploration and development worldwide.

As a condition to the acquisition, Moydow is required to complete a private equity placement ("the placing") to raise net proceeds of at least \$1.8 million. Upon completion of the placing and the satisfaction of all condition and regulatory requirements, Moydow's shareholders will exchange all of their Moydow common shares, including shares to be issued, as part of the placing for a total of 75,412,208 Diamond Fields' shares, with warrants and options of Moydow being exchanged for warrants and stock options of Diamond Fields in proportion to

the share exchange. Diamond Fields will acquire all the issued shares of Moydow and the shares to be issued pursuant to the placing. Diamond Fields currently has outstanding 113,118,312 common shares. Upon completion of the proposed acquisition, Diamond Fields will have 188,530,520 common shares in issues of which Moydow's shareholders (including the shareholders pursuant to the placing) will own 40%.

The acquisition is subject to, among other things, full due diligence examination, receipt of all necessary regulatory, court and stock exchange approvals, Moydow's shareholder approval, a valuation and/or fairness opinion by each company and lock-up agreements executed by the chairman and chief executive officer of the Company under which they have agreed to vote in favour of the merger and entry of the parties into a definite agreement. In the event that the merger is not completed under certain circumstances, the party who terminates the agreement will be required to pay to the other a break fee of \$0.25 million.

Subsidiaries and affiliated companies of Moydow are organized internationally so that each has a specific geographic area or mineral project interest. Moydow provides administrative, technical and financial assistance to these companies.

Forward-Looking Statements

This MD&A contains "forward-looking statements" that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward looking statements. Factors that could cause such differences include: changes in metal, equity markets, results of exploration and related expenses, drilling activity, sampling and other data, currency exchange rates, change in governments, ability to raise finances and changes to regulations affecting the mining industry. Such forward-looking statements involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements.

Disclosure Controls and Procedures

As at December 31, 2005, an evaluation was carried out under the supervision of and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as at December 31, 2005 to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries would be made known to them by others within those entities.

Application of Critical Accounting Estimates

Moydow's accounting policies are described in note 2 to the Consolidated Financial Statements. Set out below is a discussion of the application of Moydow's critical

accounting policies that require the Company to make assumptions about matters that are uncertain at the time the accounting estimate is made, and where different estimates that could reasonably have been used in the current period, or changes in the accounting estimate that reasonably likely to occur from period to period would have a material impact on Moydow's financial statements.

Carrying value of mineral properties

Acquisition costs of mineral properties, together with direct exploration and development expenses incurred thereon, are deferred and capitalized on a property by property basis. Upon reaching commercial production, these capitalized costs are transferred from exploration properties to producing properties on the consolidated balance sheets and are amortized into operations using the unit-of-production method over the estimated useful life of the estimated related ore reserves.

In the event that the long-term expectation is that the net carrying amount of these capitalized exploration costs will not be recovered, the carrying amount is written down accordingly and the write-down amount charged to operations. Such would be indicated where:

- Exploration activities have ceased;
- Exploration results are not promising such that exploration will not be planned for the foreseeable future;
- Lease ownership rights expire; or
- Insufficient funding is available to complete the exploration program.

The amount shown for mineral properties represents costs incurred to date net of recoveries from option or joint venture participants and write-downs, and does not necessarily reflect present or future values.

Overview of Exploration Activities, Contractual Obligations and Commitments

Dala project, Angola

The Company is party to two separate exploration projects with the same partners on the Dala property in Angola, relating to the exploration for alluvial and kimberlite diamonds.

Alluvial diamonds

On October 1, 2004, the company signed an agreement with Empresa Nacional De Diamantes De Angola (Endiama), the Angolan state diamond mining company and Cimader-Comercio Geral Limitada (Cimader), a local Angolan company, to explore for alluvial diamonds on the Dala concession, located near the town of Saurimo, in north-east Angola. The concession comprises 3,000 square kilometres. To obtain a 33% interest, the Company will have to incur expenditures of not less than \$5 million on or before October 1, 2007. Cimader and Endiama have a free carried interest in the project.

The Company entered into a separate agreement with Concord Minerals LLC (“Concord”), a private Nevada company, whereby Concord has the right to earn up to 50% of Moydow’s interest in the concession by funding exploration expenditures under Moydow’s agreement with Endiama and Cimader. The Company’s cumulative expenditures to December 31, 2005 amounted to \$1,838,615 of which \$1,466,775 was incurred during 2005. Concord’s cumulative expenditures to December 31, 2005 amounted to \$688,797.

Kimberlite diamonds

On December 16, 2005, the Company signed another agreement with Endiama and Cimader to explore for kimberlite (primary) diamonds on the Dala concession. Under the terms of the agreement, the Company can earn 40% interest in the concession with the remaining percentages held by Endiama and Cimader. To obtain its interest, the Company will have to incur expenditures of not less than \$10 million on or before January 14, 2009. Cimader and Endiama have a free carried interest in the project. The granting of the licence is subject to the receipt of Angolan regulatory approval.

The Company also has an agreement with Concord, whereby Concord has the right to earn up to 50% of Moydow’s interest in the kimberlite concession, by funding exploration expenditures under Moydow’s agreement with Endiama and Cimader. No amounts had been expended by Moydow or Concord to December 31, 2005.

During the third quarter of 2005, the Company completed an aeromagnetic and topographic survey on the Dala diamond concession. The survey identified 70 targets on the property, which warrant follow up work.

On January 14, 2006, pursuant to the agreement with Endiama signed on December 16, 2005, the Company paid \$1 million to the Angolan state diamond mining Company. In order for the deposit to be refunded the Company must incur expenditures of \$1 million within six months of making the deposit.

Port Loko property, Sierra Leone

In September 2004, the Company entered into an option agreement, with Gondwana Investments Limited (“Gondwana”), a company incorporated in Luxembourg. The agreement allows Moydow to acquire up to a 60% interest in the Port Loko bauxite deposit by incurring exploration expenditure of \$1 million and produce and deliver a feasibility study on or before June 30, 2006. The agreement only covers bauxite and no other minerals on the property. Cumulative expenditures to December 31, 2005 amounted to \$1.64 million of which \$1.37 million was incurred during 2005.

On October 24, 2005, the Company appointed Chlumsky Armbrust & Meyer ("CAM") to prepare a Bankable Feasibility Study on the Port Loko Bauxite Deposit in Sierra Leone, West Africa. CAM estimated the cost for the Bankable Feasibility Study to be \$0.15 million of which \$0.02 million was incurred during 2005.

Ntotoroso property, Ghana

On December 8, 2003, the Company sold its wholly owned subsidiary, Moydow Limited (Isle of Man), which, following an internal restructuring, owned the Company's 50% joint venture interest in the Ntotoroso gold property in Ghana but no other mineral properties, to Newmont Mining Corporation (Newmont).

In connection with the sale, the Company entered into a royalty agreement whereby the company acquired the right to a net smelter return royalty of 2% on all recovered ounces of gold and silver produced from the Ntotoroso property after the first 1.2 million gold equivalent ounces for a consideration for \$0.25 million. No value has been ascribed to the royalty rights acquired.

Hwidem property, Ghana

On October 3, 2005, the Company was granted a two-year extension to its prospecting licence with respect to the Hwidem property, by the Minister for Lands, Forestry and Mines in Ghana. The licence area covers 24.7 square kilometres and it adjoins the Kenyase-Ntotoroso area currently under lease to Rank Mining Company Limited, a subsidiary of Newmont. The Company incurred exploration expenditures on this property of \$0.06 million during 2005. The minimum exploration expenditures required to maintain the licence are \$0.52 million of which \$0.34 million had been spent as at December 31, 2005. If gold mineralization does not exist in sufficient quantities in the area to warrant completion of the work program, the Company is not liable for any shortfall on the minimum exploration expenditures.

Kanyankaw property, Ghana

On October 3, 2005, the Company was granted a two-year extension to its prospecting licence with respect to the Kanyankaw property, by the Minister for Lands, Forestry and Mines in Ghana. The carrying value of the Kanyankaw property was written off in 2005 in the amount of \$0.33 million of which \$0.03 million was incurred during 2005, as exploration results are not promising such that exploration will not be planned for the foreseeable future.

Okumpreko property, Ghana

During 2005, exploration work continued on the Okumpreko gold property in Ghana where the Company carried out mapping, geochemical and geophysical studies with a view to lining up drill targets. Drilling was carried out on the property in February 2006. The results are presently being correlated. The Company can earn a 40% interest in this gold project in return for direct expenditures of \$0.25 million incurred within one year of entering into the agreement, which was signed in September 2004. The Company can increase its interest to 51% by incurring additional exploration expenditure of \$0.25 million within two years of signing the agreement. Management is currently negotiating an extension to the terms of the agreement. Cumulative expenditures to December 31, 2005 amounted to \$0.24 million of which \$0.21 million was incurred during 2005.

Newfoundland and Labrador, North America

Moydow has earned a 51% interest in the True Grit claims. Moydow is the operator of the joint venture. As exploration results are not promising, the Company decided to write off its investment in the amount of \$0.87 million.

Altius Baie d'Espoir property, North America

On March 10, 2004, the Company signed an agreement with Altius Resources Inc. (Altius) for an option to earn up to 80% interest in the Altius Baie d'Espoir property located in south-central Newfoundland and Labrador. As exploration results are not promising, the Company has written off its investment in the amount of \$0.04 million.

Commitments

The Company, either directly or through certain joint ventures, has obligations to expend various amounts on its mineral properties and projects in order to keep its mineral property rights in good standing. All agreements are in the normal course of business.

Payments due (\$ thousand)	Total	Less than 1 year	1 to 3 years
Exploration and development	\$15,918	\$395	\$15,523

Segmented Information

The Company has one reportable operating segment, being exploration of mineral properties in geographic areas disclosed in note 4.

Results of Operations

Net loss for 2005 was \$1.61 million or \$0.06 per share compared to a loss of \$1.94 million in 2004 or \$0.07 per share.

During 2005, the Company sold 95,000 Newmont common shares for proceeds of \$3.98 million. The Company recognized a loss of \$0.24 million on the sale of these shares. The Company also recorded a gain of \$0.22 million on the write up of its remaining 45,000 Newmont common shares to their original cost of \$49.20 per share (market value per share on December 31, 2005 was \$53.40).

During 2004, the Company sold 60,000 Newmont common shares for proceeds of \$2.61 million. The Company recognized a loss of \$0.31 million on the sale of these shares. The Company also recorded a loss of \$0.59 million on the write-down of its remaining 140,000 Newmont common shares to their market value on December 31, 2004.

The carrying value of the Kanyankaw property located in Ghana was written off in 2005 in the amount of \$0.33 million, as exploration results are not promising such that exploration will not be planned for the foreseeable future.

As exploration results are not promising on the True Grit claims in Newfoundland and Labrador, North America, the Company decided to write off its investment in the amount of \$0.87 million.

On March 10, 2004, the Company signed an agreement with Altius Resources Inc. (Altius) for an option to earn up to 80% interest in the Altius Baie d'Espoir property located in south-central Newfoundland and Labrador. As exploration results are not promising, the Company has written off its investment in the amount of \$0.04 million.

During 2004, the Company decided not to continue with the renewal application of the Botwood Basin Licence, located in central Newfoundland and Labrador, as exploration results were not promising, and it has written off its investment in the amount of \$0.31 million.

As exploration results were not promising on the option property from Altius, located in the Baie d'Espoir property in south-central Newfoundland and Labrador. The Company wrote off investment in the amount of \$0.07 million.

During 2004, the Company wrote off expenditures incurred on a number of other minor projects in the amount of \$0.05 million.

General and administrative expenses were \$1.15 million in 2005 as compared with \$1.28 million in 2004. The decrease in 2005 compared with 2004 is a result of operating currencies weakening against the United States dollars together with decreased costs associated with investor relation cost and professional fees. A significant proportion of the Company's general and administrative expenses are incurred in Euros.

On June 26, 2005, the Company granted 100,000 stock options to officers, directors, employees and consultants. The estimated fair value of the options granted was \$0.01 million or Cdn\$0.15 per option. The Company recognizes this expense over the period in which entitlement to the awards vest.

The foreign exchange gain in 2005 was \$0.06 million compared to a gain of \$0.18 million in 2004. The foreign exchange gain resulted from the movements in exchange rates between operating currencies and the United States dollar.

The Company earned dividend income of \$0.03 million and \$0.04 million during 2005 and 2004 respectively. The dividend income was received from the Company's shareholding in Newmont.

The Company earned deposit interest income of \$0.01 million and \$0.01 million in 2005 and 2004 respectively.

The Company's revenues are derived from: interest and dividend income, which is dependent on available cash balances and prevailing interest rates and returns on investments which are dependent on the prevailing market at the time of sale.

In 2005 and 2004, the Company recorded a recovery of income taxes in the sum of \$0.74 million and \$0.80 million respectively. The underlying effective tax rate for 2005 is 31.32% as compared to 29.25% in 2004.

Liquidity and Capital Resources

At December 31, 2005, the Company had working capital of \$1.73 million (December 31, 2003 -\$5.55 million). Cash and cash equivalents at December 31, 2005 amounted to \$0.02 million compared to cash and cash equivalents as the end of 2004 of \$0.81 million.

At December 31, 2005, the Company held 45,000 Newmont common shares with a quoted market value of \$2.40 million. The primary factor that could potentially adversely affect our liquidity is the realised value of the Newmont common shares.

Changes in future conditions could require material write-downs of the carrying amounts of future expenditures. As at December 31, 2005, the company had an excess of current assets over current liabilities of \$1.73 million and has recorded losses and net cash outflows from operations for the past two years. On January 14, 2006, pursuant to the agreement with Endiama signed on December 16, 2005, the Company paid \$1 million to the Angolan state diamond mining Company. In order for the deposit to be refunded the Company must incur expenditures of \$1 million within six months of making the deposit. These circumstances cast significant doubt as to the ability of the company to continue as a going concern.

The Company entered into an agreement to complete a private placement (the "Offering") of up to 6,644,518 common shares of the Company at a price of Cdn\$0.35 per share for gross proceeds of up to \$2.00 million. Jennings Capital Inc. has been retained to act as lead agent (the "Agent") in connection with the Offering, to be conducted on a best efforts basis. The Agent and the Company have agreed that the Company may provide a President's list of investors for up to \$0.60 million of the said gross proceeds.

The financial statements of the company have been prepared on the basis that the Company will continue as a going concern which presumes that it will be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that might be necessary if the company is unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material.

Cash Flow Statements

Cash flow used in operating activities for the year ended December 31, 2005 including changes in non-cash working capital of \$0.97 million, totalled \$1.88 million as compared to \$1.24 million in 2004. In the twelve months ended December 31, 2005 cash from investing activities was \$0.81 million of which \$3.18 million (2004-\$1.69 million) was expended on exploration of mineral properties incurred principally in Angola and Sierra Leone. During 2005, the Company received \$3.98 million from the sale of 95,000 Newmont common shares.

Cash flow from financing activities for the year ended December 31, 2005 was \$0.28 million, principally from the issue of 1,596,193 shares for cash (2004 cash flow used in financing activities - \$27.57 million mainly represented by the distribution to shareholders following the sale of Moydow Limited (Isle of Man)).

Use of Financial Instruments

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. There are no off-balance sheet arrangements.

Changes in Accounting Policies

There was no change in accounting policies during 2005 and 2004.

Outstanding Share Data

As at March 3, 2006, the Company has 30,620,575 common shares in issue. Holders of common shares are entitled to one vote on any ballot at meetings in respect of each common share held. The Company has 2,100,000 stock options outstanding at a weighted average price of Cdn\$0.33 together with 200,000 warrants at an exercise price of Cdn\$0.38 for a vesting period of two years pursuant to exploration agreements.

On June 26, 2005, the Company granted 100,000 stock options to officers, directors, employees and consultants. The estimated fair value of the options granted was \$0.01 million or Cdn\$0.15 per option. The Company recognizes this expense over the period in which entitlement to the awards vest.

Transactions with Related Parties

Related party transactions relate primarily to the payment of fees under contracts for services with companies in which a director is a shareholder and director of the Company. The Company was charged a total of \$0.25 million during 2005 with respect to these services (2004 - \$0.49 million). Included in accounts payable and accrued liabilities at December 31, 2005 is \$0.04 million (2004 - \$0.03 million) payable to these related parties for such services.

The Company's primary legal counsel is with a firm in which a director of the Company is a partner. The Company was charged \$0.07 million during 2005 (2004 - \$0.05 million) for legal services provided by this firm. Included in accounts payable and accrued liabilities at December 31, 2005 is \$0.06 million (2004 - \$nil) with respect to such services.

Selected Consolidated Annual Financial Information

Set forth below is certain financial data for the last three completed financial years:

	December 31,2005	December 31,2004	December 31,2003
	\$	\$	\$
Total revenue	-	-	-
Basic and diluted (loss) earning per share	(0.06)	(0.07)	1.10
Total assets	6,334,596	9,296,704	39,712,942
(Loss) net income for the year	(1,1612,359)	(1,938,765)	30,908,193
Total long term financial liabilities	-	-	-
Dividends declared	-	-	27,752,267

Quarterly Information

The following table summaries the results of the Company for each of the most recent eight quarters:

	March 2005	March 2004	June 2005	June 2004	Sept 2005	Sept 2004	Dec 2005	Dec 2004
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues	-	-	-	-	-	-	-	-
Net profit/(loss)	(529,462)	(758,992)	(678,423)	(1,868,233)	(735,771)	562,407	331,297	126,053
Basic and diluted (loss)/ earnings per Common share	(0.018)	(0.026)	(0.023)	(0.065)	(0.025)	0.020	0.011	0.004
Total assets	7,225,175	11,247,041	6,821,886	8,869,545	6,662,268	9,714,493	6,334,596	9,296,704
Number of common shares outstanding	28,964,382	28,784,382	28,964,382	28,784,382	30,620,575	28,814,382	30,620,575	28,964,382

Net profit for the three months ended December 31, 2005 and 2004 was \$0.33 million or \$0.011 per share and \$0.13 million or \$0.004 per share, respectively.

During the fourth quarter of 2005, the Company sold 15,000 Newmont common shares and received cash of \$0.70 million. The Company recognized a loss of \$0.01 million on the sale of these shares. The Company also recorded a gain of \$0.10 million on the write-up of its remaining 45,000 Newmont common shares to their original cost (market value on December 31, 2005-\$2.40 million).

During the fourth quarter of 2005, the Company wrote off expenditures incurred on a number of other minor projects in the amount of \$0.01 million

During the fourth quarter of 2004, the Company decided not to continue with the renewal application of the Botwood Basin Licence, located in central Newfoundland and Labrador, as exploration results were not promising, and it has written off its investment in the amount of \$0.31 million.

As exploration results were not promising on the option property from Altius, located in the Baie d'Espoir property in south-central Newfoundland and Labrador. The Company wrote off investment in the amount of \$0.07 million in December 2004.

General and administrative expenses were \$0.24 million in the fourth quarter of 2005 as compared with \$0.33 million in the same period in 2004.

The foreign exchange loss in fourth quarter of 2005 was \$0.07 million compared to a gain of \$0.12 million in 2004. The foreign exchange loss resulted from the movements in exchange rates between operating currencies and the United States dollar and also from the write off of foreign exchange movements previously capitalised in Mineral Properties.

The Company earned dividend income of \$0.01 million and \$0.01 million during the fourth quarter of 2005 and 2004 respectively. The dividend income was received from the Company's shareholding in Newmont.

The Company earned deposit interest income of \$0.001 million and \$0.004 million in the last quarter of 2005 and 2004 respectively.

In the last quarter of 2005 and 2004, the Company recorded a recovery of income taxes in the sum of \$0.58 million and \$0.80 million respectively. The underlying effective tax rate for 2005 is 31.32% as compared to 29.25% in 2004.

Cash flow used in operating activities for the fourth quarter to December 31, 2005 including changes in non-cash working capital of \$0.17 million, totalled \$0.14 million as compared to cash flow from operating activities \$1.08 million in the same period in 2004. In the last quarter of 2005 cash used investing activities was \$0.56 million of which \$1.27 million (2004-\$0.67 million) was expended on exploration of mineral properties incurred mainly in Angola. During the last quarter of 2005, the Company received \$0.70 million from the sale of 15,000 Newmont common shares.

Cash flow from financing activities in the last quarter of 2005 was \$0.01 million.

Regulatory, Environmental and Other Risk Factors

The Company intends to fulfil all statutory commitments on its current licences over the next year and will apply for licence renewals in the normal course of business.

The Company's operating income and cash flow are affected by changes in the U.S./Canadian dollar exchange rate together with movement in the local currencies in Angola, Sierra Leone, Ghana, and Ireland, as a portion of the Company's costs are incurred in these currencies.

The profitability of any mining operation will be significantly affected by changes in the market price of commodities. Commodity prices fluctuate on a daily basis and are affected by numerous factors such as world supply, Central Bank selling, stability of exchange rates, forward sales and inflationary forces, among other factors beyond Moydow's control.

Exploration companies are subject to various laws and regulations including but not limited to environmental and, health and safety matters together with political risks which are outside the Company's control. Moydow is committed to a program of environmental protection at all of its projects and exploration sites.

The financial statements of the Company have been prepared on the basis that the company will continue as a going concern which presumes that it will be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material.

Outlook

The Company will focus its efforts on securing capital to enable Moydow complete the proposed merger with Diamond Fields International Ltd. The Company will continue to add value to its diamond property in Angola and complete the feasibility study on the bauxite property in Sierra Leone.