

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 2006 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, 2006. The MD&A has been prepared as at March 28, 2007. 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.

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, 2006, 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, 2006, 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 Angola 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 \$5,000,000 on or before October 1, 2007. Cimader and Endiama have a free carried interest in the exploration phase of the project.

The Company entered into a separate agreement with Concord Minerals LLC (Concord), a private Nevada company, whereby Concord was granted 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. However, Concord has not exercised this right in full and it presently holds a 15% interest in the Moydow-Concord agreement.

The Company's cumulative expenditures on the alluvial licence to December 31, 2006 amounted to \$3,255,610 of which \$1,484,043 was incurred during 2006 (\$1,466,775 was incurred during 2005). In addition Concord cumulative expenditures to December 31, 2006 amounted to \$688,797 (\$688,797 -December 31, 2005).

Kimberlite

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 \$10,000,000 on or before January 14, 2009. Cimader and Endiama have a free carried interest in the exploration phase of the project. The granting of the licence was ratified by the Angolan Council of Ministers on October 18th, 2006 and was subject to the Company making a deposit of \$1.0 million with the Angolan government. The deposit was made in 2006 and may be refunded provided that Moydow meet certain conditions. The deposit has been included as a component of the cost to acquire an interest in the Dala project.

The Company also has an agreement with Concord, whereby Concord was granted 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. As in the case of the alluvials, Concord has not exercised its right in full and its interest presently stands at 15% in the Moydow-Concord agreement.

The Company's cumulative expenditures on the kimberlite licence to December 31, 2006 amounted to \$1,663,643 of which \$1,663,643 was incurred during 2006. Concord's cumulative expenditures to December 31, 2006 amounted to \$nil.

Port Loko property, Sierra Leone

The Company has a 50% interest in the Port Loko bauxite exploration project in Sierra Leone, West Africa. The other 50% interest in the project is held by Gondwana Investments Limited (Gondwana), a company incorporated in Luxembourg.

The Company has applied to the Sierra Leone government for a renewal of its licence in respect of its activity at Port Loko and expects to receive the licence in mid 2007. In the event that the licence is not renewed, the company will be required to write-off its investment in this project.

Cumulative expenditures by the Company to December 31, 2006 amounted to \$2,586,495 of which \$945,367 was incurred in 2006.

Ntoroso 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 Ntoroso 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 Ntoroso 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 by the company due to the uncertainty associated with this asset. Newmont commenced production on this property during 2006.

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-Ntoroso 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, 2006. 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.

Okumpreko property, Ghana

On September 17, 2004, the Company signed an agreement with PW Limited, an international engineering and mining contractor. Under the terms of the agreement, the Company can earn a majority interest in the Nyaduom and Kushea mining leases, which are collectively known as the Okumpreko gold project. On January 23, 2007, the Minerals Commission cancelled the mining lease for non-performance. The Company wrote off its investments in the amount of \$404,222, of which \$165,832 was incurred during 2006.

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.

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	\$15,523	\$523	\$15,000

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 2006 was \$1.06 million or \$0.03 per share compared to a loss of \$1.61 million in 2005 or \$0.05 per share.

During 2006, the Company sold 45,000 Newmont common shares for proceeds of \$2.52 million. The Company recognized a gain of \$0.31 million on the sale of these shares.

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).

On January 23, 2007, the Minerals Commission cancelled the mining lease on the Okumpreko gold project, Ghana for non-performance. The Company wrote off its investments in the amount of \$0.40 million, of which \$0.17 million was incurred during 2006.

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 2005 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 2005 in the amount of \$0.04 million.

General and administrative expenses were \$0.92 million in 2006 as compared with \$1.15 million in 2005. The decrease in 2006 compared with 2005 is a result of operating currencies weakening against the United States dollars together with decreased costs associated with investor relation cost, professional fees and more stringent cost controls.

On March 1, 2006, the Company announced that it had reached an agreement with Diamond Fields International Ltd. ("Diamond Fields") effective February 28, 2006; pursuant to which, Moydow common shareholders would have exchanged their Moydow securities for securities of Diamond Fields ("the acquisition"). The acquisition was subject to, among other things, 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. As all the necessary stipulations required under the terms of agreement were not reached by May 31, 2006, the agreement was automatically terminated. The Company incurred transaction and due diligence expense of \$.402 million in connection with this transaction.

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 2006 was \$0.03 million compared to a gain of \$0.06 million in 2005. 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 \$0.001 million and \$0.03 million during 2006 and 2005 respectively. The dividend income was received from the Company's shareholding in Newmont. During 2006, the Company disposed of its shares in Newmont.

The Company earned deposit interest income of \$0.01 million and \$0.01 million in 2006 and 2005, 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 2006 and 2005, the Company recorded a recovery of income taxes in the sum of \$0.32 million and \$0.74 million respectively. The underlying effective tax rate for 2006 is 22.90% as compared to 31.32% in 2005.

Liquidity and Capital Resources

At December 31, 2006, the Company had negative working capital of \$2.24 million (December 31, 2005 - \$1.73 million). Cash and cash equivalents at December 31, 2006 amounted to \$0.14 million compared to cash and cash equivalents as the end of 2005 of \$0.02 million.

During 2006, the Company entered into an unsecured loan agreement with certain parties. The Company was advanced \$1.43 million (including \$0.13 million for related parties) which is repayable on demand. The loan is non-interest bearing. On March 29, 2007 the Company reached agreement with its lenders to convert the outstanding debt into common shares of the Company at Cdn\$0.20 per share subject to among other things receipt of all necessary regulatory and stock exchange approval.

At December 31, 2005, the Company held 45,000 Newmont common shares with a quoted market value of \$2.40 million.

These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. As at December 31, 2006, the Company had an excess of current liabilities over current assets of \$2.24 million and has recorded losses and net cash outflows from operations for the past two years. The Company is also required to make expenditures (as outlined in note 4 to the Consolidated Financial Statements) in the near term to keep its mineral property rights in Angola. The Company will have to secure additional financing to meet its required commitments. These circumstances lend substantial doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In recognition of these circumstances, the Company is exploring various initiatives to secure capital so that Moydow can continue as a going concern. It is not possible to determine, with any certainty, the success, adequacy or sufficiency of these initiatives.

Cash Flow Statements

Cash flow used in operating activities for the year ended December 31, 2006, including changes in non-cash working capital of \$0.44 million, totalled \$0.68 million as compared to \$1.88 million in 2005. In the twelve months ended December 31, 2006 cash used in investing activities was \$1.88 million of which \$4.41 million (2005 - \$3.18 million) was expended on exploration of mineral properties incurred principally in Angola and Sierra Leone. During 2006, the Company received \$2.520 (2005 - \$3.98 million) million from the sale of 45,000 Newmont common shares.

Cash flow from financing activities for the year ended December 31, 2006, was \$2.69 million, principally from the issue of 7,655,143 shares for cash in the amount of \$1.26 million (2005 cash flow from financing activities - \$0.27 million mainly represented by the issue of common shares). During 2006, the Company was advanced \$1.43 million (including \$0.13 million for related parties) which is repayable on demand. The loan is non-interest bearing. On March 29, 2007, the Company reached agreement with its lenders to convert the outstanding debt into common shares of the Company at Cdn\$0.20 per share subject to among other things receipt of all necessary regulatory and stock exchange approval.

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 2006 and 2005.

Future Accounting Changes

Effective January 1, 2007, the Company will be required to comply with the new provisions of the Canadian Institute of Chartered Accountants (CICA) Handbook on accounting for Financial Instruments. Under the new standard, all financial assets must be classified as available for sale, held for trading, held to maturity, or loans and receivables. All financial instruments classified as available for sale or held for trading are required to be recognized at fair value on the consolidated balance sheet while financial instruments classified as loans and receivables or other will generally be measured at amortized cost. The standards allow the Company to designate certain financial instruments, on initial recognition, as held for trading. Changes in the fair value of financial instruments classified as held for trading will be reported in net income. Unrealized gains or losses on financial instruments classified as

available for sale will be reported in other comprehensive income until they are realized. Based on the Company's review to this point, it does not expect that the new guidance will result in a material impact on net income.

Outstanding Share Data

As at March 28, 2007, the Company has 38,275,718 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 1,600,000 stock options outstanding at a weighted average price of Cdn\$0.33.

During 2006, the Company was advanced \$1.43 million (including \$0.13 million for related parties) which is repayable on demand. The loan is non-interest bearing. On March 29, 2007, the Company reached agreement with its lenders to convert the outstanding debt into common shares of the Company at Cdn\$0.20 per share subject to among other things receipt of all necessary regulatory and stock exchange approval.

Transactions with Related Parties

Related party transactions relate primarily to the payment of fees under contracts for services with companies in which a Moydow director is a shareholder and director. The Company was charged a total of \$0.39 million during 2006 (2005 - \$0.25 million) with respect to drilling and administration services. Included in accounts payable and accrued liabilities as at December 31, 2006 is \$0.61 million (2005 - \$0.36 million) payable to these related parties.

The Company's primary legal counsel is a firm in which directors of the Company are partners. The Company was charged \$.25 million during 2006 (2005 - \$0.68 million) for legal services provided by this firm.

These transactions are made in the normal course of business.

Selected Consolidated Annual Financial Information

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

	December 31,2006 \$	December 31,2005 \$	December 31,2004 \$
Total revenue	-	-	-
Basic and diluted (loss) earning per share	(0.03)	(0.05)	(0.07)
Total assets	8,358,027	6,334,596	9,296,704
(Loss) net income for the year	(1,060,179)	(1,612,359)	(1,938,765)
Total long term financial liabilities	-	-	-
Dividends declared	-	-	-

Quarterly Information

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

	March 2006	March 2005	June 2006	June 2005	Sept 2006	Sept 2005	Dec 2006	Dec 2005
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net profit/(loss)	33,490	(529,462)	(331,574)	(678,423)	(335,633)	(735,771)	(426,462)	331,297
Basic and diluted (loss)/ earnings per Common share	0.001	(0.018)	(0.011)	(0.023)	(0.010)	(0.025)	(0.011)	0.011
Total assets	6,841,872	7,225,175	7,110,675	6,821,886	8,931,585	6,662,268	8,358,027	6,334,596
Number of common shares outstanding	30,620,575	28,964,382	30,620,575	28,964,382	38,275,718	30,620,575	38,275,718	30,620,575

Net loss for the three months ended December 31, 2006 was \$0.43 million or \$0.011 per share and compared to a profit of \$0.33 million or \$0.011 per share in the same period in 2005.

During 2006, the Company incurred transaction and due diligence expense of \$401,902 in connection with the proposed merger with Diamond Fields. During the fourth quarter of 2006, the Company renegotiated their professional fees in relation to this transaction and received a discount of \$0.14 million.

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).

The Company wrote off its investments on the Okumpreko gold project located in Ghana in the amount of \$0.404 million as the Minerals Commission cancelled the mining lease for non-performance on January 23, 2007.

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

General and administrative expenses were \$0.28 million in the fourth quarter of 2006 as compared with \$0.24 million in the same period in 2005.

The foreign exchange loss in fourth quarter of 2005 was \$0.15 million compared to a loss of \$0.07 million in 2005. 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 \$nil million and \$0.01 million during the fourth quarter of 2006 and 2005, respectively. The dividend income was received from the Company's shareholding in Newmont. The company disposed of its shares in Newmont in the first quarter of 2006.

The Company earned deposit interest income of \$0.001 million and \$0.001 million in the last quarter of 2006 and 2005, respectively.

In the last quarter of 2006 and 2005, the Company recorded a recovery of income taxes in the sum of \$0.24 million and \$0.58 million, respectively. The underlying effective tax rate for 2006 is 22.90% as compared to 31.32% in 2005.

Cash flow used in operating activities for the fourth quarter to December 31, 2006, including changes in non-cash working capital of \$1.47 million, totalled \$2.23 million as compared to cash flow from operating activities \$0.14 million in the same period in 2005. In the last quarter of 2006, cash used investing activities was \$2.07 million of which (2005 - \$1.27 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 2006 and 2005 was \$0.44 million and \$0.01 million, respectively. During the fourth quarter of 2006, the Company was advanced \$0.44 million which is repayable on demand. The loan is non-interest bearing. On March 29, 2007 the Company reached agreement with its lenders to convert the outstanding debt into common shares of the Company at Cdn\$0.20 per share subject to among other things receipt of all necessary regulatory and stock exchange approval.

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 continue to add value to its diamond property in Angola, complete the feasibility study on the bauxite property in Sierra Leone and evaluate new opportunities.