

# **WORLD WIDE MINERALS LTD.**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2005**

### **Overview**

The Company's only significant activity has been the pursuit of the recovery of its investment in Kazakhstan.

The Company is reviewing with legal counsel in the United States, Canada and Kazakhstan what further steps could or should be taken to collect the sovereign debt owing to it by Kazakhstan arising out of the loan made in 1996-1997. This loan, with accrued interest and collection costs, now amounts to over US\$33.6 million, before taking into account the substantial damages suffered by the Company in having its investment confiscated. These steps may include arbitration pursuant to the agreements with Kazakhstan.

The following discussion of operating results and financial condition should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended December 31, 2004. All amounts are reported in Canadian currency unless otherwise indicated.

### **Results of Operations**

Interest costs aggregated \$433,240 during the quarter, up from \$377,750 incurred during the third quarter of 2004. Interest costs aggregated \$1,260,454 during the first nine months, up from \$1,131,919 incurred during the first nine months of 2004. The increase in interest charged to operations results compounding of interest on the notes payable.

General and administrative costs were nominal, being \$1,512 during the quarter compared to \$1,225 during the third quarter of 2004. Administrative costs during the first nine months were \$12,145 compared to \$13,582 during the comparable period of 2004. Management incurs only those organization costs essential to maintenance of the Company. The Company has no employees.

The Company realized foreign exchange loss of \$65,043 compared to a gain of \$126,930 during the comparable 2004 quarter. The Company recorded a year-to-date foreign exchange loss of \$139,961 compared to a gain of \$78,085 during the comparable 2004 period. A significant portion of the Company's Canadian dollar denominated debt is held in an offshore subsidiary whose functional currency is the US dollar. Consequently, a foreign exchange loss was recorded on translation of the Canadian dollar denominated debt to US dollars.

The Company recorded a net loss of \$499,795 or \$Nil per share during the 2005 third quarter compared to a net loss of \$252,045 or \$Nil per share during the comparable 2004 period. The net loss for the year-to-date was \$1,412,560 or \$0.01 per share compared to a net loss of \$1,067,416 or \$0.01 per share during the first nine months of 2004.

There is uncertainty about the Company's ability to discharge its liabilities as they come due. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing, collection of outstanding loans, and attaining and maintaining positive operating cash flows.

The Company has reported significant losses for several years and has no active operations. The Company continues to examine opportunities in mining-related business with the objective to resume profitable operations. The Company has a significant working capital deficiency of \$26.4 million and an accumulated deficit of \$69.0 million. Services and associated costs, essential to the maintenance of the

Company, are either absorbed by or paid by management where possible. The working capital deficiency includes \$798,000 (US\$686,000) representing fees and disbursements billed by a US law firm for services rendered in Kazakhstan during 1996-1997, which amount is in dispute.

There can be no assurance that the Company will be successful in its efforts to realize on its investment in Kazakhstan. In the event that the Company is not successful in its efforts to realize on its investment, the ability of the Company to continue as a going concern, realize the carrying amount of its assets and extinguish its liabilities in the normal course of business is dependent upon the Company obtaining additional financing. The indebtedness of the Company restricts the ability of the Company to refinance itself. The September 30, 2005 financial statements do not reflect adjustments to the carrying value of liabilities that would be necessary if the going concern assumption were not appropriate.

Litigation expenses have been funded by a loan from Dundee Corporation. During 2005 and 2004, no additional funds were advanced to the Company; however, \$1,203,665 (2004-\$1,072,600) of interest was accrued on the loan. The loan, which is secured by all of the assets of the Company, matured July 3, 2002. No demand has been made on the Company for repayment of the loan. The Company also has several notes payable totalling \$1,753,303 which have matured and have not been paid. Although \$1,260,454 of interest was charged to the statement of operations in respect of the notes payable and other obligations, the reported amount of the obligations increased a further \$174,239 as a result of a foreign exchange adjustment in a subsidiary whose functional currency is the United States dollar.

### **Risks**

The Company is living evidence that its assets are subject to the risk of foreign investment, including unilateral confiscation, increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and political uncertainty. Operational risks in the mining industry include finding and developing economic ore reserves. Financial risks include interest and U.S. dollar exchange rates which are beyond the control of the Company. The Company is subject to various regulatory risks, many of which also are beyond the control of the Company.

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October 28, 2005