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Dear Shareholders:

Five years ago in the 2000 annual report, I told you that the journey towards profitability would be difficult, would involve a complete restructuring of the Company, and would cause a decrease in assets as we disposed of unprofitable operations. Most of those events are now behind us, and I am pleased to report to you at this time that your Corporation has stabilized, and is on the road to profitability.

Five years ago, our only business was tourism, and because our particular brand of tourism was mostly focused on providing services to the independent traveler, we were exposed to the ups and downs of the world market and the world economy. Today, while tourism is still an important activity for Goldbelt, we have diversified our mix of business activities to include government contracting, which is providing us with year around earnings and cash flow. Furthermore, we are positioned to take advantage of some significant income opportunities from our ANCSA lands, which will further diversify our business mix, stabilizing and expanding our capability to generate earnings.

During our restructuring period, we were forced to cease several shareholder benefit programs including the Elders' Dividend program, and the scholarship program. During 2005, we resumed the Elders' dividends, catching up on payments to elders for 2003 and 2004, and we are budgeted to pay qualifying Elders for 2005 and 2006 this year. We are planning on resuming the scholarship program in 2006 by contributing \$50,000 to the Goldbelt Heritage Foundation, a 501c3 organization that the Board of Directors established two years ago.

During the last several years, Goldbelt has been in default under a couple of different loan agreements, which adversely affected us in numerous ways. This year, we entered into a restructuring agreement with our out-of-state lender to substitute \$2,000,000 of debt for over \$4 million in old debt that was in default. The only condition of this agreement is that we pay the loan off within three years. We plan to pay it off in 2006. Unfortunately, our independent accountants believe that the substance of our debt restructuring agreement should not be recognized in the 2005 annual report. They believe that new debt should be paid off before the reduction of the old debt should be recognized. In spite of this opinion, management, backed by the Board of Directors has chosen to report the economic substance of that agreement in this annual report, so that Goldbelt's balance sheet now shows we are current on and in compliance with the terms of our debt obligations.

With operations generating positive cash flow and the restructuring of our debt that was in default, we are now in a position to take advantage of the opportunities for growth that are before us. Development of our Echo Cove / Cascade Point land will now be within our reach, as we will be able to access the capital resources necessary to fund the economic activities that will grow from development.

The same is true regarding the economic opportunities that will be presented to us following development of our Hobart Bay property into a Cruise Ship destination. Development will commence this year, with a projected opening in 2008 or 2009. What is most important about the Hobart Bay project, is the opportunity for shareholder employment that will be created. The demand for employment at Hobart Bay will surpass that of any Goldbelt project to date.

I can tell you with certainty that 2006 will continue the trend of the last two years, bringing profitability to Goldbelt, and numerous job opportunities to shareholders.

Sincerely,

Gary Droubay
President & CEO