



MESSENGER Kookénaa

OCTOBER 2008 ISSUE:

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President/CEO



Gary Droubay, President /CEO

Dear Shareholders:

I have received a number of calls lately inquiring about the status of one of our 8a companies, Goldbelt Raven, which was the subject of a rather negative Inspector General's Report in August. As a result of the report, the Small Business Administration (SBA) suspended Raven from the 8a program. The effect of this on Raven in the short run is that they are not allowed to be awarded any new 8a contracts while they are suspended. Fortunately, their existing work is not affected, so we will still see

good financial results from Raven for 2008. The unfortunate part of the IG report process was that we were not offered an opportunity to respond to the charges before the report was published. Had they given us that opportunity, most of the issues would have been resolved. We have had the opportunity to respond to the SBA on the issues that they felt most strongly about, and at our initial meetings with the Alaska Administrator of the SBA, we were told that a recommendation for reinstating Raven back into the 8a program would be made. Due to the sensitive nature of the Government's processes, we were advised by the Company's attorneys not to make any public statements regarding the IG report, not even to our shareholders. That is the reason for our silence. Even at this time, since Raven's reinstatement has not yet actually occurred, we are limited in describing the

specific issues in a public format. For those who were most concerned about our silence, the Board of Directors and I thank you for your patience on this matter, and I know we will be able to provide you with more details on this matter in the near future. Most of our other 8(a) Companies are realizing good financial results in 2008. I mentioned in the last newsletter that Goldbelt Eagle had suffered a setback when it lost an arbitration with a minority shareholder who had entered into a commission agreement with Eagle's President back in 2003. The effect on Goldbelt is that we will not realize much profit from Eagle in 2008, nor receive any significant cash distributions. However, several of our other 8 (a) companies are having better than expected financial results this year. Specifically Hawk and Falcon will report much higher than expected earnings, making up some-

(Continued Page 6)

Goldbelt Incorporated Board of Directors

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Financial Report – Victor R. Scarano, CFO



We are pleased to present the August financial statements for your consideration. We are lagging budget estimates in a number of areas which have had an impact on our overall results. We have generated \$3.145 million of Net Income YTD compared to our budget estimate of \$4 million and a prior year Net Income of \$3.9 million during the same period of time. I will discuss the reasons for some of the lags below.

Revenue at the tram has fallen behind where we expected for the year. The primary reason as described by Tram staff is the weather. Sunny days generate greater sales than rainy days. Lower ticket sales also impact food and beverage sales and retail having somewhat of a ripple effect on profitability. Overall, the tram generated \$573,000 of Net Income through August compared to a budget estimate of \$981,000. We did however get approval of a refinance package on tram debt from National Coop Bank which will reduce our interest expense moving forward. That will have a positive impact on Net Income moving forward. The Hotel has had a pretty good year even though we had a shorter legislative session. Net Income through August is \$785,454 compared to a budget estimate of \$800,952. Our ongoing relationship with Cruise West, brisk walk-in traffic in the summer and good rates all help in that profitability.

The 8a entities continue to be a mixed bag of results. Wolf and CP Leasing continue to lag their estimates related to the IRS vehicles being budgeted to sell in May but have not sold as yet. Raven has virtually caught up with its budget estimates with Net Income of \$1.456 million compare to budget of \$1.568 and \$1.267 million for 2007. Eagle has posted a small net income lagging its budget. Falcon and Hawk continue to surpass their budget estimates handily. Falcon has posted a positive variance of \$270,000 with Net Income of \$527,439 and Hawk has posted an equally impressive positive variance of \$238,201 on Net Income of \$514,385. Security has had a good year as well with Net Income of \$159,667 and a budget estimate of \$7,899.

Highlights of the Goldbelt, Incorporated Balance Sheet through August:

- Total Assets – August 2008 - \$76,625,683, December 31, 2007 - \$89,771,692
- Current Assets (In Millions) – August 2008 - \$33.7, December 31, 2007 - \$46.2
 - Cash - \$1.4
 - A/R (In Millions) – \$31.0
- Long Term Assets (In Millions) - \$42.9, December 31, 2007 - \$43.4
 - Property net of Depreciation (In Millions) - \$19.4
 - Hotel - \$5.6, Tram - \$12.61,
- Total Liabilities (In Millions) – August 2008 - \$42.79, December 31, 2007 - \$59.0
- Current Liabilities (In Millions) – August 2008 - \$26.49, December 31, 2007 - \$43.0
 - A/P (In Millions) - \$13.1
 - Line of Credit (In Millions) - \$11.6
- Long Term Liabilities (In Millions) – August 2008 - \$16.3, December 31, 2007 - \$16.0
 - Long Term Debt (In Millions) – \$13.1
 - GB Inc - \$.3, Hotel - \$3.33, Tram - \$9.34

I want to note that under Total Assets, it appears we had a significant decrease compared to 12/31/2007. This difference is related to purchase of items for the Government by GB Raven under procurement contracts. We had significant volume at the end of 2007 spiking up our receivables and payables higher than normal but we had to report it this way according to accepted accounting principles.

We have faced a number of challenges this year and have faired well. The company continues to find opportunity looking into ways to put property to work and expand our 8 (a) business to continue to grow cash flow which has an exponential effect in providing opportunity to take advantage of new opportunities.

Thank you for your time and please feel free to contact me to discuss any questions that you may have.

Sincerely,

Victor R. Scarano, CFO

VPO Report: Bob Martin, Vice President Operations



Kensington Mine

After long but fruitful negotiations, Goldbelt and Coeur Alaska have signed an agreement in which Goldbelt will provide transportation and security services to the Kensington Mine. These services will be provided on a four days per week schedule until the mine construction and operation begins. Coeur Alaska will provide the boat and Goldbelt will provide virtually everything else including bus service to and from Yankee Cove, mine security, parking lot security, boat Captain and crew, buses, drivers, cen-

tral parking and operation and maintenance of the Yankee Cove facility, including snow removal, sanding and fuel services if that is to be done at Yankee Cove.

The boat was purchased used by Coeur Alaska and renamed "Sentinel" after Sentinel Island near Berners Bay. It was provided with updated electronics, provided with minor repairs and driven to Juneau from Seattle by Goldbelt's Captain and a crew supplied by Coeur Alaska. Deck hands were hired by Goldbelt from a large pool of applicants.

Bus service will be provided from the parking lot to Yankee Cove and return, plus Slate Creek Cove to the mine, using buses that Goldbelt purchased. Bus drivers will either be new hires or the buses may be driven by boat crewmen. Snow removal and sanding of the Yankee Cove facilities will also be done by Goldbelt employees.

The agreement is for three years with automatic renewals up to the life of the mine. Goldbelt looks forward to a long and productive working agreement with Coeur Alaska.

Cascade Point

As part of the ruling by the Ninth Circuit Court, Goldbelt's permit to construct a breakwater and dock at Cascade Point was put on hold pending a ruling on appeal to the US Supreme Court. This left a partially completed breakwater and a completed float in limbo. The float is owned by Coeur Alaska and currently is stored in the Ketchikan area while they consider potential use as a floating breakwater at Yankee Cove.

Meanwhile, Channel Construction—a shareholder owned company—has applied for permits to convert the breakwater to a barge loading facility that could be used to load rock, sand and gravel from quarries jointly owned by Goldbelt and Sealaska. The advantage to Goldbelt is multi-fold. First, lease of State-owned tidelands will not be an issue, second, Goldbelt will have revenue from lease of the uplands plus access fees to the quarries, Sealaska will gain royalty revenue from sale of gravel and in the future, the barge landing could easily be completed as a breakwater that will not interfere with gravel loading or passenger service from the dock.

Shareholder Services

New Stock Certificates

By now, shareholders should have received new Goldbelt, Incorporated Stock Certificates. You may have noticed that middle name(s) were not included. If shareholders would like their middle names to be printed on stock certificates, please write it in and send it back in the postage paid envelope that was included. A new certificate, with shareholder's full name as recorded in our database will be printed and mailed. Please note that due to a glitch in our new software that hasn't yet been resolved, stock certificates were printed and mailed to deceased shareholders whose estates have not yet been transferred. We sincerely apologize for any confusion and/or turmoil this error has caused. Please don't hesitate to contact Shareholder Services if you have any questions or concerns about your new stock certificate: 800-770-5866 or 907-790-4990 or mail.gbi@goldbelt.com.

Congratulations to the Following Goldbelt Scholarship Recipients

William	Andrews	University of Alaska Anchorage	Kimberly	Lavin (Delapp)	Metropolitan State College of
Sierra	Angelo	University of Alaska Southeast	Martha	Mallott	Southwestern Oregon Community College
Jordan	Beasley	Everett Community College	Kevin	Mann	University of Alaska Anchorage
Andrew	Berry	University of Washington	Ian	McClure	California Polytechnical State University
Jon	Brandt	University of Oregon	Sarah	McKinney	University of North Carolina
Dominique D.	Brinson	College of the Redwoods	Nemasia	Moala	University of Alaska SE
Violet	Burns	Colorado Technical Univer-	Pedro	Mojica	North Idaho College
Isaac	Cadiente	Fort Lewis College	Richard	Moreno	Haskell Indian Nations Univer-
Crystal	Chilton	Career Academy	Miquelle	Moreno	University of Alaska Anchorage KPC
Heather	Clark	Haskell Indian Nations Univ.	Cynthia	Orie	University of Alaska Fairbanks
Joshua	Cloyd	University of Alaska Anchorage	Valesha	Patterson	University of Alaska SE
Davina	Cole	University of Alaska SE	Chris	Peratrovich	Cornell University
Sheila	DeLapp	Methropolitan State College of Denver	Neely	Perisich	Portland State University
Barbara	Dude	Haskell Indian Nations Univ.	Alyssa	Peterson	University of Alaska SE
Annalise	Duerr-Miller	Evergreen State College	Alana	Peterson	Charleston Souther University
Marcia	Duguqua	AVTEC	Taija	Revels-Garlock	Portland State University
Sakara	Dunlap	University of Alaska SE	Santino	Samaniego	Lake Washington Tech College
Georgianna	Foruria	UAS - Juneau	Larina	Santos	University of Alaska SE
Elle	Fuller	Brigham Young University	Jessie	Scally	Seattle Central Community
Sara	Garcia	University of Alaska SE	Crystal	Sigle	Monterey Bay Beauty College
Melissa	Goade	Fort Lewis College	Larissa	Skannes	Peninsula College
Sorrel	Goodwin	University of Illinois at Urgan-Champaign	Elycia	Smith	SW Oregon Community Col-
Nina	Gowen	Pensacola Christian College	Ryan	Stage	Evangel University
Samantha	Hall	Montana State University	Ashley	Stage-Kinney	Evangel University
Darlene	Herman	Boise State University	Salome	Starbuck	Institute of American Indian
Ashley	Hunt	University of Idaho	Anthony	Stock	Oregon State University
Miciana	Hutcherson	Haskell Indian Nations Uni-	Richard	Tagaban	University of Alaska SE
Kelsey	Jackson	Alaska Vocational Technical	Cheryl	Tatham	University of Alaska Anchorage
Christine	Jewell	Le Cordon Bleu	Rachel	Tiffer	University of Montana Tech
Jamie	Johnson	Baker College	Timothy	Valdez	Mott Community College
			Virginia	Valles	Palomar College
Kyle	Kahklen	Eastern Washington Univer-	Lavina	Van Sickle	University of Alaska SE
			Robert	Viloria	Drake University
Julie	Keown	Univeristy of Oregon	Ryan	Walker	Georgia Military College
Richard	Knott	Central Washington Univer-	Liana	Wallace	University of Alaska SE
			Kael	Wanamaker	Seattle Pacific University
Nikolai	Kookesh	Conservatory of Recording	John	Watson	University of Alaska SE
Joseph	Lamebull	University of Alaska Anchor-	Barbara	Wilson	University of Alaska Juneau
			Laura	Woodman	Dartmouth College

Goldbelt Shareholder Highlights

Goldbelt, Inc. is pleased to sponsor this year's Goldbelt Basketball team for the new season. We wish you a successful season and look forward to seeing all at Gold Medal.

Back Row left to right - **Gerald Mayeda Jr., Jim Jackson, Gerald Mayeda Sr., John Mayeda**

Front Row is - **Joel Mclean, and Richard Siverly III**

Missing team members are; **Ben Johnson and Leon Aceveda**

Team Captain / Player Coach is:
Gerald Mayeda Sr.



*"Drink from the
Vessel of
Traditional
Knowledge"*

Kashudoha

Goldbelt Heritage Institute



Elder Jessie Johnny with
Dzanti K'Heeni middle
school students and their
prepared salmon

"Honoring Our Elders and Youth"

Goldbelt Heritage Institute welcomes supporting, through the generous grant provided by First Alaskan's Institute, activities for youth where their learning is guided by the traditional knowledge of our elders. The Dzanti K'heeni Culture Club held a salmon preparation activity in which elder Jessie Johnny supported youth's learning along with her niece Victoria Johnson, Indian Studies Cultural Paraeducator. The event was attended by middle school youth and their families to help prepare food for an upcoming gathering planned in December. It was additionally supported through the donation of fish by DIPAC, and parent volunteers, John Smith III and Robert Milton, Jr. Shareholders and Elders are welcome to join their activities which are scheduled every Saturday at 10 a.m. at Dzanti K'Heeni middle school.

Gunalchéesh

"Creating Critical Tools for Tlingit Language Survival": Tlingit Language Preservation Efforts

Goldbelt Heritage Institute was recently awarded a grant from the Administration for Native Americans to document Tlingit Verbs titled, "Creating Critical Tools for Tlingit Language Survival". GHI Manager Dionne Cadiente-Laiti will be supporting the projects efforts as Linguist Keri Edwards works to document Tlingit Verbs along with fluent speakers Anita Lafferty, Helen Sarabia and June Pegues. The project welcomes the participation of Tlingit language teachers and fluent elders.

New Compliance Hotline Implemented!

Goldbelt, Incorporated has implemented a new reporting tool to address compliance issues within all of our operations. Our new hotline has been implemented to specifically meet the requirements of conducting business with the federal government. An important aspect of working with the government, through our SBA 8(a) businesses, is to demonstrate our commitment to ensuring our business activity is free from any illegal or unethical business behavior.

We have selected EthicsPoint to provide us with a comprehensive and confidential reporting tool to assist management and employees to work together to address fraud, abuse, and misconduct in the workplace, all while cultivating a positive work environment. The reporting system allows employees to report any issues or concerns they may have at Goldbelt, Incorporated or any of its subsidiary companies in an anonymous and confidential manner. The system also provides a formal mechanism for investigation, follow-up, and response.

There are three ways employees can access the compliance hotline program: 1) calling the toll free number at 1-888-458-6356, 2) going to www.ethicspoint.com, or 3) accessing the portal page at our corporate website at www.goldbelt.com. Using any of these methods triggers a certain set of questions depending on the compliance issue or concern being reported.

The management team at Goldbelt, Incorporated and our subsidiaries look forward to utilizing this reporting tool to ensure compliance in all our current and future business activities.

PRESIDENT'S LETTER, (continued from Page 1)

what for the loss we are experiencing with Eagle.

Here in Juneau, our two major investments, the Mt Roberts Tram and the Goldbelt Hotel, had profitable seasons. We are seeing a drop from what now appears to have been an unusually good year in 2007, when the Hotel and the Tram set records for sales and profits. The very poor weather this summer certainly affected the Tram's sales, which fell 10% below 2007. The hotel had a good year when compared to most years before 2007. Sales this year are about 5% behind 2007. The special legislative sessions in 2007 was one of the factors that made 2007 so successful.

We are not unaffected by the turmoil in the world-wide financial markets. The long-term lease agreement of Hobart Bay that we have had in place for seven years with a major cruise company will be terminated as of the end of this year. The cruise line recently went through a severe cost cutting process in order to try to maintain its profitability, as it is experiencing a softening in cruise sales. The lease of Hobart Bay was a casualty of that cost cutting. We are still working with a group of investors, one of whom was largely responsible for the vision of Hobart Bay as a cruise destination. This group has expressed an interest in entering into a limited lease agreement at Hobart Bay, which would keep the development plan alive until the world's financial markets stabilize. We hope to know more about this by the end of the year.

All things considered, 2008 will be a successful year for Goldbelt financially, as we should come close to meeting our financial budgets, which include paying a Dividend to shareholders before the end of the calendar year. Looking forward, we may soon have to deal with the events that currently are affecting the World economy. We in Alaska are not immune to the fallout, as we are now seeing. The diversification into government contracting is one of the steps we took several years ago which acts to decrease our risk from feeling the negative effects of a faltering world economy. Please be assured that we continue to prudently manage your corporation's assets to ensure the Company remains stable and strong, regardless of economic conditions.

Sincerely,

J. Gary Droubay

Goldbelt Employee Highlights



Jeff White is the Seadrome Manager for our Seadrome Complex; Goldbelt's waterfront property across the street from Goldbelt Hotel Juneau. He has been with us since 1998 when he started out overseeing dock operations and managing the bus company. These are still his core duties, but over the last several years he has also provided shoreside services to other small cruise lines and private yachts. Jeff was also involved with managing the Goldbelt Tour Center and worked with Goldbelt Family Travel when they were both located in the Seadrome building. He managed Auk Nu Tours and Goldbelt Security Services, when that subsidiary began. Shortly after he was hired, he was tasked with the Seadrome dock expansion project and has seen numerous tenants come and go in the building.

Jeff is currently working on getting the transportation operations up and running for the Kensington Mine. This involves boat and bus operations to run to the mine on a daily basis. He has also been working with the preliminary planning process of redevelopment of the Seadrome property and working with the USCG regarding fueling operations at Hobart Bay.

Jeff states, "my job has always been interesting and enjoyable because I never know what new tasks I'll get to undertake. I get to interact with a broad spectrum of people, from the business community, Coast Guard, city leaders, and street people. No two days are alike and often times I'm surprised by what takes place. Goldbelt is a great employer and I feel very fortunate to have such a rewarding job, and the best office in town."

GOLDBELT EMPLOYMENT OPPORTUNITIES

Goldbelt, Incorporated is HIRING

Corporate Records Specialist

Responsible for overall administration of all corporate records, regardless of record format, for the corporation; including maintenance of all SBA 8 (a) records retention/redundancy and shareholder records. AAS in business and 3 yrs of records management, or a BBA and 1 yr of records management experience.

HR Assistant

Responsible for clerical functions to supporting the HRIS system and benefits duties, including data entry and correspondence. Must have a HS/equivalent diploma and 1 yr experience in human resources; prefer college degree. Growth potential for higher level HR duties and responsibilities.

Hotel General Manager

Manage/supervise all aspects of hotel business operations and functions at Goldbelt Hotel Juneau, including facilities/capital projects planning, budgeting, and union relations. Bachelor's degree in Hospitality/Hotel Management and 5 yrs experience in hotel/hospitality management or HS/equivalent diploma and 8 yrs experience; in both cases, 1 yr of experience as a Hotel Manager is required.

Goldbelt shareholders encouraged to apply.

Submit your resume/application, ATTN: Bill Abbott, 3075 Vintage Blvd, Suite 200, Juneau, AK 99801, fax to 907-790-4999 or email to bill.abbott@goldbelt.com; closes 10/21/08, EEO Employer

Goldbelt Website Update

Goldbelt will be updating our web-site. We are seeking an experienced web designer/developer. Interested individuals should send a resume and letter of interest by November 12th, 2008 to the attention of Reed Reynolds at 3075 Vintage Boulevard, Suite 200, Juneau, Alaska 99801 or FAX to (907) 790-4999.

Shareholder preference applies.



3075 Vintage Boulevard, Suite 200
Juneau, AK 99801



Kookénaa is a Tlingit noun that means
“messenger.” The Kookénaa is produced by
Goldbelt, Inc. for its shareholders.

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SHAREHOLDER INFORMATIONAL MEETINGS

JUNEAU:

Wednesday, October 22, 5:30 p.m. to 8:30 p.m.
Tlingit & Haida Community Center
3235 Hospital Drive

ANCHORAGE:

Saturday, October 25, Noon to 3:30 p.m.
Westmark Anchorage Hotel
720 West 5th Avenue, Turnagain Room

SEATTLE:

Saturday, November 8, Noon to 3:30 p.m.
Doubletree Guest Suites, Southcenter
16500 Southcenter Parkway

**There will be Lunch or Dinner provided at each scheduled meeting as well as
door prizes.**