



Director's Report to Members and Financial Review

The past year has been one of transition for the Company.

In September, 2004 Directors terminated a purchase agreement on the Tumi Venado property in Peru. A stage one sampling program failed to identify new breccia zones within the claim area and the Company's technical consultants reasoned that the known breccia zone on its own would likely not meet the overall objective of a large, bulk tonnage, low grade disseminated gold resource amenable to surface mining.

Two months later, administrators to the Company's major shareholder, Sons of Gwalia Ltd. ("Gwalia"), communicated to the Board their decision to sell Gwalia's entire shareholding in the Pacific Wildcat representing a 65.5 per cent interest. Company management worked with the administrators to Gwalia throughout the sales process and on January 18, 2005 the shares were sold to a group of private investors.

Upon completion of the share sale, the Board met to prepare a new business plan for the Company. This plan has two principal elements: to acquire a new, preferably advanced stage project for the Company and to exit and realize value for the Sulut gold - copper property in Indonesia. At the time of writing this report:

- . the Company is examining several opportunities to acquire precious and strategic metal properties; and
- . issues, mostly in country and including an escalating legal dispute between the government and owners of the neighbouring Minahasa gold mining operation, have impeded efforts to market the Sulut property. As a result, the exploration period set out in the Contract of Work has expired. Earlier this year, management entered into discussions with the Ministry of Energy and Natural Resources in Jakarta concerning ownership of the property and a possible extension of the exploration period. Based on these discussions, the Company is evaluating its options but there is no assurance that any value will be realized from the Sulut property.

During the year, the carrying value of the Tumi Venado property was written down to \$0 and no property transactions were completed. As of June 30, 2005 working capital totalled \$35,701 and Cash and Equivalents stood at \$46,383. Subsequent to year end, the Company closed two private placement financings resulting in net proceeds of \$230,000. The private placements consisted of 1,200,000 units priced at \$0.20 per unit, each unit representing one common share and one common share purchase warrant exercisable for 12 months at a price of \$0.27 per share.

The loss for the year was \$108,542 compared to a loss of \$721,428 in the previous year. The current year's loss includes \$15,046 in property evaluation and write downs; \$655,200 was recorded in the previous year. General and Administrative expense of \$93,496 was up \$27,268 over the previous year, with the approximately two thirds of the increase attributable to higher professional services fees and office rental expense.

On behalf of the Board of Directors,

"Brian Flower"

Director and President
November 15, 2005