

THE ALEUTIAN CURRENT



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MERRY CHRISTMAS, HAPPY HOLIDAYS, AND HAPPY NEW YEAR FROM THE TAC BOARD, MANAGEMENT, AND STAFF!

BOARD CHAIR REPORT

Questions about 7(i) and 7(j) revenue sharing? Check out TAC Board Chair Sharon Lind's message for answers.



TAC BOARD SPOTLIGHT

Congratulations to our newest TAC Board member, Kyle Foster! Get to know a bit more about Kyle inside this issue.



ANNUAL MEETING RE-CAP

Another Annual Meeting is in the books! Check out pages 4-5 for the Board Election Results, as well as prize winners and sponsors!



MESSAGE FROM THE PRESIDENT & CEO

Greetings Fellow Shareholders,

It was a pleasure to see everyone in attendance at the 47th Annual Meeting of Shareholders in Anchorage this past October. We had a very successful Annual Meeting and I appreciate everyone who was able to attend in person or watch via webcast. A big "thank you" to the staff at The Aleut Corporation for all their behind-the-scenes work in making the Annual Meeting possible.

The Annual Meeting provides an opportunity for shareholders to hear firsthand how our corporation is performing including a high-level financial overview, but most importantly it gives our shareholders a voice in electing representation on the Board of Directors. Thank you to our shareholders who voted in the election as well as those that ran for director. Congratulations to Debra Mack, Gary Ferguson and Kyle Foster for being elected to the Board. This year's officers are:

CHAIR: SHARON LIND

VICE-CHAIR: JENIFER NELSON

TREASURER: GARY FERGUSON

SECRETARY: DEBRA MACK

Next year, we will be implementing some positive changes to the Annual Meeting based on feedback from this

year's meeting. We have new Co-Chairs for the 2020 Aleut Village Conference (AVC) and we look forward to working with Haliehana Stepetin and Robin Stepetin to make it a very informative and successful gathering. All shareholders and descendants are welcome to attend the two-day AVC regardless of where you live. You do not need to be living in the Aleut region to attend, so please come join us next year and learn from the amazing presentations during the 2020 AVC.

The Board of Directors adopted a financial goal of \$350M in revenue and \$25M in profit less 7(i) by 2022. We had a positive FY19 and are on track to meet our financial goal for 2022. Income before taxes and non-controlling interest is a positive \$7.9M for FY2019. Management and the Board are working closely with our subsidiary leadership so that we can continue to provide healthy dividends and opportunities for our shareholders and descendants.

In addition to dividends, The Aleut Corporation provides many opportunities for our shareholders and descendants. Please visit our website to learn about Cash for Grades, Cash for Attendance, Youth Advance scholarships as well as internship opportunities. I also encourage you to visit The Aleut Foundation web site as we funded the



Foundation at \$1.5M so that they can provide academic scholarships, training, travel grants, leadership opportunities as well as cultural enrichment for our shareholders and descendants. These benefits are available to original enrollees as well as their descendants.

If you have not registered for MyAleutConnection, please contact our shareholder records department so that you can update your information as well as have immediate access to information about your corporation.

As we begin to wrap up 2019, I'd like to wish you and your family a very Merry Christmas and a Happy New Year! Ruuzdistvachxizaꞑ ama Slum Tagadagan Iniꞑsinaa imchix anuxtakus! (Atka Dialect)

Warmest regards,

President & CEO

BOARD CHAIR REPORT

Greetings Shareholders,

It is always a pleasure for the board to meet with shareholders at our Annual Meeting and connect with our people. The Aleut Corporation, like other Native corporations, is truly a family business and the Board appreciates time with shareholders at the Annual Meeting. It has been a very active fall at The Aleut Corporation, and it will be even busier this winter as we induct our newest acquisition, Strata-G Solutions, into our wonderful family of subsidiaries this year. Our companies are doing well, and we are on track to meet our financial goals this coming year.

OUTGOING AND INCOMING BOARD MEMBERS

The board would like to thank Vincent Tutiakoff for his years of service at The Aleut Corporation. Starting in 1979, Vince has served in various roles during his tenure at TAC, including Chairman of the Board. While Vince stepped down as a board member this year, he is not going far. We congratulate Vince in his new role as mayor of Unalaska and look forward to connecting with him in the future as he furthers the goals of his community. Congratulations Vince!

We would also like to welcome new Board member, Kyle Foster. You will find an article introducing Kyle to shareholders in this newsletter. The Board looks forward to working with Kyle in the boardroom and appreciates the wonderful education and experience he brings to the table in our meetings to come. Congratulations Kyle on your successful campaign!

ANNUAL MEETING CHANGES

This year's Annual Meeting was a wonderful success and, as some may have noticed, ahead of schedule. The sole purpose of the Annual Meeting, as per our bylaws, is electing directors and reporting the financial condition of the corporation to shareholders. Over the years, our President & CEO and his staff have worked hard to keep our Annual Meeting focused on that purpose and as a result we have seen some wonderful efficiencies in the streamlining of our agenda for this important meeting. Watch for some

wonderful changes at next year's Annual Meeting as we continue to improve this important gathering in the years to come.

7(i) AND 7(j) SHARING

An overview of the 7(i) and 7(j) revenue sharing model was discussed extensively at the Aleut Villages Conference this year. In particular, the Red Dog Mine in the NANA region was discussed, including the future potential of their zinc resource development and the revenue sharing among the regional and village corporations as a result of that development. I was asked to give my perspective on this issue based on my ongoing research of our Alaska Native regional corporations.

Alaska Native corporations participate in one of the most unusual revenue sharing models ever conceived in today's business world. This model of sharing showcases the collectivist ideology of our Alaska Native people in that the twelve Alaska Native regional corporations must share 70% of the revenues they accumulate as a result of development on their ANCSA selected lands. That sharing extends to all the regional corporations who in turn, share with village corporations. Some of the most notable examples of sharing that have transpired over the years has been timber from the Sealaska region, oil from the ASRC region and of course zinc from the NANA region.

The Red Dog Mine is "NANA's flagship project with partner Teck and is currently the largest zinc mine in the world (NANA website)." Over the past three years, 2017-2019, NANA has contributed, on average, 65% of the Aleut Corporation's total 7(i) monies, which in turn are then shared with the village corporations under section 7(j) and directly to our at-large shareholders. Thus far, NANA reports that Red Dog Mine has contributed \$1.2 billion dollars to other Alaska Native corporations in the form of 7(i) sharing and continues to share today [Lance Miller, Ph.D., VP, Natural Resources, NANA].

In 2018, Nathaniel Hertz of Alaska Public Media reported that, without further



development, "money and jobs could disappear in less than 15 years when Red Dog is expected to run out of ore [alaskapublic.org]." Additionally, the mine operator Teck stated in their annual report that they have an expectation for the Red Dog mine to run through 2031. While that may sound alarmist, keep in mind that new prospects are being considered - including those in other regions on other ANCSA-selected lands.

Yes, we must prepare for a decline in our current 7(i) and 7(j) revenue streams from the Red Dog Mine, however, resource development statewide is a constant consideration for all our sister Alaska Native regional corporations. The Aleut Corporation and all the village corporations within our region benefit from this development through the receipt of millions in the form of 7(i) and 7(j) payments from NANA and will continue to do so in the coming years. In the meantime, the board is always looking to diversify our investments and grow responsibly without a reliance on this, at times, unpredictable revenue stream.

I hope this information is helpful in this important discussion on 7(i) sharing. The Board continues to monitor our use of 7(i) receipts and will continue to advocate on behalf of our shareholders and our village corporations in this unique and innovative model of business.

On behalf of the Board of Directors,

Sharon Guenther Lind, Ph.D.

Chairman of the Board

BOARD MOTIONS OCTOBER 9 & 14, 2019

Approved Resolution 07-2019 regarding access to classified information of subsidiary Strata-G Solutions, LLC.

Approved revisions to the Bylaws.

Approved the 2019 election results. (See results in this newsletter.)

Approved board committee appointments for 2019/2020.

Re-appointed Michael Jenks and Jessica Borenin to the TAF Board of Directors.

Directed TAC's representative on the TAF Board Gary Ferguson to work with TAF's Executive Director Cynthia Lind to explore an increase in directors for TAF's Board.

Approved Resolution 06-2019 Naming Officers of The Company.

Approved Resolution 07-2019 Management of First Tier Subsidiary Companies.

2019 ANNUAL MEETING RESULTS



ELECTION RESULTS

| CANDIDATE | NUMBER OF VOTES |
|------------------------------|--------------------|
| <i>Dr. Gary Ferguson II</i> | <i>86,689.7007</i> |
| <i>Kyle Foster</i> | <i>84,927.1203</i> |
| Paul Gronholdt | 29,891.6144 |
| Dick Jacobsen | 62,321.0530 |
| Anthony C Lekanof | 83,455.3433 |
| O. Patricia Lekanoff-Gregory | 74,990.4788 |
| <i>Debra Mack</i> | <i>96,820.3731</i> |

CONGRATULATIONS TO THE PROXY PRIZE WINNERS

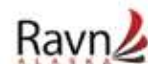
- \$5,000 Jeff E. Kramer, Sedro Woolley, WA
- \$2,500 Jeanice Gates, Bellingham, WA
- \$2,500 Boris Bear, Akutan, AK
- \$1,000 Myron Mercurief, Anchorage, AK
- \$1,000 Nina McNeil, Nikolski, AK
- \$500 Michael Gundersen, Sand Point, AK
- \$500 Alexander D. Kushin, St. Paul Island, AK
- \$500 Desirae D. Roehl, Anchorage, AK
- \$500 Vassili T. Stepetin, Anchorage, AK
- \$500 Donita Kochutin, Anchorage, AK
- \$250 Mary H. Lekanoff, Unalaska, AK
- \$250 Renae Crabb, Castle Rock, WA
- \$250 Caroline S. Williams, Unalaska, AK
- \$250 Harold G. Anderson, Chignik Lagoon, AK
- \$250 Mary Louise Mastenbrook, Chicago IL

CASH DOOR PRIZE WINNERS

- \$100 Jason Bourdukofsky
- \$100 Arline Debakker
- \$100 Vivian Koenig
- \$100 Paul Mohammad
- \$100 Megan Jencks
- \$100 Kathy Dirks
- \$100 Linda Mack
- \$100 Melissa Robbins
- \$100 Sally Swetzof
- \$100 Jacob M. Stepetin

THANK YOU

TO OUR SPONSORS FOR DONATING TWO ROUNDTRIP TICKETS AND 2 NIGHTS HOTEL STAY AS PRIZES AT THE 2019 ALEUT CORPORATION BANQUET AND DANCE!



ELDERS CASH PRIZE DRAWING

- \$100 Nikander Shane
- \$100 Marilyn Mack
- \$100 Howard Christiansen
- \$100 Antonin Golley
- \$100 John Henry Stepetin

STOCK WILL DRAWING

- \$100 Lessa McVey
- \$100 Paul Hamilton

IPAD MINI DOOR PRIZE DRAWING

- Darlene Totemoff
- Marilyn Mack

OTHER PRIZE DRAWINGS

- Eastern Aleutian Tribe blanket – Cecilia Lobdell
- ARE Fishing pole – Sally Swetzof
- ARE Fishing pole – Risa Causey
- AE Flat Screen TV – Teresa Smith
- Strata-G Jewelry - Melissa Robbins
- Strata-G Binoculars - Cynthia Lind
- Aleut PM Holding iPad - Mya Tutiakoff

WEBCAST WINNERS

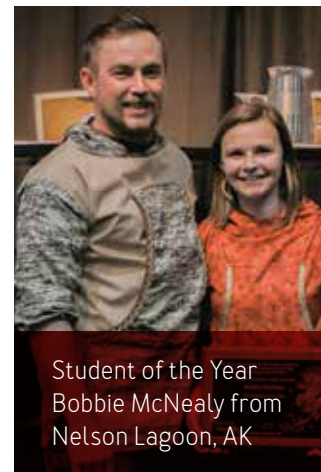
- \$100 – Janet Bourdukofsky, Anchorage, AK
- \$100 – Patricia Stedman, Seattle, WA

BANQUET DOOR PRIZES

- Alaska Airlines ticket – Jerry Rich
- RT Ravn Air – Mikal McGlashan
- RT Grant Aviation – Richard Warner
- RT Grant Aviation – Trisha Wright
- 2 Nights Coast International Inn – Jeff Sakowski
- 50" TV – Dennis Robinson
- iPad mini – Dixie Petersen
- iPad mini – AJ Dushkin
- Nintendo Switch – Zander Sexton
- Nintendo Switch – Garen Andrews



Bella Dushkin, Addison Nelson, MaKenna Harris, & Alliyah Nelson



Student of the Year
Bobbie McNealy from
Nelson Lagoon, AK



Shareholder of the Year Della Trumble from
King Cove, AK



The Anchorage Unanga Dancers



Tatiana Stepetin, ROTC; and Veterans Haliehana Stepetin, Navy; Vincent Tutiakoff Sr, Navy; Nick Lekanoff, Navy; Jason Bourdukofsky, Army; Howard Christiansen, Army; Paul Mohamad, Army; John Rukovishnikoff, Army; Marvin Mack, Marines; William Dushkin Sr, Army; Robert Berntsen, Army; Diane Jenkins, Coast Guard; Timothy Reedy, Air Force; John R. Mercurief, Navy and Thomas Bourdukofsky, Army.



NEW TAC BOARD MEMBER KYLE FOSTER

Thank you all for the votes! It was a tight race and every single vote counted. It has truly been a wonderful experience getting to know many shareholders during this campaign. The encouragement that has poured in has been tremendous. I hope to continue meeting shareholders and listening to their concerns as I hold this seat on the The Aleut Corporation Board.

Being a new board member, there is much to catch up on at The Aleut Corporation. During the next few months I plan to absorb as much information as I can in order to make the best decisions possible with the board. While I learn I would like to keep the shareholders up to date on public progress and information, as many of you requested I do. Please continue to reach out to me through phone, email, internet, and in person. I look forward to getting to know the shareholders better by communicating with you personally.

In conclusion I would like to give a special thanks to the individuals who made this possible. To the shareholders, family, and friends that helped put up flyers and campaigned. To TAC board members who sat down with me and gave me crucial advice. To my grandparents and parents, especially my father, John Foster, who gifted me shares. To my wonderful wife, the love of my life, Valeria, who is a tremendous support. To my Father in heaven who deserves all the glory. Ephesians 3:20-21

Thank you!
Kyle Foster

SHAREHOLDER CORNER

Have you seen the new update to MyAleutConnection shareholder portal?

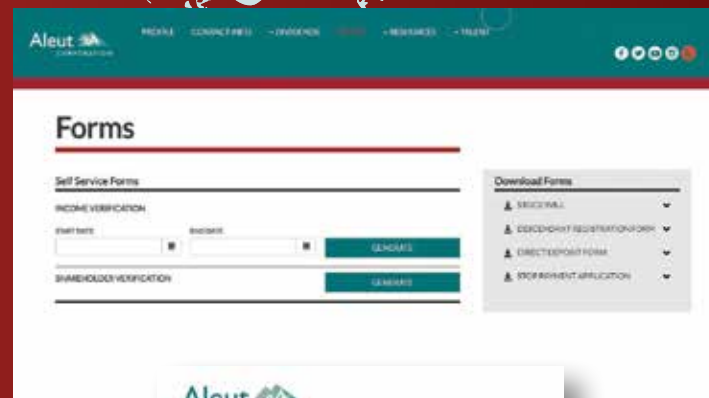
A new feature under FORMS allows you to print off your own Income Verification and Shareholder Verification letters.

These letters provide verification of shareholder status and can be used for programs including housing, public assistance or scholarships.

If you haven't done so already, please sign up for the shareholder portal at:

[HTTPS://PORTAL.ALEUTCORP.COM](https://portal.aleutcorp.com)

Once registered, TAC staff will verify your registration and you can access your information. If you have any questions please email info@aleutcorp.com.



THE ALEUT FOUNDATION UPDATE, NOV 2019

By: Cynthia Lind, Executive Director

Aang! It is amazing how quickly time flies, especially when everything is happening at once. I am excited about the upcoming holiday season and hopefully you are as well. It's a wonderful time of the year to reflect on what has happened this past year and to look forward to what is to come in the New Year.

We have been very busy getting the last of the 2019-2020 Scholarship award letters and checks out and we are in the process of working with students for the 2020 Spring Scholarship Applications that are due November 29th.

The Aleut Foundation participated in the Exhibit Hall during the Annual Meeting of Shareholders in October. We had many participants come by the Foundation booth to ask questions about Foundation programs. It was exciting to see many children who came with their parents and grandparents!

This year, TAF sponsored five individuals to attend the Elders & Youth Conference and the Alaska Federations of Natives Convention held in Fairbanks.

REMINDER:

THERE IS **NO** DEADLINE FOR VOCATIONAL OR CAREER DEVELOPMENT SCHOLARSHIPS!

WITH GRATITUDE AND APPRECIATION WE THANK THE FOLLOWING INDIVIDUAL DONORS FROM ALEUT MANAGEMENT SERVICES

- KENNETH D. NACHBAR
- JEFFREY J. PAQUE
- JEFFREY M. MCCANN
- ROBERT SHIELDS
- ROBERT BURCHAM
- RENEE MCCA
- MIILA GRZYWACZ

Thank you so very much for your generous donation that helps provide support to The Aleut Foundation's programs and mission!

QAQAALAKUX!!!

YEAR-END DONATIONS TO THE ALEUT FOUNDATION

WOULD YOU BE WILLING TO MAKE A SPECIAL YEAR-END DONATION OF \$50, \$100 OR WHATEVER YOU CAN AFFORD TO HELP OUR MISSION OF CREATING HOPE AND FULFILLING DREAMS FOR OUR PEOPLE? GIFTS TO THE ALEUT FOUNDATION ARE TAX DEDUCTIBLE AND 100% APPLIED TO GROWING PROGRAMS AND SERVICES. OVER 250 SCHOLARSHIPS AND TRAININGS TOTALING OVER \$850,000 HAVE BEEN AWARDED TO ALEUT SHAREHOLDERS AND DESCENDANTS THIS YEAR TO DATE. YOUR SUPPORT WILL MAKE A REAL, LASTING IMPACT ON LIVES IN THE ALEUT COMMUNITY.

PLEASE CONTRIBUTE BY VISITING WWW.WEBLINK.DONORPERFECT.COM/ALEUTGIVING.

AN AVC THANK YOU

The Aleut Corporation Board of Directors, staff and shareholders would like to thank Crystal Dushkin of Atka and Josephine Shangin of Akutan for their dedication and service for coordinating and planning the Aleut Village Conferences for the last five years. We look forward to your continued leadership and guidance for years to come.



ATTENTION HIGH SCHOOL STUDENTS

The Aleut Foundation provides an Advanced College Credit Scholarship for those students taking college courses while in high school.

We have had three students who, when they graduated high school, also earned their Associate's degree.

THE ALEUT FOUNDATION WISHES ALL OUR UNANGAĀ STUDENTS AND THEIR FAMILIES A WONDERFUL HOLIDAY SEASON!

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BOARD OF DIRECTORS

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Chairman

**JENIFER SAMUELSON
NELSON**
Vice Chair

DEBRA MACK
Secretary

DR. GARY L. FERGUSON II
Treasurer

TARA BOURDUKOFSKY
Director

COLLEEN DUSHKIN
Director

KYLE FOSTER
Director

STANLEY MACK
Director

DEBI SCHMIT
Director

ALEUT IMPORTANT DATES

- DECEMBER 13:** Aleutian Marketplace Competition Submission Deadline
- DECEMBER 20:** Elder Potluck at APIA, sponsored by TAC
- JANUARY 31:** Report Cards For Cash For Good Grades Due
- MARCH 21:** Shareholder Informational Meeting @ Marriott Marquis San Diego Marina 11:30 A.M. - 2:00 P.M.