



SITNASUAK
NATIVE CORPORATION

VENTURE

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**SUMMER
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letter from **THE PRESIDENT & CEO**

Happy summer to you and your families. Subsistence activities are in full swing, with many of us spending quality time with family and friends, fishing and enjoying the bounty that surrounds our communities. At the same time, this is a very busy time of year for our operations as we actively pursue opportunities to grow the Corporation and Shareholder value. As we enter the second half of our fiscal year, we take this moment to focus on what we've accomplished and what is yet to be achieved in 2018. We have accomplished much but there is still much more to do.



In the first half of 2018, we achieved huge milestones, including reaching a settlement agreement that allows us to proceed with our 44th Annual Meeting. This important milestone allows the Corporation to move forward with a focus on collaboration and trust as we improve our operations and work towards reaching our goal of 10/10/1,000 (\$10 Million Sustainable Net Profit, \$10 Sustainable Dividend Per Share, \$1,000 Sustainable Elder Dividend) by the end of 2019. We also welcomed two new directors to the board, Haven Harris and Joel "Jay" Craft, Jr., and provided them with the orientation they need to be successful contributors to the board.

The board also approved the establishment of a Sitnasuak Trust as an ANCSA Settlement Trust, which provides certain and valuable benefits to Shareholders, including tax-free regular Shareholder dividends, educational, Elder and bereavement assistance. The Sitnasuak Trust will be presented to the Shareholders for final approval at the 44th Annual Shareholders Meeting scheduled for September 22, 2018 in Anchorage. More information on the proposed Trust will be available in the upcoming Annual Meeting and proxy materials.

Operationally, in the first half of 2018, we are happy to announce that we surpassed our projected revenue by a sizable portion continuing to come from our operations in Puerto Rico. In June and July, all our departments and subsidiaries have updated strategic plans and re-forecasted operational and financial performance to help us identify what we can do better and best serve customers by year's end. This process is a collaboration of the entire team's efforts and is vital to the success of Sitnasuak. Our focus continues to be growing our businesses through smart capital expenditures, partnership opportunities and potential mergers and acquisitions. We also are working to improve corporate infrastructure through new systems and programs that make our operations more efficient and prepare us for anticipated growth.

Also during the first half of 2018, we continued to contribute and support community programs including the Nome Emergency Shelter Team (NEST), Nome Public Schools, Kawerak and the University of Alaska Northwest Campus. In addition, our Vice President of Corporate Affairs Ukallaysaaq Okleasik, attended Ilisaqativut "those who learn together," a two-week language intensive workshop that brought 20 learners of Iñupiaq across Alaska together

Letter from the President & CEO continued

in Nome. This important investment in the promotion of our Iñupiaq heritage is being shared with staff to encourage use of Iñupiaq language and values in our daily work.

Our staff is dedicated to achieving the goals of the Corporation as we advance the decisions of the Board of Directors. As president and CEO, I continue to work diligently to strengthen our operations and our corporate culture through our values, increasing benefits to our Shareholders and our community.

I look forward to our continued success and wish everyone a safe and healthy summer.

Quyanaqpak,

Roberta "Bobbi" Quintavell, President & CEO

Roberta "Bobbi" Quintavell,
President & CEO

BOARD OF DIRECTORS

- Robert "Bobby" Evans, Chairman
- Louis Green, Jr., 1st Vice Chairman
- Jason Evans, Treasurer
- Helen Bell, Secretary
- Barb "Qasuglana" Amarok, Director
- Edna "Becka" Baker, Director
- Andrew Miller, Jr., Director
- Trudy Sobocienski, Director
- Mark Allred, Director
- Haven Harris, Director
- Joel "Jay" Craft, Jr., Director

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Letter from THE CHAIRMAN

Dear Fellow Shareholders,

Sometimes you just have to go to camp. This is advice from a respected Elder, which was given to me years ago after I told him my kids wanted to go to camp but I thought I was too busy with everything. He grabbed me by shoulder, looked me straight in the eye, paused and said those eight words, "Sometimes you just have to go to camp."



I thought about what he said, got the family together, packed up and went to camp for the weekend. His words meant so much more than getting out of town. He knew that we all feel the pressures of our jobs, our commitments and how busy our lives can be. He understood that by going to camp, we would be "unplugging" from the internet, phones, TV and all the distractions of being in town. We would be spending valuable time with our loved ones on our great land.

I have always reflected on his advice over the years when we go out and do subsistence fishing, hunting and gathering. We pass on our traditional knowledge with our young people and our family of friends. We work together to do these things right and we share what we get. We spend time together talking, sharing stories, hanging out, visiting and just being with one another. Sometimes I think we don't do this enough.

We grew up this way in and around our grandparents both at home and camp. I remember spending days at Fort Davis seining for humpies — we would all help prepare the net and work on the fish racks. Then we would seine by the bridge and help any way we could. When we had our catch of fish, we would just sit and visit. I also remember spring hunting for ugruk and learning the ways of my grandfather and uncles in how to be safe on the sea ice. We must pass on the knowledge of our traditions.

Letter from the Chairman continued

This summer, I spent a few weeks with my wife's family in Togiak on the Bristol Bay. I watched and learned as they cut fish, smoked strips, canned and put away heads and fish eggs for the winter. I learned a little Yup'ik from all the hours passed telling stories and spending time with one another. I watched as they taught their younger niece the ways of preparing and storing. We are all the same.

As you all enjoy our wonderful land, I wish you all the very best. Please, "unplug" and share your knowledge. Be safe in everything you do and please let someone know your plans. Take time out from our busy lives and just go to camp.

Quyaana and God Bless,

Robert "Bobby" Evans
Board of Directors Chairman

SITNASUAK MESSENGER E-NEWSLETTER

Have you signed-up for the Messenger? The Messenger is Sitnasuak's e-newsletter that is distributed by email. The Messenger complements our quarterly Venture newsletter. Signing up is quick and simple – share your email address with the Shareholder Department at shareholder@snc.org and include "subscribe me to Sitnasuak Messenger" in your email.



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A SITNASUAK COMPANY



welcome NEW DIRECTORS

The Sitnasuak Board of Directors welcomed and announced the selection of two new directors at a special board meeting on April 27, 2018.

Haven Harris, 39, of Anchorage is a Shareholder for Bering Straits Native Corporation and Sitnasuak Native Corporation. Born and raised in Nome, Harris earned his bachelors degree from the University of Michigan and later his masters of business administration (MBA) from the University of Alaska Anchorage. He currently serves as vice president business development for St. George Tanaq Native Corporation focusing on government contracting opportunities.

Joel "Jay" Craft, Jr., whose Iñupiaq name is Misuuk, 42, of Anchorage is also a Shareholder in Bering Straits Native Corporation and Sitnasuak Native Corporation. Mr. Craft has worked for Kawerak, Inc. as vice president for children, Family Services and spent 12.5 years as a volunteer firefighter in Nome. He currently serves as a supervisory management analyst for the Bureau of Indian Affairs Transportation Department. Jay shared, "I feel honored to have been appointed to fill the vacant director seat. I look forward to working alongside and learning from the current directors. I will have one thing on my mind and that is what is best for Sitnasuak and for our Shareholders. Please feel free to reach out to me with suggestions or concerns."

Both directors will serve terms through the 45th Annual Meeting. The Corporation appreciates their board service with Sitnasuak.

heather spear-morris NEW VICE-PRESIDENT OF HUMAN RESOURCES

Sitnasuak Native Corporation (SNC) is pleased to announce Heather Spear-Morris is the new vice president of human resources.

Heather joined our team June 19, 2018 and will be based in Anchorage. She will oversee and develop human resources functions for SNC and its subsidiary companies including, Bonanza Fuel and Express, Nanuaq, Sitnasuak Applied Technologies, Fidelity Title Agency of Alaska and Mat-Su Title Agency.



Heather shared, "I am excited to have joined the Sitnasuak management team. I look forward to working with and supporting our employees and doing what I can to further the many benefits Sitnasuak provides to our Shareholders and descendants. One of my professional goals is to employ best practices that will attract and retain talent in multiple industries Sitnasuak operates in while executing on strategies to meet or exceed corporate goals."

Heather has over 22 years of experience in human resources, primarily with Alaska Native Corporations (ANCs) and with utility companies on the East Coast. She recently worked 15 years with Calista Corporation in human resource development. Her responsibilities included Shareholder training and development, benefits administration, collective bargaining negotiations and supporting high performing teams to work effectively – producing increased revenues across the company. She currently serves as the board Secretary for the Alaska Process Industry Career Consortium (APICC), president of the Business and Professional Women – Chinook Chapter and board chair of Maritime Works. Welcome Heather!

IN MEMORIAM

Our sincere condolences to the family and friends of the recently deceased.

- | | |
|-----------------|-------------------|
| LEONARD ADAM | MAURICE ARMSTRONG |
| LAWRENCE AMAROK | MARIE ANDERSON |
| ROBERT JOE, SR. | |

PLEASE SEND OBITUARY INFORMATION TO SHAREHOLDER@SNC.ORG.



sitnasuak sets
**44TH ANNUAL MEETING
FOR SEPTEMBER 22ND IN
ANCHORAGE, ALASKA**

Sitnasuak Native Corporation is glad to share the Board of Directors has set the 44th Annual Meeting of Shareholders in Anchorage, Alaska on Saturday, September 22, at the Hilton Anchorage hotel. The Annual Meeting is an opportunity for Shareholders to gather and celebrate together, hear Corporation updates and reports, share questions or comments and vote for proposals and open seats on the Board of Directors.

Shareholders are encouraged to vote by proxy, which supports early voting and allows those who cannot attend the meeting in-person to cast their ballots. To vote by proxy, Shareholders can vote online (visit www.sncvote.org or www.snc.org for the link), or return proxies to the Inspector of Elections (a business reply envelope is provided in the proxy packet mailed to each Shareholder) or election deposit boxes located at the SNC offices in Nome or Anchorage on or before 5:00 p.m., Alaska Daylight Time, September 14, 2018. Shareholders may also vote in-person by ballot the day of the Annual Meeting on September 22, 2018. Doors will open at 8:00 a.m. for registration and requests for ballots will close at 11:00 a.m.

44th Annual Meeting continued

Sitnasuak invites all Shareholders to participate in the Annual Meeting in-person, by proxy, or through online webcast. "We look forward to sharing the great progress that our management team is making and hearing from Shareholders," said Sitnasuak President and CEO Bobbi Quintavell. "We encourage every Shareholder to make their voice heard by voting. This is the time to take an active role in our Corporation's future by submitting your proxies."

To encourage voting and help ensure a quorum, the Corporation has approved early bird proxy, e-voting and proxy prizes. To be eligible for "early bird prizes" including 50,000 Alaska Airline miles and cash prizes, valid proxies must be received on or before September 10, 2018. To be eligible for proxy prizes including 50,000 Alaska Airline miles, a new ATV (or cash equivalent as determined by SNC) and cash prizes, valid proxies must be received on or before September 14, 2018. To encourage online voting, there are additional prizes for those Shareholders that submit proxies by e-voting. To encourage in-person participation the day of the Annual Meeting, Shareholders in attendance and present at the Annual Meeting are also eligible for in-person door prizes.

Shareholders will also vote on two important resolutions:

- That the Corporation shall amend its Articles of Incorporation to set the quorum for Shareholder meetings at one-third of shares outstanding and entitled to vote.
- That the SNC Trust shall be established as an ANCSA Settlement Trust effective September 22, 2018.

The Board of Directors supports both proposals and recommends voting "YES." More information on the proposals is included in the proxy packet mailed to each Shareholder.

Gail Schubert, President and CEO of Bering Straits Native Corporation, will be the special guest speaker at the Annual Meeting. She will address how trusts can benefit both Alaska Native Corporations and Shareholders.

44th Annual Meeting continued

Alaska Airlines has offered a discount code for airfare: ECMZ831. To use the discount code, go online to www.alaskaair.com and input the discount code when searching for flights. The discount will be applied to any flights meeting the contract parameters of travel between September 17-25, 2018.

The Hilton Anchorage has also offered a group discount for hotel rooms: SNC. To use the group discount code, go online to www.hilton.com or call 907.272.7411 for reservations and mention the group discount code. The hotel has also discounted valet parking the day of the meeting – ask the attendant to apply the Sitnasuak Annual Meeting discount when arriving. The board has approved Elders (those 65 years and older by the day of the Annual Meeting) for free valet parking – tickets can be validated by the Shareholder staff at the sign-in table. The Hilton Anchorage is located at 500 W. 3rd Ave, Anchorage, AK 99501.

Sitnasuak has also worked with Easy Park for free parking the day of the meeting for Shareholders and their families. At the self-pay station, enter the parking stall number, select purchase ticket, and then select "Sitnasuak Share Holders" from the digital menus. Enter up to nine hours of parking with coupon number "092218."

Doors will open at 8:00 a.m. with breakfast available for Shareholders at the Hilton Anchorage. Registration for in-person balloting will be from 8:00 a.m. to 11:00 a.m. on September 22, 2018. The Anchorage King Island Dancers are scheduled to share songs and dance beginning at 9:00 a.m. The Annual Meeting will start at 10:00 a.m. Lunch will also be served. A Shareholder information table will be provided for updating stock wills, gifting shares, scholarships and other benefits. Shareholder artists may also request a table to sell arts and crafts. Please contact Marilyn Koezuna-Irelan for information at 907.387.1200.

The meeting will be available via free webcast and accessible via Sitnasuak's website at www.snc.org. If you need meeting or proxy information, please contact Marilyn Koezuna-Irelan, Shareholder Relations Manager, at 907.387.1200, toll free at 1.877.443.2632 or via e-mail at shareholder@snc.org.





shareholder proposal

ESTABLISHING A TRUST FOR SHAREHOLDERS

Sitnasuak's Shareholders will vote by proxy or in-person at the 44th Annual Meeting on September 22, 2018 on a resolution to establish a trust under Alaska Native Claims Settlement Act (ANCSA) for Shareholders. This is a very important vote and the Board of Directors unanimously recommends voting "YES" and hopes all Shareholders will take the time to vote.

Shareholder benefits presently provided by Sitnasuak are taxable when received. This means that our Shareholders must report those benefits, regardless of type such as funeral benefits, regular dividends or special Elder dividends, on their individual federal income tax returns. Depending upon individual financial situations, many of our Shareholders pay taxes on those payments, and the net effect of having to report these payments from Sitnasuak reduces the overall value to our Shareholders.

For example, if a Sitnasuak Shareholder married couple receives a total of \$1,000 in special Elder dividends from Sitnasuak during 2018, the federal tax rates potentially range from 0% to 37%. If that couple has a total taxable income of \$38,700, their tax rate could be as much as 22%. In effect, this couple would only keep \$780 of the \$1,000 special Elder dividend from Sitnasuak because the other \$220 (22% of the \$1,000) would have to be paid to the federal government in taxes.

Congress recognized the unfairness of this with regards to payments to Alaska Natives, and reformed laws in December 2017. Under the new tax law, if an Alaska Native Corporation such as Sitnasuak establishes a trust under ANCSA to provide shareholder benefits, in most cases those benefits will be tax-free. In the example above, when \$1,000 in special Elder dividends are paid to the married shareholders, the dividends would be tax-free. This means the couple would keep the full \$1,000 that was paid to them as Elders.

The new tax law applies to virtually any benefit that an Alaska Native Corporation provides through a trust.

The Sitnasuak Board of Directors unanimously voted on June 22, 2018, to take full advantage of these new laws and to establish a trust under ANCSA as soon as possible. This new Trust would be known as the "SNC Trust." The next step is for Sitnasuak Shareholders is to vote on the SNC Trust as part of the 44th Annual Meeting based upon the following Shareholder Resolution 2018-01:

"Resolved that the SNC Trust shall be established as an ANCSA Settlement Trust effective September 22, 2018."

To establish the trust, a quorum of Shareholders must be present at the 44th Annual Meeting and a majority of those must vote "YES." More information on the proposal is available in the proxy materials for the 44th Annual Meeting. The board encourages all Shareholders to vote on the SNC Trust.

MISSING SHAREHOLDERS

Anagick, Natalia
Anderson-Timmons, Katherine
Angason, Hunter
Ballard, Robert
Barger, Jr., Charlie
Barger-Knox, Ellen
Behr, Cody
Bigjim, Stephen
Blankenship, John
Borkowski, Chelsea
Bourdon, Cynthia
Brower, Dale
Brown, Mabel
Buck, Mary
Cauble, Jennifer
Childers, Allison
Coleman, Eric
Dickson, Christopher
Dixon, Scott
Douglas, Alie
Erak li, Frederick
Eubanks, Christopher
Floyd, Ruth
Giffin, Laura
Goff, Norman
Greiner, Timothy
Guiley, Jacquelyn
Gustafson, Christian
Gustafson, Desiree
Gustafson, Michelle
Gustafson, Samantha
Hanschen, Samuel
Heidlebaugh, James
Hull, Carol
Jack, Hazel

Johnson, Garon
Johnson, Melanie
Katexac, Romald
Kayouktuk, Courtney
Keeble, Judith
Kinney, Jennifer
Kulukhon, Michele
Larsen, Elizabeth
Larsen, Perry
Larsen, Jr., George
Larson, Julie
Leonard, Joylyn
Leonard, Jr., Michael
Littlefield, Scott
Luciano, Anthony
Lucier, Paul
Mayac, Michael
Mazonna, Anthony
Mcclary, Kelly
Margan, Kendra
Murphy, Daniel
Murphy, James
Nicholson, Betty
Okitkon, Elsie
Okleasik, Ryan
Oksoktaruk, Quinn
Oliver, Vicki
Olson, Alexandria
Olson, Jennifer
Omelak, Richard
Orr, Adrienne
Outwater, Bryan
Ozena, Louie
Pushruk, Patrick
Rais, Rachel

Riley, Thomas
Riley, Jr., Lincoln
Ross, Kenneth
Rudzavice, Milton
Russell, Jennifer
Rylander, Michelle
Sanchez, Annakazooka
Scott, Alonzo
Sebring-Strout, Robert
Seton, Alice
Silook, Ivan
Slwooko, David
Smith, Starla
Trigg, Blanche
Walluk, William
Walunga, Timothy
Washington, Preston
Willoya, William
Willoya, Jr., Lars
Wittie, Frank
Wittie, Jamie
Yool, Theresa

If you know the whereabouts of a missing Shareholder, please contact our shareholder department at shareholder@snc.org or 907.929.7032.



sitnasuak

PAST AND PRESENT

SITNASUAK'S MISSION: TO EARN PROFITS ON OPERATIONS WHILE PROTECTING OUR LAND, CULTURE AND BENEFITING SHAREHOLDERS

By Eileen Norbert

In the early days of Nome, the Iñupiat, Yupit and St. Lawrence Island Yupiit relied heavily on hunting, gathering and fishing not only to feed their families but also for economic security. Some worked at cash paying jobs, some sold carvings and items women sewed, and some did both. At the time, there were unfair restrictions and laws on what Alaska Native people could own and do. For example, Alaska Natives were not allowed to stake claims or mine for gold, own houses in the main part of Nome, attend dances and other prejudicial limitations.

However, what they did have were strong cultural customs of community well-being, identity, adaptability and a determined will to succeed as a People. That is how they successfully lived and survived for thousands of years in the Arctic. Our ancestors prioritized community welfare. Leaders worked together to ensure our People's survival and prosperity. Land and resources were used communally.

Past and Present continued

By 1932, a group of Iñupiat in Nome formed the Bering Native Brotherhood.¹ In 1946, 27 Iñupiat men and an Athabaskan organized and incorporated the Arctic Native Brotherhood (ANB) in Nome, electing Sam Mogg, Sr. as its president.² They integrated their traditional values into their Articles of Incorporation. ANB's purpose followed traditional values to better the social, political and economic lives of its members. ANB supported Alaska Native land rights in the region both financially and politically. In 1970, Native leaders in the area formed the first regional organization, the Bering Straits Native Association (BSNA).³ ANB and BSNA paved the way for regional involvement in the statewide fight for our lands and resources through the Alaska Native Claims Settlement Act (ANCSA).

With the passage of ANCSA, Bering Straits Native Corporation (BSNC) and its member village corporations, including Sitnasuak, formed "for profit" corporations in the region under ANCSA and Alaska State law. This was required by ANCSA before village corporations could receive ownership to the lands they claimed and selected, as well as other compensation benefits defined in the Act. Sitnasuak was entitled to 242,544 acres of land surrounding Nome. Natives born on or before December 18, 1971 and who enrolled in BSNC and Sitnasuak, received 100 shares from each corporation. Sitnasuak was incorporated in Alaska on February 9, 1973, and the first president was Jerome Trigg, Sr. The Bureau of Indian Affairs certified Sitnasuak Native Corporation on September 14, 1973, as eligible for land benefits as a listed village pursuant to Section 11 (b) (2) of ANCSA according to the Code of Federal Regulations.

In the beginning, there were tremendous challenges for the new ANCSA corporate leaders and Shareholders alike. Very few managers or the Board of Directors had the business or financial expertise to organize and successfully run for-profit corporations while balancing land claims, social and cultural development. Who knew what consolidated financial statements, shareholder equity, amortization, etc. were? Partly because of this lack of corporate knowledge, BSNC went bankrupt in the 80s. ANCSA amendments were not yet in place to protect Native corporation lands from creditors. To bring itself out of bankruptcy, BSNC made agreements that protected its land base, and repaid its member village corporations for lost settlement funds.⁴ Sitnasuak opted to receive 84,280 acres of land as part of the BSNC bankruptcy settlement.

Initially, Sitnasuak invested most of its money in Nome-based businesses including Nome Hardware, Bonanza and Nanuaq apartments. Throughout the years there were organizational changes as Sitnasuak gained title to lands, invested in businesses and supported Shareholder dividends. Today, our Sitnasuak family of companies include Bonanza Fuel, Bonanza Express, Nanuaq, Sitnasuak Properties, Fidelity Title Agency of Alaska, Mat-Su Title Agency, Sitnasuak Applied Technologies, Mocean, SNC Technical Services, SNC Manufacturing and Aurora Industries.

NEW SHAREHOLDERS

Ramon Cabrera

Colby Collins

Jonathan Davis

Charles Ellanna

Jean Kearney

Christopher Kowaleski

Angelica Martinez

Hazel Nyberg

Raymond Ozenna

Jeffery Peck

Theodore Peck

Edward Rodrigue, Sr.

Edward Rodrigue, Jr.

Marielle Rodrigue

Gary Rodrigue

Candice Talamoni

Past and Present continued

In 2017, the president and CEO positions were combined. The eleven-member Board of Directors hired Roberta “Bobbi” Quintavell as the first Iñupiaq woman in Sitnasuak’s history to fill its top position. Sitnasuak’s 2017 consolidated total revenues were over \$134 million, a huge increase from its revenue of \$3.5 million in 1982 (a period when Sitnasuak’s initial businesses were established and operating). Today we also have more than 2,800 Shareholders that live in Nome, regional villages, across Alaska and the Lower 48 and internationally.

Sitnasuak’s Corporate values are rooted in the Iñupiaq and Alaska Native cultures that directly benefit Shareholders. These include regular Shareholder dividends, special Elder dividends, bereavement assistance, heating fuel and apartment rental discounts in Nome and Shareholder employment. Shareholders can apply for individual campsites and homesites, as well as special land use permits for recreational, scientific and cultural heritage uses. They can also request land use for Shareholder business enterprises. More information is available on Sitnasuak’s website at snc.org or at our Nome office. Sitnasuak also highly values Shareholder education and training with contributions to the Sitnasuak Foundation for scholarships to colleges, vocational schools and job training programs. Combined, these Shareholder benefits carry on the Iñupiaq values passed on by our ancestors when they settled in Sitnasuak or Nome.

As with any corporation today, Sitnasuak has had its share of challenges but looks forward to a positive future, especially with the bright and dedicated young Shareholders we have. Together, we will continue the tradition of living and practicing Iñupiaq values for the benefit of all Shareholders and descendants. Ultimately, our Shareholders will determine the corporate success of Sitnasuak by actively supporting and promoting our businesses, participating in annual Shareholder meetings, electing strong leaders, ensuring sustainable use of our lands and working together for our People and community.

¹ 1932-1933 Nome Annual Education Report

² Articles of Incorporation of Arctic Native Brotherhood

³ The History of Kawerak, Inc. by Gary T. Longley Sr., 2003

⁴ BSNC and the Land, Part II



nome youth travel to **WASHINGTON D.C.**

Sixteen Nome Beltz Junior High students traveled in April 2018 to Washington D.C. – our nation’s capital – for hands on learning, experiencing historic sites and monuments, living history and making educational connections between the past and the present.

Nome teacher Jill Peters shared, “The students went to the Holocaust Museum, Smithsonian Museums, the Capitol, Colonial Williamsburg and Mount Vernon. A highlight of the trip was interacting with youth from a variety of other states. This experience provided a chance to be ambassadors for Alaska by teaching others about our unique life and culture, and to participate in mock debates and simulate passing bills. This was an amazing opportunity where students learned about their rights and responsibilities as United States citizens and experienced life in the Lower 48 for a week.”

Student Wynona Iyatunguk said, “Going to Washington D.C. was important to me because I learned about amazing things. Some of the things I already learned in school, but I got more information on those topics. It was a great opportunity. One of the best events I got to experience was Williamsburg. We got to see how the American colonists lived and survived with no modern technology, watching people make furniture by hand from trees. What I got out of it was making new friends (because we got to meet people from California, Oregon and Louisiana), seeing how different their culture is and learning how they live. It was a pretty cool experience.”

Sitnasuak was a supporter of the students through a donation to Nome Public Schools. Congratulations to each student.





Our summer interns, Keon Evans and Lisa Lynch.

sitnasuak welcomes
SUMMER INTERNS

Two Sitnasuak Descendants recently embarked on the Corporation’s Summer Internship Program: Lisa Lynch and Keon Evans. This program gives youth and college students an opportunity to work with our Corporation while also supporting individual learning, professional growth and summer employment to earn funds for higher education.

Lisa shared, “I finished my first year of college and couldn’t be happier! With a great stroke of luck, I was able to come back to Sitnasuak Native Corporation to continue my internship with them. As background, I am attending John Cabot University in Rome, Italy with a double major in classical studies, which is the study of the ancient Mediterranean, and art history with a strong focus on ancient Greco-Roman architecture. I enjoy strolling along the ‘vias’ and ‘vicolos’ (Italian: roads and side streets) and visiting museums I could only dream about.

I am happy to be home in Alaska with a chance to see Nome family and be in the outdoors – it is a great relief compared to my busy school year. I am excited to be working in the Sitnasuak Shareholder Department this year as a summer intern. In this role I can help Shareholders with most anything while enjoying projects like helping with the Annual Meeting. Mostly, I enjoy being in Nome for the summer, where I would always dream about on the few days I was homesick at college. I greatly appreciate having the opportunity to intern for Sitnasuak and hopefully I will be back next year or the year after, depending on my school schedule.”

Summer Interns continued

Keon shared, “I am the son of Lucille Kugzruk and David Evans. I am 18 years old and have gained the opportunity through this summer internship to learn more about the different aspects of working with Sitnasuak and Bonanza.

I graduated from Nome Beltz High School this past May. Like many of my peers, I was unsure about what I was going to do for the summer before going off to college. I will be going to the University of Alaska Fairbanks, with my major likely to be computer sciences or accounting. I figured having work experience would be essential and this summer was the perfect time for it.

During my internship, I have been able to work with and learn more about Bonanza. This included time working at the tank farm, an important part of fueling our community. I’ve learned about heating oil, propane, gasoline and even diesel. The care and work going into the tank farm was inspiring, especially with how proud the team of employees is to be working there. My second stop was working at the Bonanza Express store. I learned about helping maintain and sell products and saw how the many types of unique individuals had just as huge an impact in the operations. Overall, seeing both and how they positively impact the community was a great experience, and having the chance to help out felt like I was helping the community itself, in addition to the company.

These experiences help shape me into the person I will be tomorrow, adding to the values I have today, like hard work and respecting Elders. Whether it be through my parents, my grandparents or even just the community in general, I’ve become the person I am today because of all of the wonderful people around me.”



vera eggerman joins
**SITNASUAK APPLIED
 TECHNOLOGIES, LLC**

Sitnasuak is pleased to announce that Vera Eggerman has joined Sitnasuak Applied Technologies, LLC (SAT), based in Anchorage, Alaska, as the new Proposal Manager.

Vera joined our technologies and cybersecurity team on May 8, 2018. She oversees all Applied Technologies company proposals with federal and commercial customers. This includes managing proposal schedules and deadlines, ensuring an excellent quality and compliance matrix, and supporting proposals that deliver comprehensive technology services and engineering solutions to best meet customers' needs for trusted systems, secure networks and intelligent design.



SAT General Manager Pat Leary said, "We warmly welcome Vera to Sitnasuak Applied Technologies, LLC and look forward to her important contributions in supporting customer relationships with the Department of Defense, Federal Agencies and Commercial Sectors. She brings valuable skills to advance our business development and complements our company's capacity for offering cutting edge cyber and technology services with trust, security and intelligence."

Vera Eggerman continued

Vera has over 20 years' experience in business development and marketing, with a primary focus on developing and managing competitive bids ranging in value from \$5 million to \$250 million. She brings valuable experience with Alaska Native Corporations (ANCs), including Arctic Slope Regional Corporation, Calista and Bering Straits Native Corporation. Vera successfully earned her associate degree in business administration while working full time and raising three children with her husband Jim. She is originally from Emmonak, a coastal village at the mouth of the Lower Yukon River. Vera shares, "I encourage young people to push themselves beyond their capabilities and view challenges as opportunities. There is always someone watching your efforts to be a positive role model as well as can support or help you succeed."

Sitnasuak Applied Technologies, LLC, focuses on technical services and engineering solutions. The company is certified by the US Small Business Administration (SBA) under the 8(a) Program, and is a member of both the International Information System Security Certification Consortium (ISC2), and Armed Forces Communications and Electronics Association (AFCEA). The company is wholly owned by Sitnasuak Native Corporation.



THE LAND IS OUR BIGGEST ASSET



The Sitnasuak Native Corporation Land Use Policy preserves and protects our indigenous lands for Shareholders to use for family, cultural and business activities. These programs are available for all Shareholders:

CAMPSITE PROGRAM

Set up your own camp area for subsistence and recreational activities.

HOMESITE PROGRAM

Land lease agreements allow you to establish a primary place of residence.

SPECIAL USE PERMITS

Permits are available for fisheries, grazing, mining, historical preservation, land development and other purposes.



For information and permit applications, contact:

**LAND STAFF
 NOME HEADQUARTERS**

**214 FRONT STREET, 2ND FLOOR
 NOME, AK 99762**

**907.387.1220
 1.877.443.2632**



financial & operations UPDATE

By Tom Delamater, Chief Financial Officer

I am glad to report that Sitnasuak Native Corporation had a very successful year in 2017. Income was up significantly compared to 2016. Operationally, the Corporation experienced significant growth with total sales and operating income of \$134.1 million and \$6.8 million respectively. The Tactical Apparel business unit had another exceptional year in 2017 and sales were up within the Fuel Distribution business unit. Both sales and earnings for Financial Services and Real Estate declined in 2017 due to a continued weak state economy, loss of a large client and decreasing Construction sales.

A financial positive was an increase in "Other Income" (earnings derived from activities outside of operations) in 2017 as income from 7(j) increased. Overall, the resulting pre-tax income of \$10.0 million represented a \$3.2 million (or 46.3%) increase over the prior year.

CONSOLIDATED PERFORMANCE SUMMARY

As of December 31, 2017

	2017	2016	ANNUAL CHANGE	PERCENT INCREASE
Sales	\$134,138,330	\$130,210,466	\$3,927,864	3%
Operating Income	\$6,757,774	\$5,637,666	\$1,120,108	19.9%
Other Income	\$3,250,364	\$1,205,073	\$2,045,291	169.7%
Pre-Tax Income	\$10,008,138	\$6,842,739	\$3,165,399	46.3%

Financial and Operations continued

We ended 2017 with a very strong financial position. Total assets were valued at \$129.7 at year-end, up \$5.0 million or 4% over 2016. Nearly half of the total assets were current (i.e., short term in nature) with \$16.5 million in cash. Liabilities were down and Shareholder Equity of \$78.7 million was up \$7.1 million vs. the prior year. The following ratios show the Corporation maintains significant liquidity, has a very reasonable debt level and is reinvesting income back into the company for future growth:

- Current ratio (current assets divided by current liabilities).....2.7 to 1.0
- Debt to equity (total liabilities divided by Shareholder equity).....0.6 to 1.0
- Funded debt to EBITDA (LT debt divided by [pre-tax earnings before interest, depreciation]).....1.7 to 1.0
- Payout ratio (dividend payments divided by net income).....19.7%

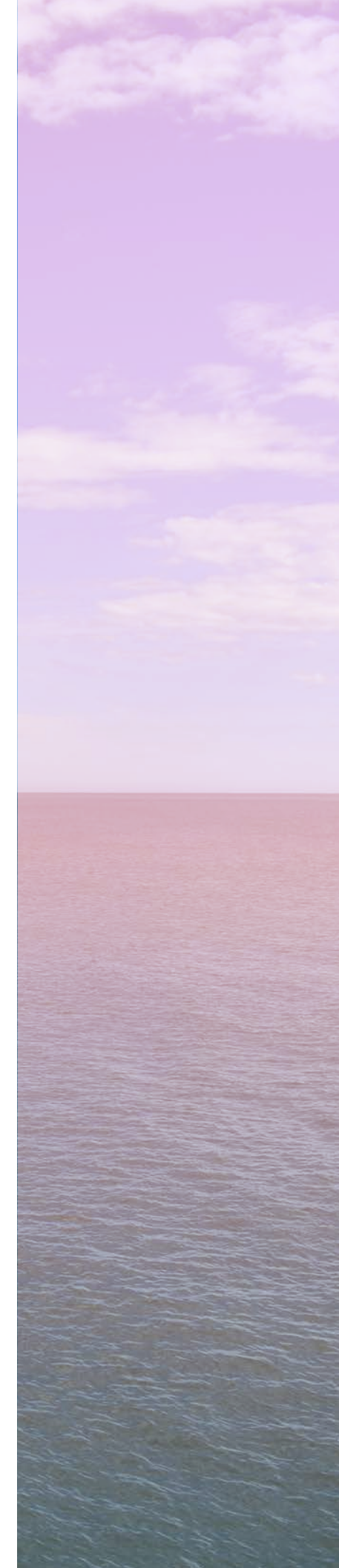
Sitnasuak continues to build on the diversity of our business operations as a stabilizing factor. Tactical Apparel recorded business unit income levels not seen for nearly a decade. Combined with growth from Fuel Distribution, gains within these two business units more than offset declining sales within Financial Services and Real Estate. The chart below shows the business unit income recorded by main business line within Sitnasuak, which is effectively operating income before depreciation expense or allocations of corporate general and administrative (G&A) expenses. This table illustrates how Sitnasuak has diversified its income among our primary business units as three of the four main business units contribute nearly 15% or more to Sitnasuak's consolidated income.

BUSINESS UNIT INCOME

As of December 31, 2017

Financial Services	\$756,327	4.6%
Fuel Distribution	\$4,422,568	26.8%
Real Estate	\$2,255,662	13.7%
Tactical Apparel	\$9,043,487	54.9%

Overall, Sitnasuak is financially stable, successful and growing. We are looking forward to more growth in 2018 and capitalizing on opportunities to best serve our customers.





SITNASUAK
NATIVE CORPORATION

P.O. Box 905
Nome, Alaska 99762

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PAID
ANCHORAGE, AK
PERMIT NO. 69

OUR VALUES

Key values that define our Corporation and Business Culture are:

Culture

- Spirituality - Ukpaisrun
- Humility - Qinuinnaq
- Reverence Toward Nature - Kammaktui Nunamiituat
- Pride in Culture - Puyaunau Iñupiaqtun Iftusiq
- Speaking Our Traditional Language - Inupiuraġluta
- Cultural diversity and innovation

Character

- Honesty - Nagguatun Kulliaglutin
- Cooperation - Kattiitutiġ Sahuagat
- Patience - Uttakiragagin
- Responsibility - Aŋalataasran
- Hard Work - Saġiknatuak Sauaq
- Obedience - Kammaktui
- Open Communication – Kanniglusi

Contribution

- Avoidance of Conflict - Aziusrat Sugunnai
- Commitment to the Family - Munnaktui Kiġunnaisi
- Love of Children - Nagguagiktut Ilagit
- Respecting Others - Nagguagiktut Ilagit
- Respect of Elders - Utuqannat Kammagiralui
- Sharing - Pikkaagupsi Aitturalui
- Humor - Quyniuġniq

Our values encompass the guidance from our Elders and honor our Alaska Native Heritage.