



BERING STRAITS NATIVE CORPORATION AGLUKTUK

Volume XXXIII

August 2008

BSNC Land and the Future

The BSNC annual meeting is right around the corner and this year it will be held in Anchorage. For those shareholders that live out side the region, this will be a great time to get together, visit and hear how BSNC has done this past year.

You'll notice that this newsletter contains quite a bit of information concerning what is called the Clean Water Initiative, Ballot Measure 4, or 07WATR3. BSNC's position on this issue is based on what the effect of the measure will be on the corporation's ability to successfully utilize the lands provided to BSNC and its shareholders through ANCSA. Please give some serious consideration to Chairman Henry Ivanoff and President/CEO Tim Towarak's letter and the information about Ballot Measure 4 in the following pages.

So how has BSNC been doing in the management and development of this ANCSA landbase? First we'd like the shareholders to know that BSNC's villages will soon receive their final patents to all of their lands. By the close of 2009, all of BSNC's villages will have taken title to the lands they selected over 30 years ago. It has been a long process and BSNC with its member villages will be the first in the state to reach this milestone. Additionally, BSNC will receive the subsurface estate to these village lands as well as the combined estates (surface and subsurface) to 145,000 acres of other lands in the region. A total of 2.1 million acres will become Native-owned lands on the Seward Peninsula and the Norton Sound areas. Though settlement of land claims in our region will soon be complete BSNC will endeavor, in coming years, to fulfill the promise of ANCSA.

With the acceptance of ANCSA land, the corporation also accepts the responsibility of managing the lands for the long-term benefit of our shareholders. This means not only ensuring continued access to the lands for subsistence purposes, but also developing economic opportunity in, and outside of, the region. While much of the land was selected for the mineral estate, such as the gold and potential tin deposits, BSNC has also selected critical habitat that supports the wildlife our shareholders depend upon. Lakes that are red salmon spawning grounds and a swath of wetlands that support migratory waterfowl will be managed to sustain these resources for generations to come. Balancing the need for economic development while protecting essential resources is not just BSNC's goal, it is our policy.

Many recent gains have been made towards economic development within the region. The Rock Creek Mine should be close to production by the time you receive this newsletter. At the same time, BSNC is finalizing the transfer process for lands that have one of the westernmost red salmon spawning grounds in the United States. The balance between development and conservation is a challenge. We are meeting that challenge, and the employment offered by projects such as Rock Creek Mine can provide the economic resources our shareholders need to sustain the subsistence lifestyle in the region's villages.

BSNC staff and the Board of Directors look forward to seeing you at the Annual Meeting of Shareholders.

The Anchorage Marriott Downtown hotel is offering a special rate of \$129 per night to Shareholders attending the Annual Meeting.

Contact the Marriott at 1-800-228-9290 to book your reservation using code "BSN" by September 4.

BSNC will not pay for hotel room charges for Shareholders attending the Annual Meeting.

BSNC Annual Meeting of Shareholders

Saturday, October 4th
10 a.m.

Anchorage Marriott Downtown
820 W. 7th Ave
Anchorage, Alaska

Dear BSNC Shareholders,

The BSNC Board asked that a letter be sent to each of our Shareholders outlining our concerns about an important issue that will be included on the ballot in the August Primary Election:

“07WATR3” is an “Initiative” that, if it passes, would severely restrict both existing and future large metal mining operations. This Initiative will be known as **Ballot Measure 4** on the ballot, and it is an anti-mining initiative. Although the people behind the Initiative state that it would only apply to large future mines like the Pebble and the Donlin Creek, existing mines would also be impacted if they expand their operations. These include the Red Dog, Big Hurrah and Rock Creek mining operations.

These mines directly support good paying jobs in our area, where jobs are often scarce. In addition, the Red Dog Mine provided several million in revenue sharing payments to BSNC last year under the 7i Agreement.

Because of the way Ballot Measure 4 is being advertised, Shareholders may become confused about how they should vote to on the Ballot Measure. For the following reasons, **the BSNC Board recommends a “NO” vote on Ballot Measure 4.**

The BSNC Board has as its primary goal the protection of our lands and subsistence rights in all resource development activities. Our stated Mission is to improve the quality of life for our Shareholders through economic development while protecting our land and preserving our cultural heritage. As managers of our own lands, BSNC historically has supported subsistence protection on our lands for all kinds of usage, including the gold exploration and development being undertaken at Rock Creek and Big Hurrah. Our current agreement with Nova Gold prohibits any activity on our lands that would affect our subsistence way of life, including not contaminating our lands through any mining activities. We believe that we should have the right on behalf of our Shareholders to decide what happens on our lands, not someone who just wants to block the Pebble and Donlin Creek Projects.

Ballot Measure 4 is being opposed by all regional corporations in Alaska. It also is opposed by the Alaska Federation of Natives. Ballot Measure 4 could have a devastating effect on Alaska Native Corporations like BSNC in terms of our resource management. We believe we are good stewards of our lands, and need your help to ensure that we are able to continue to manage our lands ourselves. For this reason, the BSNC Board recommends that you **vote NO on Ballot Measure 4.**

Sincerely,



Chairman



President/CEO



BSNC Mission Statement

To improve the quality of life of our people through economic development while protecting our land, and preserving our cultural heritage.

Bering Straits Companies Awarded Contracts

Bering Straits Information Technology (BSIT) obtained a new contract that started on the February 22. The BSIT team provides management consulting services to the Defense Supply Center in Richmond, Virginia. The team specializes in leading the planning, implementation and execution of the Base Realignment and Closure (BRAC) 2005 decisions at the Richmond headquarters. BSIT employs thirteen employees on this contract. BSIT will also work on improving the interfaces and interdependencies between the industrial activities supply and storage functions for the U.S. military. BSIT will help identify business process improvements to reduce excess infrastructure and inventory, and eliminate redundancies.

BSIT was awarded a contract serving the U.S. Department of Commerce, Bureau of the Census. This contract started May 19 and BSIT hired thirteen new employees to serve in the Washington, DC Census offices.

The team will provide software testing, instructional design and development, instructor-led training, technical writing, and software programming for the Census Coverage Measurement survey and Decennial re-interview and evaluation activities.

BSIT received a sole source contract providing management consulting services for Backorder/Contract Delinquency Reduction in Richmond, Virginia. Work began July 1 and BSIT will employ forty new employees to serve this aviation logistical. The team will support multiple divisions to expedite delinquent contracts, reduce backorders, and optimize inventory operations.

Eagle Electric is nearing completion of a 90 day

subcontract it received to provide electrical services in support of renovations at the U.S. Army Research Laboratory at Adelphi, Maryland.

Bering Straits Technical Services (BSTS) started a new contract serving the Defense Logistics Agency in mid-May at the Defense Supply Center in Columbus, Ohio. BSTS provides aid during the planning, implementation and execution of Base Realignment and Closure (BRAC) 2005 decisions. BSTS is providing a Lead Program Analyst at the BRAC office that will implement business strategies for the U.S. Armed Services.

This vital contract involves improving the interfaces and interdependencies between the industrial activities supply and storage functions for the U.S. military. BSTS will help identify business process improvements to reduce excess infrastructure and inventory, and eliminate redundancies.

Naval Industrial Services Support Joint Venture (NISS JV), a joint venture company between Bering Straits Aerospace and Symvionics, was awarded a competitively bid services contract for maintenance and repair services for the bachelor quarters at the Marine Corps Air Station, Miramar, San Diego, California. The contract term is one year with four option years. There are fifteen new NISS JV employees who are dedicated to providing outstanding service and a better quality of life to our active duty military members. The effort on the project includes responding to service calls 24 hours a day, seven days a week, preventive maintenance on HVAC and fire suppression systems, landscape maintenance, and pest control services.



Two Young Ladies from the Bering Straits region competed in the 2008 Miss WEIO: Miss Kelsi Ivanoff, daughter of Steve and Zoe Ivanoff of Unalakleet, and Tiffany Clark, daughter of Larry and Rose Koezuna-Clark of Nome.

From left to right: Nicole Colbert, Miss WEIO 2007; **Kelsi Ivanoff, Unalakleet**; Miranda Solomon, Miss Fort Yukon; Stacy Harris, Miss Arctic Circle; Elizabeth Rexford, Fairbanks/Barrow, Kimberly Dullen, Miss Fairbanks Native Association; and **Tiffany Clark, Miss ANB**. Kimberly Dullen was crowned 2008 Miss WEIO.



The Rock Creek Mine

Photo by Matt Ganley 2008



Ted Katcheak Stebbins

“My job pays bills for my day to day living expenses and is allowing me to pay off my debt. I work with people that have lots of knowledge in the mining industry.” Ted, Environmental Technician.



Larry Ivanoff Jr. Unalakleet

“Alaska Gold provides me good wages and great benefits.” Larry obtained certification as a Heavy Equipment Operator to be employed by Alaska Gold and plans on obtaining his CDL with the assistance of Alaska Gold.

“I have learned a lot of skills including welding, operating a crane, rebuilding pumps and fabricating while working at the Rock Creek Mine.” Gerald, Millwright Apprentice, who is saving money to attend college to become a pilot.



Gerald Hughes Teller

“The Rock Creek Mine is providing a cash income for families especially when the cost of oil products are going up.” Vernon, Refiner. Vernon’s father ,Willie Kugzruk, mined at Lost River and Red Devil and told him that *“You can mine anything as long as it’s done carefully and environmentally safe.”*



Vernon Kugzruk Teller

IF BALLOT MEASURE 4 IS PASSED IT WILL DECREASE SIGNIFICANT SOURCES OF REVENUE TO THE STATE & ALASKANS

- Mining provides \$175 million a year in state government revenue through royalties, rents, fees and taxes.
- Mining provides \$14 million a year in local government revenue, including property taxes and payments in lieu of taxes.
- Mining provides \$170 million a year in payments to Alaska Native Corporations.
- An estimate by the State of Alaska predicts the Initiative could cost the State billions in lost revenue.



YES or NO--The Ballot Reads:

Ballot Measure 4
Bill Providing For Regulation Of Water Quality
(07WTR3)

This bill imposes two water quality standards on new large scale metallic mineral mining operations in Alaska. The first standard does not allow such a mining operation to release into water a toxic pollutant that will adversely affect human health or the life cycle of salmon. The second standard does not allow such a mining operation to store mining wastes and tailings that could release sulfuric acid, other acids, dissolved metals or other toxic pollutants that could adversely affect water that is used by humans or by salmon. The bill defines a large scale metallic mineral mining operation to mean a metallic mineral mining operation that is in excess of 640 acres in size. The bill defines toxic pollutants to include substances that will cause death and disease in humans and fish, and includes a list of substances identified as toxic pollutants under federal law.

Should this initiative become law?

Yes

No

A YES vote could reduce life of the Rock Creek Mine by as much as 5 years.

A YES vote will negatively impact shareholder jobs in the region with exploration and mining companies.

A NO vote will mean that exploration and mining will continue in the Bering Straits region. This will allow mining companies to continue employing shareholders and family members as well as contributing to the economy of the region.

A NO vote will ensure that Native Corporations fulfill the promise of ANCSA through the development of the resources granted through the Act.

The BSNC Board recommends that you vote NO on Ballot Measure 4

BSNC Welcomes New Employees

BSNC welcomes the addition of three new employees to our Anchorage office.

Valerie Leavitt is a payroll clerk in our accounting department. Valerie started working in mid-May supporting payroll requirements for Eagle Eye Electric, Eagle Electric and Ayak. Valerie is a BSNC shareholder descendant.

Lisa Cofield is an accountant. Lisa has worked previously

with other Native Corporations and is familiar with the programs and systems we are adopting. Lisa will focus on generating monthly financial reports for our new companies and joint ventures.

Bruce Hellenga is the BSNC Subsidiary Operations Manager. Bruce will guide the development of managers and business services.



Valerie Leavitt



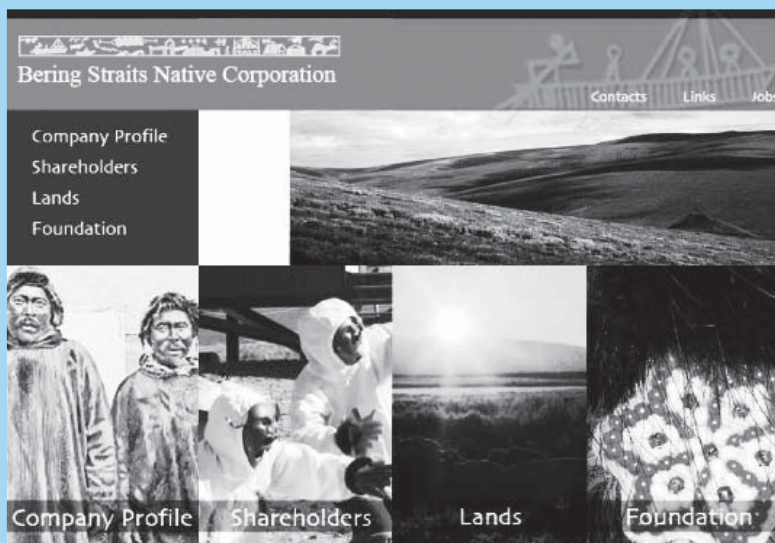
Lisa Cofield



Bruce Hellenga

Take a look at our new website

www.BERINGSTRAITS.COM



BSNC launched its new website in May! If you've not seen it, it's just a click away at www.beringstraits.com.

Our new website provides the following information, plus more:

- Over view of BSNC & its family of companies
- Employment Opportunities & How to Apply
- Scholarship & Fellowship Financial Aid

Field Trip on Edible & Medicinal Food Plants

BSF Mission

“Our mission is to enrich the lives of our people and strengthen self sufficiency by supporting educational goals, cultural heritage and traditional values.”

Bering Straits Foundation led over 20 Summerize youth on a field trip to identify edible and medicinal foods around the Nome area. On June 19, Kirsten Timbers and Nina Wideman took a bus load of youth ages 8-10 out past Fort Davis on the Nome-Council Highway to pick greens. The kids were provided with pamphlets to help them identify the greens and inform them of their medicinal properties and how to prepare them for winter use.

BSF offered a smoothie drink card for the first 2 children who could properly gather all of the 5 greens in the pamphlet and tell us how to prepare it and what it is used for. It was a fun day despite the rainy weather.



Pictured here are Ty Gooden, son of Kimberly and Calvin Gooden, and Alex Gray, son of Cynthia and the late Teeb Gray. The students gathered Sarguiq (Stinkweed), Pautnuq (Fireweed), Oyster Greens, Dikgiuks (Hemlock Parsley) and Beach Greens/Sleeping Beauties.

2008 Summer BSF Scholarship Recipients

Stephanie Aluska, Charter College, Medical Assistant
Yvonne Ashenfelter, University of Alaska Anchorage, Office Digital Media
Arnold Ashenfelter, Northern Industrial Training, Construction
Pauline Brower, University of Alaska Southeast, Anthropology
Jason Burnett, University of Alaska Anchorage, Language Japanese
Michelle Gallineaux, Montana State University- Northern, Business
Glenda Gologergen, University of Alaska Fairbanks, Human Services
Amanda Gonazalez, Career Academy, Medical Assistant Specialist
Suzy Hanson, Oriental Healing Arts, Massage Therapy
Kathleen Haugan, Career Academy, Insurance coding & Billing Specialist
Gussie Ivanoff, University of Minnesota, Physical Therapy
Nolan Ivanoff, West Coast Training, Heavy Equipment Operator
Rae Jackson, University of Alaska Anchorage, Psychology
Thomas Mazonna, Haskell Indian Nations University, Bus. Management
Deanna Mocan, University of Alaska Anchorage, Nursing
Kendra Nichols, Alaska Pacific University, Human Services
Michael Olson, Utah Valley State College, Professional Piloting
Melody Olson, Aveda Institute, Cosmetology
Nicole Osterback, University of Alaska Anchorage, Psychology
Heather Payenna, University of Hawaii at Manoa, History
Allen Pearson, University of Hawaii, Accounting
Robert Tokienna, Career Academy, Insurance coding & Billing Specialist
Erin Wetzal, University of Mary, Radiology Technology

Come One, Come ALL!

BSF Annual Auction will be this fall.
Date to be announced.

This Auction benefits the scholarship program.

BSF is accepting artwork or other items to be auctioned or used as door-prizes.

Artist and Business Donations are gladly accepted.

Volunteers are needed to cook stew, bake desserts, set up & clean up, and to help out during the auction.

If you'd like to help out with the Auction please contact Kirsten at 443-4316 or email ktimbers@beringstraits.com to sign up.

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*Make your vote count
on August 26!*

**On August 26 Alaskans Will Be Voting
on an Important Issue
Regarding Mining in Alaska.**

See pages 1, 2, 4 & 5 for more information.