



BERING STRAITS NATIVE CORPORATION AGLUKTUK

Volume XXXVI

September/October 2009

Shareholder Dividend to be Mailed in December

BSNC showed record revenues of more than \$162 million and net income of \$8 million for fiscal year ended March 31, 2009. "During the past several years, we have seen significant growth in operations, BSNC Board Chairman Henry Ivanoff Sr. said. "This growth provides benefits for our shareholders through increased training and employment opportunities, scholarships and dividends." Based on the FY09 net income, the BSNC Board declared a dividend of \$1.50 per share, the company's largest to date. Dividends will be distributed in December.

"Our shareholders have demonstrated consistent support for the direction BSNC's Board and management have taken in the past five years. It is with much gratitude that we acknowledge their faith in our leadership during this expansion phase," said BSNC President/CEO Tim Towarak. Towarak has lead the company since August

2000, during which time BSNC's gross revenues have grown from \$9 million to today's \$162 million. "We can thank, in part, the efforts of the Anchorage office staff who have worked to implement the Board's decision to expand BSNC's involvement in federal contracts through the Small Business Administration's 8(a) program," BSNC Executive Vice President Gail Schubert said. "We're delighted in that segment's success, particularly with the recent award to our joint venture with Neeser Construction, Inc. to build the new Norton Sound Regional Hospital."

BSNC has also experienced success in local operations within the region and owns hotel and apartment rental, office and heavy equipment assets, including the 56-room Aurora Inn located in Nome. BSNC also engages in tourism, construction and mining services, as well as sales of rock and aggregate.

BSNC Awarded IHS Contract to Build New Nome Hospital

Bering Straits Native Corporation (BSNC) announced today it has received notice that its joint venture with Neeser Construction, Inc., Inuit-NCI, Joint Venture (INJV), has been awarded a \$90.4 million contract to build the new Norton Sound Regional Hospital in Nome, BSNC's home office headquarters. The project is funded by the American Recovery and Reinvestment Act of 2009 and specifies that INJV meet Indian Preference requirements in hiring workers.

"We are honored and delighted to be selected for this extremely important project," said Gail Schubert, BSNC's Executive Vice President. "Our mission is to improve the quality of life of our people through economic development. This project is aligned perfectly with that goal as it will bring an improved, state-of-the-art hospital to our region while, at the same time, providing jobs for our shareholders and their families. We are particularly pleased to be bringing the first American Recovery and Reinvestment Act funds to our region."

"Neeser Construction, Inc. has extensive experience working with Alaska Native entities to provide improved health care services," said Neeser Construction CEO Jerry Neeser. "It's been our pleasure to work with several other health care organizations on similar facilities, including the Anchorage Native Primary Care Center Phases I and II, along with others throughout the state."

The new 150,000 square foot facility will be a three-story, steel frame structure with 14 in-patient beds.

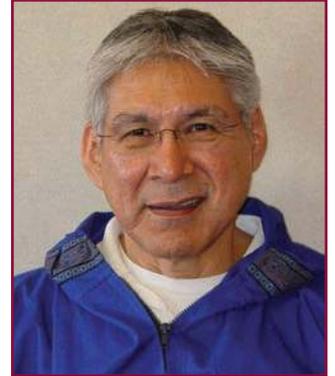


Starting at the top and moving from left to right are Geoff Strommer, IHS Attorney; Jay Farmwald, DOWL HKM Sr. Project Manager; Wally Powers, BSNC/Inuit; Dale Mossefin, IHS Health Facilities Engineering Director for Alaska Area Native Health Service; Michael Weaver, Project Management Branch Chief of Engineering Services; Jerry Neeser, NCI CEO; Gail Schubert, BSNC/Inuit; Gary Donnelly, NCI Project Administrator; Carol Piscoya, NSHC President & CEO; Emily Hughes, NSHC Chairperson; Berda Willson, NSHC Co Chair Site Planning & Development Committee; Cliff Gray, NSHC Project Manager; and Kenneth Harper, IHS Engineering Services Director.

BSNC Greetings

Tim Towarak, President/CEO

With summer practically over, the BSNC Board, staff, and our regional shareholders prepare for one of the busier times of the year for all of us in the Native community. First, we have to put away all of the equipment we used during the summer and pull out those we are going to need for the coming winter. This means putting away boats and motors, nets, fishing rods, bicycles, garden tools, and the sun tan oil. Out come the long johns, snow boots (or better yet, mukluks), snow machines, shovels, ice fishing gear, and the snow masks and goggles. It is a ritual many of us have been doing for years and it is becoming more and more normal to get it done to enjoy the next few months.



This is also the time of the year when we prepare to either send in our proxies or get ready to attend the annual shareholder's meeting, this year in Nome on October 3, 2009. Shareholders are sending their proxies in early in hopes of winning the grand prize of \$5000, or one of the smaller early bird prizes. The staff thanks the Board for increasing the prizes this year.

In years past (when we really couldn't afford much), when our door prizes were small, not enough shareholders would send in their proxies. The Board then had to cancel the meeting and set another meeting date in the future. This puts BSNC through a lot of expenses to send out notices, names of candidates, and all of the other work that comes with rescheduling the annual meeting. Realizing this, the Board decided to increase the door prizes to get shareholders interested in sending in their proxies. In their wisdom, since door prizes increased, we have never had to reschedule an annual meeting again. Even if it looks like we are spending more money on door prizes, we are saving more money by not having to reschedule the annual meeting. Puzzle solved!

Our annual meeting precedes the annual (and exciting) Alaska Federation of Natives Convention. Some years the Convention is held in Fairbanks but mostly in Anchorage. This year the AFN Board of Directors elected to hold the 2009 annual Convention in Anchorage for the second year in a row. In 2010 it will be held in Fairbanks. A lot of very important issues are addressed and we hear a lot of good speeches and participate in very interesting debates. Best of all though, we spend most of our time, night or day, in finding our old and new friends or relatives. We also watch some of the best Native Dances in the world both at the Convention and during the popular Quyana Nights. The latter is put on to celebrate our gathering and allow the kind of visiting and community greeting that is a part of our traditions – we do this by singing and dancing. It goes fast and we end the week with the AFN Banquet and then go home to rest for another year.

This is a short "cruise" through a typical part of the year going from spring to summer to fall to winter for many of us. We have much to be thankful for from the summer's work and we look forward to the long winters when most of us have the most fun of the year. The staff and Board for BSNC wishes you well for the coming winter months and thank you for supporting us in trying to improve the quality of your lives through making BSNC a successful Alaska Native Corporation!

BSNC Mission Statement

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

BSNC Mourns the Loss of Former Board Members

BSNC recently lost two former board members, Fred Katchatag, Sr. and Tommy Johnson, Sr. Fred was one of five incorporators who served BSNC in 1972, when BSNC was first formed. Tommy served as a board of director for 17 years beginning in the late 1970s. Our condolences go to the families and friends of Fred Katchatag, Sr. and Tommy Johnson.

Unalakleet elder **Frederick A. Katchatag, Sr.** was born to Joseph & Helga Katchatag on June 25, 1920 in Unalakleet. As a young man he walked to McDonald Mountain to ask permission from Reuben & Katherine Paniptchuk to marry their daughter, Ebba Marion. Fred & Ebba were married on February 15, 1944 in St. Michael, Alaska.

Fred Sr. joined the ATG, National Guard, and was drafted into the army where he was honorably discharged on November 30, 1980. Fred supported his family by working at the White Alice Site and the Unalakleet Air Force Base. He was also a commercial fisherman. His hobbies include building and repairing sleds, playing horseshoe, yahtzee, and making ulus. He enjoyed fishing, hunting, and berry picking. Fred lived a subsistence life and enjoyed true subsistence lifestyle. He loved watching his grandchildren race the local dog races. He was Unalakleet's number one basketball fan.

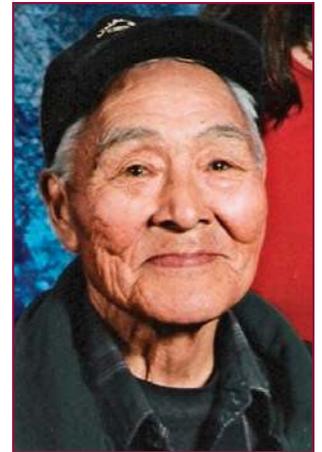
He served on numerous committees such as the Elders Lunch Program, the IRA and City Council, the Unalakleet Native Corporation, and the Bering Straits Native Corporation to name a few.

Fred Sr. passed away peacefully at the ANMC hospital in Anchorage on August 9, 2009. He was 89 years old. He is survived by his children Hilda & CJ Gagnon, Alvina,

Deahl "Doug," Fred Jr. "Beebe," Ray "Booba," Fina & Gino Schlosser, Paulette & Steve Kniseley, Anna & Allen Pehle, Nora, and Warren Katchatag. Sixteen grandchildren and eighteen great-grandchildren; sister Annabel Bradley, half-sisters, Amy, Myrna, Marilyn & Helen; and half-brother Joe Katchatag Jr.; and many nieces and nephews.

Fred Sr. was preceded in death by his wife Ebba; parents Joseph & Helga; grandkids Michael, Brian & John Katchatag; brothers Stanton, Clarence Sr., and Charlie Katchatag.

Fred was a prayer warrior who prayed for our local, regional, state, and national leaders. He was an active member of the Unalakleet Covenant Church and a supporter at the Assembly of God Church.



Tommy Johnson, Sr. died July 30 at age 85 at the assisted living home, All About Care, in Anchorage. Tommy was born on Valentine's Day, February 14, 1924 in Kinak, in the Kuskokwim area to John Sr. and Anna Johnson, their third son.

In 1942, Tom moved to Bristol Bay where he worked for Alaska Packers. That same year he was hired as a laborer and helped build the hospital in Dillingham. In the midst of World War II he was drafted to serve as a Sergeant with the Army Corps of Engineers. For the next two years he spent his tour of duty in Alaska at Adak, Pt. Spencer, Davidson's Landing, Nome, and finally, Quartz Creek. Tommy's unit built the airstrip at Quartz Creek.

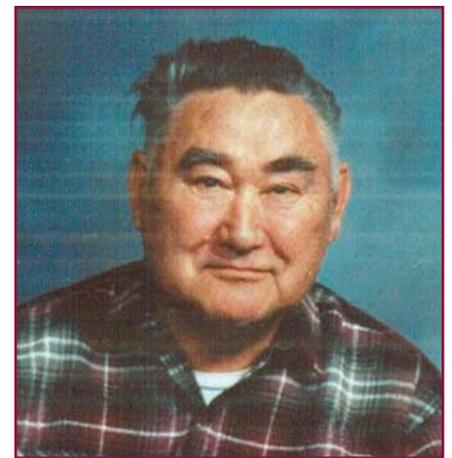
Tommy was hired as an oiler on a drag line for Morris & Knudson in 1947. After seven years, Tom was promoted to Master Mechanic for the Northern Region. In 1957, he was the Superintendent for the Nome School District.

Tommy's life was made complete when he married Myrtle Fagerstrom of Golovin on February 11, 1956.

In 1958, Tom began a 19 year career with the Federal White Alice Project at Anvil Mountain. After working for 9 months at Prudhoe Bay, he was employed as Field Representative

for Operating Engineers Local 302 in 1976. The Johnson's developed several business investments. They had a commercial license and four fishing boats, the Echo II, Echo III, Jackie II, and Solid Gold in Bristol Bay. As a stockholder, since 1938, of the Kuskokwim Reindeer Company, Tom and Myrtle ran the Northwest Reindeer Processing Company. In 1976, the Johnson's were the first Eskimos in Nome to build and own an apartment building. Tommy owned one-half interest in Charlie Moon's mine at Granite Mountain in addition to 42 mining claims in the Nome area. He served as Secretary/Treasurer of Anvil Mining Inc and owned a percentage of the Bluff area. He joined the Nome Volunteer Fire Department in 1957 and served it for 20 years. Through the years he also served on the Nome Common Council, State Human Rights Commission, Nome Planning Commission, BSNC Board, Bering Straits Federal Credit Union Board, Nome Fisheries Association, State Game of Board, and was a 32nd Degree Mason and Worthy Patron.

He is survived by his wife Myrtle Johnson; his brother & sister-in-law Dan & Goldie Johnson, brother Andrew Johnson; his son & his wife Jack & Binxy Johnson, stepchildren Fritz & Judi Chambers, Lynn Chambers, Ann & Gene Matthews, and



Jo Putman; brother-in-law Jerry & Rose Fagerstrom; sisters-in-law Maggie Olson & Doris Lincoln; grandchildren Donald "Donny," Erik, Sierra, & Shayla Johnson; & many step grandchildren, nieces and nephews.

He was preceded in death by his parents John & Anna Paningayaq Johnson; brother John Johnson Jr.; son "Echo" Thomas John Johnson, Jr.; parents-in-law John & Minnie Fagerstrom; sister & brother-in-law Joyce & Sam Tucker; brother-in-law Chuck Fagerstrom; sister-in-law Rose M. Jones; brother & sister-in-law Floyd & Alice Fagerstrom.

We Support Our Troops

BSNC received a statement of support plaque from the Department of Defense for its support to the Guard and Reserve. Pictured are Spc. Henry Niehaus, who is with the Army National Guard and whose mother is from Akiak, Gail Schubert, BSNC EVP, and Chris Nelson, the Executive Director of the Alaska Committee of the Employer Support of the Guard and Reserve Unit of the Department of Defense.



Siu Alaska Corporation to Gift Partial Ownership and Donate to NACTEC

The Siu Alaska Corporation Board of Directors met in Nome Friday, September 18, 2009 to present the Bering Sea Women's Group with a certificate of ownership representing a 25 percent ownership interest in Aleutian No. 1 LLC. It is estimated that the gift to the Bering Sea Women's group is valued at well over \$400,000 and as partial owners they will be entitled to 25 percent of the Aleutian No. 1 dividends.

The F/V Aleutian No. 1 has been under NSEDC/Siu management for two years. The fishing year for the Aleutian No. 1 consists of two seasons. Aleutian Islands golden king crab fishing begins in August and lasts five months until the end of the year. Opilio (snow) crab fishing begins in January and typically lasts two months. There are seven to eight crewmembers depending on the fishery. Management has been able to crew at least one regional fisherman for each fishery during the past two years.

Also on September 18th, the Siu Board presented Northwestern Alaska Career and Technical Center (NACTEC) with a \$200,000 donation. Bering Strait School District and Nome Public Schools together developed this regional vocational learning center. As an education facility in the Norton Sound region, NACTEC provides youth with resources that help students to better prepare for future employment, postsecondary education, and other life skills. Instruction focuses on four areas: career and technical skills, career exploration, life skills, and work readiness skills.

Under recent legislation the State of Alaska provides tax credits to businesses that donate to eligible schools, NACTEC qualifies under this legislation.

Siu Alaska Corporation is a private, wholly owned subsidiary of Norton Sound Economic Development Corporation, one of six corporations in the western-Alaska Community Development Quota program. NSEDC represents 15 communities and over 8,500 residents in the Norton Sound region. BSNC supports the contributions made by Siu Alaska Corporation.

Scholarship Deadlines

The Bering Straits Foundation spring term scholarship deadline is December 31 and the vocational training scholarship deadline is two weeks prior to the class start date.

Go to www.beringstraits.com, select the Foundation link, and then select the Scholarship link for the scholarship application and more information.

Update on Banner Wind, LLC

Sitnasuak Native Corporation is a 50% owner of the Banner Wind LLC, along with Bering Straits Native Corporation. Although the 18 EW-50 wind turbines located on Banner Ridge north of Nome had completed construction in late 2008, and turbines started spinning in early 2009, mechanical and weather issues have delayed the continued operation of the project, and the new scheduled re-start date is planned for late fall 2009.

In April 2009, icing conditions, severe winter storms, and mechanical defects in the turbines required the shutdown of the turbines to initiate necessary repairs. The repairs and maintenance required included re-pitching the angle of the turbine blades, installing additional parts to prevent premature wear of the turbine

gearboxes, and improving the wind sensors.

The majority of necessary repairs were covered under a warranty offered by the turbine manufacturer, Entegrity Wind Systems, Inc., and the company agreed to not only pay for the necessary repairs, but also reimburse Banner Wind for the projected lost revenue caused by the downtime. Shortly afterwards, the manufacturer experienced financial difficulties, and to date have not been able to meet their warranty obligations.

As a result, both BSNC and SNC have injected additional funds into the project to make the necessary upgrades and repairs during the summer construction season, complete negotiations and finalize the agreement to sell wind power to Nome Joint

Utility Systems, in order to bring the wind turbines back on line and begin generating revenue.

The Denali Commission was able to facilitate a meeting of all the stakeholders to identify and come to consensus on how to proceed on varying issues, offer financial assistance to NJUS to purchase needed communication equipment for the project, and locate a like project within Alaska to utilize as a model for the negotiation and implementation of an operational agreement that makes sense for an Alaska project.

Both the staff and management of Banner Wind and Western Community Energy are determined to bring this project to completion as soon as possible.

New Receptionist at Anchorage Office

Elsie K. McConnell is a BSNC shareholder and is the daughter of Dan and Ethel Karmun of Nome. Elsie was born in Deering and raised in Nome. She graduated from Nome High School and has lived in Anchorage for the past 17 years. She is married with 4 children and 2 grandchildren. Elsie began working as the receptionist for the Anchorage office on June 8, 2009. Elsie is excited to be back at work at Bering Straits Native Corporation – she worked for the company when the ANCSA was first passed and BSNC was a fledgling corporation, like all others. Elsie said “It has been exciting to see how much it has grown over the years, with the numerous subsidiaries we have; and also to be able to watch our corporation continue to grow to benefit all our shareholders, our land resources, and businesses.” She enjoys working with a great bunch of people in our Anchorage office and to be able to communicate and assist with the shareholders living in the Anchorage area. Elsie looks forward to a long working relationship with BSNC in whatever capacity she is best able to serve.



Accounting Intern

Roy Craft is a BSNC shareholder who was hired as an intern in May 2009 and will continue working as he completes his degree at UAA. He is working with Wally Powers and Buell Russell in the Accounting/Finance department as a Billing Specialist I at the Anchorage office. Roy processes the billing for Elmendorf Support Services and Kodiak Support Services and completes special projects for the accounting department.

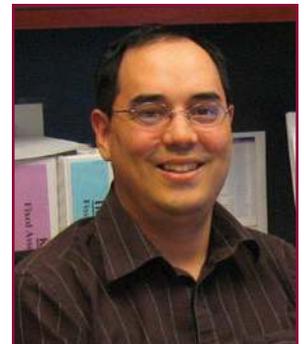
“I look forward to the rest of my internship as I am learning a lot about business. My previous work experience has mainly been in construction and it is a very different environment. Hopefully this internship will help me gain employment next spring, either here or elsewhere,” said Roy.

Working as an intern has provided Roy with real work experience that had helped him with his college courses. He said “some of the work I do helps me with school, as I can see how things I learned in school are applied in a real setting.

Then I get to see how decisions are made with the information, in school you only learn how to produce the information.” Roy suggests that college students to participate in internships as they get your foot in the door for real jobs and provide you valuable work experience.

Roy will receive his Bachelor of Business Administration in Finance next spring from UAA and receives financial aid from the Bering Straits Foundation.

Roy is the son of Esther and Joel Craft, formerly of Nome, and the grandson of the late Catherine and Roy Tobuk of Nome.



Cottonwood Cabins by the Pilgrim River Bridge

Going Fishing? Watching Birds? Biking or Hiking?

Bering Straits Native Corporation has three cabins at the Pilgrim Bridge crossing on the Nome to Kougarok road (MP60) available for daily rental. The cabins opened up in the summer of 2009 and are open year-round.

Cabin 1 and Cabin 2 are next to each other. Both come with solar electricity, propane heat and lights, a two burner stove, and cooking utensils. Cabin 1 has two bunk beds (sleeps four) and a sink. Cabin 2 has one bunk bed (sleeps two). Cabin 3 is further from the other cabins and is more private and closer to the Pilgrim River. It has two bunk beds (sleeps 4), propane lights, heat, and refrigerator, a small stove with an oven, and cooking utensils. Renters must provide their own water, food, and bedding; and haul out their own trash. Outhouses with propane operated toilets and tables and chairs are provided for all cabins.

Rate:

2 person cabin-\$150 per night.

4 person cabin-\$200 to \$225 per night.

Weekly rates also available.

Contact BSNC at (907) 443-5252 or email Larry at lpederson@beringstraits.com for reservations and more information.



Cabins 1 and 2.



A look inside Cabin 1, which sleeps four people.

“From River to Land, It’s Cut & Canned”

Nome Eskimo Community (NEC) sponsored its third annual Summer Youth Cultural Camp, July 6-10. The camp was hosted by Tom and Bee Jay Gray at their campsite, the “Mosquito Bar,” on the Niukluk River, and organized by Katie O’Connor, Youth Service Specialist at NEC. This year’s camp had a strong focus on traditional living and fishing. “From river to land, it’s cut and canned” was the theme.

Twelve joyful 7th-12th grade campers attended. They were Katelynn Aveesuk, Lindsay Burt, Jacqueline Gallineaux, Katelynn Gray, Shayla Johnson, Desira Sherman-Kakaruk, Deanna Walluk, Elizabeth White, Samuel Ahkinga, Jason Gilder, Clifford Iknokinok, and Taylor McDaniel. The campers were accompanied by chaperones Niaomi Brunette, Kirsten Timbers (BSF EVP), Fawn White, and Jeff Collins.

The campers participated in several activities during the week. They learned how to seine for fish. Each camper was given a specific task and they set and pulled in the seine net all by themselves. Tom gave a fish cutting demonstration to the campers and then handed them all traditional Fish River style ulu’s to allow them to practice cutting their own fish to dry on the racks. Tom also gave a lessons on canning fish and how to smoke fish.

Stephanie Johnson from the Nome Community Center gave a presentation on Drug Demand Reduction.



Campers and Staff at the Cultural Camp at Mosquito Bar.

Rahniah Parker of Norton Sound Health Corporation’s CAMP department gave a presentation on Diabetes Prevention and discussed how the Bering Strait region has the highest rate of diabetes in the nation. Keith Conger presentation included a boat trip up to Aggie Creek and instruction on using a GPS.

All participated in the acclaimed Eco Challenge. The goal of the Eco Challenge was to be the first team to make it across the river and back and start a fire to get a pot of water to a rolling boil.

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Come one, come all!

BSF ANNUAL AUCTION

Friday, November 6, at the Nome Mini Convention Center

Doors open at 5:30 PM Auction starts at 6:00 PM

How can you help?

Donate Items to be Auctioned

~ bead work ~ ivory carvings ~
~ home made jams & jellies ~
~ kuspuks ~ pictures ~ other artwork ~

Be a Volunteer

~ cook stew ~ bake desserts ~
~ set up & clean up ~
~ assist during the auction ~

***For each \$50 in value a person donates, s/he will receive a chance to win an
Alaska Airlines ticket valued at \$650.***

**To donate items or to volunteer contact
Kirsten at 443-4305 or
email her at ktimbers@beringstraits.com**

**Mail donated items to:
BSF
Box 1008
Nome, AK 99762**