

BSNC HIRING PROTECTED SPECIES OBSERVERS

Well-paid opportunity with overtime for shareholders and descendants

BSNC has signed a contract with the oil and gas industry to recruit, hire and train Protected Species Observers (PSO) for the approaching 2015 drilling season. BSNC seeks to hire 40 candidates. These positions are excellent opportunities, as they are well-paid with abundant overtime.

Compensation begins at approximately \$25 an hour. PSOs are paid eight hours per day during training and up to 12 hours per day while at sea, seven days per week. Anything more than eight hours per day and 40 hours per week is overtime, which is 1.5 times the base rate of pay. Returning PSOs for the 2016 drill season may be given a signing bonus. A typical rotation period varies by vessel, but is often approximately three weeks at sea.

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RECRUITING SUMMER INTERNS

Program focuses on professional development

BSNC seeks 11 interns for its 2015 Summer Internship Program. BSNC is committed to helping prepare tomorrow's leaders for the workforce by providing paid internships to qualified shareholders and descendants and recent high school graduates who have been accepted to college or technical school and plan to enroll in the fall. Successful applicants must have a minimum 2.5 GPA.



Tami Dietrich, Michael Anagick, Brandi Wheelenhan, Adam Lowe, Ana Swanson and Ty Gooden (not pictured) successfully completed BSNC's 2014 summer internship program.

Staff has grown the summer internship program into a competitive professional development program with training workshops on leadership skills, public speaking, the Alaska Native Claims Settlement Act, cultural awareness, policy issues that impact Alaska Native people, speed mentoring, professional writing, resume/HR tips and business structure. Opportunities are available in Nome and Anchorage.

Shareholders and descendants selected to BSNC's 2015 Summer Internship Program will have the opportunity to gain valuable work experience and skills by working with staff in human resources, accounting, construction and Nome construction, IT, land, federal programs, government contracting, operations, corporate development, security, the Aurora Inn and business development. Visit www.beringstraits.com to learn more and apply.

BSNC AND THE LAND

Part 4: Resource development, preservation and our future By Vice President Media and External Affairs Matt Ganley

The four installments of BSNC and the Land were organized to bring our shareholders and their descendants a sense of BSNC's history as an Alaska Native Corporation. We looked at the state of the region just prior to and immediately following ANCSA in the first installment. The troubled years during and following bankruptcy were discussed, and our emergence from those years with a careful regional focus were reported in the second installment. In the third installment, we traced the growth of BSNC as we expanded our business line beyond the region and eventually into an international company. And in this last part, we have tried to convey a sense of the mining industry and where BSNC has been in terms of resource development and preservation and where we are headed as we move toward a bright Arctic future.

Forty years after ANCSA, the corporation continues to meet challenges and strive for success. We reach for excellence in all of our ventures, from exploration for minerals on BSNC lands, to real estate, to government contracting and, importantly, for the maintenance of the land base granted on which many of our people depend for their subsistence and spiritual well-being.

While the winds of business have not always blown fair for BSNC, the land base granted through the Alaska Native Claims Settlement Act to all corporations has provided a stabilizing effect. A key to the long-term economic health of the regional corporations was the timber and mineral rights granted through the Act. This final installment provides an overview of how BSNC resources are managed, the positive effects of the Section 7(i) requirements, and what the future may bring in terms of development and preservation of BSNC's land base.

THE EARLY YEARS: INTERIM CONVEYANCES AND EXPLORATION

The history of Nome is intimately linked with the gold rush of 1898. The lands in the region hold significant deposits of precious and strategic metals. Since these deposits do not adhere to man-made boundaries, many of them lie within a combination of BSNC, state, and federal land.

Prior to making its selections under ANCSA, BSNC was contracted for an evaluation of the mineral wealth in the region. When BSNC received interim conveyance of many of these lands in the early 1980's, exploration and mining companies began to approach the corporation to negotiate exploration agreements.

Beginning in the early 1980's, BSNC actively sought to market the mineral estate of its ANCSA land base. Some of these exploration programs focused on the large tin deposits of the Lost River/Tin City area, while others were for gold ore deposits such as Rock Creek, Big Hurrah, Bluff, Mount Distin and Christmas Mountain. Throughout BSNC's history, only one exploration program resulted in the execution of a mining lease: Novagold's Rock Creek Project.¹

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BSNC IS ON FACEBOOK!  STAY UP-TO-DATE AT FACEBOOK.COM/GOBSNC

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A MESSAGE FROM THE PRESIDENT & CEO

By Bering Straits Native Corporation President and CEO Gail R. Schubert



With the start of 2015, I would like to take a moment to reflect on BSNC's achievements in 2014 and thank our staff for their hard work and commitment to our Company and mission.

With more than 1,100 employees working on projects across the U.S. and globe, I recognize that both the moving parts and the entirety of the work of our employees can go largely unseen. Each one of BSNC's employees plays an important role in helping the Company fulfill its mission to improve the quality of

life of our people through economic development while protecting our land and preserving our culture and heritage.

The past several years have been very progressive for BSNC, as strategic financial changes have been implemented to fortify our path to long-term economic sustainability. In 2014, BSNC's Board of Directors declared a record dividend of \$3.25 per share that was issued in early December. The average BSNC shareholder who owns 100 shares of stock received \$325. This dividend is an 8.3 percent increase from BSNC's 2013 distribution. This year also marks the seventh consecutive year BSNC has given out dividends, our longest stretch to date.

As you may know, Government Contracting comprises more than 85 percent of BSNC's revenues. I am very thankful for the coordination and teamwork by staff on proposals. BSNC enjoys a sterling business reputation by its biggest customer, the federal government, because our work is based on the foundation of teamwork and the expectation that our employees operate with integrity, honor and the ability to respond to change and challenges.

BSNC announced the promotion of shareholder Larry Pederson to Vice President of Land and Natural Resources this past fall. In his new role, Pederson is responsible for establishing and maintaining goals and objectives for the development of BSNC's mineral and land resources, ensuring that all land transfer programs via ANCSA are obtained, and overseeing administrative functions related to meeting the goals and objectives of the Land and Resources Department. Larry is also the president of Council Native Corporation.

Eagle Eye Electric, a wholly owned subsidiary of BSNC, has been contracted by the U.S. Army Corps of Engineers to remediate soil contamination 12 miles east of Unalakleet, a community of 800 in our region. The remediation will be completed in partnership with Jacobs Engineering in the summer of 2015.

BSNC subsidiary Global Asset Technologies (GAT) was recently awarded a five-year contract by the Department of State's Bureau of International Narcotics and Law Enforcement Affairs office to perform international police peacekeeping operations support. The majority of the work will be on the continent of Africa.

The 2014 Summer Internship Program gave six interns the opportunity to gain work experience and skills by working with staff in Anchorage and Nome. In 2014, the Company added a training component to the internship program, which included workshops by staff on leadership skills, public speaking, the Alaska Native Claims Settlement Act, cultural awareness, policy issues that impact Alaska Native people, speed mentoring, resume/HR tips and business structure. This internship program is empowering. I am thankful for staff participation and support and look forward to the 2015 program.

Three BSNC employees were appointed to serve on Governor Bill Walker and Lieutenant Governor Byron Mallott's transition team: I served on the Infrastructure Committee, while VP Media & External Affairs Matt Ganley served on the Arctic Policy and Climate Change Committee, and Communications Director Miriam Aarons served on the Public Safety Committee. The transition team members identified priorities, as well as barriers to success and actions that could be taken to address those barriers. A common theme identified among the 17 working groups was a call for transparent government and many advocated for state support of tribal efforts.

BSNC's endurance and growth over the past 10 years is a testament to the Company's commitment to its shareholders and the region. Our employees' service situates the Company to continue to make a positive, long-lasting impact for our shareholders and region. Quyaana for your continued support and involvement in BSNC.

BSNC BOARD OF DIRECTORS

Henry Ivanoff
Chairman

Jason Evans
Vice Chairman

Gail R. Schubert
President & CEO

Roy Ashenfelter
Secretary

Lee Ryan
Assistant Secretary

Clara Langton
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Director

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Director

Steve Ivanoff
Director

Fred Sagoonick
Director

Tim Towarak
Director

HISTORICAL SPOTLIGHT: COMMUNICATION NETWORKS

The planning for communications projects seeking to traverse the North American Arctic and link communities with high-speed, global Internet access, brings to mind events that played out in the Bering Strait region more than 150 years ago. Between years 1865 and 1867, our region was the westernmost extension of a project that would join Europe and North America with a telegraph cable across the Bering Strait.

In 1865, a crew working for the Western Union Telegraph Expedition set up a camp in St. Michael, then the location of a Russian outpost and village composed of Yup'ik and Inupiat residents. The goal of the expedition was to build a telegraph line from Nulato to St. Michael and Unalakleet, then on to Port Clarence and Wales and finally across the Bering Strait. Even though the competing Trans-Atlantic cable was successfully laid in July of 1866, a crew arrived near present day Teller that year and constructed four buildings, naming the place Libbysville.

During their time in the Bering Strait region, the Western Union

employees relied on the residents for food and to guide and assist in their travels. In the records of the expedition, it was noted that they came to know the "chiefs" of many of the communities: "Itak-tak" and "Aya-pana" of Igniituk (Rocky Point), "Attzik" of Fish River, "Kamokin" of Kawerak, "Illiac" of Wales, "Alluyanauk" (a Malemiut) from Unalakleet, and "Utamanna" of Cape Douglas. They visited villages at Unalakleet, Egavik, Koyuk, Kwik River, Rocky Point (Igniituk), Cape Darby (Atnuk), Nook, Cape Douglas, Peluzuk, Walse, and others along the inland waterways.

During the spring of 1867, the Norton Bay crew had erected 45 miles of poles, but was informed that the Trans-Atlantic cable was successfully completed and their work was to be abandoned.

Today's race to link the continents with faster and more efficient fiber-optic communication could bring more reliable Internet to our communities. We hope this program succeeds and look forward to a time when our communities' Internet access is as efficient and fast as the rest of the United States.

SHAREHOLDER NEWS

SHAREHOLDER BUSINESS SPOTLIGHT: RURAL ALASKAN GIVE AWAY SUPPLIER



BSNC descendant Christina Waska owns an expediting business, Rural Alaskan Give Away Supplier. Originally from Newtok, Alaska, Waska now lives in Anchorage, where she operates her business out of her home. Her idea for her business came from her previous job of mailing groceries. Rural Alaskan Give Away Supplier sends orders to the villages for cultural gatherings. Religious goods, known as “slavi” by the Russian Orthodox are sold as well as

everyday household items. Learn more about Waska’s business by visiting her Facebook page, Rural Alaskan Give Away Supplier.

CONTACT www.facebook.com/ruralalaskangiveawaysupplier

UPDATE OR FILE STOCK WILL FOR A CHANCE TO WIN \$200

The Stock Will Drive provides a monthly drawing of \$200. The Stock Will Drive is an incentive for shareholders to have a current Stock Will on file with BSNC, whether it is a first one or a revised one. Each month, BSNC will draw a lucky winner to receive \$200 from those shareholders who have submitted a new or revised Stock Will during the previous month.

STOCK WILL DRAWING WINNERS

October - Jose A. Ruiz Rodriguez

December - Fletcher Ningeulook

November - Samuel J. Anaruk

MAIL IN YOUR UPDATED STOCK WILL TODAY AND BE ENTERED INTO A DRAWING TO WIN \$200!

WHY SUBMIT A CURRENT STOCK WILL?

Some people find it easy to think about wills, while others prefer to avoid the subject entirely. Having a Stock Will on file with BSNC lets you control who will inherit your stock after your death. If you pass away without a Stock Will, your stock will be distributed according to state laws, which may not be your intent or your wish. If you have a valid Stock Will on file, you control the decision of who will inherit your stock. Some people use a simple approach and designate one person, perhaps a spouse to receive their entire stock, while other people choose to divide their stock and give it to several people.

Visit beringstraits.com/shareholders/forms/ or call (907) 443-5252 to update your stock will today!

SHAREHOLDER ID CARDS

Nome headquarters are open during business hours for shareholders who wish to walk in to receive a shareholder ID card. Shareholder ID cards can be used to verify shareholder status. Proof of identity must be presented. Acceptable forms of identification include a passport, driver’s license, military ID card or other current government issued ID. Shareholders not residing in Nome who wish to receive a shareholder ID card are asked to email shareholders@beringstraits.com.



40 PROTECTED SPECIES OBSERVERS WANTED

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The non-negotiable minimum requirements are:

- Acceptable background check
- Fitness-to-Work medical exam and clean hair follicle drug test prior to deployment
- Possession of a valid Transportation Worker Identification Credential (TWIC) card (www.tsa.gov/twic) and U.S. passport. This may be acquired during training.
- Helicopter Underwater Egress Training (HUET) and Basic Offshore Survival (two days)
- Successful completion of an approved Arctic PSO Training Program (six days)
- Approval of qualifications by the National Marine Fisheries Service

The recruitment process is fairly intensive and demanding. BSNC plans to visit the region to recruit prospective applicants in the spring. Most of the training and travel costs associated with the requisite training will be paid for by BSNC. We believe this is a very unique opportunity for our shareholders and descendants. We are hopeful that you will be supportive of our recruitment efforts and will help pass the word on. Please feel free to contact BSNC Recruiter Janice Wilson at (907) 334-8322 or by email at janice.wilson@beringstraits.com should you have any questions, concerns or would like more information about this opportunity.

BSNC welcomes this exciting opportunity for employing shareholders and their descendants.

MISSING SHAREHOLDER ADDRESSES

ADRIENNE DEANNA LOCKWOOD	CARLA JUNE EVANS CAROL JOANN BREWSTER	ELLEN SETTERS ELSIE ROSE OKITKON	JAMES MELVIN WALSER JAMIE LEE FIELDS	LENA JUNE RIVERA LEROY ASHENFELTER	MATHILDA LICK MELTON LOU SUTHERLAND	ROBERT PETER KAKARUK ROBERT EARL REYNOLDS	TERRY ANN CHILCOTE TESSA ROBERTS
AL WAYNE KOONOOKA ALAN SAUL HUBBARD	CHARLENE MARY LANE CHERI CHRISTINE KREMPER	ELTON UKTVINUH KEELICK EMILY SELMA SUTTON	JEFFERY EUGENE GRANT JENNIE AMY MICHELS	LEVI ALFRED SILAS LINDA L. PHILLIPS	MICHAEL ORR MICHELE LEIGH MAYO-KOK	ROBERT NORMAN COLE ROBERT WEOKONA	THERESA M. OKPEALUK THOMAS ROY EGELAND
ALBERT K. WHITE ALBERTA E. SETON	CLYDE JAMES PULLOCK CODY JAMES LARSEN	ETCHINE J. COUTEE FLORENCE NELLIE NAKAK	JENNIFER KINNEY JENNIFER POOTOOGOLUK	LLOYD G. NAPOUK LORRAINE LUPSON	MILTON KAVAIRLOOK MURIEL DOROTHY CARMER	MAYOKOK RODGER LEE MCFARLING	THOMAS LEE HUFFMAN TIMMY STEVE
ALFRED TOPKOK ANGEL DAWN TEAYOUMEAK	CRISTA LYNN ARNOLD DALE VINCENT DOUGLAS	FLOYD B. LOCKWOOD FRANCIS KIRK	JESSE A. HURST JOHN OBRIEN	LUCY JANE STEVE LYDIA ANN HANCOCK	MYLES GONANGNAN NATHAN ISAIAH	RONNIE H. KEITH LUPSON ROY MICHAEL ANTONY	TIMOTHY DAVID JAMES TIMOTHY P. WALUNGA
ANGELINE WASSILIE ANITA PEZZINO	DARLENE RUTH HAWK DAVID MARCUS LAW	FRANK T. WALUNGA FRED WARREN KEELICK	JOHN FLOYD ANDERSON JON PAYENNA GERTON	MARGARET M. KELLOGG MARGARET WALLACE	ANUNGAZUK OSWALD PANEOK	SCOTTINA JOHNSON SAM ANARUK	TIMOTHY R. MILLIGROCK VAUGHN EUGENE JOHNSON
ANNOKAZOOKA LAZYNA SANCHEZ	DAVID LEE LOCKWOOD DAVID A. RIDDLE	FREDERICK EARL ERNAK FREDERICK ALLOCIO KRAFT	JONI MICHELLE EARP JOSEPH MAYAC	MARIE MADELEINE LAWLOR MARIE D. MERITO	PAMELA J. MANDAN PATRICK C. COFFEY	ROY EDWARD BEN BROWN SARA MICHELLE JOY KEECH	VIOLA VERA JOSEPH VIRGIL AMOS KATCHATAG
ANTHONY LANE FRY ARCHIE OLANNA	DAVID LAWRENCE OST DAVID M. GRAHAM	GAIL LEWIS GARY FORREST EVANS	JOSHUA R. L. FIREY JOSHUA E. BRODERSON	MARIE ANN MILLER MARIELLE KATHRYN	PHILIP PENATAC PEGGY LEE KANE	SCOTTINA JOHNSON SHANE E. BERGAMASCHI	WANDA JACQUELINE CARLSON
BARBARA AURELIA VALANZUELA	DEBRA ANN BORCHARDT DEGEE A. DOBSON	HARRY DREWLETTE LILLEY HAZEL NANCY JACK	JUDITH LYNN KEEBLE JULIA MAY PICKUS	RODRIGUE MARRIE LUPSON	PERRY ELI WILLIAMSON PHILIP PENATAC	SHANNON M. LEAL SHEILA ARLENE ODINZOFF	WARREN ELACHIK WILLIAM JASON JOHNSON
BARBARA L. WININGER BEN ATTATAYUK	DESLIN WADE NAPAYONAK DONNA MARIE CARLISLE	HENRY A. MORGAN HENRY WAYNE LUKE	KANDI KOSTENUK KATHERINE BEEMAN	MARTHA MARIE WASHINGTON	PRESTON WASHINGTON RANDOLPH DEAN BELL	SHERRI LAVERNE HARRIS SHIRLEY ESTHER LIHS	WILLIAM LEE WALLUK WILLIAM BARNES
BENJAMIN CHARLES MILLIGROCK	DONNA M. NORBERT EDWARD MICHAEL COWGER	HENRY WHEELER IDA GAIL PANIPTCHUK	KAYLE SIXKILLER KEVIN RAY GARRIS	MARTIN O'CONNOR MARTIN T. STEVE	RAPHEAL PIKONGANNA RICHARD RAYMOND	STARLA RAE SMITH STEFFANNITA MARIE	WILLIAM LAURENCE SMITH YVONNE FRANCES ROSE
BETTY FLORA NICHOLSON BILLIE WAIN MOORE	ELEAZARETH H. SOLSKI ELEANOR DARLENE	IRENE MARIE DOUTHIT JAMES F. MORGAN	KIMBERLY KAY MADARA LEANDRA JOHNSON	MARVIN L. MORGAN MARY JILL YOUNG	OMELAK RICHARD WAYNE	WILLOVA STELLA POLARETZKE	
BOBBY COLLINS BRIAN KOTONGAN	THOMPSON ELIZABETH M. LARSON	JAMES STANLEY GARRIS JAMES E. CAROON	LEANN ERVIN LEESA JOAN WATSON	MARY BUCK	LOCKWOOD ROBERT JOSEPH ATTATAYUK	STEVEN LEE HANSEN SUSAN T. ANINGAYOU	

Are you receiving important mailings from BSNC, including newsletters and dividends? It is important that shareholders keep their mailing address up-to-date. Visit http://beringstraits.com/shareholders/forms/address_name_change.pdf to update your address today or use the form below.

SHAREHOLDER NAME AND ADDRESS CHANGE FORM

BSNC shareholders should update the Shareholder Records Department directly in writing anytime their mailing address or name changes. Address changes for shareholders under the age of 18 must be signed by the minor's custodian. Mail in this form or send a signed letter with your social security number, date of birth and new address to:

MAIL COMPLETED FORM TO:
Bering Straits Native Corporation
P.O. Box 1008
Nome, Alaska 99762

You may also call our Nome or Anchorage offices at (907) 443-5252 or (907) 563-3788 or email us at shareholders@beringstraits.com.

Print name: _____

New mailing address: _____

City: _____ State: _____ ZIP: _____

Social security number: _____ Date of birth: _____

Contact phone number: _____

Email address: _____

(If applicable)

I am also a custodian for: _____

Signature: _____

Date: _____

For name changes, BSNC requires that you attach a legal document with your new name, such as a copy of a court record, valid government ID, marriage certificate or divorce decree.

New name: _____

Former name: _____

Social security number: _____

Date of birth: _____

Signature: _____

Date: _____

BERING STRAITS NATIVE CORPORATION ALASKA STATUTE 13.16.705(b) WILL ALASKA NATIVE CLAIMS SETTLEMENT ACT OF 1971

MAIL COMPLETED FORM TO:
Bering Straits Native Corporation
P.O. Box 1008
Nome, Alaska 99762

I, _____, having attained the age of eighteen (18) years and being of sound mind, and solely for the purposes of AS 13.16.705(b) and ANCSA of 1971, Sec. 7(h)(2), freely and voluntarily execute this will and hereby devise and bequeath my shares of stock in Bering Straits Native Corporation and _____ village corporation to:

Name of village

Name	Current Address	% of Shares

This will revokes any bequest of the stock, described above, in any previously existing will or codicil. If I now own more shares than I have bequeathed above, I direct that the remaining shares shall be split pro rata among the persons named above. BSNC recommends that all existing fractional shares of stock be given to one person, and that existing whole shares be given as whole shares and not split into fractional shares.

This instrument shall be governed by and construed in accordance with the laws of the State of Alaska.

Dated at _____, _____,
City State

this _____ day of _____, 20____.

Signature of Testator _____

I, being first sworn, declare that the testator signs and executes this instrument as his/her last will and that he/she signs it willingly, and I sign this will as witness of the testator's signing, and that to the best of my knowledge the testator is 18 years or older, of sound mind, and under no constraint or undue influence.

State of: _____

County of: _____ (or _____ Judicial District)

Subscribed, sworn to and acknowledged before me by _____

the testator, this _____ day of _____, 20____

Notary Public or Postmaster _____
In and for the State of _____

BSNC AND THE LAND

Continued from page 1

THE MINING INDUSTRY: A GENERAL DESCRIPTION

It is worthwhile to describe how the exploration and mining industry operates and BSNC's position within the overarching commodities market.²

Most exploration efforts on BSNC lands have been guided by what is commonly called an Exploration and Option to Lease agreement. This type of agreement has two parts: 1) the exploration phase, and 2) the option to enter into a mining lease at any point during the exploration phase.

During the exploration phase, an exploration company will usually have from three to five years to explore the property, during which drilling and collecting core samples, stream and surface sampling, and minor trenching may occur. The terms of the agreement carefully define what property may be accessed and require responsible work practices. Most of the exploration programs have used helicopters and tracked vehicles to access the lands of interest, resulting in very minimal impact to the surface. All crossings of anadromous fish streams must be done in compliance with state law and access across state lands and village corporation surface estate is preferably done on existing legal easement.³ Any work conducted during the exploration must also comply with laws governing environmental and safety compliance.

Benefits that are derived by BSNC from exploration programs are increased knowledge about the quantities and qualities of a specific resource, and annually increasing payments to BSNC for the right to explore corporate-owned property. Many prospects have been explored over the years by various companies, and with each project our knowledge of the resource improves. Fees paid to landowners for exploration rights depend on the type of commodity (gold, tin, etc.), the size of the company, the general health of the mining industry at that point in time, and the scale of the exploration program.

Most agreements are multi-phased: the exploration agreement may be transformed into a mining lease at any time during the exploration term. What this means, as far as the organization of the Exploration and Option agreement is concerned, is that the mining lease is included as an exhibit and referred within the language of the exercise of the option to lease (which is a section in the exploration agreement usually entitled, "Option to Lease"). The terms of the mining lease are directly tied to the type of ore body being mined, the mineral being mined, the current and projected price that the mineral will fetch on the market, the cost of developing the mine infrastructure, and the cost of production. Most mining leases have a 20-year term and some have a renewal clause for very long term projects. As an owner of the mineral being mined, the corporation will receive payment for the extraction of the commodity throughout the life of the mine. What form that payment takes may vary from agreement to agreement, but it is usually in the form of a Net Smelter Royalty (NSR), a Net Profit Interest (NPI) or a combination of both. Other benefits and payments can be negotiated for a mining lease, including local or shareholder hire requirements, contractual preferences, or an option for the landowner to "buy-in" to obtain an ownership portion of the project. The level of risk and ownership assumed by the landowner in any given project will also affect their returns.

Certain aspects of the mining industry are speculative, in large part because the commodities being mined do not have fixed prices and the market is susceptible to fluctuations caused by global influences. For instance, a few years ago, there was a great deal of attention on the markets and mining of Rare Earth Elements (REEs). China controls the vast majority of the exports for REEs and these minerals are increasingly important in high tech applications (cell phones, defense technology, alternative energy technologies). The stock price of many REE-focused exploration and mining companies went through the roof and companies were able to invest in more programs focused on REE exploration. However, the rush has been subsiding. Subsequently companies are not pursuing agreements for properties as they were a few years ago.

Much of the exploration and mining industry in North America is driven by what are referred to as "junior" companies. These companies incorporate and raise funds through the Toronto or Vancouver Stock exchanges.⁴ Due to the significant economic downturn in 2008 - 2009 and again in 2013, many junior companies found it difficult to raise the capital necessary for advancement of exploration on mineral prospects. Exploration in the north has slowed as a result, and it has been further affected by uncertainties in permitting and environmental review.



REVENUE SHARING UNDER ANCSA: SECTION 7(I) AND 7(J)

ANCSA anticipated that development of the land and resources conveyed to corporations would not happen overnight and that resources are not distributed equally across Alaska. The first article of this series (Part 1: ANCSA and the Bering Strait region, Autumn 2013), reported that ANCSA has a sharing provision that has proven an effective mechanism for redistributing profits from resource development to all regional and village corporations. This provision is commonly referred to as "Section 7(i)." The framers of ANCSA created a specific section that requires a major portion of all proceeds from subsurface resource development to be redistributed to all regional and village corporations. This is a means of insuring that the benefits from development accrue not only to the subsurface owner (regional corporations) but also to the surface owner (village corporations). Section 7(i) of ANCSA also applies to timber resources and requires that 70 percent of all profit from resource development be distributed to all other regional corporations on a per capita basis. Each regional corporation, in turn, must distribute 50 percent of the 7(i) receivables to their village corporations. These annual, semi-annual, or quarterly payments to the village corporations are called 7(j) payments.

In effect, village corporations (surface estate owners) receive 35 percent of all profit generated from any mining, oil, or timber development on ANCSA lands. If a shareholder of the regional corporation is not a member of a village corporation (an "at-large" shareholder), that person receives a portion of the 7(j) funds based on the per-capita formula. It is important to remember where this source of money comes from and that Section 7(i) was an equitable distribution derived from the irregular pattern of resource wealth in the state.

The village corporations and at-large shareholders witness fluctuations in the commodities markets through the varying payments they receive as a result of the 7(i)/7(j) distributions. In the case of BSNC, a check is issued annually to at-large shareholders for their portion of the 7(i) payment to BSNC (payments to village corporations are done quarterly). The amount of the check may vary significantly from year to year as a result of the price of zinc (NANA has the profitable Red Dog Mine), or oil (ASRC). Though the market price of zinc, oil, or timber is reflected in the 7(i) and 7(j) payments, so are the costs of expanding and maintaining the respective resource businesses. In years when the price for the commodity is high and production costs low, the 7(i) payments are high. Payments are low or non-existent when the commodity price or demand drops and/or production costs rise.

Variability in production, the price of commodities, the level of exploratory and mining activity, and the global economy directly impact 7(i) revenue and therefore the bottom line for Alaska Regional Native Corporations.

VARIABILITY IN RESOURCE REVENUES AND PERMANENCE OF THE ANCSA LAND BASE

While the extractive industry holds promise for economic development in Alaska, the volatility of the commodities market and the cost of doing business in the Arctic has effectively checked rapid development of mine projects. While BSNC has endeavored to have exploration programs on BSNC lands, we know that significant inroads must be made towards reducing the cost of power, improving the permitting process, and developing practices and technologies that help mitigate the negative impacts that come with mining.

Mineral exploration will continue as BSNC works toward improving other economic opportunities in the region such as the acquisition of Point Spencer. Protection of the land base for subsistence purposes is paramount, and we are advocating for expanding the opportunities for conservation easements on corporate-owned lands. BSNC sees all of these as important tools or means for ensuring that your ANCSA entitlement is protected and also used to enhance the quality of life for you and the future generations of BSNC shareholders and descendants.

¹The Rock Creek Mining Lease was signed in 2006. Novagold constructed the mine but was unable to bring it into production. BSNC purchased the Alaska Gold Company (Novagold's subsidiary) which included the Rock Creek Mine in November of 2012. BSNC has been evaluating the possibility of re-opening the mine, but current conditions, including the price of gold, indicate that mining there would not be profitable.

²As explained in an earlier installment, BSNC holds nearly two million acres of mineral estate in the region, most of which underlies the village corporations' surface estate.

³Village corporations develop Surface Use Agreements with the exploration companies for access across village lands.

⁴The Toronto and Vancouver exchanges are the primary points for investment in mining in North America. Though many people think Alaska mining is run by Outside or Canadian companies, these companies employ many U.S. citizens in managerial and technical positions.



BSNC shareholder Brandi Oquilluk submitted this lovely photo of fish drying at the Teller Culture Camp.

BSNC PHOTO CONTEST

BSNC is pleased to announce its third annual photo contest for BSNC shareholders, descendants and family members of shareholders. Check out the awards. They're great! Be sure to share this with your friends and family.

Three awards will be made for each category, and a grand prize will be awarded. Submit to media@beringstraits.com.

GRAND PRIZE: IPAD MINI

1ST PLACE: \$50 PRE-PAID VISA CARD

2ND PLACE: BSNC JACKET

3RD PLACE: \$20 AMAZON.COM GIFT CARD

CATEGORIES

- VILLAGE LIFE
- SCENERY AND LANDSCAPE
- CULTURAL ACTIVITIES
- SUBSISTENCE ACTIVITIES
- HISTORICAL

Rules: Photos should be taken in the BSNC region, or be about residents, history and culture of the region. Contestants must be shareholders or descendants/family members of shareholders. All photos submitted for this contest may be used in BSNC newsletters, annual reports, other printed material, web page or Facebook postings. The deadline is March 15. The winners will be announced on BSNC's Facebook page on March 20.

Only digital images will be accepted and they must be no smaller than 750k (.75 meg) or larger than 8MB. Photos must be accompanied by the photographer's name and address, location where the photo was taken and should state which category the photo should be entered into. Submission of entries will serve as acknowledgement and acceptance of all contest rules.

ANSEP SEEKING APPLICANTS

UAA's Alaska Native Science and Engineering Program (ANSEP) offers many opportunities for Native students who are interested in careers in science, technology, engineering and mathematics. The retention rates at ANSEP are very high, and there are many benefits that accompany the program. Applications are currently being accepted for ANSEP's:

- Acceleration Academy for high school freshmen, sophomores and juniors
- Summer Bridge program for current high school seniors
- ANSEP's University and Graduate Success Program
- Middle School Academy

Please share these great opportunities with your friends and family. Learn more and apply by visiting www.ansep.net.



BSNC CAN HELP SHARE YOUR COMMUNITY NEWS

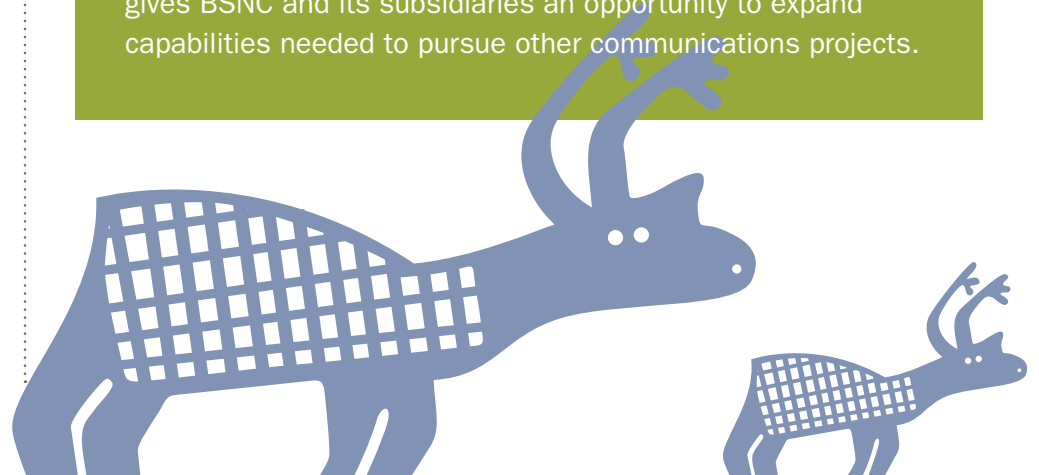
Do you know of an upcoming activity happening in your Bering Strait region community that you would like to share in the BSNC newsletter or on BSNC's Facebook page? Email media@beringstraits.com to help get the word out.

BSLS AWARDED SECURITY SERVICES CONTRACT

The U.S. Navy awarded Bering Straits Logistics Services a five-year contract to provide security services at Kings Bay Submarine Base at St. Mary's, Ga. The StQR Mary's Submarine Base is one of the U.S.'s top Navy nuclear submarine bases. The contract will be staffed by 40 full-time and 35 part-time armed security guards who will patrol the base's gates and waterways. The contract began Dec. 1, 2014.

GTS AWARDED CONTRACT

The U.S. Navy awarded Global Technical Services (GTS) a one-base-year, four-options contract to maintain and operate the telecommunications system at China Lake Naval Weapons Center. The contract began Jan. 1 and is staffed by 11 employees in the Mojave Desert, Calif. This contract gives BSNC and its subsidiaries an opportunity to expand capabilities needed to pursue other communications projects.



BSNC NEWS

SCHUBERT REELECTED TO NACA BOARD

BSNC President & CEO Gail Schubert was reelected to the Native American Contractors Association (NACA) Board of Directors. Formed in 2003, NACA is a 501(c)6 trade association located in Washington, D.C. that advocates on behalf of NACA members, tribes, Alaska Native Corporations (ANC), and Native Hawaiian Organizations (NHO), on issues relevant to federal contracting. NACA legislative efforts are focused on protecting and enhancing opportunities for Native government contractors and being the voice of Native 8(a) in Washington, D.C. Schubert has served on the NACA Board of Directors since 2007.

As a board member of NACA, Schubert is committed to seeing that NACA's mission to enrich self-determination through preservation and enhancement of government contracting participation based on the unique relationship between Native Americans and the federal government is fulfilled.



Working to Enhance the Economic Self-sufficiency of America's Indigenous Peoples

BSNC IS HIRING

BSNC, its subsidiaries, affiliates and joint ventures continue to actively seek to hire qualified shareholders, descendants, shareholder spouses and Alaska Native people to fill available positions. In addition to career opportunities in Alaska, BSNC has open positions at locations across the United States. Learn more about joining BSNC's team by visiting www.beringstraits.com/careers.

VILLAGE LIFE STORIES

Shareholders encouraged to submit stories

BSNC has launched the Village Life Stories Project, an initiative to share the Bering Strait region's rich cultural history. BSNC shareholders are invited to submit stories of personal experiences about growing up and life in the village to media@beringstraits.com. Photos are not required but encouraged. Story entries must be accompanied by the author's name, hometown and a story title. Selected stories will be shared on a BSNC web page and our Facebook page. Submit stories to media@beringstraits.com.

BERING STRAITS FOUNDATION NEWS

UPCOMING DEADLINES FOR FALL 2015

- GRADUATING HIGH SCHOOL SENIORS MUST APPLY BY APRIL 30.
- NEW OR CONTINUING STUDENTS MUST APPLY BY JUNE 30.
- VOCATIONAL STUDENTS HAVE A FLOATING DEADLINE OF TWO WEEKS BEFORE THE START OF TRAINING.

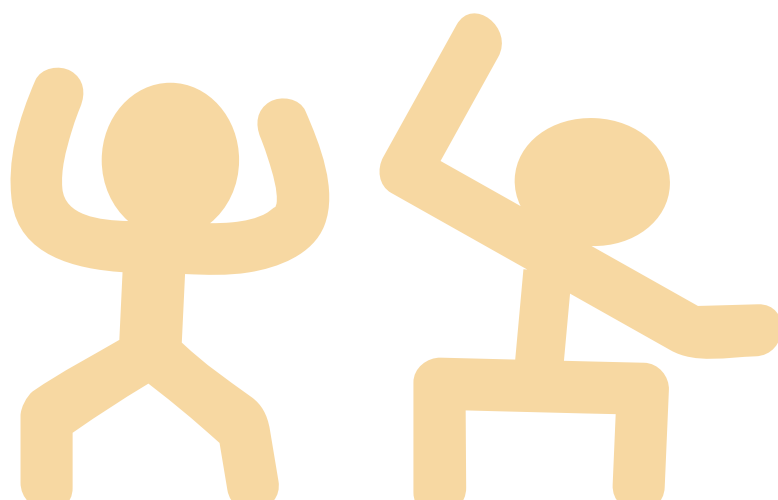
Summer funding is not available at this time. BSF prefers that all applications and documents are submitted via email (in PDF format) to foundation@beringstraits.com. Because BSF continues to partner with the Sitasuak Foundation (SF), only one application and copies of documents should be submitted to BSF and SF. More information and applications can be found at beringstraits.com under the Foundation tab. BSF encourages students to check online before each term to get the most up-to-date application. Should you have any questions, please contact Marilyn Koezuna-Irelan at mkoezuna-irelan@beringstraits.com (907) 443-4305 or Chrystie Salesky at csalesky@beringstraits.com (907) 443-4316.

PROGRAM OFFICER HIRED

The Bering Straits Foundation has hired BSNC shareholder Marilyn Koezuna-Irelan as its program officer. Koezuna-Irelan is also currently an adjunct professor for Northwest Campus teaching kuspuk and parka classes.

She graduated from Nome-Beltz High School. She proudly attended the Gonzaga-in-Florence Italy program and is nearing completion on a degree in history at the University of Alaska Fairbanks. She has served as president of King Island Native Corporation and chief of King Island Native Community.

Koezuna-Irelan is a first generation Ugiuvagmiu (King Islander) raised on the main land. Koezuna-Irelan was raised to be traditionally knowledgeable about where to find edible plants and berries. She can butcher walrus and ugruk (bearded seal) and make seal oil the Ugiuvagmiu way. She raised three children in Nome with her husband Hank Irelan and she and her husband are proud grandparents to seven grandchildren.



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THE AGLUKTUK

Winter 2015

NORTHWEST INFO MEETING

Shareholders who attend the information meeting will hear a report on the previous year's business operations and have an opportunity to ask questions, and meet BSNC staff and board directors. Please RSVP by March 24, 2015, by calling Rose Koezuna-Clark at (907) 443-5252 or emailing her at rkoezuna@beringstraits.com. It is important that we have an accurate count for food and beverages, and we ask that you please RSVP to let us know if you will be attending.

**NORTHWEST INFORMATION
MEETING**

TULALIP RESORT CASINO
10200 QUIL CEDA BOULEVARD
TULALIP, WASHINGTON 98271



BSNC held a complimentary holiday bazaar for shareholder and descendant artists in Anchorage.

