



Shareholder

A quarterly newsletter from Sealaska

Connecting with Culture at Kasaan Whale House

The community of Kasaan is celebrating the completion of restoration work on a large clan house, Chief Son-I-Hat Whale House (*Náay I'waans*). The Kasaan Haida Heritage Foundation states it's the most valuable cultural asset in the village of Kasaan. The foundation is a nonprofit organization dedicated to the cultural heritage of Kasaan Haida people.

The original Whale House was built in 1880 in Old Kasaan. In 1938, the clan house was rebuilt and stands in new Kasaan, about a mile from where the first house was built. The Whale House includes a frontal pole with eight additional restored and original poles.

Frederick Olsen is the tribal vice president of the Organized Village of Kasaan. Olsen says most likely the eight totem poles were originally carved in 1880 in Old Kasaan and brought to the new Whale House site.

The only Haida clan house in Alaska was in danger of being lost due to deterioration. Restoration work began in 2002, when the site was designated as a National Historic Site.

Lead carver and construction manager, Stormy Hamar, says working on the project has provided some fascinating moments and glimpses in to the past. His team has seen almost every adz mark or notch made in the wood 80 years ago. One powerful moment for the team was reviewing old photographs of the rebuilding that began in 1938 and realizing that they were taking the same footsteps as their ancestors did 80 years ago.

A re-dedication of the Whale House was held September 3, 2016. Sealaska congratulates the community of Kasaan and is proud to strengthen our people, culture and homelands by being a donor to this important piece of Haida culture.



Breaking Ground on a New Long House in Hydaburg

A groundbreaking ceremony was held for a new long house in Hydaburg, Alaska. The new community gathering place is replacing the Alaska Native Brotherhood Hall that once stood there.

Sealaska directors approved a \$20,000 contribution toward the project. Other partners on the project include the Rasmuson Foundation, Hydaburg Corporation, the City of Hydaburg and the Four Square Church.

Sealaska also made log donations to the community of Hydaburg supporting totem projects, construction of a long house and wellness totems. In all, 13 red cedar logs have supported the community of Hydaburg.



Chair Joe Nelson thanks the community of Hydaburg for providing cultural inspiration to other communities. Photo courtesy of Susie Lee Edwardson.

Business Update

SEALASKA GOVERNMENT SERVICES PROJECT SPOTLIGHTS

LEAD SUBSIDIARY: SEALASKA CONSTRUCTORS, LLC
LOCATION: MARYLAND

Sealaska Constructors is partnering with the U.S. Army Corps of Engineers on the Pearce Creek Dredge Material Containment Field. The property holds Chesapeake and Delaware Canal dredged material. Sealaska Constructors is preparing a containment liner at the 250-acre site with a synthetic membrane that will hold approximately 4.0 million cubic yards of dredged material since the 1930s. The image shows an aerial view of the field with about one-third of the membrane structure completed. The new membrane lined field is protecting the quality of groundwater. Water quality is a key area of growth for Sealaska, as it ties closely to our goals around sustainable marine resources.

LEAD SUBSIDIARY: SEALASKA CONSTRUCTION SOLUTIONS
LOCATION: SE ALASKA AND THE PACIFIC NORTHWEST

Sealaska Construction Solutions won its first two contracts with the U.S. Forest Service Alaska Region and the National Oceanic and Atmospheric Administration. These multi-year contracts are in alignment with Sealaska's focus on land, water and energy services. It also highlights our commitment to increasing shareholder opportunities in Alaska and the Pacific Northwest.



Pearce Creek Confinement Disposal Facility

CERTIFICATIONS AND CONTRACT AWARDS

SEALASKA ENVIRONMENTAL SERVICES (SES)

SES provides environmental remediation services to the Department of the Army (DA), Joint Base Lewis-McChord (JBLM) Yakima Training Center. As a result of excellent work performance, SES has secured an additional contract through the end of 2017. The Army facility is used for maneuver training, land warrior system testing and a live fire exercise area.

ECODATA ANALYTICS

Ecodata Analytics is a business that intends to perform data analytics for natural resource-based federal agencies. Ecodata Analytics is a new Sealaska Government Services "tuck-in" business that was certified 8(a) by the Small Business Administration. As a result, Ecodata can receive sole-source contracts, up to a ceiling of \$4 million for goods and services, with opportunities to enhance wildlife and land management through technology.

Sockeye Science Camp Piques Descendants' Interest in Science Careers

Sealaska has partnered with Seattle organizations during the last four summers to bring science, technology, engineering and math (STEM) programming to Tlingit, Haida and Tsimshian youth. The ultimate goal is to inspire students to connect with science so that they can prepare for potential careers at Sealaska and beyond. More and more, Sealaska's operations are tied to the health of our land and waterways, requiring staff with backgrounds in science. To learn more about the 2017 Sockeye Science Camp Program, please email: youthprograms@sealaska.com.



Campers and mentors investigate the relationship between the diversity found in the water and the health of the water.

CEO Letter



Anthony Mallott, CEO

Dear Shareholders,

As part of Sealaska's 2012 strategic plan we are focused on a short-term goal, that business profit will more than cover all our costs including cultural and community related activities. This will allow investment and ANCSA Section 7(i) income to provide increased shareholder benefit and sustainable business growth.

We are making progress and are

aiming to reach our goal of profitability before ANCSA Section 7(i) and investment income in 2017.

A significant part of the success created to date and the ability to sustain business improvements into the future is a commitment to operate within relevant industries that address critical issues of water, marine habitat and food. Our plan to invest in businesses that fit with our Native values and knowledge resonates with our shareholders and business partners. This long-term commitment will allow our values to attract quality business opportunities and provide a competitive advantage as we grow existing companies and invest in new ones.

To help define the definition of relevancy is the recent work by Sealaska Constructors. The Sealaska Constructors team is helping salmon return home in the Elwha River located in Olympic National Park. The Elwha ecosystem restoration project hopes to restore what was once a legendary king salmon run. It's been more than 100 years since salmon returned to their historic habitat. This work resonates with our shareholders, ties us to our cultural values and allows us to benefit from the knowledge and strength of our ancestors. We have other accomplishments to share as well; please see page two for more business updates.

Because of our ANCSA land holdings within our traditional homelands, Haa Aaní, LLC will always be a core, relevant business for Sealaska.

Haa Aaní, LLC encompasses all of our land, management and natural resource efforts (see Q2 newsletter). Our commitment within Haa Aaní is to create a balanced land management approach that is lead by our Native values and creates financial, cultural and community benefit from our land. A strategy to operate a smaller scale harvest that will help transition the Southeast Alaska timber industry to a long-term sustainable second growth industry is part of this approach. The Haa Aaní team will always work to increase opportunity from our land and are pursuing additional projects like carbon sequestration, while also focusing efforts on workforce development.

Salmon and our traditional homelands have sustained our families for generations, which drives the relevancy of projects, such as restoring salmon runs and the priorities we are pursuing within Haa Aaní.

Salmon remains a big part of my family's life from commercial and subsistence fishing to sharing a favorite salmon recipe with family, friends or coworkers. When we honor the lessons passed down to us from our ancestors, whether at work or home, we are ensuring that Native values and knowledge guide our actions.

As always, I hope you will reach out to us with any questions you might have.

Sincerely,

Anthony Mallott

STRATEGIC PLAN



Meet the 2016 Sealaska Interns

A big thank you to this year's Sealaska interns! Learn more about their backgrounds and the internship program at www.Sealaska.com. **Gunalchéesh | Háw'aa | T'oyaxsism**



KRISTA BONTRAGER

Tlingit, *Ch'aak'/Gooch naa, Yanyeidi*

Internship: Accounting/Juneau

Education: Fort Lewis College



MARISSA BRAKES

Tlingit, *Yéil, Gaanax.teidi*

Internship: Legal/Juneau

Education: Boise State University



LYNDSEY BROLLINI

Haida, *Yéil*

Internship: Human Resources/Seattle

Education: University of Washington



CHLOEY CAVANAUGH

Tlingit, *Ch'aak', Kaagwaantaan*

Internship: Building Management/Juneau

Education: Cottey College



NICOLE GEORGE

Tlingit, *Yéil, Deisheetaan (House: Gòon Hit)*

Internship: Sealaska Heritage Institute/
Juneau

Education: Pacific University



MITCHELL HALDANE

Tlingit, *Wooshkeetaan, Tsimshian*

Internship: Natural Resources/Juneau

Education: Central Washington University

“My job was to assist and teach the next generation of leaders the ways of our ancestors. Watching young students grow and find a great love for their culture is a precious and inspiring sight to see.”

Nicole George, 2016 Sealaska Intern



CAITLIN HARDER

Ch'aak'

Internship: Communications & Marketing/
Seattle

Education: Cornell University



TAMMY KEITH

Tlingit, *Yéil, Frog Kiks.ádi*

Internship: Sealaska Constructors/Seattle

Education: University of Alaska Fairbanks



REBECCA MEDICINE EAGLE

Tlingit, *Raven/Gaanaz.ádi, Killer Whale (House: Native Village of Saxman)*

Internship: Sealaska Environmental
Services/Poulsbo

Education: University of Washington, Tacoma



KEVIN O'NEAL SMITH

Tlingit, *Yéil, Gaanax.teidi*

Internship: Finance & Investments/Juneau

Education: Fort Lewis College



CODY PARTIN

Tlingit, Yéil, Kiks.ádi

Internship: Information Technology/Juneau

Education: Arizona State University

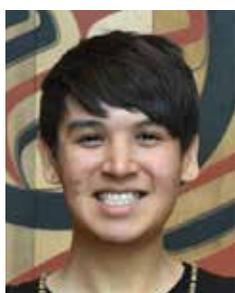


CHRYSTAL POINTER

Haida, Yéil, Yáahl

Internship: Sealaska Environmental Services/Poulsbo

Education: Washington State University



DAVID RUSSELL-JENSEN

Tsimshian, Gisbudwada, House of Niisluut

Internship: Sealaska Heritage Institute/Juneau

Education: University of Alaska Southeast



KAYLA SHEWBERT

Tsimshian, Gisbudwada, House of Niisluut

Internship: Accounting/Seattle

Education: University of Washington

“I have been able to broaden my horizons personally and professionally by establishing new skills, relationships, and a more passionate appreciation for Alaska Native culture and history. “

Kevin O'Neal Smith, 2016 Sealaska intern



TYLER TAJON

Tlingit, Yéil, L'eeneidí

Internship: Communications & Marketing/Juneau

Education: Portland State University



GINO THOMPSON

Ch'aak'

Internship: Sealaska Technology Services/Richland

Education: University of Washington



KARI WHITNEY

Tlingit, Yéil, T'akdeintaan (House: Snail)

Internship: Records & Archives/Juneau

Education: Washington State University

Sealaska's internship program is part of our commitment to provide educational and employment opportunities for our shareholders and descendants. If you are interested in the program, you can find more information at www.Sealaska.com.

News from Sealaska Heritage Institute



PHOTOS: left to right, top to bottom. **1.** Graduation ceremony for SHI's Tlingit language mentor-apprentice program included teams from Yakutat, Sitka, Hoonah, Kake and Juneau **2.** SHI's Math and Culture Academy students learning how to deduce the length and weight of a halibut by taking measurements of a halibut head and plugging the data into a formula **3.** SHI's annual Latseen Leadership Academy in Angoon with students from Craig, Klawock, Angoon, Juneau and the Lower 48 **4.** SHI's Voices on the Land program, which improves literacy skills through performing arts and digital storytelling **5.** Children at SHI's Baby Raven Reads Gumboot Camp, a school-readiness program **6.** *Shungukeidi* Clan Leader meeting teachers at a cultural orientation **7.** Athletes at SHI's Latseen Hoop Camp **8.** Runners at SHI's Latseen Running Camp

ASSISTANT PROFESSOR, LANGUAGE ADVOCATE, CHOSEN FOR JUDSON BROWN SCHOLARSHIP

A well-known language advocate and assistant professor of Alaska Native languages at UAS has won SHI's 2016 Judson L. Brown Leadership Award. The recipient, Lance (*X'unei*) Twitchell, has helped to lead a high-profile effort in recent years to revitalize Alaska Native languages. "Lance is a rising star and leader in the realm of Native language revitalization. He is working in our institutions to bring systemic change, and he is teaching the Tlingit language to his children at home," said SHI President Rosita Worl. "For the first time in many, many years we are witnessing the existence of bilingual children who speak their Native language along with English. Lance is not only doing that himself, he is forging a path to help other young parents raise bilingual children." The \$5,000 scholarship goes to individuals who have demonstrated academic achievement and leadership skills, and only one person wins the annual award. The endowment was founded in 2006 by Chris and Mary McNeil.

INDIAN POINT RECOGNIZED AS HISTORIC PLACE

SHI has prevailed in a decades-long effort to list the sacred *X'unáxi* (Indian Point) in Juneau in the National Register of Historic Places, making it the first traditional cultural property in Southeast Alaska to be placed on the register. The recent announcement by the National Park Service means that the federal government recognizes the roughly 78-acre site as a historic place worthy of protection under the National Historic Preservation Act. The Auk Tribe, the Alaska Native Brotherhood and Alaska Native Sisterhood, Sealaska Heritage Institute, Sealaska, Central Council of the Tlingit and Haida Indian Tribes of Alaska, the Douglas Indian Association and many others have fended off proposed development of the area also known as Auke Cape for more than 50 years, said SHI President Rosita Worl. "Indian Point is as important to Native people as Plymouth Rock, Abraham Lincoln's log cabin and the Statue of Liberty are to Westerners. For nearly 60 years Native people have fought to protect Indian Point, and at long last the federal government has recognized that this area is sacred and is worthy of protection," said Worl.

SEALASKA TOOK ON THE RESPONSIBILITY of protecting and strengthening Southeast Alaska Native culture, the "container of wisdom" left by our Elders. As a result, Sealaska established **Sealaska Heritage Institute** in 1980 to administer cultural and educational programs. Since inception Sealaska has donated roughly \$30.6 million in cash donations and in-kind services to Sealaska Heritage Institute.

A recent study found that for every dollar invested by Sealaska over the last nine years, SHI generated more than two additional dollars, in addition to providing employment and contract opportunities for more than 50 shareholders annually and incalculable educational and cultural benefits.

Sealaska Scholarship Awards Announced for Shareholders and Descendants

Sealaska has announced scholarship awards for the 2016-2017 academic year. Approximately \$416,000 in scholarship funds will go to 383 students. The scholarship program is managed by Sealaska Heritage Institute and has been funded by Sealaska since the early 1980s.

David Russell-Jensen is one of the 383 students. Russell-Jensen is attending the University of Alaska Southeast (UAS) where he is studying Tlingit language and anthropology. He says scholarships and UAS programs like the Come Home to Alaska program are allowing him to attend school debt free. "I have benefited from staying home and receiving Sealaska scholarships all four years of my undergraduate degree," said Russell-Jensen. For all college students he has a message: "Yeeyangadlaak, may you succeed."

Supporting Sealaska shareholder and descendant education endeavors is a priority, said Sealaska President and CEO Anthony Mallott. "As our sustainable businesses grow, so will career development opportunities for our shareholders in the Pacific Northwest and Alaska," said Mallott.



Ryan Walker is a proud and appreciative recipient of Sealaska, Goldbelt and Huna Heritage scholarships. He graduated from Georgia State University with a Master of Science in geology in May. After completing two tours in the U.S. Army in Iraq and Afghanistan, he was honorably discharged with the rank of sergeant. Walker is Raven/Tlingit of the *Takdeintaan* clan and *Xaakw' Hit*.

Landless and Native Veterans Legislative Update

Sealaska advocates on federal and state legislation that impacts shareholders and Southeast Alaska Native communities.

Current efforts include:

- S. 3273 - Alaska Native Claims Settlement Improvement Act of 2016 (ANCSA technical amendments package) introduced by Senator Lisa Murkowski, July 14, 2016 (combines H.R. 2387, S.872 and other bills into a package). Originally introduced as S. 3004 on May 26, 2016.
- H.R. 2387 and S. 1955 - Alaska Native Veterans Land Allotment Equity Act introduced by Congressman Don Young in the House and Senators Dan Sullivan and Lisa Murkowski in the Senate (attached to ANCSA technical amendments package).
- H.R. 2386 and S. 872 - Unrecognized Southeast Alaska Native Communities Recognition and Compensation Act introduced by Congressman Young in the House and Senators Murkowski and Sullivan in the Senate (attached to ANCSA technical amendments package)

Sealaska leadership will continue to advocate for Alaska Native Veterans Allotments and finalizing a settlement for the five unrecognized communities. Senator Murkowski's ANCSA technical amendments package also includes:

- Approving a Sealaska land exchange of subsurface acreage under land currently owned by Shee Atiká on Admiralty Island for alternative lands on Prince of Wales Island. Shee Atiká is seeking to sell its surface ownership to the federal government.
- Amending definitions in the Tribal Forest Protection Act, the National Historic Preservation Act and the Native American Graves Protection and Repatriation Act (NAGPRA) to allow participation of Native corporations in those programs.
- Requests the Interior Department Secretary to organize a meeting of the 13th Regional Corporation shareholders.

In Memory

Sealaska pays tribute to shareholders who have recently walked into the forest.

Alexander M. Arriola – Ketchikan, AK (56)
Marilyn W. (Jim) Briseno – Juneau, AK (57)
Edward D. Casey – Anchorage, AK (76)
Diane Church – Juneau, AK (79)
Patrick W. Crane – Barre, VT (65)
Marian J. Dewitt – Anchorage, AK (94)
Theodora Eaton – Bellingham, WA (84)
Theo M. (Cook) Hayden – North Pole, AK (57)
Stephen C. Hemstock – Wenatchee, WA (52)
John Howard Sr. – Angoon, AK (86)
Paulette M.E. James – Sitka, AK (17)
Kevin M. Johnson – Anchorage, AK (53)
Candace B. (See) Madrid – Denver, CO (70)
Leonard R. Matthews – Rochester, WA (85)
Ruth F. (Buxton) Snook – Seattle, WA (85)
Denni L. Staheli – St. George, UT (76)
Christine A. Vavalis – Juneau, AK (63)
Roberta J. Whitesides – Ketchikan, AK (54)
Nancy L. Willard – Seattle, WA (38)
Kimberly A. Williams – Anchorage, AK (56)
Theresa L. Williams – Fairbanks, AK (48)
Floyd Duane Wilson – Bellingham, WA (68)
George B. Young – Juneau, AK (40)

Please note that Sealaska will publish shareholder names only after the Shareholder Relations Department has received proper documentation.

2016 FINANCIAL UPDATE

Financial results for 2016 are still expected to meet budgeted net income around \$15 million as presented during the annual meeting business report (see sealaska.com for annual meeting recap).

The main income sources of ANCSA Section 7(i), investments and business operations continue to track close to the plan levels that we have been providing in our financial updates for the last few quarters.

- ANCSA Section 7(i) income will be down significantly because of a drop in commodity prices (see below for effect on shareholder dividends).
- Investment income should show improvement over 2015, but is the toughest income source to forecast given investment market volatility.
- Business operations will show continued improvement over 2015 across all of our business units, natural resources, government services, seafood and natural foods.

The December 2016 distribution of ANCSA Section 7(i) income to village corporations and urban and at-large shareholders will be about half of the distribution from December 2015, which was \$9.20 per share.

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Our **PURPOSE** is to strengthen our people, culture and homelands.

Our **VISION** is to be an Alaska Native enterprise of excellence built on our core cultural values.

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