September 2015



THE MIDNIGHT SUN

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LETTER FROM CEO

Dear Shareholders,

This past summer was my first living in the Arctic. I am amazed by the pleasant weather, the abundance of salmon and the warm welcome by the community of Kotzebue. Photography is my passion, and Kotzebue and its people served as a beautiful focus of my photos this summer. In fact, I snapped many of the photos in this newsletter. So a big thank you to the Kotzebue community for your kindness and inspiration.

The summer was a very busy and productive time for Kikiktagruk Iñupiat Corporation (KIC). The KIC team is working hard for our customers, like the National Institute of Health in Bethesda, Maryland, the U.S. General Services Administration in Brownsville, Texas, and Shell Oil in Kotzebue. KIC is also actively pursuing new contracting opportunities. I hope to announce new customers and several new contract awards in the coming months.

The key to successfully winning and executing contracts is having the right team. In an effort to strengthen our ability to meet the aggressive goals set by the KIC Board of Directors, we hired a number of key personnel. Kathy Merrick, formerly with Afognak Native Corporation, began working as our new CFO in June. With strong leadership from Kathy and several other new employees in the accounting and finance department, the company's ability to manage and report on our financial performance is the strongest it has ever been.

I look forward to a geat fall.

Sincerely,

Will Anderson President/CEO Mike R. Sheldon, Jamie Hawley Sr., Linus Ballot, Anthony Russ, Rosswell Stalker, Danny Foster, Russell Adams Jr., Seymour Tuzroyluke III, Mahlon Ferreira, John Washington, Enoch Sheidt Jr., Gary Savetilik, Allen Geffe



MIDNIGHT SUN GLOBAL SERVICES



Midnight Sun Global Services (MSGS) is the newest subsidiary in the KIC family of businesses. MSGS was formed to provide services to the oil industry – and specifically to Shell.

We have three contracts related to Shell. The first is to provide Iñupiat communicators with the ability to keep local subsistence hunters and fishers aware of Shell's activity and the other way around. This is similar to a contract we had with Shell in 2012. We are working with Ukpeagvik Iñupiat Corporation (UIC), which has overall administration



of all call centers from Nome to Barrow. In addition to Kotzebue, we have a center in Kivalina and

one in Deering. Each center has three full-time staff and one stand-by person. Brenda Geffe is the supervisor and has been doing an excellent job of organizing the program and staff.

Our second contract is through UIC's Arctic Response Services (UIC-ARS), which is contracted with Shell to train and provide spill-response staff. The concept is similar to hot-shot fire crews. Our first crew consisted of five people from Kotzebue, five from Deering/Buckland and five from Kivalina. The first training block was to provide a Hazardous Waste

MSGS

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Operations and Emergency Response Standard certificate. This session was held in Kotzebue in late May and was quite successful. Following that, UIC-ARS asked us to send seven of our group to Anchorage for further training in its home facility. This block of training took place June 23-24. The goal of this program is to develop a pool of 45 to

60 trained responders from the region. The training opportunities will continue throughout the year.

The last contract we have is as a subcontractor with NANA Management Services (NMS). Shell was very clear that they wanted NANA and KIC to work together, which is exactly what we are doing. MSGS worked closely with Ted Mala of NMS to respond to the original request for proposal and we are now working closely with Cathleen (Vestal) Mala, who is the contract administrator. For this work, we are providing offices, laydown yards, equipment and staff to provide Shell staff with ground transportation and logistical support to supply the spill-response fleet that will be located in Good News Bay with groceries and waste-management services. The work will continue through October. All staff but

one are local and/or NANA Shareholders.

SHAREHOLDER MEETING AND ANNUAL MEETING

KIC held its informal Shareholder meeting on August 17 and we are gearing up for our annual meeting on October 26 in Kotzebue. Exact time and location will be announced soon. There are three seats up for election to the Board of Directors, and we will report on our CY2014 audited financial results.

Board Chair Cheryl Edenshaw gets the informal Shareholder meeting started.

Door-prize winner Adolf Shaglo

largaret H_{ansen}, one of KIC's newest Board Membe_r

reholde

EMPLOYEE SPOTLIGHT:

chumacher

Daisy Schumacher started working for KIC as an accountant in October 2010. This is the first time she's worked at a for-profit Native corporation. She has a background working for nonprofit tribal entities as accountant/ office manager. One of her most interesting endeavors was starting a tribal bingo hall. In one of the better years, the bingo hall grossed about \$1.5 million. Before going to school for accounting, Daisy was a master control room operator in both public and commercial television stations, starting at KYUK in Bethel, where she learned to direct newscasts and do live remotes. When she moved to Joplin, Missouri, she joined a commercial station, where she learned to edit commercials and got to meet both "Ernie" from the "Ernie Goes to Camp" movie and legendary DJ Kasey Kasem. Borough Mayor, Reggie Joule, Shareholder



SHAREHOLDER SPOTLIGHT: CORDELLA MENDENHALL-SMITH

Cordella Mendenhall-Smith is a KIC and NANA Shareholder, born and raised in Kotzebue to William and Myrna Mendenhall. She and her husband have nine children and seven grandchildren

together. She is just seven elective credits away from her bachelor's degree in business administration management and has about 15 years of experience in the human resources, payroll and benefits departments within Alaska's various industries, such as oil and gas, tourism, mining and government contracting.

Cordella started her career working in two part-time jobs at NANA Management Services and (former) NANA Corporate Services. She began her college education eight years ago because she knew that having a college degree would take her further in her career. Throughout her career and education, she has gained a lot of knowledge, skills and abilities to build on and she enjoys learning as much as she can. Although she has not lived in Kotzebue for over 20 years, she has kept up on what is going on in the region by researching and writing papers in her college studies.

Since she was hired by KIC, she has used her education and experience to bring the Human Resources Department up to where it should be to serve our customers with experienced and qualified employees. To her, the many challenges she faces every day is worth it because she gets to work with our people in the region and help others to know and understand how important they are to KIC and the Shareholders.

Tina Hensley, May Douglas, Judy Huss, Molly Sheldon

Far right, Willie Goodwin

Kaila Short crosses the finish line

OUR IÑUPIAQ VALUES: RESPECT FOR NATURE

Warm weather was an invitation to clean up our properties and surrounding areas. This season, KIC had two Shareholder Descendant helpers joining the cause. Casey and Cale Stoops of Kotzebue dedicated a windy Saturday afternoon in mid-May to picking up dumpster debris and other litter around KIC's teacher housing complex and down Mission Street. In total, they helped pick up close to 30 bags of garbage.

Cale Stoops

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In loving memory OF ALL OUR DEARLY DEPARTED SHAREHOLDERS Kikiktagruk Iñupiat Corporation (KIC) P.O. Box 1050 373A 2nd Avenue Kotzebue, Alaska 99752

WE NEED YOUR ADDRESS

Planning a move? Update your address by emailing Julie Sampson at jsampson@kikiktagruk.com.

PRESIDENT OBAMA VISITS KOTZEBUE



KIC CEO Will Anderson, Board Member Calvin Schaffer and Board Member Claude Wilson Jr. and others listen to the president. Photos by Chris Arend Courtesy of NANA Regional Corporation