

A Message from the Board of Directors



On The Hunt...

The Eyak Corporation
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Dear Shareholders,

We hope you and your loved ones had an enjoyable summer and we wish you a productive fall. It was great to visit with many of you in Cordova earlier this month. As you'll see in the following pages, we had a busy schedule, with a Land Committee meeting, Board meeting, Shareholder Informational meeting, and silent auction to benefit our non-profit, The Eyak Foundation.

During its in-person meeting on September 7, the Board:

- Elected the following Board Officers:
 - ◇ Chair – Martin Parsons
 - ◇ President – Nancy Barnes
 - ◇ Vice Chair – Brooke Johnson
 - ◇ Vice President – Jerry O'Brien, Jr.
 - ◇ Secretary – Rocky Dolfi
 - ◇ Treasurer – Rikki Addy;
- Reviewed the Board's five-year strategic plan and 2019 annual priorities;
- Discussed subsidiaries, current investments, and 2019 year-to-date financials;
- Received updates and acted on recommendations from the following committees: Communications; Finance/Investment; Governance; Land; and Shareholder Advisory;
- Approved a Shareholder and Descendant Talent Bank Form, as recommended by The Eyak Foundation;
- Approved amendments to TEC's Bylaws, as recommended by the Governance Committee;
- Received an update on the Eyak Benefits Trust;
- Received an update on ethics and compliance; and
- Received an update on The Eyak Foundation.

As we all know, Cordova is a special place. The Board looks forward to meeting there each year.

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Management Report, by Rod Worl

WELCOMING NEW SHAREHOLDERS

Jolene Campbell
Brody Donaldson
Joshua Donaldson
Zachary Donaldson
Kaila Hawley
Jacqueline Makarka

It was my pleasure to provide the Eyak Management Report at the Cordova Shareholder Informational meeting on September 7. During that report, I discussed The Eyak Corporation's: government contracting business; settlement trusts; and our Anchorage and Cordova operations.



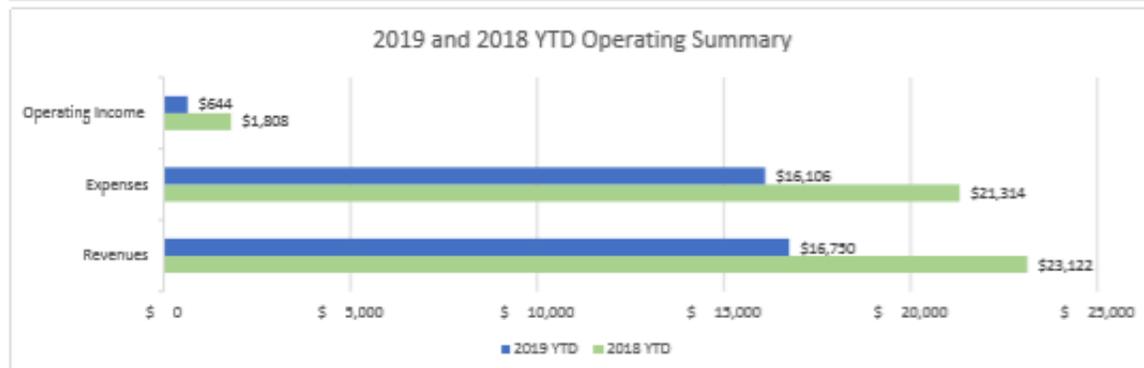
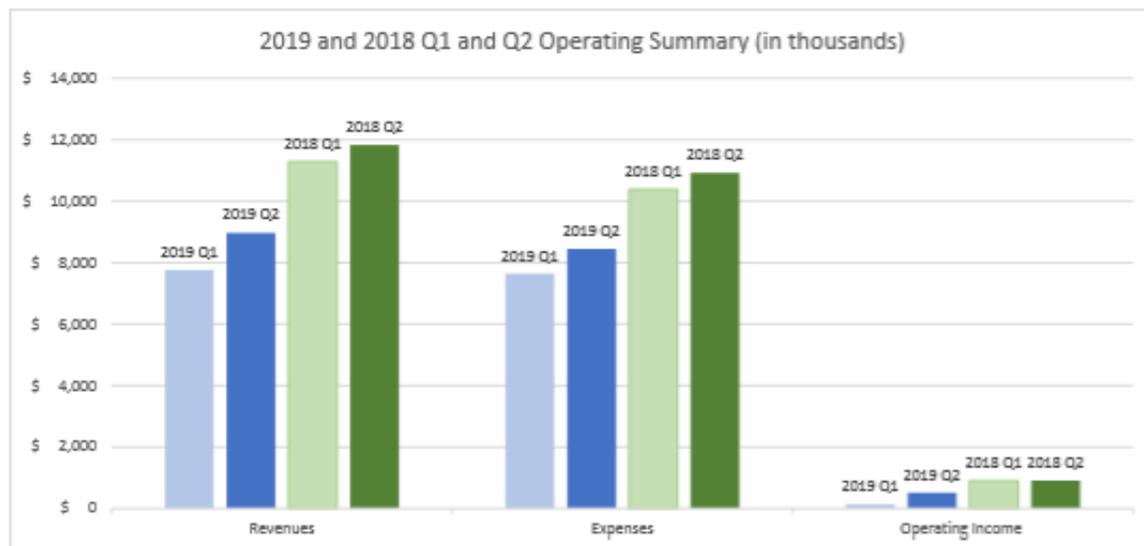
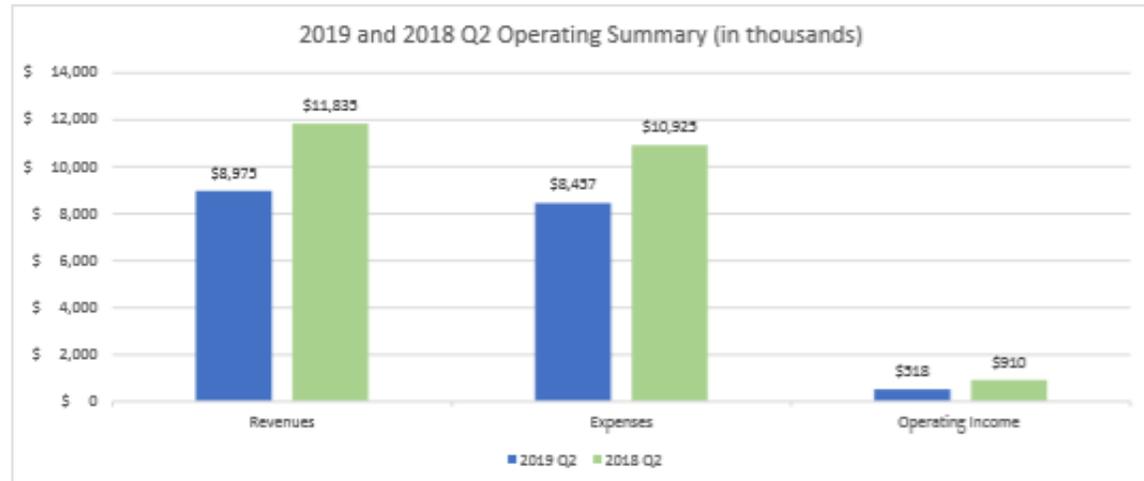
I also spent a significant portion of my presentation on Eyak's investments. As spotlighted in our Shareholder newsletters these past two years, TEC has made several investments outside of our government contracting business lines to increase the corporation's financial security through diversification of assets and income. Those investments include acquiring ownership interests in the following entities: Alaska Glacier Products; Baxter Senior Living; Heather's Choice; and Native American Bank. Your Board and Management expect these investments to provide long-term financial returns and opportunities for Shareholder hire. The investments are already bearing fruit- we recently learned that Baxter Senior Living has hired a Shareholder and a Shareholder spouse.

Another investment I provided an update on is the Fire Watch pilot project. Eyak and our partner Integrated Robotics Imaging Systems, Ltd., are attempting to develop a cost-effective solution to spot small fires in an urban setting. The goal is to detect fires at a very early stage to provide first responders an opportunity to contain the fires before they become uncontrollable. Anchorage is at high risk for a wildfire and is thus a perfect location to test and pilot new technology to accomplish this goal. In 2019, two fire watch towers (with cameras) have been installed in Anchorage and the pilot project is underway.

We are taking a step-by-step approach on the pilot project to minimize risks while building a solid reputation in this emerging industry. With each step we become more confident in the technology and more comfortable dedicating resources to the investment. We hope that eventually other Alaska Native Corporations, cities, municipalities, villages, government agencies and other states will find our systems useful, while diversifying our business lines and adding a new source of income.

2019 Operating Income Summary
For the Quarter Ended June 30, 2019 with Comparative Totals for the Prior Year (unaudited)

(in thousands)	<u>2019 Q1</u>	<u>2019 Q2</u>	<u>2019 Q3</u>	<u>2019 YTD</u>	<u>2018 Q1</u>	<u>2018 Q2</u>	<u>2018 Q3</u>	<u>2018 YTD</u>
Revenues	\$ 7,775	\$ 8,975		\$ 16,750	\$ 11,287	\$ 11,835		\$ 23,122
Expenses	7,649	8,457		16,106	10,389	10,925		21,314
Operating Income	\$ 126	\$ 518		\$ 644	\$ 898	\$ 910		\$ 1,808

**Definitions:**

Q1 - First Quarter, which runs from January 1st to March 31st.

Q2 - Second Quarter, which runs from April 1st to June 30th.

Q3 - Third Quarter, which runs from July 1st to September 30th.

YTD - Year to Date adds all activity for each quarter of the year.

Revenues, Expenses, Operating Income (Income From Operations)

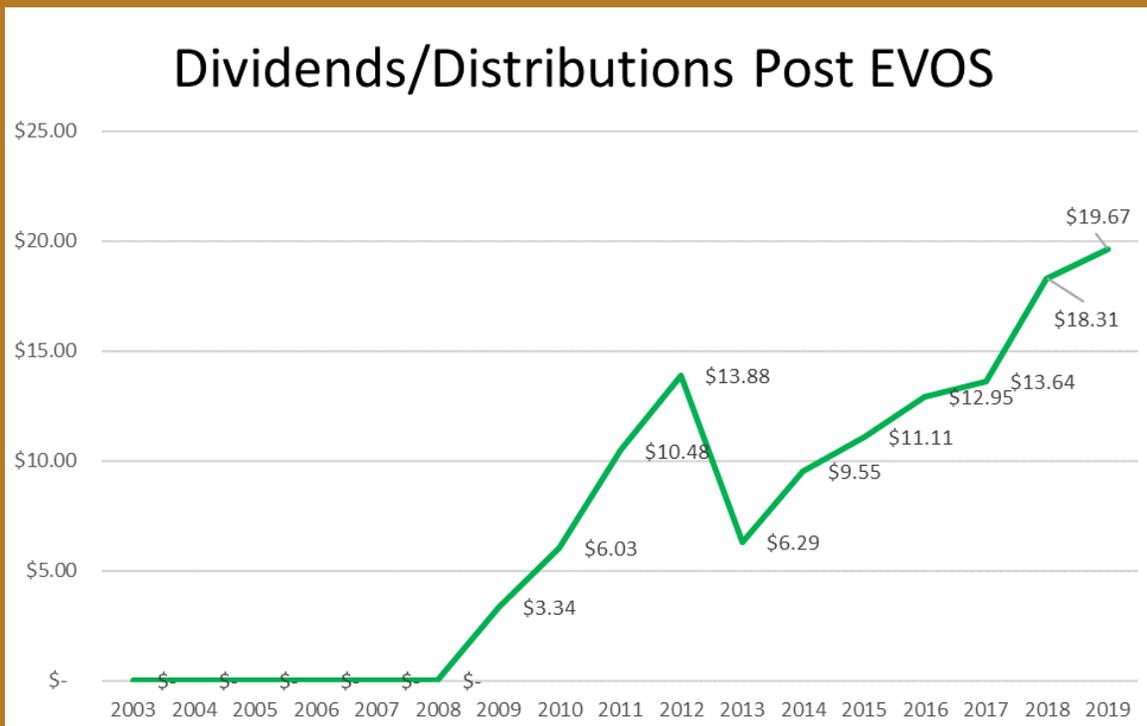
Note: amounts are reported in thousands, to convert to millions or thousands multiply the number shown by 1,000; e.g., \$2,583 is \$2,583,000.

2019 December Distribution

The Eyak Permanent Fund Settlement Trust (EPFST) has declared a distribution of \$19.67 per share, to be paid on December 6, 2019, to The Eyak Corporation's shareholders of record as of November 30, 2019. The distribution will be tax-free to shareholders and will not have an impact on the amount of the EPFST's April 2020 distribution. The distribution will be 7.43% more than last December's distribution of \$18.31 per share.

The new tax laws have created financial incentives for The Eyak Corporation to make contributions to the EPFST for the benefit of our shareholders. The Eyak Corporation's contribution to the EPFST is comprised of 7j and operating income. The 7j component is approximately \$17.10 per share, while the operating portion is approximately \$2.57 per share, for a total of \$19.67 per share. The per share amount is calculated after accounting for EPFST taxes of approximately 10%.

The Eyak Corporation has long-recognized the benefits associated with Alaska Native settlement trusts, in that settlement trusts generally have a lower tax rate than the corporation and distributions made from settlement trusts are generally tax-free. As long as the tax structure remains favorable, The Eyak Corporation's Board intends to continue contributing money to the EPFST, with the EPFST then making those payments to shareholders in early December.



Kid's Corner

This issue's Kids Corner focuses on NVE Tribal Youth Council and berries.

This corner was prepared by EDC Employee, Tiffany Beedle.

Unity Conference

On July 4th, the NVE Tribal Youth Council participated in the annual four day United Nations Indian Tribal Youth (UNITY) conference. There were seven members who attended and out of those seven, five are shareholders and two are descendants. The UNITY Conference helps build and shape future tribal leaders. UNITY was held in Orlando, Florida with over 2000 attendees from all over the nation. NVE's group was the only one from Alaska. There were key note speakers, work shops, talent show, the UNITY fire, cultural night, team building skills and UNITY college plus career expo. The Eyak Corporation donated \$2000.00 to the NVE Tribal Youth Council to help with expenses.

Berry Jokes

Q1: What do you call a sad raspberry ?

Q2: What kind of berry can you drink out of ?

Q3: What do you call a fruit that procrastinates ?

A1: Blueberry

A2: Strawberry

A3: Cranberry



Fun Facts About Berries

- * Salmon berry; traditionally, the berries were eaten with salmon or mixed with hooligan grease or salmon roe. Also was not dried because of its high moisture content.
- * Alaska Blueberry; have a higher nutritional value than common blueberries, also has 10 times higher antioxidant levels than the common blueberry.
- * Nagoon Berry; the dark red fruit is a delicacy. It matures July to September and can be distinguished by its unarmed stems. Its scientific name is *Rubus Arcticus*.

Bill Hansen Jr. Annual Pioneer Cemetery Cleanup

The 9th Annual Bill Hansen Jr. Pioneer Cemetery Cleanup was held on June 14. There were roughly 40 enthusiastic volunteers, which included: shareholders, descendants, family members, Native Village of Eyak, Native Village of Eyak's Native Youth Olympics and Junior Native Youth Olympics teams, city of Cordova, Wells Fargo representative Jon Cannon, and two members of Senator Dan Sullivan's staff, Kate Wolgemuth and Margaret Sharpe. The volunteers chipped old paint from crosses then repainted them white along with picking up three truck-loads of brush and shrubs. Shareholders Nick Tiedeman and Bob Ladd are building new crosses to put on unmarked graves as well. The Eyak Corporation thanks the community volunteers, Native Village of Eyak and Wells Fargo for their continued partnership.



REMEMBRANCE

Professor Michael Krauss

Mitch Poling



The Eyak Corporation's Ninth Annual Shareholders' Picnic

The Eyak Corporation hosted its Ninth Annual Shareholders' Picnic at Jewel Lake Park in Anchorage on Saturday, July 27. More than 30 shareholders, descendants, family members, staff and friends attended the event, including Chairman Martin Parsons, Board Secretary Rocky Dolfi and Director Jim Ujioka.

As usual, the picnic was a blast, with the water balloon toss again among the highlights. Congratulations to first-time winner's RJ and Sage, who outlasted a strong field of competitors.

Thanks to everyone who attended the picnic and a special thank you to Heidi Van Gilder for the excellent work in organizing and running the event. We look forward to seeing you all again next year!



Cordova Shareholder Informational Meeting

The Eyak Corporation's annual Cordova Shareholder Informational meeting was held on September 7, at the new Cordova Center. We had an exceptional turnout, with approximately 65 Shareholders and descendants attending the event, including several "new" Shareholders and other first-time attendees.

CEO Rod Worl kicked off the presentations with a Management report. Vice President of Finance Sue Jolin followed with a financial update.

Several Board members then gave brief presentations on matters they oversee. Brooke Johnson, Chair of the Land Committee, provided an update on TEC land issues and the committee's 2019-2020 strategic land priorities. Jerry O'Brien, Jr., Chair of the Donations Committee, provided an update on TEC's donations in 2019 to date. Rocky Dolfi, Board liaison to the Shareholder Advisory Committee, provided an update on the committee. Brooke Johnson, who also serves as President of The Eyak Foundation, provided an update on the Foundation.

As recommended by the Shareholder Advisory Committee, the question and answer period was held at the end of all of the presentations. We received very positive feedback from Shareholders (through comment cards and one-on-one conversations) to the new meeting format.

The Board and Management wish to thank everyone who attended the meeting, and Cordova staff Angela Butler and Tiffany Beedle for overseeing the logistics. We also want to thank all of the donors for the silent auction held to benefit The Eyak Foundation. With the Board's match, the silent auction raised \$2,140 for The Eyak Foundation's scholarship program.



Update on The Eyak Foundation, by Brooke Johnson

It is my pleasure to provide this update on The Eyak Foundation. The Foundation's Trustees met by teleconference on August 21. During that meeting, the Trustees:

- Received a Management report from Heidi Van Gilder;
- Reviewed the financials with Sue Jolin;
- Discussed the recent posts on the Foundation's and the Corporation's Facebook pages celebrating the successes of current and former scholarship recipients;
- Reviewed a draft Shareholder and Descendant Talent Bank Form and, after discussion, recommended it to The Eyak Corporation's Board of Directors' for approval; and
- Discussed silent auctions to benefit the Foundation's scholarship programs during the Cordova and Seattle Shareholder Informational Meetings.

I am pleased to share that the Trustees have already issued more scholarships in 2019 (49) than in all of 2018 (48). We look forward to issuing more scholarships this fall and encourage our eligible shareholders and descendants to apply. For more information on scholarships, please visit our website: www.eyakfoundation.org and/or contact: Heidi Van Gilder at (907) 334-6971 ext. 1.

We are gearing up for our sixth annual art show fundraiser to benefit the Foundation. This year's event is titled "Fall Harvest" and will be held on November 1 at Snow City Café, in Anchorage. As always, the Prince William Sound "themed" art will look spectacular on Snow City's walls and we anticipate a great turnout of shareholders, families, and friends. The art will be displayed for the month of November and will be available for sale. Our deadline for "gallery ready" submissions is October 4. We will also hold a silent auction on the opening night of the show. We will be grateful for any and all donations.

Thank you to Sylvia Lange, who taught a remarkable art class for several shareholders, descendants, and friends in August. Thanks also to shareholder Anya Honkola, who donated her majestic painting "Ch'iileh" (Raven) to "Fall Harvest."

On behalf of the Trustees, thanks for your continued support.



Frequently Asked Questions

Q. For next year's Cordova Shareholder Informational meeting, can you please arrange for a babysitter and a kid's room, so parents can attend the meeting?

A. That's a great idea. We are confident we'll be able to make those arrangements for next year's meeting.

Q. Can you please post signs in the Cordova Center notifying Shareholders when the Shareholder Informational meeting moves to the theatre for presentations?

A. We will be happy to.

Q. Thank you for moving the Cordova Shareholder Informational meeting from November (during Sobriety Celebration) to September. Can you please hold next year's Cordova Shareholder Informational meeting around the same time period?

A. Yes. The Board moved the date of the Cordova Shareholder Informational meeting based on feedback from Shareholders. We are pleased with the Shareholder feedback on the September meeting date and plan to schedule next year's meeting for the same time period.

Q. How did Cordova meeting go with the new questions protocol? (Question asked by member of the Shareholder Advisory Committee)

A. We received very positive feedback from Shareholders (through comment cards and one-on-one conversations) to the new meeting format, with questions being held to the end of all presentations.

Q. Is The Eyak Corporation exploring a buy-back of Hartney Bay Subdivision lots?

A. At this time, the corporation is not actively exploring buy-backs of Hartney Bay Subdivision lots.

Q. Why doesn't the corporation build a trailer park (and/or a rehab center) on its lands?

A. Thank you for the recommendations. We will look into these potential opportunities.

Q. Is the Cordova office moving from LeFevre? If yes, when and where?

A. Yes, the Cordova office plans to move from the LeFevre location to the Pioneer Building, at 622 First Street. The anticipated move-in date is October 1.

Q. Can you please add a dividend calendar onto Eyak's website?

A. Yes, we would be happy to do that. Currently, dividends are issued in early April and early December.

Q. Can I suggest that The Eyak Corporation and The Eyak Foundation collaborate on a cook book, with proceeds to help fund the scholarship programs?

A. Sounds like a great idea; we'll look into it.

Q. How many Shareholders have Shareholder Land Use Program ("SLUP") leases?

A. There are 64 SLUP leases.

Report Card Raffle

In June, we announced our first ever "Report Card Raffle," for shareholders and descendants in grades K-12.

Congratulations to the six lucky winners, Brannon, Luke, Kiley, Annika, Cameron, and Aaliyah, who won \$25 each for achieving stellar grades last semester. Thanks to everyone who participated and keep up the great work in school!



October, 2019

- ◆ 17th- 19th- AFN in Fairbanks
- ◆ 18th- Alaska Day

November, 2019

- ◆ 1st- Fall Harvest at Snow City @ 5:30pm
- ◆ 11th- Veterans Day
- ◆ 28th- Thanksgiving

December, 2019

- ◆ 6th- Shareholder Potluck—Anchorage office from 2:00pm-4:00pm

Alaska Staff



Rod Worl
Chief Executive Officer



Brennan Cain
VP & General Counsel
Ext 5



Sue Jolin
VP of Finance
Ext 7



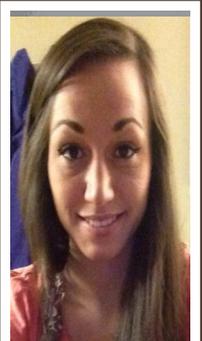
Peggy Fisher
Senior Accountant
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Heidi Van Gilder
Office & Shareholder Relations Manager
Ext 1



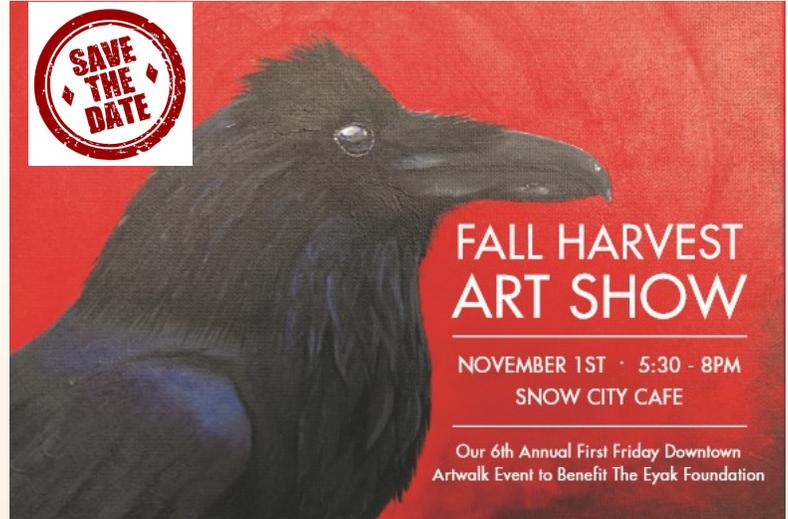
Angela Butler
GM Cordova Operations



Tiffany Beedle
Project Manager and Operations Assistant

The Eyak Corporation Mission

The Eyak Corporation will return financial benefits to present and future shareholders through the development of economic opportunities and growth of our assets while protecting the ownership of our ANCSA lands and Native cultural heritage.



Contact Us

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