

STORYKNIFE

THE VOICE OF THE REGION

Yaarnin



Goodnews Bay hosts the 2012 Annual Meeting.

Proxy winners announced.

(Story on page 5)

ANNUAL MEETING AWARD NOMINEES

SHAREHOLDERS AND DESCENDANTS HONORED AT ANNUAL MEETING

Calista Corporation and its leadership took time at the recent Annual Meeting to recognize Shareholders and Descendants who have made an impact on their communities. Through leadership, education and community service, the 2012 Annual Meeting Award Honorees inspire the people around them and make our Region a better place.

ROLAND PHILLIP

CALISTA CULTURE BEARER

Preserving our culture is a priority for Calista and without our Elders, Youth would not be able to carry on our customs and traditions. The Calista Culture Bearer Awards recognizes people who seek to protect our valuable heritage. Elder Roland Phillip educates Youth through storytelling and sharing his experiences. He spent years as a search and rescue volunteer, teaching Youth survival skills that could one day save their life or the life of someone else. He also is active in cultural heritage programs and at Kwigillingok's school. It is because of people like Roland the Yup'ik culture remains strong across the Region.

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CALISTA CORPORATION
www.calistacorp.com

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CEO Reinstated



HUMAN RESOURCES MESSAGE

Heather Spear, Senior HR Director

Summitting a mountain takes experience, time and preparation, and while the end goal may be reaching the top, there are many milestones along the way. Prior to the peak it's important to enjoy the journey and celebrate the progress you have made. Calista Corporation has set five goals and as we work toward achieving them we recognize the successes along the way. One of the goals is to increase Calista's pre-tax profitability, which includes decreasing general and administrative expenses.

Last December, those of us in the Human Resources (HR) department began looking at ways to maximize its services to the company, employees and Shareholders. After reviewing a variety of options we decided to merge all three HR departments into one, with employees based in Anchorage, Alaska and Huntsville, AL. It's a way to utilize the talents of our HR employees without having redundancies in the workload.

Through an innovative approach and teamwork, cutting costs doesn't mean sacrifices. During this process we looked at ways to enhance the benefit package for employees in order to expand employees' benefits and cut operating costs for Calista. In May, we switched to a new health insurance provider, which will provide cost-savings for both employees and the company.



"Working with Calista leadership we analyzed many options that would boost the bottom line and provide cost-savings, not only immediately but in the future as well."

Through hard work and cooperation the HR department is an example of how to effectively manage costs while maximizing benefits. Not only will it save money, but under one department HR can better serve employees and Shareholders.

We hope to add additional internship positions next year, including sending at least eight interns to Huntsville and have 15 more based in Alaska. We are working toward offering more entry-level positions within the corporation and its subsidiaries, and through succession planning those employees will hopefully work their way up to higher positions.

Smart changes in a drug- and alcohol-free workplace can yield big savings for Calista and its employees, and a more efficient company has the potential to increase dividends for Shareholders.

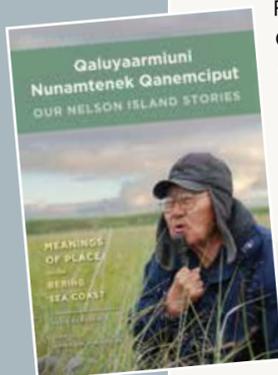
BOARD MESSAGE

Willie Kasayulie, Board Chairman

Storytelling has long been an important part of our culture. Through the wise words of Elders, Calista's history, values and traditional knowledge have been passed down through generations. Sitting on the knees of our Elders, Youth listen to tales of survival and celebration. These stories shape who we are and instill a sense of pride in us that inspires us to preserve our heritage.

A group of Calista Elders was recently recognized for their storytelling. The Before Columbus

Foundation honored the Calista Elders Council book, "Qaluyaarmiuni Nunamtenek Qanemciput: Our Nelson Island Stories," with the American Book Award, which recognizes outstanding literary achievements. The novel chronicles the lives of Shareholders growing up on Nelson Island. Through the eyes of these Elders the book describes locations important to our culture like villages, camps and rivers. Yup'ik translator Alice Rearden spent hours working with Elders to help them share these stories.



"Elders deliver tales of surviving off the land and emphasize the importance of respecting the environment and remaining connected to the world."

The last few decades have brought significant change to the Region and this book serves as a tool to preserve our culture. It took four years to complete the project and we are grateful for everyone involved. Calista worked with Elders and assisted in gathering maps, photos and historical information.

About 50 Elders from Chefnak, Nightmute, Toksook Bay, Tununak and Newtok shared their stories, and above all we are thankful to them. Quyana to these Elders for letting us show the world the truly special heritage of the Calista Region.

ANNUAL MEETING HONOREES

(Continued from page 1)

WASSILIE KAMEROFF

AXEL C. JOHNSON DISTINGUISHED SHAREHOLDER

This award recognizes Shareholders or Descendants who tirelessly seek to improve their communities. Wassilie Kameroff previously served as the mayor of Lower Kalskag and is currently working as the Shareholder hire coordinator for Donlin Gold. Through his commitment to workplace safety and sobriety Wassilie has reduced job turnover rates. In 2011, he helped lead the effort to evacuate residents of Crooked Creek when the community experienced the worst flooding in history.

PAUL JOHN

CALISTA ELDER OF THE YEAR

While every Elder is an important part of our culture, the Elder of the Year is a person who has worked to preserve our heritage and whose contributions have benefited the Region. Paul John has provided crucial advice to regional organizations about issues like education, subsistence practices and the importance of preserving culture. Drawing from a lifetime of experiences and traditional values, he demonstrates what it means to be an Elder and role model for future generations.

MARTIN MOORE

CALISTA YOUTH/EDUCATOR OF THE YEAR

Knowledge is a powerful tool, especially if it is used right. As a former state legislator, Martin Moore understands the importance of securing projects for funding. Funding takes advocacy on many levels, which is why Martin is using his knowledge to educate city officials and Youth about what it takes to champion projects. He is an inspiration for future leaders, teaching them the proper way to apply for grants and advocate for projects they are passionate about.



TOKSOOK BAY

RAYMOND C. CHRISTENSEN COMMUNITY SERVICE AWARD

An area inhabited by Yup'ik people for thousands of years, the village of Toksook Bay remains rich with culture and history. Formerly a summer camp, residents of Nightmute voted to establish Toksook Bay in 1964. Its formation mirrors the forward thinking of great leaders; the community understood a village would mean improved educational opportunities for Youth. Through the teaching and guidance of Elders, Toksook Bay residents are proud of their heritage. Subsistence activities are routinely practiced and Youth live a traditional lifestyle.

We are humbled by the dedication of these individuals and honored to have them as a part of our corporation, Quyana to all the Shareholders and Descendants that work to make our Region a better place.

Connecting Calista EMPLOYEE PROFILE: IT DEPARTMENT

Communication is a key component of successful business operations and often the easiest way to communicate is through technology.

"It's the lifeblood of any business, can you imagine running a company without email," Otis Armstrong, Calista's chief information officer said.

Otis heads the information technology (IT) department at Calista. When email is down, the Internet isn't working or employees face other technology hiccups they call on IT.

Working in the IT department requires technical knowledge, problem solving abilities and customer service skills. "The most rewarding part of the job is helping people during frustrating situations," Otis said.

The IT staff includes three Descendants/Shareholders including Christine Erdle, the IT manager for Anchorage, who has several years of IT experience and numerous network certifications. Marcello

Ramos, a super helpdesk technician, holds an associate degree in computer science and is currently working on his bachelor's degree. After spending the summer working as a helpdesk dispatcher, Thomas Oscar accepted a full-time position with Calista as a mid-level entry engineer. In addition to these Shareholders/Descendants, eight network engineers from Calista subsidiary Yulista Management work remotely on the Anchorage network.

"We usually get called when an employee is so frustrated they want to grab the monitor and throw it out the window."

Alaska presents unique challenges because connectivity is expensive and very limited; in many rural areas there is a lack of infrastructure. The IT department is working on ways to provide affordable and reliable technology for rural areas of Alaska.

Calista is in the process of replacing older model computers with newer versions. As these upgrades are made Calista will refurbish the computers and send them to village libraries.

2012 ANNUAL MEETING of Shareholders

Important Update: Please see below for an important update on the resolutions

Goodnews Bay nearly doubled in size on November 3, when around 200 people showed up to attend the 38th Annual Meeting of Shareholders. There are 1,255,582.4882 eligible shares among Calista Shareholders and 55.2 percent of all outstanding shares of Common Stock, or 692,865.5534, were represented in person or by proxy. Shareholders voted on the election of four Board of Director seats and several resolutions. The results were tabulated and certified by the Inspector of Elections, independent firm Sramek-Hightower, with input and guidance from the Parliamentarian, Julius Brecht of Wohlforth, Brecht, Cartledge, Brooking.

For a change to the Bylaws, more than 50 percent, of all outstanding Shareholder shares (at least 627,792 shares for this meeting), must vote in favor of change. An advisory resolution requires only a majority of actual votes cast in order to pass; however, advisory resolutions do not change the Bylaws.

Initially, the Inspector of Elections announced that the Shareholder-submitted binding resolutions to change the Bylaws had passed (listed below). Since the number of votes did not exceed 627,792, the binding resolutions in fact did not pass. The error was not noticed or corrected at the annual meeting by either the Parliamentarian or the Inspector of Elections.

The number of votes cast in favor of each resolution is included below for your reference.

The Board will meet December 12 to review corrected results at its regularly scheduled Board meeting. Updates will be announced on www.calistacorp.com and Calista's official Facebook pages (www.facebook.com/CalistaCorp and www.facebook.com/CalistaCorporation).

NEW BOARD OFFICERS

Chair
Willie Kasayulie

Vice chair
George Guy

Secretary
Margaret Pohjola

Treasurer
Marcie Sherer

BOARD OF DIRECTOR SEATS

Unit 1 Director
Michael Akerelrea with 166,392.5718 votes (reelected)

Unit 2 Director
JoAnn Jorgensen Werning with 184,220.8925 votes (reelected)

Unit 3 Director
Robert L. Beans with 204,579.0012 votes (new Director)

At-Large Director
Marcie Sherer with 234,529.6530 votes (new Director)

RESOLUTIONS

Correction - Failed: Binding Resolution To Amend the Calista Corporation Bylaws to Eliminate the Designation of a Board Slate and Eliminate Cumulative Voting by the Nominating Committee of Non-Directed Votes in Board Solicited Proxies (Yes Votes 339,199.2191 and No Votes 164,580.1818)

Correction - Failed: Binding Resolution: Should the Calista Bylaws be Amended to Require that Annual Meetings be Held Periodically in Bethel and Anchorage? (Yes Votes 367,043.8415 and No Votes 144,386.2680)

Correction - Failed: Binding Resolution: Should the Calista Corporation Bylaws be Amended to Limit the Number of Terms the Chairman of the Board May Serve as Chairman to No More than Three Consecutive Yearly Terms? (Yes Votes 396,980.0107 and No Votes 121,939.3421)

Correction - Failed: Binding Resolution: Should the Calista Corporation Bylaws be Amended to Preclude the Nominating Committee from Viewing the Tally of Directed Voting Prior to Voting their Proxies? (Yes Votes 370,254.8572 and No Votes 143,746.6524)

Failed: All Binding Resolutions to remove Directors:

Michael D. Akerelrea (Yes Votes 296,073.4055 and No Votes 220,522.9203)

Arthur S. Heckman, Sr. (Yes Votes 339,544.0338 and No Votes 177,858.8381)

Felix P. Hess (Yes Votes 338,982.2691 and No Votes 178,098.2694)

Robert "Bobby" Hoffman (Yes Votes 238,579.7162 and No Votes 277,858.4172)

William Igkurak (Yes Votes 277,647.5132 and No Votes 238,382.0730)

Harley J. Sundown (Yes Votes 266,583.3831 and No Votes 249,897.5760)

JoAnn J. Werning (Yes Votes 256,114.7738 and No Votes 260,461.3191)

Passed: Advisory Resolution To Ban Discretionary Voting in Annual Meetings: Should Calista Ban Discretionary Voting in Annual Meetings? (Yes Votes 314,841.8082 and No Votes 163,319.6141)

PROXY PRIZE WINNERS

- Carrie L. George
- Roberta Lynn Tom
- Leslie Roy Hunter
- Harvey Allen Anvil
- Carrie K. Anvil
- Marvella Rose Sipary
- Martha Wassillie
- Mike Andrews, Jr.
- Gabriel Andrew
- Gladys Marie Askoak
- Marilyn R. Peterson
- Raymond Allen Hoffman
- Nelson Phil Alexie
- Alexandra Pitka
- Elsie Tommy
- Martha Galila
- William Bob Roland
- Eddie Moses
- Margaret Ekamrak
- Mary Gunlik
- Lucy Ann Morris
- Josephine F. Noratak
- Peter Alexie Lomack
- Martha P. Ray
- Louisa Andrea Slim
- Rudy Abraham Lincoln
- Elena Kelila custodian for Fred E. Squartsoff, Jr.
- Flora Jean Gilman
- Wassillie George, Jr.
- Gregory David Aloralrea
- Della Marie Hunt
- Janel Louise Gilles
- David Lewis, Jr.
- Pete Tom
- Katherine Hart
- Lilly V. Carter custodian for Jevon Dale Carter
- Marian May Scarzella
- Dion Alphonsius Rivers
- Barbara Peggy Giacometti
- Judy Elizabeth Chingliak
- Sammy James Anvil
- Karen Therese Sidell
- Clara Anna Torrison
- Richard John Matthew
- Ida Molly Jasper



Photos from top to bottom, left to right. Traditional dancers entertain the audience. Goodnews Bay nearly doubled in size. Attendees enjoy a potluck. Awards were given out. Youth celebrate Yup'ik culture. Awards were given to area leaders. Calista Youth receives prize. Weather caused delays but everyone made it safe.

Quyana cakneq to the communities of Goodnews Bay and Platinum for your hospitality. High winds caused problems and resulted in flight delays. Most Calista employees couldn't arrive until a couple hours before the meeting. We are thankful that all visitors arrived and returned home safely.

INTERN TO EMPLOYEE

CALISTA SUBSIDIARY HIRES INTERN

The road to the college diploma can feel like forever, but for many recent college graduates the journey to a job after college can take months, if not years. As the clock winds down toward

graduation, many college seniors begin sending out resumes hoping to secure a position relating to what they studied. 22-year-old Natalie Hanson of Bethel knew she was a step ahead of the crowd when she was offered a Calista internship after she graduated.

"I was really grateful for the opportunity," Natalie said. "Calista had pretty high expectations for me which helped me set my sights higher. I had to perform and stay on my toes."

Calista interns gain real world experience working in a field they are interested in. Natalie holds a bachelor's degree in geosciences with an emphasis in hydrology from Boise State University, so for her internship she spent the summer working for E-3 Environmental and Nuvista Light & Electric Cooperative. During her 12-week internship she helped write grants, bids and proposals.

"I love science, I know science, but it was nice to learn the business side of things," Natalie said.

When her internship ended Natalie was offered a full-time job working as an environmental scientist at E-3. She will continue to work on writing grants and proposals for various projects in the Calista Region, a place close to her heart.

"I'm much more passionate about this work than I would be if it were somewhere else in the world because I know I will see the direct impact," Natalie said.

Growing up in rural Alaska gave Natalie an appreciation for the wealth of natural resources available. Through her work at Calista she hopes to help the Region preserve its subsistence lifestyle and help the environment thrive.

"Don't pass up any opportunities you are given to further improve your education and experience. Once you graduate the more bridges you build, the better off you will be."



BACK TO SCHOOL

SHAREHOLDERS AND DESCENDANTS RECEIVE \$239,250 IN SCHOLARSHIPS

As tuition and school expenses continue to climb across the country, some Calista Shareholder and Descendant students are getting a little help from the corporation. This fall, the Calista Heritage Foundation is providing \$239,250 in scholarships to 272 Calista Shareholder and Descendant students.

"We are ensuring the growth of Alaskan leaders," CHF President and CEO Debra Call said.

So far this year CHF has distributed around \$461,000 in scholarships to Calista Shareholders and Descendants. Of the students receiving scholarships this fall, 235 are enrolled in undergraduate programs, 29 are attending vocational schools and 11 are pursuing graduate degrees. The top five fields of study are nursing, biology, elementary education, psychology and business administration.

"Hope for the future will continue as long as we support those seeking education and training."

Most of the money will be staying in state, with the highest number of students receiving scholarships enrolled in Alaska institutes including: University of Alaska Anchorage, University of Alaska Fairbanks, Alaska Career College, UAF-Kuskokwim Campus and Bethel's Yuut Yaqungviat flight school.

Over the years CHF has distributed a total of \$3.2 million in scholarships, with nearly a quarter of that being given out in just the last two years.

LEADERS FROM THE REGION

BEST IN THE WEST COMPETITION WINNERS

Growing a successful business takes more than a great idea. Before it can blossom into a thriving company, entrepreneurs must nurture young businesses through smart business practices, hard work and startup capital. Vibrant businesses improve communities and Calista recognizes that even the most innovative ideas need a little help to get started.

The Best in the West Competition honors entrepreneurs from the Calista Region with exceptional ideas and gives financial assistance to help make the dream a reality.

2012 WINNERS

- Joan Dewey (Bethel Canine Boarding) - \$5,000
- Patty Burley (Raven Fabrics and More) - \$4,500
- Sean Denning (Barnes-D.B. Studios) - \$4,000
- Katie Ellsworth (Cosy Cuddlers) - \$3,500
- Moses Tulim (Mo's Arts) - \$3,470
- Tina Harness (Urban Astaq) - \$2,900
- Julie Mc Williams (Let's Get Growing) - \$2,025
- Marie Alfred (Marie's) - \$2,030

Calista was happy to sponsor again this year.



VILLAGE PROFILE: GOODNEWS BAY IMAGPIGUAK - LITTLE OCEAN

Wedged between two rivers, the city of Goodnews Bay is a predominantly Yup'ik Eskimo community. Located along the coast of Goodnews Bay, beside the mouth of Goodnews River, the community is about 116 air miles south of Bethel.

246 people call Goodnews Bay home, according to the 2011 Alaska Department of Labor. Residents rely on traditional subsistence foods, like fish, seal, moose, bear and birds. The city, school, local businesses and commercial fishing are the biggest employers.

The community received its name in 1818, when two Russian explorers dubbed the village Dobriek Vestei (meaning good news). The current city is a short distance from where it originated; Goodnews Bay was moved in the 1920's to escape continual flooding and stormy weather. The Yup'ik name for the original village was *Imagpiguak*, meaning "Little Ocean," its new Yup'ik name is *Mumtraq*.

Goodnews Bay has a rich mining history in 1926, Yup'ik Eskimos Walter Smith and Henry Wuya discovered platinum in nearby streams. The discovery yielded small-scale mining until 1937 when Goodnews Bay Mining Company began its operations. The company recovered 500,000 tons of platinum, making it the only commercial producer of platinum in the U.S.

In 2010, engineers with the Division of Environmental Health and Engineering of the Alaska Native Tribal Health Consortium completed a 10-year project that brought water and sewer to the community, meaning every house now has running water and flushing toilets.

Goodnews Bay was the host community for the 2012 Annual Meeting of Shareholders.

CALISTA SUBSIDIARY RENEWS MULTI-BILLION DOLLAR DEFENSE CONTRACT



Redstone Defense System (RDS) is a joint venture between Yulista Aviation, Inc., a subsidiary of Calista Corporation, and Science and Engineering Services (SES) that was recently awarded a \$4.5 billion dollar federal contract to support the Prototype Integration Facility (PIF), located at Redstone Arsenal in Huntsville, AL. The primary purpose of the PIF is to develop rapid-response hardware for the Department of Defense. For the past 10 years, a joint venture between Yulista Management Services and SES, known as JVYS, has had the contract to support the PIF. The new contract, PIF II, is a three-year base contract with an option of two additional years.

"Through our innovative designs, we have developed a strong relationship with our military men and women and have sharpened our skills as a company."

"This is the result of a decade of hard work by our skilled employees," Monica James, the President of Yulista said.

As technology evolves, it is critical for U.S. military branches and the Department of Homeland Security to be equipped with the most advanced hardware available. The contract calls for Yulista to make hardware improvements or changes to technology capabilities when the need arises.

"We respond very quickly, if there is a situation where the military needs a solution we will find that in days," James said.

PIF initially focused on missile and aviation improvements, but Yulista has received numerous accolades for their inventions, including developing Humvee crew extraction rings and hardware that allows machine guns to operate in a cold climate.

"It is our job to provide the U.S. military men and women with technology and equipment that are not only designed to administer war support, but to save lives. Our inventions are not only efficient, but effective," James said.

It is unknown how much of the contract ceiling will be utilized because the work is awarded on the basis of specific needs. Yulista is based in Huntsville, Alabama but the contract's projects take place around the world.

STORYKNIFE

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PRESIDENT/CEO ANDREW GUY REINSTATED

On November 7, 2012 the Board of Directors voted to reinstate Calista Corporation President/CEO Andrew Guy. Earlier in the year, the Board placed Andrew on administrative leave pending an investigation. The reasons for the investigation are confidential. However, the newly formed Board reviewed the investigative report and found no merit to any allegations or complaints.



Shareholder Records

SHAREHOLDER RECORDS UPDATES HANDBOOK

Calista Shareholders hold a huge responsibility including electing corporation leadership and securing the future of the company through gifting shares or drafting ANCSA stock wills. The Shareholder Handbook is given to new Shareholders, or existing ones that request a copy. It provides Shareholders with basic information about what it means to be a Shareholder, including information about Calista's history, enrollment, dividends, annual meetings, voting procedure and includes a glossary of common terms.

It was last updated five years ago but since then there have been many changes within the corporation. At the request of a Shareholder, Calista is working on providing a newer version. The updated copy will include information about the Calista

Heritage Foundation, which manages the scholarship program and Calista's Facebook page, which distributes Shareholder and Corporation news as well as posting job openings.

Look for the new version to be posted soon in the Shareholder Information section at www.calistacorp.com



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PERSONAL DATA FORM

November 2012

Shareholder Name _____

New Mailing Address _____

Phone (____) ____ - ____ SSN _____

Birth Date ____/____/____

Would you like Calista to send you new Will forms? Yes No

Calista Shares _____

Village Corporation Shares _____

Please change my address as I have indicated above. I understand that you cannot make address changes without my permission and signature, which I hereby give of my own free will and without constraint. I further authorize Calista and its subsidiaries to share this information.

Shareholder Signature _____

Date ____/____/____

Signature of Witness 1 _____

Signature of Witness 2 _____

(Two witnesses are required if Shareholder signs with an "X.")

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