

STORYKNIFE

THE VOICE OF THE REGION

Yaarnin



Shareholder Wins Corporate Safety Award

(Story on page 7)

FEDERAL OVERSIGHT AGENCY QUESTIONS FINANCIAL REPORTING OF NATIVE CORPORATIONS

A recent report from the Government Accountability Office (GAO) looked into whether Alaska Native Corporations are sharing enough financial information with their Shareholders. The report, entitled: "Alaska Native Corporations: Status 40 Years after Establishment and Future Considerations," was issued by the GAO in January. The Alaska Native Claims Settlement Act (ANCSA) Regional Association (the Association) reviewed the recently released report after the GAO issued a "no recommendation" finding in the report.

"ANCSA was enacted by Congress as a mechanism to empower Alaska Native people in the pursuit of self-determination, and it continues to live up to its original intent," said Jason Metrokin, chairman of the Association.

The GAO's 79-page report confirmed that ANCs provide diverse and substantial economic, social and cultural benefits to Shareholders, including dividends, employment and training opportunities, scholarships, as well as, cultural and charitable donations that preserve and enhance Alaska

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*Calista donates thousands to Region organizations.
(Story on page 7)*



CALISTA CORPORATION
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FEBRUARY 2013



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President's
Message



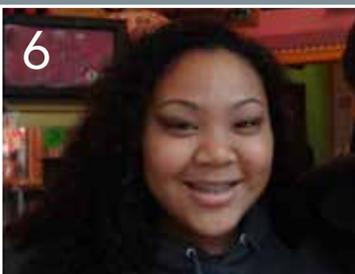
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PRESIDENT'S MESSAGE

Andrew Guy, President & CEO

The Calista Region spans 57,000 square miles of rolling hills, sprawling tundra and roaring rivers. Our Shareholders and Descendants are dispersed across this vast area, making face-to-face contact with our corporation difficult at times. Calista was established to benefit Shareholders and Descendants, and as part of our commitment to the Region we are working to increase communication with the people we represent.

Village visits occur annually and are an important link in the chain of communication between Calista management, Shareholders and Descendants. Through these visits we inform Shareholders about our activities, operations, lobbying efforts and accomplishments. These in-person meetings allow for an open dialogue and in the past have yielded productive results.

Village visits allow us to bring back news from the Region to management. Gathering input directly from village residents allows us to make important decisions that benefit our Shareholders, Descendants and the corporation. Because of time constraints we are unable to visit every village but every year aim to visit every area in our Region.

If we are unable to make it to your village you can communicate with us through several other ways, like asking any Board Director your questions. Storyknife is an opportunity for us to share news from the Region, as well as update you on the progress and accomplishments of our company.

"In 2012, members of the Shareholder Relations Committee including Art Heckman, Willie Kasayulie, George Guy, Mike Akerelrea and Robert Hoffman visited Crooked Creek, Alakanuk, Newtok and about 10 other villages."

We would also encourage you to connect with us on Facebook, which we utilize to disperse important information like scholarship deadlines, corporation news and upcoming meeting information.

Keep an eye on our Facebook page for information and dates about upcoming village visits. We look forward to our visits this year and are thankful for the host communities for welcoming us.



BOARD MESSAGE

Willie Kasayulie, Board Chairman

This year, the Board of Directors are dedicated to creating a trusting relationship and open dialogue with Calista Shareholders, which is why I want to remind you that the Directors are here to serve everyone. The Board is elected by all Shareholders who are eligible to vote and not by the unit they represent. Units were created to allow eligible Shareholders to run for the Board while preventing one or two sections of the Calista Region from having more Board members than the rest. We are legally bound to work together for the benefit of all Shareholders and that is what we will do.

Whether your home village is on the Upper Kuskokwim, mid-coastal area or on the Lower Yukon, each and every Board Director is here to represent you and advocate for your needs.

If you see one of us, please feel free to share your questions and concerns. We invite you to visit our Directors' page for more information www.calistacorp.com



FEDERAL OVERSIGHT AGENCY QUESTIONS FINANCIAL REPORTING OF NATIVE CORPORATIONS

(Continued from page 1)

Native cultures for future generations. It also formally recognized the disparate geographic, economic and social challenges faced by ANCs and Alaska Natives as a whole.

"Our Regional corporations value transparency and integrity, and deliver financial documents tailored to each region's demographics based upon those principles and are generated according to generally accepted accounting procedures (GAAP) by licensed or certified auditing firms," said Metrokin. "As corporate officers and Shareholders, we worked to grow our Regional corporations to be effective private entities that are forces of positive change and empowerment in our communities. We will continue to pursue and establish solutions to the very real challenges we face as Alaska Native people."

The following are responses from Alaska's Congressional delegation in regards to the GAO report.

Alaska U.S. Rep. Don Young

"Notably, the accounting and audit field that is currently employed by ANCs is highly regulated, and noncompliance with standards would be reported to the Board and Shareholders."

Alaska U.S. Sen. Mark Begich

"Since its passage 41 years ago, the Alaska Native Claims Settlement Act has allowed for each regional corporation to establish reporting and governance requirements for their shareholders that work best for its people."

Alaska U.S. Sen. Lisa Murkowski

Sen. Lisa Murkowski responded with how Native corporations already go to great lengths to present their annual reports "in plain English that their Shareholders can understand, not the financial and legal gibberish that is routinely found in the financial reports of public companies. And they've even done that in times of financial difficulty," Murkowski said.

Sen. Begich and Sen. Murkowski became co-requesters of the GAO report late last year. Currently, ANCSA requires ANCs to provide annual reports to their Shareholders that contain "substantially all" of the information the U.S. Securities and Exchange Commission (SEC) would require. Like other Alaska corporations, ANCSA regional corporations are subject to the state's corporate laws with limited exceptions, and are run by an elected board of directors.

Calista Corporation provides its Shareholders with an Annual Report and proxy materials. ANCSA and the Defense Contract Audit Agency each require independent financial audits of each Alaska Native regional corporation. For example, see page 25 of the 2011 Annual Report for Calista's independent auditor report. Financial decisions made by the corporation are also communicated through a monthly newsletter and at annual meetings.

Employee Feature E3 ENVIRONMENTAL, LLC



Life in rural Alaska presents unique challenges including high energy costs, lack of infrastructure and few job opportunities. When working on solutions to these obstacles it's important to have a team on your side that can understand and appreciate the challenges. Calista's newest subsidiary, E3 Environmental, LLC is comprised of a team of people who approach issues with a "can do" attitude and strive to benefit the communities they work in and with – throughout the Calista Region and throughout Alaska.

"As Alaskans, we feel very closely tied to the Region and the commitment to sustaining the rural subsistence lifestyle through our professional services," E3 Environmental General Manager Rosetta Alcantra said.

Rosetta grew up in Anvik and has several years of experience working with the transportation and oil and gas industries. She previously worked for a national engineering firm and as executive director for a local nonprofit. Rosetta is joined by Traci Bradford, a chemical and environmental engineer, and Natalie Hanson of Bethel who specializes in hydrology and environmental sciences.

E3 Environmental offers professional services such as project management, planning, grant writing/management, stakeholder engagement, permitting and regulatory compliance, environmental assessment, characterization, and other services tailored to meet its client's needs.

Rosetta believes that what really sets E3 Environmental apart is its employees' experience and knowledge of working in rural Alaska, especially when it comes to navigating the political landscape and understanding the uniqueness of each community.

"Calista's investment in our company demonstrates its commitment to the Region and its resources. Working for a corporation that values its Shareholders and their Descendants means a great deal to each of us," Rosetta said. "We are a home grown company and we have a vested interest in Alaska to provide quality services to Shareholders in our Region."

The company has already secured two major projects including the completion of the first phase of the Yukon-Kuskokwim corridor study and a project to conduct a feasibility study assessing the infrastructure and resources in three areas of the Region.

The next year will be an exciting one for E3 Environmental. The company is moving into a new office and expects to expand its staff and project base in the coming years.



Traci Bradford, Rosetta Alcantra and Natalie Hanson.

PRESERVING

the Calista Lands

EXPLORING THE LAND AND NATURAL RESOURCES DEPARTMENT

Calista's land entitlement stretches across 6.5 million acres with the 56,00 square miles of land within the Region's boundary, and includes the subsurface estate of 56 villages incorporated in 46 village corporations who hold the surface estate of these lands. The land and its bountiful resources are important to our Shareholders, many of which rely on the land to survive. Land necessary to conduct subsistence activities was the basis for most of the selections made by the villages which affected both locations and land patterns.

Following the passage of ANCSA in 1971, Calista's Land and Natural Resources Department was critical in helping villages submit their land selections by the federally-imposed deadlines. Employees traveled to villages to help communities make their selections and also assisted in sorting out selection patterns when areas withdrawn for making village land selections overlapped neighboring village withdrawal areas.

In the mid 1980's, Calista hired a geological consulting firm that fielded two teams of geologists who spent more than two seasons mapping and collecting geochemical samples on Calista's subsurface land. The Calista Region includes long-recognized mineralized areas and has a 100 year history of placer mining. The corporation wanted to be able to make informed decisions about where to select lands with favorable geology and potential for future development of mineral resources. To that end, Calista employs geologists on the Land Department staff to analyze and expand geological knowledge about the region and make this

information available to the mineral industry. The Donlin Gold project, one of the largest known undeveloped gold deposits in the world, is a result of the Land Department's analysis and marketing to the mineral industry.

The department also sells sand, rock and gravel for construction projects, which has benefited rural communities by providing resources used to build village infrastructure including roads, airports and water/sewer projects. In recent years many village airstrips have been lengthened or relocated beyond village occupation areas to comply with aviation safety standards. Calista also donated more than 10,000 cubic yards of material to Crooked Creek in 2011 as part of their rebuilding efforts after flooding destroyed the community.

For more information about Calista's Land Department, visit calistacorp.com/business/lands-resources



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CALISTA ANCSA 14(h)(1) LAND SURVEY

Under the Alaska Native Claim Settlement Act (ANCSA) 14(h)(1), all Regional Corporations were able to select lands for historic and cemetery sites. These selections were not a part of the ANCSA village land entitlements but were made on unappropriated federal land outside of the boundaries of Village Corporation lands. The sites had to be on land that was not privately owned, not selected under any other section of ANCSA, and not set aside for federal systems under ANCSA 17(d)(2). The deadline for filing for the historical and cemetery site applications was December 18, 1975, but it was extended until December 31, 1976.

There are many sites of historical significance scattered throughout the Calista Region, some of which are hundreds or thousands of years old. The U.S. Department of Interior established the criteria for site selection, and the Bureau of Indian Affairs created an ANCSA Office to carry out its statutory duties to investigate and certify the sites. National Park Service had an early consultative role, contracting with the University of Alaska to hire professional anthropologists, archeologists, and historians to assist in the evaluations, but this obligation was transferred to the BIA in 1983. The sites were identified from oral and written accounts and through personal interviews with residents and Elders in the villages. The BIA began field investigations in the YK Delta Region in 1978. To date, the BIA ANCSA Office has generated roughly 1300 taped recordings with Native Elders in the Calista Region, mostly in Yup'ik or Cup'ik.

Tunista Construction, a Calista subsidiary, contracted with McClintock Land Associates, Inc. (MLA) in 2011 to perform the Cadastral Survey of some of the Historical Sites under P.L. 93-638, the Indian Self Determination and Education Act. The main advantage of a "638" Contract is that an ANCSA Corporation or another Tribal organization controls the



Monumentation crew at work.

contract, and can insure local hire and use of local services. More of the costs for the project are pumped directly into the local economy rather than going elsewhere.

The project was conducted in two phases. The first took place in the summer of 2011, and was based out of Saint Mary's; 46 historical sites were surveyed and 228 corner markers were set. These surveys covered an area from Nunam Iqua to Kalskag and from Saint Mary's to Bethel. The second phase, in the summer of 2012, was completed by moving the base camp from Sleetmute to Chevak and on to Bethel. The project was huge and the sites were spread out over an area from Lime Village to Scammon Bay and Nunam Iqua to Kipnuk. Two helicopters were required for transportation of the three, two-man crews. Local workers, Ryan Bukowski and Gabe Nanok joined the MLA staff and not only helped with the survey, but also helped determine the location of sites that were difficult to find. Along with a BLM employee, MLA also consulted the village Elders who provided additional input on site locations. In this second 2012 phase, 88 historical sites were surveyed, and 516 corner markers were set.

Accomplishing the survey of ANCSA lands is an essential step for corporations to receive final patent to lands, and local contracting for the survey of these lands using local resources is an added incentive for ANCSA Corporations to participate in the 638 surveys.



Left to right: Searching for historic grave sites, field crew in Chevak, rehabing a survey marker.

2012 DONATIONS RECAP

As a large corporation recognized throughout the state, Calista receives dozens of donation requests each month. Per the request of Shareholders, the Board has set guidelines to ensure most donations made benefit Calista Shareholders and Descendants. Other priorities that guide donations include the following: nonprofit organizations; organizations that operate in or benefit the Calista Region; organizations that support education, culture, community outreach (training, rural development), social / health / human services (shelters, health agencies, treatment centers, food banks).

A little more than 86 percent, or \$390,663 of 2012 donations directly benefited Calista Shareholders, Descendants and the Region. Examples of donation recipients include the Tundra Women's Coalition, Cama-i Dance Festival, Emmonak Women's Shelter, traditional councils, and many more. From Russian Mission to Emmonak, Chuloonawick to Goodnews Bay, Tuntutuliak to Georgetown, every area of the Calista Region is covered.

The corporation's indirect donations that did not go directly into the Region still benefit our people. Totaling \$59,250, or about 13 percent, recipients included AVTEC, Alaska Village Initiatives, UAF's AISES program for Alaska Native students and First Alaskans Institute. These worthy organizations serve all of Alaska, including many Calista Shareholders and Descendants, through scholarships, internships, education and training.

Shareholders and residents can also apply to other organizations that provide support for certain types of requests the Donations Committee may not be able to offer. United Way of Alaska operates a central phone number that provides resources around Alaska for food banks, heating bills, rent support and more.

To reach this central phone number, dial 211 or visit alaska211.org

LEADERS FROM THE REGION

OLIVIA SHIELDS

Storytelling has long been an important part of culture; through it we pass traditions, Native knowledge and family customs. But in recent years there has become an increasing language barrier between our Youth and Elders. If the two generations can't communicate, we risk losing an important piece of our heritage. Descendant Olivia Shields wants to bridge the language gap between generations.

"It is very important to keep our language alive. Our culture is who we are, without it I don't know what we have," Olivia said.

Olivia's family is from Toksook Bay and she is the granddaughter of Chief Paul John. She is currently a freshman at the University of Alaska Anchorage, studying early childhood development and Native studies. "I am trying to become a Yup'ik teacher to help strengthen the Yup'ik language," Olivia said.

"This opportunity came through hard work and I want Youth leaders to keep working hard, because doors will open for them as long as they are willing to work hard."

Last November, Olivia was selected to attend The Ecotrust Indigenous Leadership Awards and Council Meeting in Oregon. The event focused on honoring Native leaders, stretching from California to Alaska. Calista donated an airplane ticket to help fund Olivia's trip. "I am really happy about Calista's help and support, without them I would never have been able to go," Olivia said.

Olivia hopes to inspire other Yup'ik speakers to keep the language alive and wants to remind Youth that with confidence and hard work, anything is possible.



Yup'it Yuraryarait CELEBRATING YUP'IK CULTURE THROUGH DANCE

To support the preservation of the Yup'ik culture, Calista Corporation donated \$10,000 to the Calista Elders Council for the Yup'it Yuraryarait Dance Festival. The event brings together Elders, Youth and Yup'ik dancers in the Yukon Kuskokwim Region to learn about, preserve and celebrate their culture.

This year's festival will be held in Chevak on March 1 lasting three days, following CEC's Annual Meeting on February 28, 2013. The theme of the festival is "Civuliamtaa Qaniryarait Civumuluki" which means "Going Forward With Our Ancestors Language/Words."

Angalraq Andy Paukan and Tim Troll launched the first Yup'it Yuraryarait Dance Festival in the early 1980s. Their goal was to create an event that would foster the revival of the

traditions of the Yup'ik people. Villages were invited to come dance in the Saint Mary's gym and since then the festival has been held in different villages every three or four years.

Traditional Yup'ik dance evolved in the crowded space in the qasgiq. It is performed by moving the upper body while standing or seated in place. The dance communicates the social and traditional values of the Yup'ik people as well as historical events. Other aspects of Yup'ik culture are shared at the festival including food and art. Gatherings like the Yup'it Yuraryarait Dance Festival allow the Region to preserve and celebrate Yup'ik culture, while teaching younger generations how to keep their traditions alive.





VILLAGE PROFILE: RUSSIAN MISSION

"IKOGMIUT," MEANING "PEOPLE OF THE POINT"

The residents of the village of Russian Mission enjoy bountiful subsistence opportunities including chances to harvest moose, waterfowl, salmon and black bears. This unique village remains rooted in its cultural heritage.

Russian Mission is located along the west bank of the Yukon River about 70 miles northeast of Bethel. According to a 2011 Alaska Department of Commerce, Community and Economic Development estimate, approximately 300 people call Russian Mission home.

Today's village sits on the site of an old fur trading post. The Russian-American Company, one of the largest maritime fur trade companies in the world, set up the post in 1837. Due to the amount of wildlife in the area trapping remained an important part of the culture, and while the fur industry has declined in recent years, many residents still earn some income from trapping.

The settlement became an Eskimo village called *"Ikogmiut"* meaning "people of the point." Russian Mission became home to the first Russian Orthodox mission in Interior Alaska which was built in 1857 by Russian-Aleut priest Jacob Netzuetov. The priest dubbed the mission, "Pokrovskaya Mission" and the village became known as Russian Mission in 1900. At one time there were two villages named Russian Mission, but eventually the village along the Kuskokwim was renamed Chuathbaluk.

Russian Mission became incorporated in 1970 and a federally recognized tribe, Iqurmiut Traditional Council, is located there. Employment opportunities are fairly limited within the community, the main employers are the school district, local businesses and the fishing industry.

The maritime weather can be a rollercoaster for residents who face temperatures ranging from -54 °F to 86 °F. Annual rainfall averages about 16 inches and the community sees about 60 inches of snowfall.

ETHICS COMMITTEE STATEMENT

"As Chairman of the Board, I have directed and approved the following announcement." – Willie Kasayulie

As chairman of Calista Corporation's Board of Directors Ethics Committee, I wanted to correct the misinformation that has been published in the Delta Discovery over the last few months regarding whether the "advances" that were previously paid to two Calista Directors were or were not improper loans. The previous published statements advocated that they were proper and should not have been considered by Shareholders as a negative during the Directors' election campaign. To put this matter to rest, Calista consulted the law firm of Stoel Rives LLP to answer this question. The answer from the legal expert was based on Alaska statute, legislative history, and Alaska Supreme Court case law. The opinion stated:

"In conclusion, if funds are provided to a Director as an advance with a stated or implied obligation to repay Calista such funds, the transactions would constitute "loans" under Alaska law and Calista's Code of Ethics, and as a result would require the approval of two-thirds of the outstanding shares of Calista."

There was no Shareholder approval of the advances in question. There is no question that the previous advances violated Calista's Code of Ethics and state law. It is now time to put this matter behind us. The full legal opinion is posted on Calista's Website at www.calistacorp.com

Calista's Directors and management have the same goal — to ensure that Calista is united as a team, as that is the only way to ensure that our Shareholders and Descendants are properly served by those of us entrusted to the positions we now have.

Quyana,
Robert Beans

SHAREHOLDER WINS CORPORATE SAFETY AWARD

Calista Shareholder and longtime Donlin Gold employee, Peter Boise Alexie has been recognized by one of Donlin Gold's parent companies, Barrick Gold for his outstanding safety achievements. Peter was selected among thousands of employees worldwide to receive the Barrick Excellence Award for being a Safety Champion. Peter has played a vital role in developing Donlin Gold's strong safety culture and ensuring all employees operate safely. His promotion of safety in the workplace has reached communities throughout the Yukon Kuskokwim region, by helping families commit to safe practices on a daily basis. Calista would like to congratulate Peter on his accomplishment. Calista Corporation is committed to realizing the investment on the Donlin Creek property.

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SHAREHOLDER RECORDS

NEW YEAR, NEW UPDATE

Calista Corporation is the second largest Alaska Native Corporation in the state, in terms of both people and land mass. Even though our Region is a tight-knit and close community, it's tough to keep tabs on 12,600 Shareholders. It's easy to forget about updating your information, but if you don't keep current you risk missing important information and benefits. In order to receive the benefits you are entitled to, like dividends, scholarships and newsletters, your information needs to be up to date. If you receive paperwork in the mail from the Calista Corporation Shareholder Records department be sure to open it and respond as soon as possible. By taking the time to update you data you're securing your future benefits.

HR Talent Bank INTERNSHIP APPLICATIONS

Every year Calista Region students are given the exciting opportunity to score paid internships within Calista Corporation and its subsidiaries. Through our 10-week internship program, students gain real world work experience that can be used to further their education and boost their professional resume. Along with a paycheck, interns receive a living stipend and valuable feedback from professionals within the career field they are interested in.

To qualify for the internships, you must be a Calista Shareholder or Descendant currently enrolled full-time in a college or vocational school and have at least a 2.0 GPA.

DATES TO REMEMBER

Recruitment

February 1st - February 28th

Application Due Date

March 31st

Final Selection of Interns

April 30th

Internship Program

Second week of June - second week of August

For more information, contact Felicia Wassillie in the Human Resources department at fwassillie@calistacorp.com



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PERSONAL DATA FORM - FEBRUARY 2013

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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