

STORYKNIFE

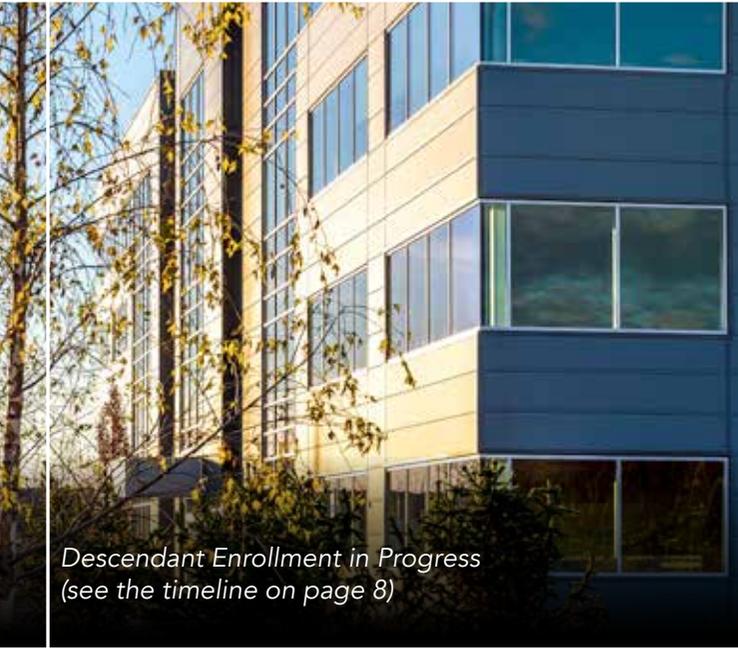
THE VOICE OF THE REGION

Yaarnin



2016 Calista Education and Culture, Inc. Golf Tournament on Wednesday, June 15.

(Story on page 7)



*Descendant Enrollment in Progress
(see the timeline on page 8)*

CALISTA SHAREHOLDERS RECEIVE LARGEST DIVIDEND TO DATE

The Calista Corporation Board of Directors approved a record \$5.6 million dividend to be distributed among Shareholders. The 2016 spring dividend is the largest dividend in the corporation's history. Calista has distributed 13 dividends in the company's history, with five being distributed since 2014. Dividends have totaled \$38.9 million, with 49 percent being distributed over the last two years.

Dividends are one of many ways Calista meets its ANCSA obligations for its Shareholders. For many Shareholders, the annual dividend is money that is necessary to keep up with the expense of living in rural Alaska.

"Calista's dividends are more than discretionary spending money for our Shareholders," said Calista Corporation Board Chair Margaret Pohjola. "The Yukon-Kuskokwim Delta is one of the most economically-challenged regions in the country. Shareholders have shared with us that these dividends are used to purchase gas for use in subsistence activities, food for their families, and supplies for their homes."

Calista has one of the largest populations of Shareholders among Alaska Native Corporations, with 13,000 Shareholders. The spring dividend will be approximately \$4.23 per share, an 11 percent increase from 2015. Most Shareholders own 100 shares. In 2014, Calista made corporate history by

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CALISTA CORPORATION
www.calistacorp.com

MAY 2016



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Board Message



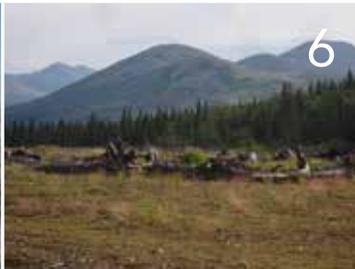
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BOARD MESSAGE

Margaret Pohjola, Board Chair

As our world evolves, we work to keep up with changes. While we focus on maintaining our traditions and heritage, advances in technology can be blended with our culture to create efficiencies. For example, snow machines allow trappers to travel more quickly along their traplines and improvements in boat motors keep rivers cleaner while we fish.

To keep up with advances in technology and changing habits, Calista Corporation has decided to offer changes to the way it offers many printed materials. Starting this year, Calista Corporation will offer options for Shareholders to receive Annual Meeting materials and the Storyknife newsletter.

In order to save paper and reduce significant printing and mailing costs, Calista Corporation offers the following options:

- Annual Meeting materials (one per household): Calista will send one set of annual meeting materials per household, rather than send full packets to each person separately. Note: Calista will continue to provide proxy forms to each Shareholder separately.

- Annual Meeting materials (electronic): Calista will send annual meeting materials to Shareholders electronically, rather than in paper form.
- Yaaruin: Storyknife (electronic): Calista will send Yaaruin: Storyknife information electronically, rather than in paper form.

As we look ahead to next year when the number of Shareholders could triple in size as we enroll Descendants, we are searching for ways to cut costs, find efficiencies and engage our younger demographic. While many people still enjoy printed materials, younger generations are trending more toward online consumption. With the popularity of e-publications and tablets, we believe many Shareholders will enjoy the electronic option. For example, many Shareholders have already chosen to vote online.

I encourage you to consider opting in to any of the options that appeal to you. Paperwork to request the options was included in the March Storyknife and can be found online at this special shortened link: <http://bit.ly/SHinfo>

(Continued from page 1)

declaring two dividends in one calendar year. The spring dividend is determined from Shareholder equity. The fall dividend is from the Akilista investment portfolio, which made distributions in 2014 and 2015. This is an investment fund created to provide a perpetual source of dividends not dependent upon business operations. You can learn more on how the dividend is decided on page 5.

Dividends are just one way Calista provides for its Shareholders. In addition to dividends, Calista provides internships, scholarships and

donations. In this issue we highlight the importance of the dividend and showcase other ways Calista helps, including through the Calista Golf Classic and volunteering in the Region.

Calista is committed to preserving the Region's heritage and improving the lives of Shareholders and Descendants. For more on the dividend, visit pages 4 and 5.

Employee Feature VALERIE ANDREW

Shareholder Enrollment Project Manager

Recently Calista Corporation hired Valerie Andrew as its Shareholder enrollment project manager. "I'm responsible for working closely with project stakeholders to ensure that proper planning, implementation and close-out strategies are aligned to achieve a streamlined process for accepting and verifying applications for enrolling new Shareholders and transitioning successfully to an expanded Shareholder services approach," Valerie said.

Valerie grew up in Saint Mary's and is an original Shareholder of Calista and Emmonak Corporations. She attended St. Mary's Catholic High School and graduated from Mount Edgecumbe in Sitka. Valerie went on to study social science at Alaska Pacific University where she earned a bachelor's degree and is currently working toward her Master of Art degree. With over 25 years of rural, urban and itinerant work experience and public service, Valerie brings a wealth of knowledge to the project management position. Her expertise includes strategic, community action and sustainability planning, proposal development, contract compliance, business consulting and leadership roles in tribal and local government, non-profit and healthcare organizations. Critical to her systems, logistics and human resource planning is that she has worked in over 50 villages in the Calista Region including home bases of Aniak, Emmonak, Bethel and Saint Mary's.

"As a Shareholder, I am very happy to finally have an opportunity that both suits my skill levels and my interest in increasing Shareholder benefits," said Valerie.

The initial enrollment application period is scheduled to begin in 2017.

With the number of Shareholders potentially tripling in size, Valerie's job is to ensure the initial enrollment application period goes smoothly and Calista transitions to a Bethel- and Anchorage-based Shareholder services program with a regular presence across the Calista Region. Working alongside talented coworkers, Valerie is gathering critical information from current Shareholders to mark the way for future Calista Shareholders. The goal is to deliver an easy application process and records management system within Shareholder services. Valerie says she's excited to be a part of a team helping current and future generations of Calista Shareholders.

"I'm looking forward to the day that we have more Shareholders enrolled," said Valerie. "It builds our talent bank so that Calista can promote growth, economic opportunities, Shareholder benefits and jobs for our Region."

Valerie is the daughter of Vicki and Kelly Babich, from Saint Mary's and her Grandparents were Mr. and Mrs. Evan Benedict of Emmonak. She has four daughters, Chloe, Sofia, Gillian and Tren and two younger sisters, Emily and Ossa.



"I'm very excited to be a part of this project because the team I work with is invested in our Shareholders."



PRESIDENT'S MESSAGE

Andrew Guy, President & CEO

Calista Corporation is built on the foundation of the voices of its Shareholders. We work to fill our positions with Shareholders and Descendants. Our Board of Directors represents every corner of the Region and we Shareholders meet annually as a group to discuss our corporation's future. We need our Shareholders' involvement and will always work to have as many of our Shareholders as possible participate and have their voice heard. Unfortunately, many people have a tendency to feel that their voice does not matter, when in reality, every single vote counts.

On average, only 50.07 percent of Calista Corporation Shareholders vote in the Annual Meeting of Shareholders. Not only is this low percentage a poor reflection on people choosing to exercise their right to vote, **it puts the corporation dangerously close to not meeting quorum.**

A quorum is the minimum amount of shares needed to hold a valid meeting. Every year, Calista spends a lot of time, effort and money to encourage voter participation. We award proxy prizes and provide online proxy voting. If we fail to meet quorum, Calista will be forced to reschedule an Annual Meeting of Shareholders,

which will unnecessarily cost the Shareholders and corporation money and time.

This year, we have an opportunity to reduce Calista's quorum requirements for a Shareholder meeting to one-third (1/3) of the outstanding shares entitled to vote at a meeting, represented in person or by proxy. This will be on the ballot at the Annual Meeting of Shareholders in July. To pass, the resolution must receive an affirmative vote of two-thirds (2/3) of the shares represented in person or by proxy at the meeting.

We believe a lower quorum requirement can result in improved Shareholder participation. Often, Shareholders do not participate in the Annual Meeting process because they feel their vote does not count. As a reminder, every vote always counts but with a lower quorum requirement, Shareholders should feel even more empowered that their vote matters and their voices will be heard.

You will be receiving your voting packets in the mail in the coming weeks. Please ensure your voice is heard by voting.



SHAREHOLDER DIVIDENDS

Essential to our Region

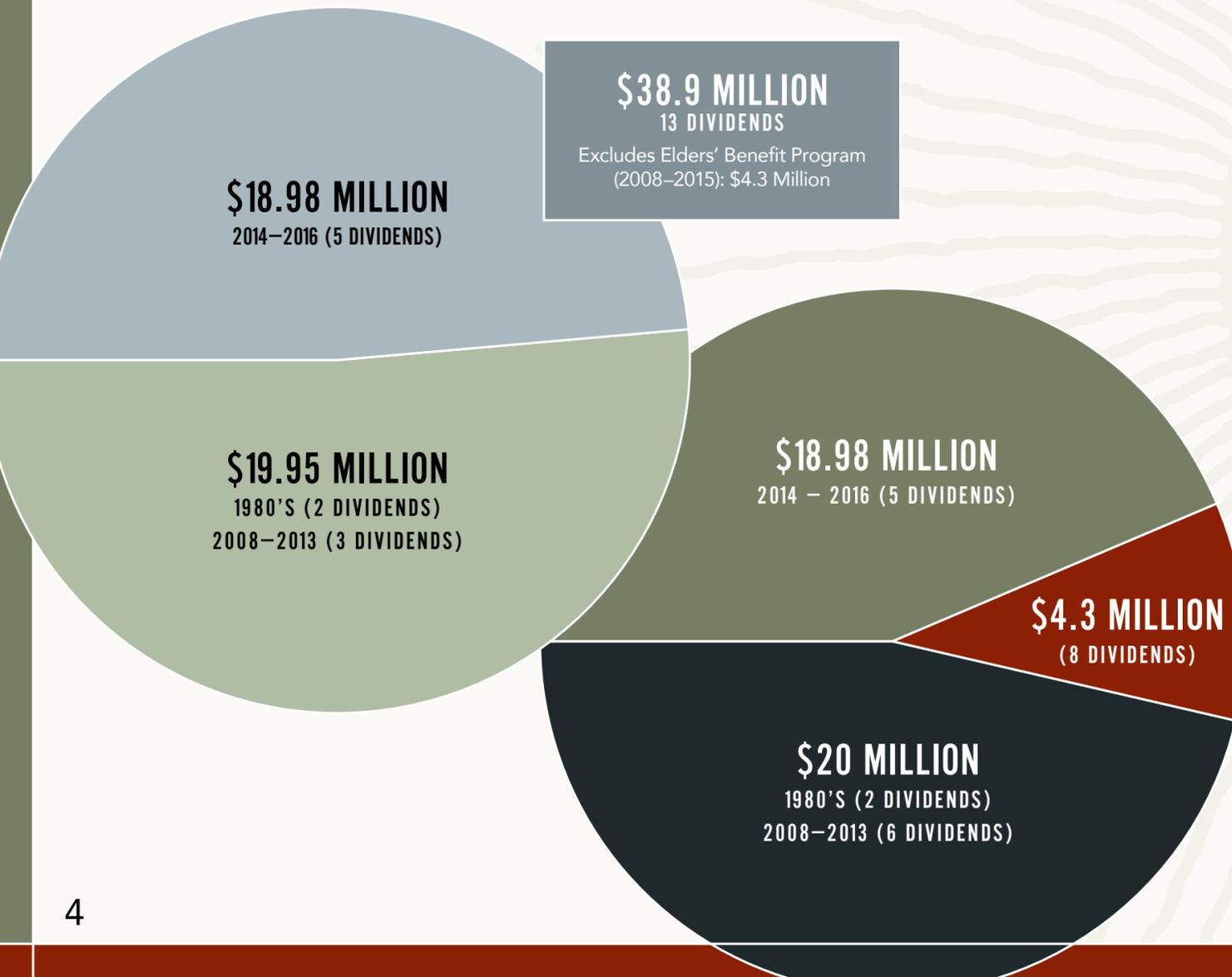


SEE YOUR DIVIDEND SOONER WITH DIRECT DEPOSIT

This year, for the first time in Calista Corporation's history, the company is offering direct deposit for Shareholder dividends. Applications were included in the March issue of Storyknife, mailed to Shareholders, and an application is available online <http://bit.ly/SHinfo>

A new software program enables Calista to offer this feature, and following security and stability testing in the coming months, Calista anticipates additional Shareholder-friendly features will be announced and available. The direct deposit option will be available for all future dividends and Elders' Benefit Program distributions.

CALISTA CORPORATION TOTAL DIVIDENDS



“Calista Shareholders have asked about direct deposit for a few years now. With our new software and a properly completed application, Shareholders can receive dividends without having to wait for mail delivery.”

— CALISTA CORPORATION BOARD CHAIR MARGARET POHJOLA.

Understanding the Dividend Formula

In 2014, the Calista Board of Directors adopted a Shareholder Dividend Policy to create a formula for the dividend. The policy requires that Shareholder distributions be calculated based on 3.5 percent of the prior three calendar year-end average Shareholders' Equity minus the Elders' and Akilista distributions made in the previous 12 months.

In accordance with State of Alaska statutes, the Calista Board of Directors is only authorized to pay the distribution if the following criteria are met:

- 1) Calista assets exceed one and one-fourth its liabilities after the dividend is paid;
- 2) current assets exceed current liabilities; and
- 3) Calista is able to pay its debts when they are due.

Previously to determine the amount of the dividend, Calista management would examine financial data from the previous year, look at previous dividends, ensure compliance with state statutes and make a recommendation to the Board on the dividend amount.

This formula provides additional transparency and predictability for Shareholders.





SUBSIDIARY NEWS

CALISTA PROVIDES REAL ESTATE OPPORTUNITIES FOR VILLAGE CORPORATIONS

Calista formed several real estate subsidiaries to provide a consistent, year-round income stream. By strategically investing in commercial properties in the Western United States, Calista's real estate generates cash flow and profit. Additionally, Calista utilizes 1031 exchanges to defer taxes when large properties are sold.

Village corporations can partner with Calista by creating a limited liability company owned by both parties. This structure allows village corporations to invest in real estate with a smaller buy-in than if they bought properties as the sole owner.

"We currently co-own six commercial properties with other regional or village corporations," said Calista Corporation Chief Financial Officer Sharon Lechner. "Village corporations must be willing to accept the risks inherent with real estate investing, and also have surplus cash that won't be needed in the short term."

Sharon also serves as the president of five Calista real estate subsidiaries.

In addition to the small buy-in, village corporations can benefit from Calista's experience in this industry. Calista has capabilities in researching potential properties, acquisitions, and property management.

Village corporation leaders interested in partnering with Calista should contact Sharon Lechner.

"Strategic real estate investments have the potential to provide steady cash flow for its owners, including village corporations."



BLM HARDROCK MINERAL SMALL OPERATOR AWARD WINNER: NYAC MINING COMPANY

In 2014, Nyac Mining Company, working on land owned by Calista Corporation, was recognized with a national award for outstanding mining reclamation and sustainable mineral development. The Bureau of Land Management Hardrock Mineral Small Operator Award recognizes environmental stewardship achievements of operators with fewer than 15 employees. The award recognizes the efforts made in implementing the principles of sustainable development, a concept adopted by the United States and 192 other countries, to balance environmental, economic and social concerns in planning for mining operations.

The BLM award recognizes operators who have demonstrated continuous or repeated efforts to successfully meet or exceed Federal, State or local reclamation requirements.

Nyac Mining has been placer mining in Southwest Alaska for 16 years and in 2005 they began using a holistic water management and concurrent reclamation system. The reclamation process Nyac Mining has perfected ensures that soils are stable and that ample growth medium ensures early re-vegetation. Additionally, the company utilizes available resources to help encourage habitat development in the reclaimed areas. Some of their settling ponds will be left to provide fish and wildlife habitat and are designed to eventually blend into the landscape.

The sustainable manner in which Nyac Mining operates helps it shine among its peers. Its mining methods leave local habitat more biologically active than before the operations began.

In the 25 years that Calista has owned lands at Nyac, there have been dramatic changes in both mining methods and land reclamation. Calista is pleased that Nyac Mining Company employs state of the art water management systems and best practices to achieve very high quality reclamation that diversifies and enhances habitats for wildlife. Nyac Mining's long term approach to mine design - integrating reclamation and water management to leverage efficiencies of the mining process - represents the next step in the evolution of a holistic approach to placer mining.



CALISTA EDUCATION AND CULTURE, INC.

On Wednesday June 15, Calista Education and Culture, Inc. (CEC) will host the 17th Annual Golf Classic Tournament. The theme this year is "Engineering Our Future." Teams will hit the greens for a shotgun start beginning at 7 a.m. The Golf Classic is CEC's largest fundraiser of the year. The funds generated from the tournament will be used for scholarships for Shareholders and Descendants who are enrolled in post-secondary education. The program has awarded more than \$4 million in scholarships benefitting thousands of students from the Calista Region.

This year, Michael Ulroan and Audrey Leary will host the event. Michael grew up in Chevak and received his Bachelor of Science Degree in Civil Engineering at the University of Alaska Anchorage, becoming the first engineer in the history of his village and was selected as the student commencement speaker. He currently works with the Alaska Native Science & Engineering Program (ANSEP), which inspires high school students to explore careers in science, technology, engineering and mathematics.

Audrey is Yup'ik Eskimo and Athabascan Indian from the Kuskokwim River villages of Bethel and Napaimute. She's currently preparing to graduate from the University of Alaska Anchorage in May with a Bachelor's degree in Elementary Education with a minor in Alaska Native Studies policy. She plans to return to the Calista Region to teach. Audrey is a former summer intern for Calista Corporation, has been a member of UAA's Native Student Council and the Forget-Me-Not board of directors, and currently sits on the tribal council for the Native Village of Napaimute.

For more information about the tournament or to register, visit www.calistaeducation.org or email golfclassic@calistacorp.com



17TH ANNUAL CALISTA EDUCATION AND CULTURE, INC. GOLF CLASSIC TOURNAMENT

MOOSE RUN HILL COURSE – ARCTIC VALLEY

WEDNESDAY JUNE 15, 2016

7 a.m. Shotgun Start

www.calistaeducation.org

golfclassic@calistacorp.com

(907) 275-2800

Leaders from the Region

CYNDI REEVES, AUTHOR

Cyndi Reeves is smashing stereotypes. The Calista Shareholder proves young women have a place fishing on the banks of the rivers, hunting the forests and gathering on the tundra. "I was the first of seven children, my dad raised me like a son. I hunted, fished and logged, I did everything a first-born son would do," said Cyndi.

Her passion for the outdoors stems from her upbringing and her strength as a woman comes from her grandmother. Growing up in Alakanuk, Cyndi spent every summer at fish camp with her grandparents, where it was her grandmother who taught her to survive off the land. Her grandmother taught her to identify edible plants, read rivers to catch fish, and hunt for moose, rabbits and seals.

"These are important things to learn," said Cyndi. "Our land is rich."

Cyndi fondly remembers her summers as a child spent without today's distractions of television and cellphones. During her studies at Sheldon Jackson College, she turned her memories into a story about her grandmother. Recently, she worked with

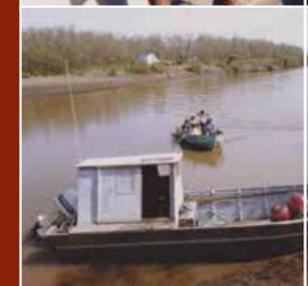
illustrator Camille May, a Haida Native from Craig, and self-published the story into a children's book. "Aalimaalimaa" tells the tale of summer adventures and her grandmother finding a snail. When it rains, her grandmother sings "Aalimaalimaa" and brings out the sunshine. "The story is about believing that you can always make sunshine," said Cyndi.

Using photos of Cyndi's grandmother and of the area, Camille used a technique called gouache painting to illustrate the book. The book is meant to inspire children to explore the outdoors, learn about the land and respect their Elders. It also contains many Yup'ik words. "Grandma only spoke Yup'ik to me. So, all I knew were the Yup'ik words for all these plants."

Cyndi currently lives in Craig with her husband and children. Moving from Western Alaska to Southeast was a challenge at first, but through the lessons of her grandmother she was able to learn how to survive off a new land. She loves seeing an increasing number of women following in the footsteps of their fathers, or as Cyndi illustrates, mothers and grandmothers.

"Back when I was 16 years old, you didn't see girls throwing spears for seal hunting, or moose hunting," said Cyndi. "Today, many women are hunting."

The book "Aalimaalimaa" is available for purchase on amazon.com



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THE VOICE OF THE REGION

Yaarnin



DESCENDANT ENROLLMENT *Timeline*

2014

DESCENDANT ENROLLMENT VOTE ANNOUNCED

October 2014 - July 2015

2015

ANNUAL MEETING: VOTE PASSES July 11, 2015



2016

INTERNAL ENROLLMENT DEVELOPMENT

- Hire additional staff
- Develop application, verification and acceptance process
- Collect contact and Calista tie information for potential Shareholders
- Provide information about enrollment time line and processes

2017

APPLICATION ACCEPTED

- Issue applications
- Accept and verify applications
- New Stock Issued

SHAREHOLDER SERVICES DEPARTMENT PROCESSES NEW ENROLLMENT APPLICATIONS AS RECEIVED

Ongoing

For more information call 1-888-277-5516 or email enroll@calistacorp.com

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PERSONAL DATA FORM - MAY 2016

Shareholder Name _____

New Mailing Address _____

City _____ State _____ Zip _____

Phone _____ Last 4 SSN _____

Birth Year _____

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.")

Mail to:

5015 Business Park Blvd., Suite #3000
Anchorage, AK 99503

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www.calistacorp.com