



Chitina Native Corporation

2019 Operation Summary

A Word from the President

Its been a while since we have sent a newsletter and we have been thinking about the many changes and opportunities we have experienced this last year. We as a Board of Directors have started driving change and taking steps to grow our corporation. We are looking to the future of what Chitina Native Corporation can be and our role for ultimately growing and providing benefits to our shareholders.

One of those growth opportunities is detailed in this newsletter as the "Shareholder Settlement Trust." We have provided some details on this legislation and how it would provide benefits to shareholders and their decedents for generations to come. As we familiarize ourselves with how best to implement a settlement trust we will need you, the shareholder, to consider and ask questions. We will need all of you to vote your position when the time comes. We will endeavor to keep you updated on current events and look forward to seeing you at the annual meeting.



Anne Thomas
President

A Message from the CEO

Chitina Native Corporation has had one of its best years on record, however the COVID-19 pandemic seems to have overshadowed our accomplishment. This year I think we can all agree has been difficult, abiding with state and federal directives and social distancing mandates has been a challenge for a company that prides itself on providing a sense of community. In light of those directives and with a recent spike in COVID cases, the CNC Board has chosen to only hold an electronic meeting with only the election of board members as the single agenda item. The board and support staff will only be present at this meeting.

Traditionally, we would provide an operational report at the annual meeting and take a moment to celebrate our successes. As the only item on the agenda this year will be the election, I would offer this newsletter as an short update to our 2019 operations report. We welcome any feedback or questions and offer copies of our 2019 audited financial to those who request them from our Chitina Office (907)823.2223.



Ed Herndon
CEO



Inside this issue

- Word From President 1
- Message from CEO 1
- Chitina Electric Inc, 2
- Chitina Diversified Services..... 2
- CNC Real Estate Investments..... 2
- Taral Enterprises..... 3
- Chitina Native Corporation.....3
- Annual Meeting Notice.....4

Board of Directors

- Anne Thomas, President
- Arleen Lenard, Vice President
- Jason Hart, Secretary/Treasurer
- Jason Nesslage, Board Member
- Danna Finnesand, Board Member



Chitina Electric, Inc.
A Subsidiary of Chitina Native Corporation, Gateway to the Wrangell - St. Elias National Park™

Chitina Electric Inc.

In the last three years Chitina Electric Inc. (CEI) has set the pace for our growth objectives. For 2019, CEI has aggressively gone after and won multiple projects with different agencies. CEI has two Joint Ventures, that have created the much-needed past performance to competitively win work in the near future. The past years' service and construction projects includes:

- Joint Base Naval Health Clinic Charleston South Carolina -- Exterior, Civil, and Window Renovation Construction Project
- Tobyhanna Army Depot Tobyhanna Pennsylvania – Exterior, Canopy and Roof Construction Project
- Ft. Jackson Basic Training Center Columbia, South Carolina – Design Build Upgrades Central Energy Plant Project
- Defense Logistics Agency Tobyhanna, Pennsylvania – Exterior, Interior, Roof, Loading Dock -- Construction Project
- Marine Corp Reserve Training Centers in Texas, Nebraska, Florida, and Alabama – Renovation of Ballistic Window, electronic doors, partial wall barriers, and IT Construction Project
- Armed Forces Recruiting Center Tikahtnu Commons Anchorage, Alaska – Janitorial Services
- Armed Forces Recruiting Center Wasilla, Alaska – Janitorial Services
- NOAA Missoula Montana – Construction Projects
- Maxwell Gunter Annex Air Force Base Montgomery Alabama – Construction Projects

Chitina Diversified Services, LLC.



Chitina Diversified Services (CDS) was established as Chitina Native Corporations newest subsidiary, primarily focused on providing services to the federal government. For 2019, we increased our marketing efforts intended to offer CDS's capabilities to a more agencies. Those agencies included Department of Defense, Department of Labor, Customs and Border Patrol, and commercial clients like Alyeska Pipeline. With the creation of two new Joint Ventures we have created the vehicles to gain

Chitina Native Corporation Real Estate Investments, LLC.



CNC REAL ESTATE INVESTMENTS, LLC

Chitina Native Corporation Real Estate Investments had an eventful year with the inclusion of a new subsidiary, 821 N St., LLC. The CNC Board of Directors has always envisioned a portfolio of assets to include Real Estate holdings and in alignment with that vision an opportunity presented itself in a highly desirable area of downtown Anchorage. With the purchase of this commercial property, CNC Real Estate Investments has three properties in the Anchorage area and we continue to look for investments.

Taral Enterprises, LLC



2019 was a good year for Taral Enterprises with a calculated approach to our marketing efforts and a healthy return of Copper River Salmon, contributed to a strong year. We saw an increase across all of Taral's services lines and a 20% increase in overall sales from 2018.

- Wrangell View RV Park— almost all the RV spots were booked for the year with plans to increase the number of spots by next year, provide better internet and rebuild marketing efforts to focus on international travelers.
- Wrangell View Store— with an increase in dip netters, and tourists to the Chitina area, the store increased its sales. We continue to focus on supporting local sales, increased supply runs to Anchorage and offering high demand items like ice, dip net rentals and perishable items.
- Spirit Mountain Gas— providing the towns only on-demand gasoline pumps has lead to increased sales. With more travelers and locals using those pumps we continue to monitor sales and inventory levels.
- Contracted services— Taral is in its fifth year of providing sanitation services to the State of Alaska for the Liberty Falls Campground. Taral also supports a local refuse collection contract with Copper River Sanitation.

Chitina Native Corporation



Our subsidiaries continue to focus on their individual business segments and CNC is no different. This past year we have continued our efforts on setting up infrastructure to support this rapid operational growth while focusing in on how to provide benefits to our shareholders. CNC delivered strong financial results for 2019, ending the year with 30mm in assets (compared to 11.5mm in assets in 2018) and increasing Stockholders Equity by 385%, from 6.7mm in 2018 to 26mm in 2019. This aggressive growth can be primarily be attributed to our federal contracting work and the ongoing Carbon Program that CNC is partnered with Ahtna.

While CNC worked hard for these successes, we also have to consider the challenges we are experiencing, that are largely out of our control. 2019, was a tough year for financial markets and CNC continues to monitor its committed funds invested through investment policies. We realize that we are in this for the long term and this requires a disciplined approach that requires constant communication with our financial advisors. The COVID-19 pandemic has caused uncertainties in operations and we continue to monitor how it will effect our business, investments and future operations of the corporation.

In 2018, the CNC Shareholders unanimously approved the CNC Shareholder Trust and we look for opportunities to fund the trust for 2020. CNC also made a large contribution to the Tsemi Na foundation to continue its mission of supporting shareholder and descendants education.

This past year has proved to be another exceptional year for Chitina Native Corporation (CNC). With record-breaking financials, a new office location, multiple contract wins and forward progress on all points of our strategic plan, Chitina Native Corporation is well positioned for continued success.

Chitina Native Corporation will hold its forty-seventh Annual Shareholders' Meeting on August 9, 2020, in Chitina, Alaska. Due to the COVID-19 Pandemic the CNC Board of Directors has created Resolution 2020-5A that specifies this meeting to be conducted electronically with the only agenda item being "Election of Board Members"

There will be no in-person Annual Meeting this year.

Because of COVID-19, we had to take extra precautionary measures to protect everyone's health and safety. We were not able to invite shareholders to attend the meeting due to group gathering restrictions.

- There will be no shareholder registration or voting the day of the meeting (May 30).
- Meeting attendance will be limited to Ahtna Board Members, candidates and essential staff.
- The agenda will include only the election of directors.
- The meeting will not be recorded or broadcast. Election results will be announced by the Inspector of Elections (Altman, Rogers & Co.) on the Ahtna website and Facebook page after the meeting has adjourned.

Thank you for your understanding and voting participation.

This year we are changing the way we gather the early bird proxies for the annual meeting. There will be no early bird proxy prizes, however, every shareholder that returns a signed proxy and is received before July 22, 2020 will receive a \$50 check. As we get closer to the annual meeting date, more information will be made available.

Chitina Native Corporation

P.O. Box 3
Chitina, AK
99566

Phone: 907.823.2223
Fax: 907.823.2202

E-mail: chitina_native@cvinternet.net

PLEASE
PLACE
STAMP
HERE

Mailing Address Line 1
Mailing Address Line 2
Mailing Address Line 3
Mailing Address Line 4
Mailing Address Line 5

