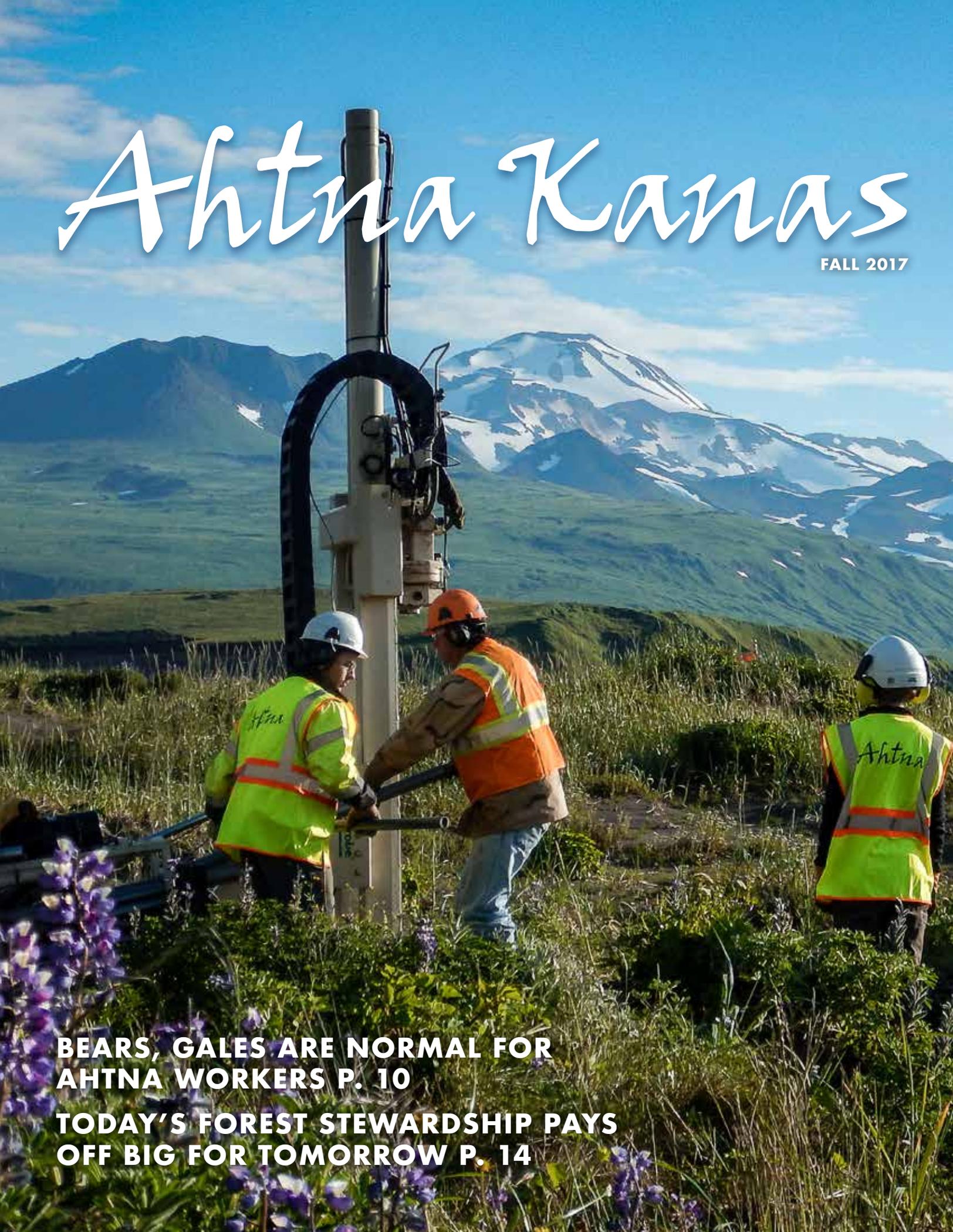


Ahtna Kansas

FALL 2017



**BEARS, GALES ARE NORMAL FOR
AHTNA WORKERS P. 10**

**TODAY'S FOREST STEWARDSHIP PAYS
OFF BIG FOR TOMORROW P. 14**

TABLE OF CONTENTS



10

In the middle of nowhere, bears, gales are normal for Ahtna workers



14

Today's forest stewardship pays off big for tomorrow



8

Ahtna settles Kotsina lawsuit



9

Subsistence harvest helps fill freezers



13

November is month to celebrate heritage



15

Interns' advice to youth: Be passionate

- 3 President's message
- 5 CEO's message
- 6 Kluti-Kaah served as winter home for the Ahtna
- 7 Tenes formed crucial arteries for the Ahtna
- 12 Keep contact information up to date
- 12 Traditional First Chief celebrates 101st birthday

- 13 Culture Club plans 3rd Heyi Niltu
- 16 Meet the Board
- 17 Condolences
- 17 Calendar of Events
- 18 Financials



PRESIDENT'S MESSAGE

BOARD REJECTS KLUTINA LAKE SETTLEMENT

It's hard to believe that fall is here, winter is just around the corner and summer is already history.

There has been significant movement on two important land issues. Unfortunately our long-running legal battle over public access to Klutina Lake through our lands, and the return of sacred lands to the Village of Gulkana, is not over. Our Board rejected a proposed settlement with the state after taking into consideration comments from the affected villages in the region as well as reviewing the comments submitted to the state during the public comment period. While the parties made an earnest effort with the proposed settlement, the compromises to our private land use rights were simply not worth the certainty and other benefits of a negotiated resolution. We have posted a press release on our decision on our website, Ahtna-Inc.com/news.

We did reach agreement with the state over the Kotsina River delta, a popular subsistence and dipnetting site. The agreement clarifies ownership and gives us an easement to access our land on the north side of the river and to maintain protective dikes. Our chairman calls the settlement "a good deal." You can read more about this issue later in this newsletter.

Our goal is to lower energy costs

With winter rapidly approaching, energy becomes top of mind again. We are working on a number of initiatives to try to lower costs, including assessing next steps for the Tolsona No. 1 well.

Our Board, management and sister nonprofits will meet with the U.S. Department of Energy's Office of Indian Energy this month to discuss what Ahtna and our nonprofits want in terms of energy development. We have an assortment of independent village energy projects already underway. We've invested in natural gas exploration, Chitina has its own electric utility and AFN is engaging in statewide energy development.

One potential fix is to tie into the grid along the Railbelt. Jason Hoke, executive director of the Copper Valley Economic Development Association is spearheading this renewed effort, which includes Copper Valley Electric Cooperative, Tanana Chiefs Conference, Alaska Energy Authority, Alaska Village Electric Cooperative and local legislators.

Shoring up relations with our neighbors

As two national parks border our lands, it's important to have a good relationship with our federal neighbors. We recently *Continued on page 4*

Ahtna, Inc. and Ahtna Netiy'e' senior management team



Michelle Anderson
President, AI



Kathryn Martin
Senior VP, AI



Tom Maloney
CEO, AN



Roy J. Tansy Jr.
Executive VP, AN



Matt Tisher
CFO & VP of Finance, AI



Joe Bovee
VP of Land and Resources, AI



Douglas Miller
VP of Human Resources, AI



Matt Block
VP of Legal Affairs & General Counsel

Ahtna Subsidiary Presidents



Craig O'Rourke
President, AGSC & ADB



Brenda Rebne
President, AFSI & APSI



Vicky Dunlap
President, ASTS & ALL



Susan Taylor
President, KEC, AKHI & ATSI



Tim Finnigan
President, AES & AEI



David O'Donnell
President, AC&PPC

If shareholder-owners would like to submit articles for the next issue of the Kanas, the submission deadline is November 17, 2017.

For questions or more information about the Kanas, please contact the Media and Communications office: Shannon Blue at (907) 230-7058 or sblue@ahnta.net



Open houses for Ahtna shareholder-owners and employees were held in Sacramento and Irvine, California in August.

PRESIDENT'S MESSAGE - Continued from page 3

met with Don Stryker, superintendent of Denali National Park, and Ben Bobowski from Wrangell St. Elias National Park. On the agenda was subsistence, off-road recreational vehicle use, boundary changes and the Backcountry Plan. We currently have a Memorandum of Agreement with Wrangell St. Elias and are working on one with Denali.

Internally we have begun to plan and budget for 2018. I like to say that the Ahtna saying "Nts'e tkonii da 'uzolyuun" – Be prepared for what might happen – is at the core of our thinking as we begin the strategic planning process. It is good to be reminded of the strength in the values that guide us as we work to build Ahtna into an even stronger corporation.

One way we prepare our company for further growth is to ensure our employees are well trained. To help us, we implemented a new learning management system for Ahtna employees. Employees can now complete their policy, compliance and safety training for the year in a manner that is more efficient and streamlined – and allows us to better track our training programs.

Ahtna's West Sacramento and Irvine, California, offices hosted cordial open houses in August to give shareholder-owners and employees the opportunity to learn about current projects, contracts Ahtna is pursuing and potential shareholder-hire opportunities. Attendees enjoyed lunch and an informative presentation by Ahtna Government Services Corp. and Ahtna Design-Build President Craig O'Rourke. Brenda Rebne, President of Ahtna Facility Services Inc. (AFSI), also provided a briefing in Sacramento on the current AFSI projects. California ranked third in the top revenue-generating states for Ahtna operational contracts last

year, with Alaska and Texas ranking number one and two respectively. Our California clients range from government entities to commercial clients like Arcadis and Parsons. I know staff appreciated the opportunity to connect with our shareholders in the area.

November is Alaska Native Heritage Month, a time to celebrate Alaska Native and American Indian Cultures and share our traditions and contributions. You can read more about it on page 13 or follow "Alaska Native Heritage Month" on Facebook.

It was an honor to help celebrate Traditional Chief Fred Ewan's 101st birthday. Fred was born at Crosswind Lake in 1916 to John and Katie Ewan (Tsisyu-Seagull Clan) and spent the last century living a traditional life. He became Traditional First Chief in 2014. This year we celebrated on August 12 and it was a day filled with laughter, delicious food and memories. If you weren't able to attend, please visit the photo gallery posted on Ahtna's Facebook page.

Finally, Ahtna historian Bill Simeone's fascinating exploration of how tenes (trails) connected the Ahtna is well worth the read. It's on page 7.

Tsin'aen,



Michelle Anderson, President
Ahtna, Incorporated

ADB AWARDED SBA REGION 9 SMALL BUSINESS PRIME CONTRACTOR OF THE YEAR

Ahtna Design-Build, Inc. (ADB) was named winner of the SBA's 2017 Region 9 Small Business Prime Contractor of the Year, having been nominated for this prestigious award by James Garror, contract specialist with the U.S. Army Corps of Engineers. Region 9 includes California, Arizona, Nevada, Hawaii and Guam.

This award recognizes ADB's hard work, innovative ideas and dedication to our communities. It also recognizes ADB's achievements and role in driving our nation's economic growth. ADB President Craig O'Rourke accepted the SBA Regional Award during the Santa Ana District Office's 54th Annual Small Business Week Awards Luncheon at the Disneyland Hotel.



J. Adalberto Quijada, SBA District Director; Rachel Baranick, SBA Deputy District Director; ADB President Craig O'Rourke; and Bryan Starr, CEO Irvine Chamber of Commerce.



CEO'S MESSAGE

GAME-CHANGING CARBON CREDIT PROGRAM ON-TRACK TO PAY OFF FOR DECADES

Dear Shareholder-owners,

This has been another great quarter for Ahtna, its subsidiaries, employees and of course, our shareholder-owners. Our enterprises continue to prosper and grow, and our employees have a safe and secure workplace.

For more than a year now, Ahtna has worked diligently on a plan to sell carbon credits. Right now, we are in the verification process and that is going extremely well. Ahtna managers Shane Jolin and Chris Cook are supervising the program, and it is on track to have a completed transaction next year. This will benefit Ahtna and its shareholder-owners for many decades to come.

The Ahtna Board of Directors made excellent decisions on some complex issues related to carbon credits that allowed us to move forward ahead of anticipated changes to California's carbon-trading program. You can read more about this important subject on page 14.

Keeping everyone safe during the verification process were several shareholder-owners hired as bear guards, and per Shane, they did a great job. Programs like this allow Ahtna to develop even more robust internship opportunities. Interns represent the future of Ahtna.

Everyone at Ahtna would like to say congratulations to Craig O'Rourke and his team at Ahtna Design-Build for winning the federal Small Business Administration's Small Business Prime Contractor of the Year Award. We are all proud of ADB and the amazing work it does each day.

Ahtna's outstanding safety and health record are paying off with relatively stable premiums for workers' compensation and auto insurance coverage. Our great relationship with the insurance carrier and broker contributes to keeping costs down for the corporation.

On the technology front, Ahtna is working with computer security experts on a Cyber-Security Table Top program with nationally recognized security experts. Ahtna staff will participate in realistic cyber-threat scenarios, and responses will be evaluated so they can learn actionable steps to prevent a cyber attack. Ahtna is always working to upgrade its cyber security by teaming with industry experts and major law enforcement agencies to prevent us from becoming a target and maintain the integrity of Ahtna's computer assets.

It's also hunting season for all our 8(a) companies. Proposals are being prepared and we expect to be successful in securing new contracts under the federal 8(a) program. September is the heaviest time of the year for proposals and we anticipate several awards for workplace safety and performance from various federal agencies. We are very proud of the work our 8(a) companies perform in Alaska and around the nation.

We participated in a July meeting in Cantwell on the proposed in-state natural gas pipeline. Also known as the ASAP line, the project would lay a pipeline from Prudhoe Bay to the Cook Inlet area, delivering plentiful and (hopefully) more affordable natural gas to all communities along its path. Ahtna's shareholder-owners would certainly benefit from this project. Executive Vice President Roy Tansey Jr. and Vice President for Land and Resources Joe Bovee will continue to meet with all key stakeholders, including the village of Cantwell.

Ahtna is also expanding its business footprint globally. Ahtna Support and Training Services (AhtnaSTS) is working with the Republic of Georgia to develop a new combat training center like those utilized by the U.S. armed forces. While back at home, AhtnaSTS was awarded a one-year contract for the Homestation Instrumented Training System, a system that aids the military in evaluating units so they are prepared for different combat situations. This work will be done at military bases in California, Wisconsin, Georgia and Alaska.

Finally, we are all saddened by the horrendous hurricanes in Texas and Florida. Our largest individual contract is at Port Isabel Detention Center (PIDC) in the Brownsville, Texas, area. Our team, under Vicky Dunlap's leadership, had to evacuate the facility with several hundred detainees and relocate them elsewhere during the storm. We also had to make plans for Irma in Florida. Many Ahtna operations are 24/7 businesses and our executive leadership team is on-call 100 percent of the time. Operations' Safety and Human Resources teams are ensuring the safety and welfare of our employees in the affected areas.

Our thoughts and prayers are with everyone who have had their lives disrupted, were displaced and lost their homes to the hurricanes.

Thank you,



Tom Maloney
Chief Executive Officer



Crystal Ewan, Ahtna Neit'ye', Inc. Executive Assistant to the CEO, accepts the Top 49er Award from Charles Bell, Vice President of Sales, Alaska Business Monthly. Ahtna ranked 16th on the list of the top 49 Alaska-owned companies.



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Photo © Art Hobson photograph album, Archives and Special Collections, Consortium Library, University of Alaska Anchorage.



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KLUTI-KAAH SERVED AS WINTER HOME FOR THE AHTNA

Kluti-Kaah (Copper Center) was an important winter settlement for the Ahtna for thousands of years, and you can still see some turn-of-the-century cabins at the site, which is across the river from today's community.

Strategically located at the confluence of the Klutina and Copper rivers, the Ahtna would use the copper they found in the water to make arrowheads and knives or trade for fur.

"Copper is really important thing. You can make knife and you can make arrowhead, you know. They make in the front like a spear where they hit the moose or something. And they use for in the war. Nobody got it in the other country ... only Copper River country," Bacille George told anthropologists Frederica de Laguna and Catharine McClellan in 1960.

Andrew Holman established a temporary roadhouse near Copper Center in 1898 to provide shelter for prospectors on their way to the Klondike. Facilities initially consisted of two tents: one that served as Hotel Holman and the other a makeshift post office. He built a substantial cabin a year later.

Prospectors set up tent camps along both the Copper and Klutina rivers and Copper Center rapidly became the primary supply center for prospectors and travelers in the Copper River basin. A telegraph station opened in 1901 and a school four years later.

The influx of prospectors proved a great hardship for the Ahtna. As the Ahtna people told J.H. Romig in 1909: "too much beans, too much rice, too much bacon and plenty of stomach ache. Before white men came there was plenty to eat and meat and skins for moccasins. Now too much hungry, too much cold, too much sick and then all the same die."

According to L.A. Jones, a teacher at Copper Center from 1911 to 1913: "The white men have largely killed their (the Ahtna's) game and fur bearing animals, leaving them with no way to make a living. ... There is very little labor which they can secure. Many are sick; tuberculosis seems to be among them all. Several parents have died leaving their children homeless."

The copper that gave the town its name proved more valuable than the gold that lured the prospectors. From 1909 until 1938, the Kennecott mines "produced over 4.6 million tons of ore that contained 1.183 billion pounds of copper mainly from three ore bodies: Bonanza, Jumbo and Mother Lode. The Kennecott operations, 110 miles from Copper Center at McCarthy, reported gross revenues above \$200 million and a net profit greater than \$100 million."

The gold rush and copper mining eras are memorialized in the Copper Center Museum, located on the banks of the Copper River in "old" Copper Center and the Copper Rail Depot, featuring scale models of Kennecott.

Today about 325 people live in Copper Center, which is located along the Old Richardson Highway, 15 miles south of Glennallen and 100 miles north of Valdez. Half the residents are Alaska Native. The Copper River Native Association delivers a variety of programs and services that promote the wellness of the people who call the Copper River Basin home. The community is also site of the Ahtna Cultural Center, which is operated by the Ahtna Heritage Foundation and contains exhibits and a hand-built fish wheel.

The community is also the primary gateway to the Wrangell-St. Elias National Park and Preserve and location of the park's headquarters and visitor center.

TENES FORMED CRUCIAL ARTERIES FOR THE AHTNA

By William E. Simeone

In the Ahtna language, the word for trail is tene. Trails used to haul meat are called c'ayaas tene, a trail used in the summer is saen tene and traplines are 'aetta tene. The Ahtna created hundreds of trails and the highways that now cross the Ahtna homeland followed routes pioneered by the Ahtna.

Trails were crucial arteries along which passed people and goods. For this reason specific clans controlled access to certain trails. For example, Wilson Justin said a trail between Batzulnetas and Taral that went around the base of Mounts Sanford and Drum belonged to the 'Ahts'e'inaey and Naltsiine clans. Trails used to reach trading posts were controlled by a chief or denae and used only with their permission. Jim McKinley (1980) said that when the Ahtna traded with the Russians "other tribe [clan] can't go where he [the denae] make trail. They don't let other tribe [clan] to trade down there unless they have meeting to decide to let them go. Gave them permission."

Trails linked the Ahtna homeland with the territories of the Tlingit, Upper and Lower Tanana, Dena'ina and Tutchone. The Ahtna moved furs, copper, tanned skins and dried salmon along these routes. Trails led down the Matanuska and Susitna rivers to Cook Inlet where the Ahtna traded with Dena'ina, Russians and Americans. Other trails led to the Gulf of Alaska and Prince William Sound. One route went down the Copper River, another over the Valdez glacier to Valdez Arm, while a third traversed the Bering glacier to Yakutat. At least two trails led north to the Tanana River, while another went east to the Yukon Territory.

Jim Sinyon (1973) described traveling down the Matanuska River to Knik to trade caribou skins and furs for tea and tobacco.

Every winter the people go there. While most of the time we was there we just camp and sit around and eat. We don't know the winter went by. We finally moved one day this way. We use sledges and we go up [the Matanuska River]. We come back we just use sledges on it [the river]. Well we went up the Chickaloon River, we come over the pass into the Oshetna River, and we come to the Susitna River we thought we get on the ice in that river.

The Ahtna created an extensive network of interregional trails connecting salmon fishing camps with winter settlements, upland hunting territories and lakeside spring camps. Elsie and Frank Stickwan said people from Dry Creek (Latsibese' Cae'e) had a trail to Crosswind Lake where there was a caribou fence. That trail went on to Tyone Lake (Hwtsuughe Ben Ce'e). From there a trail went down the Tyone River and on to Valdez Creek and eventually Cantwell. People who lived at Tazlina had a trail to Tazlina Lake (Bendiil Bene'), to Mt. Drum (Hwdaandi K'elt'aeni), and the Sanford River (Ts'itae' Na). Chief Ewan had a trail to Ewan Lake (tiidzi Bene') and another to Tangle Lakes (Ten 'Aax Bene').

Photo © P498-34 Alaska State Library Walter L. Fisher Photo Collection

LANDS SPOTLIGHT



AHTNA, STATE SETTLE OLD KOTSINA LAWSUIT

Ahtna has settled a land use issue with the State over the Kotsina River delta, a popular subsistence fishing site.

The agreement clarifies ownership of the Kotsina River delta and gives Ahtna an easement to access its land on the north side of the river and to maintain protective dikes.

"I think it's a good deal," said Nicholas Jackson, Ahtna's chairman.

The settlement, which stems from a lawsuit Ahtna filed in 2008, will ensure continued public access to the shore lands of the Copper and Kotsina rivers in the future, said Attorney General Jahna Lindemuth.

"It has always been the state's position that the Kotsina River is navigable in this area," Lindemuth said.

The 2008 lawsuit challenged a state Department of Transportation (DOT) material site and sought to prohibit camping and launching of boats within a DOT right-of-way.

Ahtna and the State have now agreed that the Kotsina River is navigable-in-fact from its confluence with the Copper River upstream eight river miles, and this is reflected in the settlement agreement. Other terms within the settlement agreement include:

- DNR will grant Ahtna two easements to provide access to Ahtna property on the other side of the river and to build dikes to protect its access routes;
- Fixed boundaries defining ownership of the delta;
- Continued access to the fish wheels on state-owned land;
- Ahtna will grant DOT easements to build and maintain dikes to protect the right-of-way, material site, and public access;
- Ahtna will not appeal two prior court orders in favor of the State.

AHTNA SON' UNIVERSITY PROFESSIONAL DEVELOPMENT OPPORTUNITIES!

Ahtna Son' (Star) University is excited to provide several opportunities for Shareholders to cultivate their professional skills.

Project Management Fundamentals is an introductory course to provide a high-level overview of the discipline of project management. This course is offered online and can be completed at the participant's pace.

Ahtna's Professional Development Series are in-person workshops designed to develop an array of skills. These workshops will take place in Anchorage and be available via video teleconference with our Glennallen and Sacramento offices. Courses will be on the following Tuesdays from 1pm – 4pm Alaska time.

October 24 - Understanding Finance: Financial Statements and Terminology

November 14 - Understanding Finance: Managing Budgets and Financial Wellbeing

November 28 - Conflict Management

December 5 - Stress Management

Courses are free and space is limited. For more information and to sign-up, contact Tracy Parent, Shareholder Development Coordinator at tparent@ahтна.net or call 907-868-8221.

SUBSISTENCE HARVEST PROGRAM HELPS FILL FREEZERS

We are all hoping for a successful hunting season that will fill freezers this winter. The Ahtna Tene Nene' C&T Committee distributed 48 any-bull, moose-locking tags to one in three households. Some 146 households are listed for the moose hunt and another 139 for caribou.

This is the final year of a two-year commitment for the program and the regulations could change when the Alaska Board of Game meets in Anchorage on Nov. 10-17 at the Lakefront Hotel. Shareholder-owners planning to hunt the Copper Basin Community Subsistence Hunt in November should be aware that regulations for that hunt could also be changed at the same Board of Game meeting.

Only Ahtna shareholder-owners are permitted to hunt on Ahtna land. Shareholder-affiliated individuals, meaning a child or spouse of a shareholder, may apply for a permit.

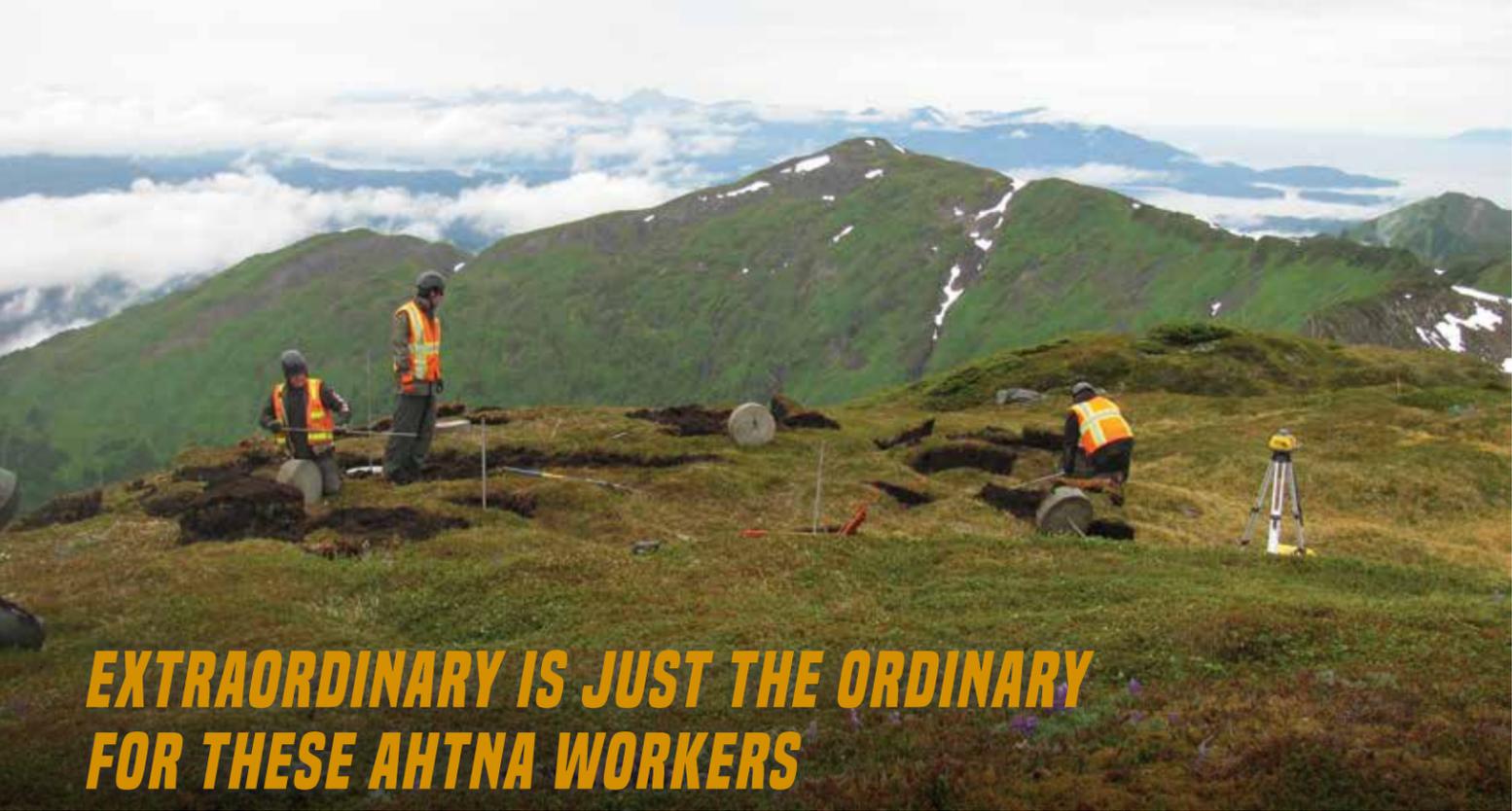
Permits are reviewed and issued on a case-by-case basis.

Finally, AKDF&G is asking hunters to fill out a survey for moose and caribou. Participation is entirely voluntary. Forms can be mailed to Ahtna, Inc., P.O. Box 649, Glennallen, Alaska 99588 or emailed to cshmoose@ahтна.net or cshcaribou@ahтна.net

November 1 through December 15 is the deadline to sign up for the 2018-2019 Community Subsistence Hunt for moose or caribou or both moose and caribou for the next two years.

For more detailed information about the program, please call Gloria Stickwan, Ahtna Community Subsistence Coordinator at (907) 822-3476, or the ADF&G Glennallen Office at (907) 822-3461.





EXTRAORDINARY IS JUST THE ORDINARY FOR THESE AHTNA WORKERS

Working in Alaska's extreme environment is not without challenge. Like working on top of a 3,400-foot mountain, surrounded by the highest concentration of black bears in the world. Or 350 miles from the nearest supply point, in an area notorious for nasty weather and williwaw winds.

Not only do Ahtna employees overcome these environmental challenges every day, they work smart, invent cool, new solutions to complex problems and get the work done on-time, on-budget and in a manner that exceeds our clients' expectations.

"Our employees are hands-down the very best in the world," said Ahtna CEO Tom Maloney. "They're the key to our success."

Former Ahtna technical writer Karina Quintans has written two articles this year published in *The Military Engineer*, the journal of the Society of American Military Engineers (SAME), of which Ahtna is a member, that spotlight the amazing accomplishments of our employees. The stories are available in full by visiting www.same.org/tme. These summaries are published with permission of SAME.

ONE CHANCE TO GET IT RIGHT

Way out in the Aleutian Chain sits Atka, site of a World War II airfield that was built in 1942 and abandoned three years later after playing an important role in the "Thousand Mile War," the fight for the Aleutian Islands that involved upward of half a million men and costing perhaps 10,000 lives. In early June of 1942, Dutch Harbor was bombed, and then, at the end of the Aleutian chain, the Japanese invaded and took control of the islands of Attu and Kiska.

Today, approximately 60, mostly Native Alaskans, live in and around the 10-mile area where airfield operations once stood. What remains are the scars of abandoned infrastructure and an untold amount of contamination that Ahtna Engineering Services (AES), in partnership with the U.S. Army Corps of Engineers (USACE), needed to investigate and clean up.

Sources of contamination include above-ground storage tanks, drums, pipeline, generator houses, antennas, towers, radars, heated mess halls, radio/transmitter buildings. In short, 1,891 potential sources.

So how do you collect field data from that many potential sources when many of the facilities have long been demolished, the surface debris removed and all that remains are chest-high grass? The thought of completing over almost 2,000 pages of field forms and handwritten field notes collected under the near constant rain and wind conditions that characterize the Aleutian Island weather was simply unappealing, not to mention risky, given the possibility for multiple transcription errors.

THE SOLUTION. AN APP FOR THAT.

Instead Ahtna and team member Geosyntec Consultants developed an iPad application to collect and manage the data, built a customized database and designed a project website. The solution reduced field equipment needs, improved data management/quality, provided daily updates, improved real-time decision-making, provided confidence that field data collection was complete prior to demobilizing, created "ready-to-go" digital appendices and eliminated the need to create/update the database upon return to the office.

Logistics on Atka are a nightmare. There is no gas station or hardware store, no hotels or hospitals. The nearest of these amenities is 350 miles away by air. Even cellular service is non-existent. Transport of personnel to the island is by small plane only, limited to three days a week and highly weather dependent. Across the 10 miles of the former airfield, most roads have deteriorated, so travel is primarily through all-terrain vehicles, utility task vehicles and trucks.

Extensive planning was required to mobilize equipment and supplies. Chartering a barge was the only option, and it is a costly one. A pickup truck, five utility task vehicles, 55-gallon drums of fuel, spill response materials, two Geoprobe drill rigs, sample coolers and glass wear, various field supplies and non-perishable foods were barged ahead of staff during each of the field seasons.

Perishable food supplies were flown in every two weeks. A field office was established inside the local schoolhouse. A full-time cook prepared thrice-daily meals for the field team in the schoolhouse kitchen and team personnel stayed in adjacent houses normally occupied by teachers during the school year.

Our staff worked hard to make sure they were good neighbors. Ahtna invited the community to use project-chartered aircraft to move people and goods on and off the island. In turn, when the project was at a standstill waiting for hydraulic fluid for the drill rig to arrive, the local fish processing plant provided interim supplies.

Atka was a tough assignment but this complex project has been executed seamlessly and has been highly praised for quality, scheduling and cost control. The three-year project wrapped up this year.

AEI'S INNOVATIVE FOUNDATION CUTS COSTS, SLASHES INSTALLATION TIME

Ahtna Environmental Inc. (AEI) went to the drawing board to develop an innovative foundation for remote communications facilities that reduces installation time by 60 percent and is now the standard for installations in the most challenging sites, like the top of high mountains.

AEI installed its innovative precast concrete "disk" foundation at a remote Self-Sustained Outlet (SSO) site in the mountains of Southeast Alaska two years ago. The Federal Aviation Administration (FAA) maintains hundreds of SSO radio communications facilities, which are designed to ensure the safety of aircraft in flight. SSOs in Alaska are often located on remote, unadorned mountain ridges referred to as "high sites."

Under subcontract to Parsons Infrastructure & Technology Group, AEI supported the highly complex construction of a SSO atop a 3,400-foot mountain ridge on Kuiu Island, located in the Tebenkof Bay Wilderness Area of the Tongass National Forest in Southeast Alaska.

In addition to difficult weather conditions (near zero visibility at times due to heavy fog, winds over 80 mph, rain and snow) and lack of infrastructure, the location contains the highest concentration of black bears in the world.

It took detailed logistics planning to transport 68,000 pounds of materials, supplies and equipment from Anchorage to Petersburg, where it was loaded onto a barge, which was towed and anchored in Camden Bay, approximately 4 miles north of the project site. The barge was then double-anchored in a protected area of the bay and maintained as a staging area for the duration of the project.

Transportation from the barge to the mountaintop took 53 helicopters slings.

The nine-person field team (comprised of FAA, Parsons and Ahtna personnel) was housed onsite in four weatherproof and insulated 12-foot by 10-foot tents that were placed on a wooden floor and securely anchored with the high-wind anchoring devices. A subcontracted dedicated cook provided three meals a day.

AEI used an innovative value engineering design alternative for the structural foundations to condense the field schedule by 60 percent and reduce overall project costs. A typical foundation design would have required pouring concrete into 18-inch-diameter by 4-foot-tall columns. Instead, 124 precast, 18-foot by 6-inch foundations were produced in Anchorage and shipped to the site.

The design developed by Ahtna has multiple benefits, including minimizing risk in the foundation quality since site conditions are not always favorable for pouring concrete and avoiding the need to transport bags of concrete and additional heavy equipment to the site.

As a testimony to the dedicated team effort, the project was completed on time, on budget and with no safety incidents. FAA has since mandated that the AEI foundations be used on all similar "SSO high" sites.

Just another day of work for our fantastic employees who report to work under some of the world's most challenging conditions.



SHAREHOLDER SPOTLIGHT

IT'S IMPORTANT TO KEEP CONTACT INFORMATION UP TO DATE

Ahtna Shareholder Services wants to remind all shareholder-owners how important it is to keep their contact information up to date.

"We can't help you, if we can't find you," said Eileen Ewan, Manager, Ahtna Shareholder Services. "Keeping your contact information current means annual dividends are delivered as soon as possible and shareholders are informed about other important services."

Shareholder-owners are also encouraged to use direct deposit, the fastest and more reliable method to receive dividends. By choosing direct deposit, you can get your dividend faster than a mailed check. Direct deposit forms can be found on the Ahtna web page. Just click on the "Shareholders" tab at the top of the page and select "services and forms."

Ewan also reminds graduating high school seniors to

provide a copy of their diploma to Shareholder Services. Your diploma entitles graduates to an additional 70 shares.

Diplomas can be scanned and emailed to shservices@ahna.net or copied and mailed to Ahtna Shareholder Services, PO Box 649, Glennallen, AK 99588. For more information about updating contact information or services and benefits available to shareholders, please call the Shareholder Services office, which is located in Glennallen, at (907) 822-3476.

Even if a graduate already submitted their diploma for the graduate gift process, they still need to resubmit to Shareholder Services.



AHTNA TRADITIONAL FIRST CHIEF FRED EWAN AT HIS 101ST BIRTHDAY CELEBRATION

Traditional First Chief Ewan says that the trick to being young is to tell yourself what age you are and be it. Chief Ewan, whose actual birthday was August 15th, generously shares stories and traditional teachings to all who are willing to listen and learn. We would not be where we are today without his indomitable spirit, and the strength of so many other Ahtna men and women. We were blessed to celebrate his special day with him.

NOVEMBER IS MONTH TO CELEBRATE OUR HERITAGE

November is Alaska Native Heritage Month, a time to celebrate the rich and diverse cultures, traditions and histories of Alaska's First People and to acknowledge the important contributions of Native people.

Heritage Month is an opportunity to raise a general awareness about the unique challenges Native people have faced both historically and in the present, and the ways in which Native citizens have worked to conquer these challenges.

"We value and respect the continuity of Alaska's different heritages through the cultivation of traditional languages, cultural traditions, oral narratives, the arts and subsistence lifestyles, and we honor the important work of Elders and culture-bearers who share the knowledge of the past with Alaska's youth and work to preserve that heritage for the future," Gov. Bill Walker said last year as he signed a proclamation declaring November Alaska Native Heritage Month.

The month dates back to 1990 when President George H. W. Bush approved a joint resolution designating November 1990 as "National American Indian Heritage Month."

Scheduled Events

The Alaska Native Cultures Club of Mat-Su College 3rd annual Heyi Niltu, 11 a.m. to 4:30 p.m. Nov. 7, Glenn Massay Theater, 8295 College Drive, Palmer.

Village Vogue Fashion Show, Nov. 11, Alaska Native Heritage Center, Anchorage.

For other events, check the Alaska Native Heritage Month Facebook page.



CULTURE CLUB PLANS 3RD ANNUAL HEYI NILTU



To celebrate Alaska Native Heritage Month, the Alaska Native Cultures Club of Mat-Su College will host its third annual Heyi Niltu from 11 a.m. to 4:30 p.m. November 7 at the Glenn Massay Theater, 8295 College Drive in Palmer.

The day's festivities include a lunch potluck, arts and crafts and various vendors.

Shareholder-owner Kitlisa Clark Carson, a member of Chitina and daughter of Joyce and Gene Clark, organized the club in February 2016. Its mission is "To provide Alaska Native students a group-based avenue for camaraderie, facilitate leadership and a platform of common interests."

The event is free and open to the public.



FOREST STEWARDSHIP TODAY PAYS OFF BIG FOR TOMORROW

A relationship between Ahtna and a company specializing in forest carbon offsets has entered the next phase of a carbon credit program that could bring long-term financial security and opportunities. The program's goals complement Ahtna's land management mission of protection and preservation for future generations of the Ahtna people.

Forest carbon offsetting is when a landowner, like Ahtna, agrees to manage, monitor and verify the carbon stored in forests on its land for many years (in this case 100 years), ensuring the offsets remain permanent. Trees remove carbon from the atmosphere as they grow. By measuring and verifying the carbon stocks according to a program and protocol (in this case the California Cap and Trade Program's US Forest Offset protocol), the amount of carbon offsets can be calculated and carbon credits generated. The credits can be sold to industries emitting greenhouse gases that are covered by a compliance program that allows the use of offsets (such as the California program). One forest carbon credit generated from the long term storage of carbon in a forest can be used to offset one ton of carbon dioxide equivalent emitted into the atmosphere elsewhere in the world.

Ahtna's development approach has a history of being conservative; customary and traditional practices and the Ahtna people's ability to use the land for community life are top priorities. "While Ahtna's program encourages natural forest growth, the land can still be used for customary and traditional use activities such as hunting, fishing and gathering," emphasized Joe Bovee, Ahtna Vice President of Land and Resources. The land can also be used for natural resource development activities such as access roads, limited timber and firewood harvesting, wildlife enhancement projects, and fire breaks, as well as community needs such as housing and roads.

Today, the program is in the verification phase with an audit that corroborates the amount of carbon estimated to be contained in the trees on portions of Ahtna's land. It is expected to be finished by late October. This

program is possible because the State of California Air Resources Board (CARB) approved the inclusion of some Alaska lands to generate offsets (carbon credits).

The carbon credit program got underway last year when six two-person crews of shareholder-owners hiked more than 900 miles across Ahtna land conducting a carbon inventory. They also used ATVs, trucks and helicopters to reach the approximately 300 forest plots that were inventoried. Thanks to the generous support of BP, Ahtna has been able to hire Carbon Credit interns who are gaining first-hand experience about the program and Ahtna's land stewardship practices. One of the shareholders, Katie Finnesand, says she plans to use the experience to educate others about the benefits of carbon credits. "The other interns and I will start a community outreach program, making presentations to schools and other community groups."

Ahtna is working with Finite Carbon, one of the most experienced and knowledgeable companies worldwide helping landowners benefit from the carbon held in its trees by generating and selling the credits.

Because the land and trees contained in the carbon credits program must be maintained for 100 years, Bovee said that means opportunities for generations to come. "We will be training and hiring shareholder-owners to manage the program going forward. Three interns have already been hired and the program has the potential to grow a new line of careers in natural resource management; jobs that would allow our shareholder-owners to remain in the region caring for Ahtna land and resources."

Other Alaska native corporations and villages have already participated in the carbon offset program or are in the process of doing so. Native American tribes in the Lower-48 have also successfully sold carbon credits.

More information about the carbon offsetting program is available online at www.finitecarbon.com



INTERNS' ADVICE TO YOUTH: BE PASSIONATE

JACQUELYNN ENGBRETSON

Shareholder-owner and veteran intern Jacquelynn Engbretson is wrapping up her third internship in the Ahtna Lands Department, working on the carbon credits program.

She admits she knew little about land issues when she first arrived and is amazed by the work the department undertakes.

Jacquelynn, who was on summer break from the University of Washington, is working towards a Master of Social Work and believes her Ahtna experiences will facilitate her goal of becoming a better public speaker and strengthening her community outreach skills.

She is personally inspired by her mother, aunts and other strong Native women who were leaders in their communities and instilled in her the belief that she can succeed in both her professional and personal life.

Her advice to all Ahtna youth is thoughtful and perceptive,

"Do not pick a career path based on how much money can be earned. Genuine career satisfaction comes from working at something you are passionate about. Even if you do not find what you are looking for right away, keep searching and eventually it will appear."

Jacquelynn's parents are John Engbretson and Tonya Nutter Stokes. Her grandparents are Larry Nutter and Louise Ewan Nutter.

KATIE FINNESAND

Ahtna intern Katie Finnesand worked in the Carbon Credits Program this year and is excited to participate in a program that will shape the future of the corporation for up to 100 years. Working in Ahtna's Land Department has instilled in her an appreciation for how important the resource is for all shareholder-owners.

"This project is a huge deal, it spans 100 years," said Katie. "My grandchildren could potentially be involved, I love being a part of it and getting others excited about it too."

Like many Ahtna interns, Katie uses the internship to determine what career path she would like to take and how she can be most helpful in the future. Right now, she is using her experience to figure out which classes to enroll in that will make her more beneficial to the land department.

Katie draws strength and inspiration from her family and credits many strong women whom she admires for their determination, confidence, faith and what she calls "downright openness." Her advice to other young shareholder-owners is to try new things, do not be afraid to just go out and do it.

Katie's parents are Martin and Tana Finnesand. Paternal grandparents, Neil and Hannah (Bell) Finnesand of Chitina and maternal grandparents Jim and Margaret (Lloyd) Spence of Washington.

MEET THE BOARD



LUCILLE LINCOLN FOCUSES ON NEEDS OF SHAREHOLDER-OWNERS

Describe your family life currently. Married? Children?

My husband Arnold and I have been married for 43 years. We have four children:

Pamela, Audrey, April who is married to Robert, and our son Calvin, who is married to Amy. We have 13 grandchildren and 5 great-grand babies. God's many blessings.

Who are your parents?

My mother was the late Ella Craig who was from Cordova. My Father, the late Oscar Craig, was from the Copper river area. They had six children together: Raymond, Darlene, Elsie, me, Johnny and Charley, who were all born in Cordova except my youngest brother Charley, who was born in Kodiak where my Father worked on the naval base as a mechanic for a few years. We also had older brothers: Art, Peter and Roy. My mother died in 1952 when I was 9, from cancer. She was a very kind lady. I remember when she would call us in for dinner, she would stand at the door and sing "Open the Door for the Children." Until we were all in. After she died my oldest brother Raymond chose to stay with our grandpa in Cordova and the 5 of us were transplanted to Tazlina to live with my Father and his wife, Mary. They had 3 daughters together: Arlene, Marlene and Judy (deceased). His wife Mary had 3 sons: Ernie, Ronald and Lynn and daughter Linda (deceased). My siblings and I had a very tough time after moving from Cordova. We really missed our mother. It was a rough life.

My father taught us to always work hard for what you want and not to depend on others. He was very active in our Native community. He helped to get the Alaska Native Brotherhood and Sisterhood in the Copper River area and worked very hard on the Native lands claims before he passed in 1967. He also helped built the Brenwick/Craig Road along with his sister Lucille Brenwick and her husband Leonard and also some of my brothers. I know my dad's involvement with the Native community has rubbed off on some of his children.

What tribe are you with?

I am enrolled to Kluti-Kaah, Copper Center Village. My maternal grandmother and great grandmother were from south eastern, so we are also part Tlingit, Athabascan and Norwegian. My mother's clan was Eagle, so we follow her clan. Through my paternal grandfather, myself and my siblings are third generation Irish.

What are you most passionate about in your life currently?

I am most passionate about my faith in God. I am very passionate about our subsistence way of life and will work towards making sure we do not lose it. Also, the fruition of our co-management of fish and game on our land, that for some reason we keep having to fight for, what is already ours.

What are some of your hobbies or activities you enjoy?

I love canning – fish, moose meat, jams, jellies, vegetables, etc, making my own juice, whatever I can. It makes me feel wonderful. I love fishing, hunting, camping, sitting by a campfire, sewing, reading, baking breads – cinnamon rolls, all kinds of goodies, cooking. Also going for car rides with my sweetheart – Arnold.

What are your hopes for the future of Ahtna?

I would like to see our corporation do so well that our shareholders start receiving a dividend check once a month, before we lose any more of our people that are dying without anything.

What made you want to join the board?

I felt I needed to be involved and had a lot to learn, and if I was complaining about anything that I should not sit on the sideline. I should get involved with the corporation and to make sure that I would look after the best interests for my village and shareholders as a whole.

What excites you most about working on the board?

Working together with different personalities and the knowledge, coming up with the best solutions and investments for our corporation and most important our shareholders. I love working with the board and for our people.

What are some of the key things you wanted to change or implement when you joined the board?

I wanted to increase the dividend amount for our Elders and I am proud to say I kept pushing for it and managed to get it passed to add another \$100 to it, raising it to

Continues on next page

only \$400 and I will continue to push for higher dividends for elders and all of our shareholders.

Also wanted to see more of our shareholders being trained under a mentorship and development plan so they can eventually move into those higher paying positions that are now held by non-shareholders. The best training is hands on. I feel that we need more people working in shareholder development to be able to reach out to more of our shareholders and we need to be more proactive in reaching out to them. We also need to revisit our application minimum qualifications, which on some of them are way too high and I don't believe it is necessary. I believe it can be very intimidating for many of our shareholders. I don't think an MBA is necessary for most of management positions.

I pray for a prosperous Ahtna people, today and for generations to come.

CONDOLENCES

In loving memory of our shareholder-owners who have passed

Sandra L. Samuelson

CALENDAR OF EVENTS

OCT

Oct 16 - 18 - Elders & Youth Conference, Anchorage

Oct TBD - Ahtna Shareholder Reception

Oct 19 - 21 - AFN Convention, Anchorage

Oct 20 - Class L Deadline

NOV

Nov 6 - Audit & Finance Committee, 9 a.m. 📺

Nov 10 - 17 - Alaska Board of Game (ABOG) Statewide meeting, Lakefront Anchorage, Anchorage, AK

Nov 23 & 24 - Thanksgiving Holiday

Nov 6 - Shareholder Committee, 1 p.m. 📺

Nov 11 - Veteran's Day

Nov 7 - Land Committee, 9 a.m. - 4 p.m. 📺

Nov 17 - Deadline Address Updates and Direct Deposits

DEC

Dec 1 - 5 - Alaska Board of Fisheries, Valdez

Dec 15 - 16 - AI/AN/Subs BOD meetings, Anchorage

Dec 25 - Christmas Holiday

Dec 8 - Shareholder Christmas Gathering, Glennallen, TBD

Dec 15 - Shareholder Christmas Gathering, Anchorage, TBD

Dec 31 - New Year's Eve Holiday

Dec 13 - 14 - Board Budget Workshop, Anchorage

📺=video

FINANCIAL UPDATE

Consolidated Balance Sheet

The Consolidated Balance Sheet shows economic resources that we own (assets), what we owe (liabilities) and the stockholders' ownership in the business (stockholders' equity). The Consolidated Balance Sheet reflects a snapshot picture of our business at any given time.

Consolidated Statement of Operation

This statement shows our sales, expenses and profit from operations. It is a reflection of our business activity and gives an overview of how we are doing financially during a certain period of time.

AHTNA, INCORPORATED AND SUBSIDIARIES Consolidated Statements of Operations For the Eight Month Period Ending August 31, 2017 and 2016

	2017	2016
Revenues	\$ 155,777,291	128,924,790
Other regional corporation natural resources (7i), net of (7j)	2,224,595	1,530,080
Cost of revenues ¹	<u>131,510,914</u>	<u>108,065,427</u>
Gross profit ²	26,490,972	22,389,443
Operating expenses ³	<u>18,698,582</u>	<u>17,631,498</u>
Income from operations	<u>7,792,390</u>	<u>4,757,945</u>
Other income (expense):		
Investment income	83,671	61,106
Interest expense	(261,144)	(98,425)
Gain from sale of property and equipment	14,600	26,388
Social, cultural and educational programs	(245,528)	(245,076)
Other	<u>(47,520)</u>	<u>221,733</u>
Total other income (expense)	<u>(455,921)</u>	<u>(34,274)</u>
Income before income taxes	7,336,469	4,723,671
Income taxes expense	<u>(2,848,343)</u>	<u>(1,809,345)</u>
Net income ⁴	4,488,126	2,914,326
Net (income) loss attributable to noncontrolling interests	<u>(10,373)</u>	<u>26,338</u>
Net income attributable to Ahtna, Incorporated	<u>\$ 4,477,753</u>	<u>2,940,664</u>
Earnings per share	18.61	12.36

¹**Cost of Revenue** – Costs incurred in providing services to customers.

²**Gross Profit** – Revenue less cost of revenue.

³**Operating Expenses** – Costs associated with running core operations on a daily basis, such as general and administrative payroll, insurance and professional services.

⁴**Net Income** – Profit left after all expenses have been paid.

⁵**Cash and Cash Equivalents** – Includes cash and other liquid investments that are convertible into cash within three months.

⁶**Marketable Securities** – Investments in marketable securities, such as stocks, bonds and mutual funds.

⁷**Accounts Receivable** – Money owed from customers to Ahtna from sales to customers.

⁸**Prepaid Expenses** – Amounts already paid for future services or goods.

⁹**Oil and Gas Exploration Costs** – The costs for exploring for oil and gas in the Ahtna region.

¹⁰**Property Plant and Equipment** – The cost of property and equipment purchased by the company less depreciation or costs for using the equipment

¹¹**Line of Credit** – Shorter-term amounts borrowed from financial institutions or banks to conduct operations.

¹²**Accounts Payable** – Amounts owned for purchases made by the company.

¹³**Accrued Expenses** – Amounts that will be paid in the future for company activity that has taken place.

¹⁴**Billings in Excess of Costs and Estimated Earnings on**

Uncompleted Contracts – Amounts billed on contracts that are in excess of costs recognized to date on contracts.

¹⁵**Long Term Debt** – Longer-term amounts borrowed from financial institutions or banks to conduct operations.

¹⁶**Total Stockholders' Equity** – Stockholder/owners ownership in the company and/or assets less liabilities.

AHTNA, INCORPORATED AND SUBSIDIARIES

Consolidated Balance Sheets (unaudited)

August 31, 2017 and 2016

Assets	2017	2016
Current assets:		
Cash and cash equivalents ⁵	1,195,765	561,600
Marketable securities ⁶	2,744,891	2,499,866
Accounts receivable, net ⁷	35,907,808	29,067,008
Inventories	622,918	289,868
Prepaid expenses and other current assets ⁸	479,737	330,848
Costs and estimated earnings in excess of billings on uncompleted contracts	7,165,793	2,642,505
Total current assets	48,116,912	35,391,695
Deferred taxes	—	—
Other assets	90,205	282,746
Oil and gas exploration costs ⁹	28,659,682	6,977,418
Property and equipment, net ¹⁰	<u>20,960,739</u>	<u>20,670,947</u>
Total assets	<u>\$ 97,827,538</u>	<u>63,322,806</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Line of credit ¹¹	\$ 267,373	3,426,106
Accounts payable ¹²	9,347,434	10,860,878
Accrued expenses ¹³	20,774,981	13,725,065
Current portion of long-term debt	1,094,643	1,102,749
Billings in excess of costs and estimated earnings on uncompleted contracts ¹⁴	8,081,680	2,017,979
Income taxes payable	2,213,253	1,082,068
Deferred income	1,223,711	1,286,305
Other current liabilities	<u>321,566</u>	<u>667,509</u>
Total current liabilities	43,324,641	34,168,659
Long-term debt, less current portion ¹⁵	12,002,014	3,210,579
Other liabilities	3,000,000	—
Deferred tax liabilities	<u>10,320,012</u>	<u>895,457</u>
Total liabilities	<u>68,646,667</u>	<u>38,274,695</u>
Stockholders' equity ¹⁶ :		
Common stock, no par value.	—	—
Contributed capital	—	—
Retained earnings	28,944,451	24,946,920
Accumulated other comprehensive income, net of tax	182,384	61,019
Total stockholders' equity attributable to Ahtna, Incorporated	29,126,835	25,007,939
Noncontrolling interests	<u>54,036</u>	<u>40,172</u>
Total stockholders' equity	29,180,871	25,048,111
Commitments and contingencies		
Total liabilities and stockholders' equity	<u>\$ 97,827,538</u>	<u>63,322,806</u>



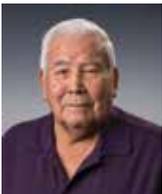
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Corporate Headquarters

PO Box 649
Glennallen, AK 99588
Phone: (907) 822-3476 | Fax: (907) 822-3495
Toll Free: 1-866-475-0420

Anchorage Office

110 W. 38th Avenue, Suite 100
Anchorage, AK 99503
Phone: (907) 868-8250 | Fax: (907) 868-8285
Toll Free: 1-888-562-5316

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Read more in the eKanas at ahtna-inc.com