

*Azachorok Celebrates
in 2023!*



MID-YEAR REVIEW

February 2023



Message from the Chairman & President Loren Peterson

I hope all shareholders and descendants are having a great start to the new year.

I can't believe it is already 2023. This year Azachorok will be celebrating it's 50 year anniversary.

Time continues to fly by, and we continue to make a lot of progress here at Azachorok.

Each year, the Azachorok Board of Directors considers advocacy on issues that impact our shareholders. This past year I was honored to serve on the Poverty & Opportunity Task Force that was created by the Alaska State Legislature in 2020. This task force was a great opportunity to work with Alaska Native and Non-Profit leaders from across the state who have experience working with minorities in economically challenged and impoverished communities. What was gained from this experience is many of the social issues facing Alaska Natives across Alaska are systemic. We live in a complex system with layers of barriers and obstacles when it comes to improving conditions and economic opportunities in our communities.

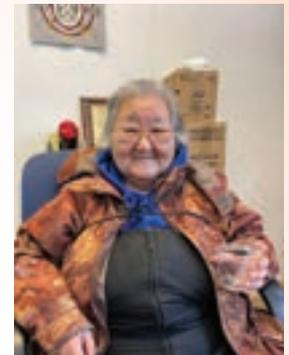
Unpacking systemic issues is like peeling the layers of an onion to get to the core, revealing substantial racial inequalities in Alaska. Social justice issues are being addressed widespread across the country and the globe in the aftermath of the pandemic. It has become apparent that minorities of all races face racial inequalities across the board. Part of Azachorok's mission is to advocate for the economic interests of our shareholder communities.

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Shareholder Spotlight:

Rita Wasky

Rita Wasky was born November 05, 1941 at the place she remembers as "The Patsy Cabin." Her parents were George and Anna Patsy. Rita grew up at fish camp. When she was 10 years old, in 1951 she moved to Mountain Village, and also spent time in St. Mary's to attend school. She graduated 8th grade and like many others during that time did not continue onto high school.



The first job Rita had was cleaning George Sheppard's home. Her other jobs included part time kitchen work at the BIA with Eva Johnson, Annie Waskey, Ida Lawrence, and Marie Beans. Rita also did some volunteer work at the Green School and went to visit and help the sick people with Mary (Agwiak) Peterson. Rita remembers her very first paycheck for \$12.00.

One of her fond memories growing up is going camping, cutting, and smoking fish and strips at Patsy's Cabin with her husband, Aloysius Wasky. She also enjoyed going Kuzilvak, Big Lake, and across the river to go ice fishing or 'managing' with Jessie & Andrew Johnson and Mary & Michael Sheppard.

On May 11, 1963 Rita married Aloysius Wasky. Rita and her husband have seven kids, Patrick, George, Bertina, Francine, Johnathan, Martha, and Marita. In 1991 Rita got hired at Mountain Village School as a Cook Assistant. Sadly, on June 24, 1997, her husband passed away. After his passing she didn't want to go back to work.

Rita's advice to the younger generation is to "Please listen to your parents and elders, kids nowadays are their own boss." Rita is 81 years old and enjoys walks around Mountain Village and trying her luck at pull tabs.

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Addressing structural racism can help remove barriers that hinder Alaska Natives from equal opportunities and fair treatment in all areas including employment, housing and portrayal in mass media, to name a few. Bringing awareness to these systemic issues is more effective when multiple organizations collaborate and call for changes. When we begin to bring awareness to these matters, hopefully others will join and we begin to see more fair treatment and respect for Alaska Natives. We need to be taken more seriously when we raise our voices on issues.

In January, the Azachorok Incorporated Board of Directors approved resolutions to address several racially inappropriate, systemic issues affecting Alaska Natives. Azachorok is calling on the Alaska State Legislature, the U.S. Congress, and governing agencies and firms to support long overdue changes in how Alaska Natives are served, viewed or documented by government agencies.

Underrepresentation & Marginalization

Alaska Natives are indigenous First Nations people who have been residing in Alaska before Statehood in 1959. However, we continue to be underrepresented and marginalized today. We support the calls for more adequate representation, especially in areas that oversee and impact the Alaska Native community. We are asking for more representation in several facets of government including but not limited to the Alaska Supreme Court, the Alaska Department of Fish & Game, and the North Pacific Fisheries Management Council. It's about ensuring our voices are heard at the top by members of these governing bodies rather than only hearing from Alaska Native voices in testimony or hearings. We have so many Alaska Natives going through the legal proceedings in the court system, many times being further disenfranchised by a system that ignores pleas for fair treatment and our ways of life.

Homelessness

We recognized that although it is not the responsibility of Alaska Native Corporations to resolve homelessness among Alaska Natives, we can no longer stand idle and witness urban municipal governments fail to provide pragmatic solutions. This is why we also passed a resolution addressing homelessness and urged Calista Corporation to invest in housing for our vulnerable shareholders and descendants who may be experiencing homelessness in Anchorage. It's heartbreaking to see urban municipalities with adequate resources fight

over how to curb homelessness in Alaska with very little progress over such a long period.

There's been an increase in homeless populations in the U.S. and it's apparent when you travel to the Lower 48. Here in Alaska, it is no different, it's also related to the stigma Alaska Natives face that makes it more challenging to integrate into Western civilization and further contributes to the epidemic. We feel that it is the government's responsibility to protect the vulnerable in society and our governing leaders can do a better job if they put politics aside.

Unfortunately, here in Alaska, Alaska Natives face more challenges with employment opportunities and housing which contributes to homelessness among our people.

There's a stigma in the professional world where employers may view Alaska Natives as more of a risk when hiring. Thus, it's harder to get good-paying jobs and many times landlords don't want to rent to those who don't have a steady income to pay rent. This is why we are seeking help from within rather than waiting around for urban governments that seem to be kicking the can down the road rather than coming up with concrete solutions.

It is sobering to learn many homeless people are living on the streets in Anchorage and very saddening to hear about the passing of many shareholders and descendants who were among the homeless. We are also supporting efforts for more housing due to overcrowded homes and homelessness in the village as well we support more development of homes in Mountain Village for shareholders and tribal members.

Derogatory & Negative Stereotypes

We also support previous efforts by the Inuit Circumpolar Council and passed resolutions urging Legislators to remove the derogatory word 'Eskimo' from publication and in a separate resolution to Alaska Airlines to replace the logo that romanticizes and stereotypes the Alaska Native community. We will be following up with AFN to consider their support as well.

While we like to see indigenous images in businesses, they must stop perpetuating the negative stereotypes that further support the systemic and racial inequalities we continue to see today in government and mass media. Some words and images are hurtful and disrespectful, and we see this day in and day out. We are not a mascot

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for any business. Cultural stereotypes perpetuate the negative stereotypes and depiction of Alaska Natives. Removing these banners will elevate Alaska Native people.

Increase in Contributions

The Azachorok Foundation Board of Directors recently decided to increase the donations for survivor benefits to \$2000 for shareholders and \$1000 for descendants. Since the pandemic and war between Russia and Ukraine, inflation has skyrocketed, the cost of living has significantly increased and costs for burial and transportation have also increased.



In addition to the impacts of the high inflation rates in the economy, the Azachorok Board of Directors also felt we are overdue in distribution for our elders. Azachorok Shareholders who are original shareholders with 100 shares and who are 65 years will be receiving an Elder Dividend this spring. Azachorok Inc. was incorporated 50 years ago, and our elders greatly deserve this payout.

We will continue to work diligently to grow the revenue for Azachorok so that we can allocate more funds to the Azachorok Settlement Trust so that it can reach its threshold to begin the distribution of consistent dividends. This is a priority for the Board, and we hope to accomplish this in the next few years.

Quyana for your continued support for Azachorok and best wishes in 2023.

Respectfully,

Loren Peterson
Chairman & President

Congratulations to the Azachorok Foundation 2023 Spring Scholarship Recipients



Tania Beans Scholarship Award Winner \$900

University of Alaska Fairbanks

Tania is working to obtain her bachelor's degree in Tribal Management. She plans to pursue a master's degree from UAA

afterwards in Tribal Justice with hopes to be a Tribal Lawyer. *Way to go Tania!*

Ella Peterson Scholarship Award Winner \$1000

University of Alaska Fairbanks

Ella is a Junior at UAF, studying to pursue a bachelor's degree in Social Work and minoring in Psychology. *You got this Ella!*



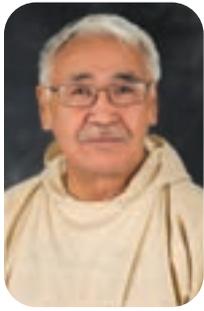
Kevin Peterson Scholarship Award Winner \$4600

Alaska Career Academy

Kevin Peterson is enrolled into an intensive 9-month program with 46 credit hours to acquire his Certified Medical Assistant

certificate from the Alaska Career College. *We are proud of you Kevin!*

All Scholarship Applicants must be in good standing with a 2.5 minimum cumulative GPA. The Foundation Board approves scholarship applications in the Spring and Fall. Scholarship amounts depend on the number of credits students are enrolled in. We are proud of all scholarship winners and encourage others to apply.



Vice Chairman's Message Peter Andrews

Happy New Year to all. With every new year comes new challenges and opportunities. We are making huge strides here at Azachorok.

The Board of Directors continues to receive training and we participate in Board Strategic Workshops twice a year which help us identify areas to improve and advance to help us reach our short-term and long-term goals.

In recent workshops, the board agreed to focus on increasing revenue and ensuring the subsidiaries are enjoying net surpluses rather than deficits. In past years, we struggled with repairing and resolving areas where losses occurred. Finally, we are on a solid path with no losses from any of our subsidiaries, resulting in more allocations towards the Azachorok Settlement Trust. The CEO is also expanding and assembling a great team of managers to ensure the financial trajectory continues to improve. We have a new Business Development Director and Operations Manager, overseeing development and growth for Mountain Fuel Company, LLC, and Yukon West Defense Technologies, LLC. During our board workshops, it was realized the key to achieving the goals set by the board is having the right managers to ensure the subsidiaries are performing top notch. That is why we have had some changes in operations at Mountain Fuel Company for instance. After a thorough analysis, the Mountain Fuel Co. Board felt it was worth it to go cashless and only take debit and credit cards. Cash handling comes with several liabilities and a long process of money handling that takes a while to get to the bank.

Most people have credit or debit cards, and this new process is much more streamlined and efficient. We appreciate the public for working with us as we move into this modern way of doing transactions.

Moreover, it has been nearly three years since the pandemic. While we began preparing for the 2023 Annual Shareholders Meeting, we encourage all residents of Mountain Village to get caught up on covid vaccines and boosters. They are effective in saving lives and mitigating this public health threat in our community.

Unfortunately, there are still a high number of covid cases in Mountain Village. In order for us to reach herd immunity, we need more people to follow up on boosters. Azachorok has been very mindful when it comes to staff or consultants traveling between Anchorage and Mountain Village. We ensure all travelers are tested for covid and the last thing we want to do is bring more covid cases to our community. Please do your part to stay vaccinated against covid so we can put this pandemic behind us. It would be great to have an in-person Annual Meeting again, but we are counting on shareholders in Mtn. Village to ensure it is safe to do so.

As the Chairman of the Azachorok Foundation, we recently increased survivor benefits and also hope to increase scholarships for post-secondary education. We continue to look into leasing space in Anchorage to establish Kuuviaqq Café. We will sell coffee, espresso, and snacks as well as pull tabs. We envision it will also be a good meeting place for businesses, friends, and shareholders. Stay tuned.

Quyana.

Peter Matt Andrews
Vice Chairman

Our Mission, Our Vision

Azachorok Incorporated is a for-profit ANCSA Village corporation that invests in sustainable business opportunities for the benefit of shareholders while preserving traditional our subsistence culture and values.

"We believe in creating a better tomorrow for our shareholders and community through economic and social opportunities. We also envision our communities living healthy subsistence lifestyles. We balance making profits, seeking opportunities and increasing shareholders value."

Business Development

Introducing Jonathan Clate, Business Development Director for Yukon West Defense Technologies LLC and Azachorok Inc.



Jonathan W. Clate joined the Yukon West Defense Technologies team as Director of Business Development in August 2022 and oversees both Government and Commercial contract services.

Jonathan has over 25 years of experience in the Information Technology, Financial, and Government sectors, and has held senior management positions with PricewaterhouseCoopers and JP Morgan Chase.

In addition to his service above, Jonathan has worked on numerous classified United States Department of Defense and Department of Justice projects.

Jonathan currently holds the following certifications:

- Certified Information Systems Auditor (CISA)
- Certified Information Systems Security Professional (CISSP)
- Project Management Institute (PMI) Certified Project Manager
- Certified Information Security Manager (CISM)
- Certified in Risk and Information Systems Controls (CRISC)

Jonathan is from Brooklyn, New York and currently resides in Los Angeles, California. Jonathan will be relocating to Casper, Wyoming with his fiancée Carolina, son George, and English bulldog Paxton this summer. Jonathan has already helped Azachorok reduce expenses and is diligently working to secure government contracts. We appreciate you Jonathan.

Jonathan had the opportunity to travel to Mountain Village in January, with management, to familiarize himself with the community, region, and company operations and had a great time.

Gaming



***Azachorok Foundation
acquired it's gaming permit in
winter 2022.***

***Stay tuned for lotteries in the
near future.***



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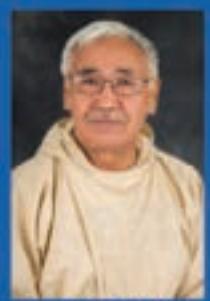
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2021-2022 Board of Directors



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