

Chairman's Address – Fall 2009

This summer and early fall was a very busy time for our Mekoryuk and Anchorage staff with several major local projects and increased activities for our construction company, North Island Corporation, and our investment company, Great Northern Investment Group. The main local projects for Mekoryuk included the installation of a new tank farm and on-going construction of two wind turbines for electrical power. These are significant community infrastructure upgrades. The new tank farm will significantly increase storage capacity and allow for additional holdings between spring and fall barge deliveries. The successes of some of our other businesses has allowed mark down of fuel costs and for the past year we have had some of the lowest fuel costs in the Y-K Delta. Our management team worked diligently to cut prices as much as possible and this year's earnings allowed us to price our fuel reasonably despite acquisition costs. One new wind turbine will augment the electrical production of the power plant and reduce the cost of electricity. You should see a reduction in electrical costs next year. Other projects expected to close by the end of this calendar year are the Dall Lake/Nunivak Island land swap and the BLM sponsored 14(c) survey.

Our construction company, North Island Corporation, saw an increase in both earned contract revenue and work backlog for this year as we are in the second (2nd) year of several multi-year contracts with the United States Naval Facilities Command and the Army Corps of Engineers in the Baltimore, D.C. region. The success of our construction company has attracted a lot of attention in the DC area contracting community and we are very pleased with the performance and profitability of this portion of our business. Building on these successes, we have several bids out for more construction work in the DC area and are also looking to expand our opportunities with one partner to other parts of the country.

Our other businesses; Nuniwarmiut Home Renovators LLC (NHR), Great Northern Investment Group LLC (GNIG), Nunivak Island Cultural Education and Adventures LLC (NICEA), and the NIMA Store, Inc. are all stable and performing according to market conditions. We made several strategic adjustments to NHR and Great Northern to decrease risk and expenses and have allowed other village corporations to invest in some of our local home construction projects through Great Northern Investment Group. These simple adjustments in our approach have significantly increased our revenue and created some good local investment opportunities for several village corporations within the Y-K Delta. NICEA also continues to provide local opportunities and we are looking at several ideas to increase utilization of the camp in the coming years. Finally, the NIMA Store continues to perform financially and we are looking at several options to modernize our inventory management system as well as considering some infrastructure improvements.

In addition to our business and investment activities, we continue to fund eligible students through our scholarship program. So far this year we have funded \$25,500 for college and vocational training. We are committed to supporting eligible shareholders who pursue education and training opportunities.

The corporation continues to charter an aggressive growth strategy and we are now starting to realize some of our financial goals. We will continue to work diligently to grow responsibly, maximize returns and create an organization that will continue to provide for the residents of Mekoryuk for the foreseeable future. It is an honor for me to serve as the Chairman of the Board and help lead and shape the future of our corporation. I look forward to the continued progress and the next opportunity to meet and share our successes. As always I welcome your thoughts, concerns and ideas.

Respectfully,

A handwritten signature in black ink, appearing to read "Wayne W. Don". The signature is written in a cursive, flowing style.

Wayne W. Don
Chairman, NIMA Corporation