

## **Chairman's Address – Winter 2012**

Happy New Year to all shareholders, their families, friends, and staff! 2011 was a historic year for the NIMA Corporation as the Board of Directors declared the first ever profit based dividend from operations in the thirty year history of our corporation. Along with that financial milestone, we continue to look ahead to aggressively build our revenue in as a responsible manner as possible. In addition, we remain committed to working closely with our city and tribal government to assist with infrastructure and other development projects on the Island.

North Island Corporation, our Washington D.C. area government construction subsidiary, is our major source of revenue and it continues to exceed expectations in both performance and earnings. Since our financial success and growth is tied to North Island, we have invested a tremendous amount of time, energy, and resources to ensure its continued success. Participation and certification in the government 8(a) contracting program is limited to 9 years; less if allowable gross revenue limits are exceeded. North Island is about to exceed permissible limits and is nearing the end of its program time as a result. In anticipation of this possibility, we have been working for several years on acquiring another construction company to replace North Island as a government certified 8(a) firm. We believe we have found a viable candidate and expect to finalize the acquisition by midyear. More information on this acquisition will be forthcoming at our scheduled annual meeting in Mekoryuk later this spring.

In addition to North Island Corporation, we have created another 8(a) government certified contracting company, Nuniwar Consolidated Services (NCS). This company was recently certified by the Small Business Administration (SBA) and will compete this year for service contracts throughout the United States. We are still in the early stages of setting up administration for this company and are in the final stages of formalizing a partnership with another company which has over 15 years of experience in government service contracting. We have high hopes for this company and want to see NCS contribute to our growing revenue stream.

In late 2010, the IRA and NIMA Corporation agreed to transition business operations for the reindeer herd and organized a company called Etolin Strait Development Group LLC to manage business operations. Etolin Strait has a five member Advisory Board composed of members from NIMA Corporation and the IRA. The Advisory Board has worked diligently to create an achievable stability and growth strategy. Currently we are in the organizing phase and we are actively working with state and federal agencies to raise funds. Once we have secured funding sources to capitalize Etolin Strait, we will aggressively work to repair our aging reindeer fence and processing plant. There is much work to do and we are hopeful that this new partnership with the IRA will continue to bear fruit and ultimately lead to a more sustainable herd and greater business opportunities.

We continue to balance the modest revenues our other companies earn to maintain profitability and growth. Nuniwarmiut Home Renovators LLC (NHR) and Great Northern Investment Group LLC (Great Northern) continue to expand while Nunivak Island Cultural Education and Adventures LLC (NICEA) seeks additional clients to replace UAF Kuskokwim Campus students. I would also like to highlight fuel prices as one area where we have been able to manage our revenues and expenses and maintain some of the lowest fuel prices in the YK Delta. In a recent comparison with 20 villages in our region, only one community had lower fuel prices; a significant achievement and savings for our Mekoryuk shareholders. In addition to our "for profit" activities, we continue to provide a range of shareholder services to include scholarship support for students in college and vocational training.

In closing, the NIMA Corporation continues to work hard to realize all its financial, organizational and shareholder goals in the coming years. We have experienced tremendous growth and success in the last 6 years and look forward to our continued advancement. As always, it is a privilege to serve as your Chairman and I look forward to seeing and hearing from all shareholders in the near future.

Sincerely,

**WAYNE W DON**  
**CHAIRMAN**  
**NIMA CORPORATION**