



Shee Atiká

Shee Atiká Land Trust (SALT)

Safeguarding Katlian Bay Lands (Tl'ayaak')



Fellow shareholders,

Shee Atiká's Board of Directors has developed this brochure to provide educational information concerning a proposal to protect Shee Atiká's lands at Katlian Bay, Alaska, known as Tl'ayaak' by the Tlingit people. Under the proposal, the 3,000 surface estate acres at Katlian Bay (Tl'ayaak') would be placed in an Alaska Native settlement trust. Once in the Trust (which would be known as "SALT"), the Katlian Lands cannot be sold to third parties, or liened or encumbered. The new state road being built into the Katlian (Tl'ayaak') area makes this protection an absolute priority.

For SALT to go into effect, the Alaska Native Claims Settlement Act (ANCSA) requires shareholder approval. The Board plans to hold this vote at the Shee Atiká Annual Meeting of Shareholders in June 2025. If approved, the Katlian Lands (Tl'ayaak') will be placed in SALT.

Shareholders cannot vote on SALT at this time. Shareholders will be able to vote once the proxy materials for the 2025 Annual Meeting are sent out in April. Meanwhile, we are providing this brochure to educate our shareholders about the Katlian Lands (Tl'ayaak'). The Board requests that shareholders read these materials carefully to prepare for the upcoming shareholder information meetings this spring and the vote on SALT as part of the 2025 Annual Meeting.

Gunalchéesh from all your Directors!

Sincerely,

Steven Karpstein
Board Chair

SALT Shee Atiká Land Trust: Proposed settlement trust for Katlian Bay (Tl'ayaak') Lands

SABT Shee Atiká Benefits Trust: Funding source for shareholder scholarships and funeral benefits

SAFE Shee Atiká Fund Endowment: Funding source for annual shareholder distributions

Frequently Asked Questions (FAQ)

1 What is an ANCSA Settlement Trust and how many already exist?

An ANCSA Settlement Trust is a special type of trust authorized by ANCSA to hold Native lands and to provide certain benefits to the shareholders of a specific Alaska Native Corporation. As of December 31, 2024, about 40 Settlement Trusts have been established by other Alaska Native Corporations and together hold about \$500 million in assets. Shee Atiká has previously established two ANCSA Settlement Trusts that provide our shareholders with benefits — the Shee Atiká Fund Endowment (SAFE) and the Shee Atiká Benefits Trust (SABT).

2 What is the principal purpose of SALT?

The principal purpose of SALT is to provide permanent protection of Shee Atiká's surface estate lands at Katlian Bay, Alaska (the Katlian Lands) against sale or encumbrance. The new state road being built into the Katlian area makes this protection an absolute priority. The Katlian Lands consist of approximately 3,000 surface estate acres which were transferred from the government to Shee Atiká in the mid-1980s. If Shee Atiká's shareholders approve the establishment of SALT as an ANCSA Settlement Trust, the Katlian Lands would be placed in SALT soon thereafter. Other real estate owned by Shee Atiká could also be placed in SALT and protected.

3 Who owns the subsurface of the Katlian Lands?

Sealaska Corporation owns the subsurface rights of the Katlian Lands and will not be affected by the transfer of the Katlian Lands into SALT.

4 What are the long-term plans for the Katlian Bay Lands?

Shee Atiká's Board is currently evaluating options for the Katlian Lands. SALT cannot operate as a business. However, SALT could lease the Katlian Lands back to Shee Atiká, which would then handle any future development. The Board is committed to ensuring that any development respects the customs, traditions, and heritage of Shee Atiká shareholders and aligns with Shee Atiká's mission, vision, and values.

5 If funds become available to the SALT Trustees, what benefits could be provided through the Trust?

Payment of benefits from SALT depends on the Trust having sufficient funds. These funds could come from future cash contributions by Shee Atiká or from Trust activities. The Trustees could provide various benefits to Shee Atiká's shareholders, including a cash distribution similar to the one currently provided by SAFE, educational and funeral benefits similar to those provided by SABT, and/or elders benefits. The benefits provided by SALT are not intended to replace those from SAFE or SABT but to offer flexibility in how these benefits are made available to shareholders. Whether these benefits are provided and their amounts will be decided by SALT's Trustees. Each category of benefits is independent, and a SALT beneficiary must meet the qualification requirements for a specific type of benefit to receive it.

6 What is the shareholder voting process to establish the Trust?

A majority of Shee Atiká's stock that votes upon SALT must vote "yes" to establish SALT as an ANCSA Settlement Trust. Each share will have one vote, and cumulative voting will not apply to this vote.

Frequently Asked Questions (FAQ)

7 Who will be the Trustee(s) of the SALT?

Shee Atiká's Board of Directors serve as the Trustees of SALT. When a Director is elected, he or she automatically becomes a Trustee. When a person is no longer a Shee Atiká Director, that person will cease to be a Trustee of SALT.

8 What will be contributed to SALT?

If Shee Atiká's shareholders approve the establishment of SALT as an ANCSA Settlement Trust, the Shee Atiká Board presently intends to transfer the Katlian Lands to SALT immediately after the shareholder vote. Other assets could be transferred by Shee Atiká's Board to the Trust periodically so that the purposes of the Trust can be achieved. Any future contributions to the Trust are not certain at this time and may depend on a variety of factors, including profits. The present Board intends to retain sufficient assets in Shee Atiká so that Shee Atiká can conduct its operations and pay all its debts and obligations.

9 If Shee Atiká shareholders approve the establishment of SALT, how does a shareholder receive units in the Trust?

Upon shareholder approval of SALT, every Shee Atiká shareholder will own the same number of Trust Units in SALT as he or she owns Shee Atiká shares. For example, if a shareholder owns 100 Shee Atiká shares, they will own 100 Trust Units in SALT. If a shareholder's Shee Atiká's shares are voting, the Trust Units of that shareholder will be voting. The SALT Trust Units are inseparable from the underlying Shee Atiká shares, the same as the Trust Units of SAFE and SABT. When Shee Atiká shares are transferred, the same number of Trust Units will be transferred to the same person who receives the Shee Atiká shares.

10 What are the tax rules related to SALT?

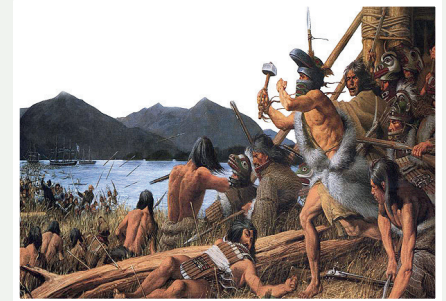
SALT will be taxed at rates of 10% on ordinary income such as rent or interest and 0% on capital gains and dividends. Shee Atiká is taxed presently at rates of about 28% on all these types of income. This difference in tax rates alone produces a significant tax savings on income earned by the Trust versus income earned by Shee Atiká. Shareholders also receive an important tax break, which is that benefits provided by the Trust (including cash distributions) are normally not taxable to the shareholder and do not even have to be reported on their individual tax returns. Benefits provided by Shee Atiká (including dividend distributions) are normally fully taxable to Shee Atiká's shareholders due to Shee Atiká's profitability. Although a 10% tax is normally applicable to transfers to a Settlement Trust such as SALT, a special tax election allows the Trustees to defer payment of this 10% contribution tax until such time as the transferred assets are sold. The SALT Trustees likely will make this deferral election. Because the Katlian Lands will never be sold by SALT, the 10% contribution tax will never become payable by SALT as to the Katlian Lands.

11 How long will SALT last?

SALT will last forever unless two-thirds of the Trustees and a majority of the Trust Units with voting rights vote to terminate SALT. Upon termination, the Katlian Lands return to Shee Atiká.

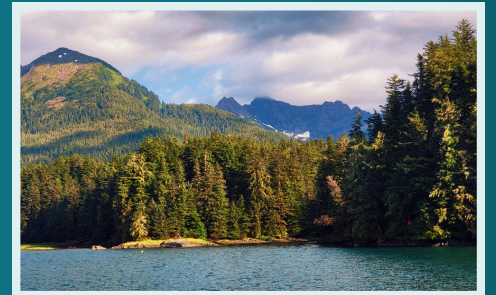
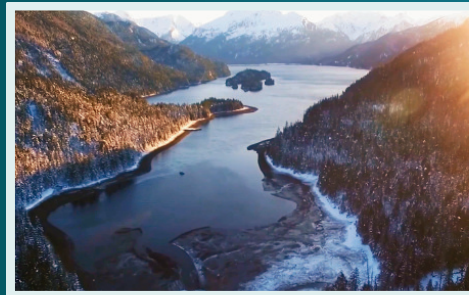
The Kiks.ádi Survival March of 1804 to Katlian Bay (Tl'ayaak')

As the four-day long Battle of 1804 came to an end, the Kiks.ádi people executed a tactical retreat to keep their women and children from becoming slaves to the Russians, to keep their warriors alive to fight another day, and to leave the battlefield with their honor intact. The house groups took different routes to Katlian Bay (Tl'ayaak') and because of their strong rear guard and lookouts, the people were free to march without fear of the Russian ships. Once they arrived in Katlian Bay (Tl'ayaak'), they began harvesting dog salmon, flounder, crab, berries and grass roots. They would then continue their march North; however, the badly wounded warriors would stay in Katlian Bay (Tl'ayaak') rather than be a hinderance to the group.







Battle of Sitka by Louis S. Glanzman (public domain)

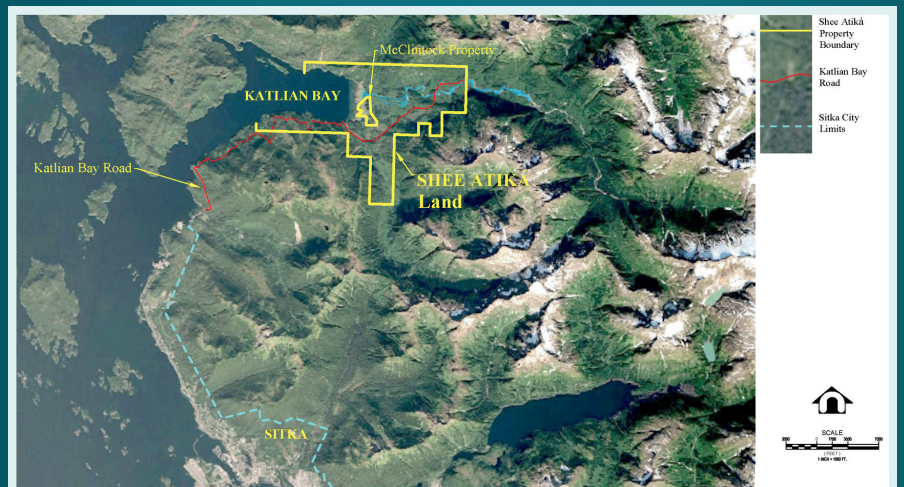
Several of the elderly decided to stay back as well. It was decided that the group would then come back for them in the springtime. The younger members of the families then helped gather firewood for the winter wood supply before leaving to head North. *Source: Herb Hope and AP Johnson, Alaskool.org*



Source: Shee Atiká, Inc.

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Source: David Evans & Associates