

TOG

TOGHOTTHEIE CORPORATION

NEWSLETTER



OCTOBER 2017



CHAIR AND CEO REPORT

Since our last newsletter Toghoththele Shareholder, Ray Atwood, has been selected as our President and CEO and has stepped off the board. Wes Alexander was voted in by the board at our last board meeting in August. Tog shareholder and board member Kelly Burk has continued in her position as Chief Administrative Officer. Since our last newsletter Tog has continued to improve and establish internal policies and procedures while forming strategic partnerships, making targeted investments and aggressively pursuing new opportunities. These actions have led to a significant expansion of our client base in the Private and Governmental Sectors both in Alaska and throughout the Continental United States including California and Idaho. Many of these projects are currently being performed on as you will see in the subsidiary reports below. While doing this we have also managed to grow and improve relationships with our current clients in the Interior.



Carrie Brown, Chair

Ray Atwood, CEO



The Tog Nenana Crew!
From left to right Jamie Hanson,
Nita Marks, Kelly Burk and
Leonard Jensen.

Additionally, we have made significant investments in our manufacturing, logging and gravel equipment to capitalize on upcoming Oil & Gas work in the Interior as well as significant construction work anticipated to be coming out of Eielson in the coming years. We have also invested in a more rigorous Health and Safety program, a key differentiator in winning work in the federal sector.

Toghoththele has also now secured its HUBZone certification. This is a federal contracting set-aside which stands for Historically Underutilized Business Zones (HUBZone). This program helps small businesses in impoverished urban and rural communities gain preferential access to federal procurement opportunities. This status gives Tog a competitive advantage as most Federal Agencies struggle to meet their HUBZone set-aside goals.

This certification has been instrumental in us winning two new federal contracts.

To mitigate the risk of the volatile Construction and Oil & Gas Industries we are now bidding and winning Federal Government contracts. Although the profit margins are not as high as they are in other Industries. The contracts are often Firm Fixed Price contracts with monthly billings



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and payments and are five years in duration. This would give us some stability and allow us to be even more targeted in our business development efforts.

We are also in the process of forming a 501(c)3 Community Business Development Organization so we can qualify for HUD and other federal dollars that will aid Tog in providing housing and other services at the local level and beyond.

Finally, we are in discussions with several large prime contractors and plan to enter into a Mentor Protégé arrangement before the end of the year. This program allows smaller companies to leapfrog past performance and bonding constraints that so often hamstring small companies from getting to the next level.

We have also secured and are currently performing on the largest vertical construction project in our history for ANICA, Inc, at White Mountain, AK, described in more detail below.



Ray Atwood, CEO pictured with Aaron Thom of ANICA, Inc. at their corporate headquarters in Seattle, WA.

We have had to make significant investments to get where we are but the results of the board and staffs hard work is beginning to pay off. We are very appreciative of your support as we continue to push for the betterment of our shareholders, local and elsewhere, in these trying economic times.



Tog CEO, Ray Atwood pictured with Sprung Director David Findlay at a Sprung Building Hockey Rink near their Corporate Headquarters in Calgary, CA.

Business Development

We have formed a strategic alliance with Sprung Industries out of Alberta, Canada <http://www.sprung.com/>. The company was formed in 1887 and their structures are used worldwide for everything from Casino's to Community Centers to Warehouses. We have been approved as a Sprung Manufacturers Representative and have already secured a federal project with them at Fort Wainwright because of this relationship.

By the end of the year we will know whether we have secured nearly 30 million dollars' worth of work from federal, tribal and commercial clients. Additionally, we have over 100 million



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dollars' worth of work in our opportunity pipeline that we will be bidding on with select partners in the next 2 years.

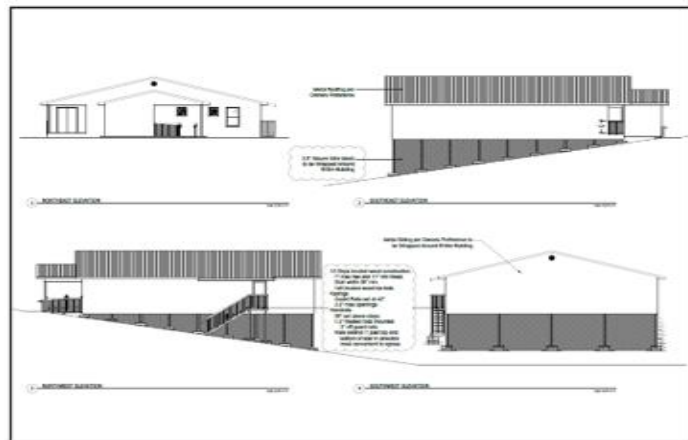
Tog Projects, LLC

Ray Atwood, Acting General Manager. This subsidiary performs vertical construction and does tenant improvement work. Tog Projects, LLC has secured their general contractors license with a residential endorsement. We have also secured our Electrical Administrators license. We can also now bond projects in the amount of 1.5 million for a single project and 3 million in the aggregate. As a result of a teaming relationship with Maniilaq Services, LLC we have secured several new vertical construction projects including the following:

White Mountain Store. This project is a \$1,434,000 design build project for ANICA in White Mountain, Alaska.

This project has already begun and is scheduled to be completed in the first

quarter of 2018. ANICA usually does several of these stores a year so our goal is to do an excellent job for them on this project and build a strong platform for additional work for them in the future. We are in constant communication with them to insure the highest possible client satisfaction.



White Mountain Architectural Design

Idaho Bunkhouse – \$150,000-dollar project for the Forrest Service. This project will be completed in October 2017 and has been constructed with the same light gauge steel framing and trussing and closed cell SIP panel technology our White Mountain and other projects are being constructed with.



Tog CEO, Ray Atwood pictured with Forrest Service Contracting Representative Steve Jenkins, at the Bunkhouse Project in Idaho Falls, Idaho.



Idaho Bunkhouse
Near completion!



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Kwethluk Electrical – \$135,000-dollar Electrical project. Toghotthele secured and performed the Electrical work on a store in Kwethluk, AK. We performed and were paid for \$95,000.00 dollars’ worth of work and are anticipating going back to complete the rest of the project in the coming months



Noorvik Baldwin House 10/7/2017

Noorvik Residential – \$340,000-dollar design build residential project. This project is set to be completed in December of 2017.

We are building the home for the Baldwin family in



Noorvik Project, nearing completion.

Noorvik, AK.

Separately, Tog Projects has also Secured a \$170,000-dollar project through Tanana Chiefs for Minto. This is a foundation project that will be completed by the end of the year.



Tog CEO Ray Atwood on site with Minto Foundation project Superintendent and Tog Shareholder Raymie Stevens

Local Projects & Happenings

Tog Services, LLC

Nenana local and Tog Shareholder, Leonard Jensen is the General Manager of Tog Services. The primary lines of business for Tog Services include gravel/material sales and trucking, equipment rental (with or without operator), local dirt construction projects, laborers and road maintenance. Tog Services will also be the subsidiary company that performs new

service contracts for Federal Agencies. A few of the projects that Tog Services completed this year include:

- Cleared a lot and built a gravel pad for the Nenana Native Council’s duplex construction project.
- Provided rip rap and trucking for the Nenana Native Council’s erosion prevention project.
- Provided materials and trucking for the new GCI tower site on Nenana’s FAA hill.
- Cleared brush and provided materials and equipment for the Ruby Marine housing / kitchen construction project.
- Provided materials, trucking, and equipment rentals for projects on Clear Air Force Base.



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- Replaced the roof and performed other repairs on Toghotthele's Yukon Camp in preparation for possible oil & gas activity in the area.
- Provided materials and trucking for several local sewer replacement/construction projects.
- Cleared a lot and built a gravel pad in Nenana for a Toghotthele shareholder who is constructing a new home.
- Several other gravel sales and equipment rentals.
- A \$140,000-dollar Clear Air Force Base contract for the clearing of 104 acres. Tog Services teamed with Midstate Equipment for this project.
- A \$20,000-dollar project for Project Management Services for the FAA in Palm Springs, CA.

Additionally, Tog Services was recently awarded a \$285,000-dollar Sprung Building reskinning project at Fort Wainwright that will be completed by the end of the year.

As we move into winter, Tog Services will transition from dirt to snow. Tog services has several maintenance contracts for snow plowing, and provides snow plowing on an as-needed basis.

Our two plow trucks are available at the rate of \$100/hour. Toghotthele shareholders receive a 10% discount.

Tog Timbers, LLC

General Manager-Jamie Hanson. Mr. Hanson who started with Toghotthele in June 2017. Jamie grew up in Minnesota, and moved to Alaska (Seward) in 1993. Nenana became Jamie's permanent home in 2007 when he took a position with Crowley Marine. Jamie and his wife Dora bought a house in Nenana in 2008. Jamie brings with him 30+ years of relevant experience including: logging/sawmill operations; welding repair and fabrication; and maintenance and repair of heavy equipment, small engines, boats, plants, and a variety of other tools and equipment.



Jamie Hanson
General Manager

While living in Seward, Jamie owned and operated a sawmill similar to the one that Toghotthele bought in 2015. So, Jamie was the perfect person to get Tog Timbers' mill up and running. First, Jamie and his crew built and installed a steel foundation for the sawmill to ensure it was stable and level. Then they straightened the track, made rollers for the hoses, and made improvements to the electrical system. They also made several modifications to improve the safety of the mill, including: installing guarding around moving parts and building stairs for the mill operator. Work still to be completed on the sawmill includes building a permanent cover to protect it from the weather, and adding a sawdust shoot to allow sawdust to be loaded directly into a truck bed. The sawmill is now fully functional and producing high-quality timbers and



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lumber at competitive prices. Recently, the mill cut \$3,000 worth of lumber for a project Toghotthele is doing in Minto in just over an hour.



Tog Shareholder Dillon McManus Processing Firewood

Tog Timbers, LLC is also dedicated to providing quality local firewood at a competitive price. After listening to feedback from past customers, new procedures have been put in place to ensure that: 1. Customers receive the exact amount of wood that they ordered; 2. The wood they receive is not over or under seasoned; 3. The wood is clean and there's no mess left in the customer's yard; and 4. The wood is delivered in a timely manner.

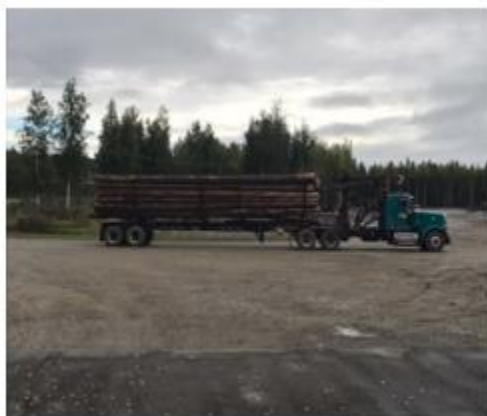
One cord

of cut and split firewood sells for \$250 (with free delivery within ten miles of Nenana). A truckload of firewood (about 10 cords) sells for \$1,000 (with free delivery from Healy to Fairbanks). Toghotthele shareholders receive a 10% discount off this price. Tog Timbers, LLC also completed a cabin in conjunction with the Nenana Native Council that IRHA is purchasing for \$150,000.



Cabin built in Nenana from the ground up in coordination with the Nenana Native Council to be sold to IRHA.

In addition to these for-profit local projects,



Toghotthele shareholder George Jensen Jr. pulls a load of logs into the Toghotthele yard

Toghotthele is committed to investing in the local Nenana Community. Toghotthele donates to a variety of community events and organizations (see the "Education & Donations Report"). In addition, Toghotthele is currently in the planning stages of a joint community project with the Nenana Native Council and Nenana Public School. The aim of this project is to design, purchase, and install new playground equipment at the Nenana school playground (adjacent to the school). In addition, the basketball court and other paved areas will be redesigned and rebuilt. If resources



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allow, the project will also include the design and construction of an on-site skate park. If you would like to donate time, money, or input to this important community project, please contact Kelly Ann Burk at Toghotthele Corporation at (907) 832-5832.

Tog Manufacturing, LLC

Jamie Hanson, General Manager.

Our light gauge steel framing and trussing equipment is now up and operational. It was used to produce the framing and trusses for the White Mountain and Noorvik Projects. Our folks are now building sip panel walls onsite with closed cell foam technologies at the White Mountain and Noorvik job sites. Our goal is to grow this subsidiary into a year-round high production operation producing framing trussing and sip panel walls for commercial and government clients. We have several stock plans online that can be viewed at www.togcorp.net.



Framing and Trusses produced by Tog Manufacturing equipment for the White Mountain Project



CEO Ray Atwood & Tog Manufacturing General Manager Jamie Hanson during White Mountain and Noorvik project production.

Tog Midstate JV

Ray Atwood,
President.

We formed a partnership with Midstate Equipment, based out of North Pole, AK in the Spring. Because of this relationship we have secured 3 new contracts. The project mentioned above at Clear Airforce base that was awarded to Tog Services, LLC formerly known as Nenana Gravel, LLC.

A multi million-dollar exploration project anticipated to start in February of 2018.

A lot clearing project for IRHA for \$34,000. This project has already been completed.

Tene Hut'aane LLC

(Village coalition between Toghotthele Corporation, Dinyea Corporation, Bean Ridge and Minto Development Corporation)

Ray Atwood, President, Doug Isaacson, Vice President-Chair, Mike Kelly Vice President-Treasurer, Dorothy Shockley, Secretary. This subsidiary has two acting subsidiaries- Tene Technologies, LLC (Energy & IT) and Tene Projects, LLC (Roofing & Construction).

Tene Technologies, LLC

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Doug Isaacson, President.

All four Tene Hut'aane LLC executives (Doug Isaacson, Mike Kelly, Dorothy Shockley, and Ray Atwood) made a business trip to visit senior Texzon, Inc. executives in Waxahachie, Texas on June 28-29, 2017. During our trip, we received detailed briefings and information on Texzon's patented new wireless power technologies, current business model and upcoming global wireless power demonstration. We also were given an opportunity to personally view an actual demonstration of the wireless power capabilities at their research facility. On our final afternoon with Texzon executives, we discussed in significant detail how Tene Hut'aane, LLC might help Texzon move forward in capturing excess electrical generation capacity in Alaska and making it available for world-wide use. It was an extremely productive visit and we very exciting to be involved in such leading-edge, world-changing technology with a "world class" organization.



Tene and Texzon Reps at the Texzon Launch Site in Waxahatchie, TX

Tene Projects, LLC

Ray Atwood, President.

Tene Projects has entered into a teaming agreement with Acme Machine Boring Company to pursue local construction and steel fabrication opportunities.

Tene Projects will also be providing labor and roofing services as a subcontractor to Toghoththele Corporation for the White Mountain and Noorvik projects. This will help the company get off the ground and establish past performance, a key element in winning future projects. As the saying goes a rising tide lifts all ships!

MinDin Project. The Fairbanks area, especially North Pole, by 2020 will grow by over 5000 new residents, according to the Air Force and Fairbanks North Star Borough consultant, Arcadis. The growth is a result of the decision by the Air Force to station two squadrons of F-35, fifth generation fighter aircraft at Eielson AFB and represents direct and indirect employment. Significantly, the Air Force may not be constructing the 800 housing units that will be necessary—which creates an opportunity that two of Tene's members have been working on prior to the formation of our Consortium. Using the working name of MinDin (Minto-Dinyea), the project scope was recently changed from multi-use office-retail-hotel-entertainment to be primarily a 250-unit housing-retail-entertainment-hotel multi-use project. Minto-Dinyea are led by Doug Isaacson, the former North Pole Mayor, and Mike Kelly, a retired USAF Lt. Colonel, they have invited Tene and its members to work together to make this project not only a reality but vertically integrated with the strengths



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of each member's legacy businesses. Two possible locations have been identified in North Pole and it is hoped that both Tene Projects and Toghotthele Corporation's construction capabilities will be key partners.

Finance & Investment Committee

The Chair of the Finance and Investment Committee is Russell Ketzler. The other members of the Committee are Wes Alexander, Avery Thomas and Victor Lord.

Toghotthele Corporation has secured a 2.3-million-dollar line of credit with Bank of America at a very low interest rate to finance our operations as we continue to grow.

Since February our passive investment account with Merrill has gained \$182,434 bringing our total account value to \$3,455,466.

As a result of our investment with Maniilaq Services, LLC we have been awarded \$2,079,000 dollars in contracts in both the federal and commercial markets which has significantly expanded our client base.

Lands & Natural Resources Committee

The chair of this Committee is Donald Charlie. The other members are Kathy Morgan, Russell Ketzler and Terrence Sunnyboy.

The lands committee takes the protection and responsible stewardship of our lands very seriously. Towards this end we are constantly negotiating various agreements with Doyon and other agencies and organizations to ensure that where access is granted our lands are treated with the respect they deserve.

We have negotiated an agreement with MTA which will result in us finally acquiring reliable high-speed internet at our Nenana Office.

Additionally, we are going to be pulling more gravel from the Oxbow pit to prepare for a large development project in the coming year.

Scholarships and Donations

The Toghotthele Education & Donations Committee members are Carrie Irwin Brown, Katherine Morgan, Avery Thomas, and committee chair Kelly Ann Burk. This committee reviews all scholarship applications and determines the Corporation's twice-yearly scholarship distributions. The Committee also oversees donation requests on behalf of the Corporation.



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The Toghoththele Board of Directors would like to congratulate the following shareholders on receiving scholarships for Fall 2017:

Kaitlynn M. Demientieff
Jaime Desrochers
Theodora D. Puryear
Sierra Robinson
Louise Starr

Scholarship applications for Spring 2018 are due on December 1, 2017. Please visit the Toghoththele website at togcorp.net, or call the Toghoththele office at (907) 832-5832 for more information.

In 2017, Toghoththele has donated to numerous community events and activities, including:

- The Nenana Native Council's annual Nenana New Year's Celebration
- The Nenana Native Council's annual Nenana Culture Camp
- The Nenana Native Council's Quarterly Community Dinners
- The Nenana Lions Club's annual Nenana 4th of July Races
- The Nenana Lions Club's annual Nenana Christmas Gift Program
- The Nenana Fire Department's fund for protective equipment for local volunteers
- The Rondell Jimmie Memorial Minto Dash Dog Race
- The 2017 FNA Native Youth Basketball Tournament

Toghoththele also donates to the families of deceased shareholders to assist with funeral and potlatch expenses. The Board of Directors would like to express our sincere condolences to the loved ones of the following shareholders who passed in 2017:

Sonny Richards
Rhoda Mancuso
Jon Ketzler
Richard Waldeck
Ezariah Tommy

Shareholder Spotlight

David L. Frost received his Bachelor of Arts in Business Administration Management from Fort Lewis College in Durango, Colorado in April 2017.



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David's family include his mother Mary Lou Lokanin, brother David Frost, uncle Bill Tannenbaum, and grandparents Richard and Glenda Frost.

David plans on joining the Air Force or Air Guard to become a fighter pilot, which has been his dream since middle school.

Toghotthele is proud to support shareholders like David in achieving their dreams!



The Board and Staff of Toghotthele Corporation thanks you for your continued support!