

**Nunavut Wildlife Management Board
2021-2022 Annual Report- Executive Summary – CSFL**

For many of the harvesters in Pangnirtung, fishing is not just a profession, but a way of life that has seen the required knowledge and skill in the trade passed down from generation to generation. In the 1980's, residents of the Pangnirtung partnered with DFO and Government scientists to conduct studies that confirmed their long-held beliefs of an abundant Greenland Halibut (turbot) supply in the Cumberland Sound inshore; a welcomed finding considering the recent collapse of the seal and fur trades earlier that decade. Soon after confirming this turbot abundance, fishers from Greenland were called upon to teach the people of Pangnirtung their methods for harvesting turbot commercially, and the commercial winter turbot fishery in the Cumberland Sound began in the late 1980's.

Since the start of the commercial fishery in Pangnirtung, Cumberland Sound Fisheries Ltd. (CSFL) was instrumental in the development of a unique winter inshore through-the-ice turbot fishery, the construction of the first processing plant in Nunavut and the expansion of the offshore turbot industry; particularly the OA allocation, through its exploratory fishing efforts in the 1990s. Pangnirtung Fisheries Ltd. (PFL) was instrumental in expanding onshore processing capacity by constructing an 8500 square-foot processing plant in Pangnirtung in 1995 to replace a smaller facility started by CSFL in the late 1980s. The two companies have since come together in a partnership with a common mission; to maximize the benefits for Inuit and Nunavummiut from the quota allocations controlled by the CSFL/PFL Partnership.

In keeping with the common goals and objectives of supporting benefits to Inuit and Nunavummiut, the CSFL/PFL Partnership have worked cooperatively and diligently in maximizing the benefits to Inuit and Nunavummiut by contracting with Nunavut companies that have ownership in vessels suitable for harvesting turbot and/or shrimp in NAFO fishing areas OA ad OB (turbot) and in the Davis Strait (shrimp). Quota Allocation Transfers are completed by way of annual agreements with Baffin Fisheries Coalition (BFC) and Qikiqtaaluk Corporation (QC) each year, in accordance and adherence to Section 9 of the Nunavut Wildlife Management Board's (NWMB) Allocation Policy for Commercial Marine Fisheries. In 2021, BFC harvested 100% of the OA and OB allocation transfers. QC harvested 100% of the Shrimp allocation in Davis Strait West. Royalties from offshore allocations continue to be used to subsidize the operations of the Pangnirtung Fisheries Ltd processing plant which employs up to 45 local Inuit workers, up to 6 administrative staff and supports over 100 local fishers. This is in conjunction with the inshore turbot and char fishery which provides an important and meaningful source of employment to residents of Pangnirtung. Both CSFL and PFL have 100%

Inuit ownership and control with a mandate to harvest and process fish caught in Nunavut waters.

In May of 2022, both PFL and CSFL underwent new management; Jon Johannsson was hired as PFL General Manager and Brittany MacLellan as Executive Manager with CSFL. Jon Johannsson, owner of Dalvikingur Holdings, is a very industrious entrepreneur, he has been involved his entire life in manufacturing equipment and running cold storage operations. He came to Newfoundland in the 90's to fabricate processing facilities. In 2003, Jon partnered up with an economic development agency in Northern NL and both parties worked together to construct a 5000 MT cold storage facility in Northern NL. This facility started operation in November of 2004 and in March of 2015, after 11 successful years in business the operating entity SACSL was sold out to the international shipping company Eimskip Ehf.

In 2007 while owner of SACSL, Jon took a position as Managing Director of both Eimskip Canada and Harbor Grace Cold Storage Limited (HGCS). He was successful in strongly advocating for SACSL and the port of St. Anthony, which shortly after the construction of SACSL became an international container port with Eimskip calling into the port on a regular basis. After the sale of SACSL to Eimskip in 2015, there was a name change from SACSL to Dalvikingur Holdings Limited where it's principal operation today is the trading of seafood. Also in 2015 Jon partnered with an international seafood trading company where it did invest substantial financial and time resources in potential opportunities on the west coast of the United States. This included both the rebuilding and operation of processing facilities to ensure the highest quality products and maximum efficiency of the facilities.

In May of 2022, CSFL Board determined that the absence of a management position within CSFL created a detriment to CSFL organization and operations. After recruiting and working with Brittany as a CSFL Consultant since December of 2020, CSFL Board unanimously welcomed Brittany as Executive Manager for the company. Brittany brings to the position an ambitious and forward-thinking energy which is imperative to the unique needs and demands of the corporation's growth. Her skills, education and experience in business management and accounting stretch widely across many business sectors including fisheries and privately controlled corporations. Brittany's ability to "steer the ship" on the executive needs of the company is further complimented through ownership of a small-business services firm, AcuBooks Business Services Ltd.

Jon and Brittany have been eagerly and diligently collaborating within the respective Boards towards the development of a comprehensive, Nunavummiut-informed 5-year strategic plan and enjoy regular visits to Pangnirtung to stay connected and offer presence for the staff. Jon and Brittany collectively bring a wealth of knowledge, experience and enthusiasm to the table

as new initiatives and partnerships are being explored to expand revenue opportunities and evidence-informed knowledge that will positively impact growth and prosperity of the CSFL/PFL organization.

Further to this change/addition in management, the CSFL Secretary Treasurer, Sakiasie Sowdloopik resigned from his Board position in April of 2022. In May of 2022, the Board appointed Julai Alikatuktuk as the new Secretary Treasurer. We wish to thank Sakiasie for his dedicated contributions during his time as a CSFL Board member, and we welcome Julai into his new role. While CSFL and PFL continue to operate under their unique Boards at present, serious and ongoing consideration to restructure the legacy Boards into one unified Board is being explored which would allow for more efficiencies in decision-making, time, and cost.

After the introduction of new management to PFL and CSFL, a complete review of the organizations' operations, Corporate Board Governance policies and procedures was conducted. Work is currently underway to further strengthen and provide clarity within these Governance documents to allow for increased Board compliance and accountability to its shareholders. The governance plan of the CSFL/PFL Partnership continues to emphasize and value the same openness, transparency, and accountability as it has demonstrated in the past through adherence to statutory limitation and regulations. Despite these values however, COVID-19 Pandemic restrictions in 2020 and the rollover of unforeseen pandemic-related circumstances in operations in 2021, the Annual General Meetings of Shareholders for the last two years were postponed. In June, a written letter was sent to all Shareholders of CSFL with details of this AGM postponement and the Board wishes to thank the Shareholders for their responses of understanding and offers of support in this matter; the Board is looking forward to inviting Shareholders to an AGM in December of this year and hopes the strategic timing of this AGM will maximize availability of attendees. The Board hopes to address any outstanding items and carry out regular Board duties during this time.

Since the last annual report, the CSFL/PFL partnership is excited to announce the upcoming opening of a new fishing supplies retail location in Pangnirtung (currently being set up as of the date of this report writing) which will offer an additional full-time employment opportunity for the community. The partnership is also in the process of setting up a small fabrication shop on site so as harvesters can work on increasing the efficiency of the kites currently being used in the winter turbot fishery. CSFL/PFL is also proud to be exploring a significant community development initiative, leading the development of a recognized training diploma program in the harvesting, processing, marketing and managing of commercial fishery operations. This diploma program is intended to be promoted and accessible to other northern communities,

expanding a supportive hand in the promotion and preservation of Inuit owned/operated fishing industries.

Further to community development initiatives, CSFL/PFL are actively involved and pursuing many research and development initiatives that will contribute both to the common knowledge base for the greater good of the northern fishing industry, as well as to the improvement internal operations. A feasibility study is currently underway to determine best options and opportunities for comprehensive Pangnirtung fish plant upgrades which is expected to be complete by February 2023. CSFL/PFL is also pursuing a research opportunity that involves converting our current 35' fishing vessel into a fully-equipped research vessel. Research initiatives will include assisting in Greenland shark research, long-line surveys, multi-species stock assessments, 3-D mapping to name a few. While all the above are very positive changes with a detailed plan to move forward, there is a letter sent to the Nunavut Wildlife Management Board regarding their decision to reduce CSFL quotas over the next 4 years. These drastic reductions will have a detrimental effect on the future plans of the CSFL/PFL partnership to move forward.