

Northern Harvest Sea Farms
Statement Delivered by the Managing Director: Oct 11, 2019

Hello, my name is Jamie Gaskill, and I am the Managing Director responsible for Northern Harvest Sea Farms Newfoundland. I have a prepared statement to deliver, after which I will welcome some questions.

First, and most importantly, I want to recognize some special people.

Throughout this challenging experience, hundreds of Northern Harvest Sea Farm staff, contracted divers and vessel crews, and multiple service providers have worked tirelessly to respond to an unexpected and unfortunate environmental event as one dedicated team.

I thank all of them for the hard work they have done and continue to do.

I also thank people throughout the Coast of Bays region who have supported these hard working people, and our company, as we have responded to this situation.

We have been advised today by the Provincial Government, that 10 of our company's 13 site licenses have been suspended until further notice, and we will be advised of conditions that government will place in order to have that suspension lifted.

We of course accept the decision, and we are committed to satisfying those conditions once we receive them.

With respect to the clean up, as of this week, Northern Harvest Sea Farms has completed **more than 87 percent of the clean up effort** involving the removal of salmon mortalities caused by mass prolonged high water temperatures (i.e. 63 of 72 pens). Barring unforeseen circumstances, we expect to complete all clean up activity by the end of next week.

Based on the substantial completion of the clean up work that has taken place to date, our company is providing the following projections:

- 2.6 million fish (approximately 5,000 tonnes of salmon) are expected to be removed as mortalities from sites affected by the temperature event.
 - This figure is comprised of:
 - The mass mortality event that was reported September 3rd. This event comprised a mass mortality totalling 2 million fish over six sites.

The cause of death for these fish was confirmed by regulators to be consistent with an environmental effect.

- In addition, we have identified 600,000 more fish that we believe were weakened by the temperature event and died as a result. This was reported to government today.

I want to state for the record that we should have advised earlier of these additional mortalities as they occurred over time.

I take responsibility for this personally as the Managing Director of the company. We were too focused on clean up efforts, and we have learned from this experience.

- The salmon mortalities comprise approximately half of all Northern Harvest fish in the water. This is approximately 2.6 million fish out of 5.4 million fish in the water.
- 72 cages were impacted by the mass mortality event. As I noted, 63 of those have been fully cleaned up. We anticipate full clean up by next week. In total, we have 166 cages in the water.
- In total 10 sites were affected by this temperature event.
 - Six were impacted by the mass mortality reported on September 3rd.
 - Four more have been impacted by mortalities among fish weakened by the event.
 - This is 10 sites impacted out of a total of 13 sites that Northern Harvest has in the water.

The average weight of the salmon mortalities is two kilograms (4.5 pounds). This means on average, they were not market sized fish.

We understand the public are concerned about the impact this has had on the environment.

That is why we have engaged with “MAMKA,” an indigenous marine stewardship organization, to monitor the extent of the effect of the event and to monitor the recovery of the surrounding environment.

We are asking them to monitor the impact of this event and report their findings publicly.

We will **not** influence their findings in any way.

The development of the monitoring plan is being guided by several federal agencies, including DFO, Environment and Climate Change Canada, and the Canadian Wildlife Service.

MAMKA is a partnership between Qalipu and Miawpukek First Nations that was formed to provide technical and advisory assistance in the area of oceans and coastal management.

Shayne McDonald of the Miawpukek First Nation could speak further on behalf of MAMKA. We can provide more details on this when all arrangements are finalized.

I want to conclude by reminding everyone that this situation was caused by an unprecedented weather event that could not have been predicted. When we recognized the issue we employed all available resources to address the situation, and continue to do so.

We are committed to make this right for the people who have faith in us and depend on us.

That includes:

- our staff;
- the people from the communities where we operate;
- our colleagues in aquaculture across Canada; and
- our loyal consumers.

We will make investments and improve procedures.

We will enhance our overall operations and our interactions with regulators so that, with time, everyone understands our commitment to operating at the high standard our stakeholders expect.

I will now invite questions.