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Kuterra continues operations with business as usual

Kuterra LP continues to operate its land-based Atlantic salmon farm with full staff, excellent operating conditions, fish growing into 2018, and a trajectory to break even this year.

The company is pleased to have reached steady state operations after three and a half years of intense activity to determine the best, most efficient operating parameters for growing its fish, and it has stabilized those conditions.

In addition to reaching steady state operations in November 2016, Kuterra commissioned two new harvest tanks in July 2016, allowing for increased harvest frequency and a modest increase in grow-out capacity, and it resolved the final issues with its biofilter, which now produces consistently excellent water quality.

Last year's developments and the current operational stability have improved the growing conditions for fish. In turn, the rate of growth, feed conversion, and average weight of harvested fish have all improved. With better fish performance and size, Kuterra is better able to respond to a wider range of market interest, while decreasing operating costs and strengthening revenues.

Kuterra is now talking to potential investors about a range of positions and actions to leverage its achievements as a pilot facility into a profitable business, and to pay back the loans the 'Namgis First Nation guaranteed on behalf of Kuterra when the company needed help in the early years of intense R&D.

The 'Namgis First Nation is currently the sole owner and shareholder of Kuterra. In supporting the company's development and R&D, the Nation has invested equity and taken on debt to further Kuterra's mission of catalyzing a change in the salmon aquaculture industry. At the same time, the Nation is a government responsible for delivering many services to its members, and this creates many pressing calls on the Nation's limited resources. 'Namgis are no longer in a position carry the financial risk of the venture, and are keen to see other investors share in the development of Kuterra, and with it, a new industry.

Kuterra is grateful to the 'Namgis First Nation for its ongoing support and its stated desire to continue working with the company and its board to make Kuterra a success. A year ago the Nation directed Kuterra to work with outside investors or to wind down. The point of the directive as Kuterra understood it was to emphasize to the company that due to other financial responsibilities to its members, the 'Nation could not fund the company further if the challenges at that time were to continue. Now that the Kuterra is at steady state and on reasonably sound financial footing, the company understands the directive as a mandate to continue discussions with outside investors.

Kuterra is encouraged by the 'Namgis First Nation undertaking the exacting process of a land designation vote with its members. This is a process mandated by federal laws to allow part of a reserve to be leased to a third party. A positive decision on designation and the creation of a lease under Kuterra's facility is an essential step for reaching an agreement with an outside investor. Kuterra looks forward to the successful culmination of this process and of its talks with investors.

