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ANNUAL REPORT

freshwater fish marketing corporation
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MARKETING
FRESHWATER FISH
CORPORATION

LETTER OF *Transfer*

FROM CHAIRPERSON OF THE BOARD OF DIRECTORS
TO MINISTER OF FISHERIES AND OCEANS

Honourable Loyola Hearn
Government of Canada
Minister of Fisheries and Oceans
Suite 1570, 200 Kent Street
Ottawa, Ontario
K1A 0E6

Dear Mr. Hearn:

We are pleased to submit the Corporation's Annual Report, in accordance with Section 150 of the *Financial Administration Act (FAA)*. The Annual Report includes audited financial statements for the fiscal year ended April 30, 2008.

The Board of Directors and senior management completed a series of strategic planning workshops early in the fiscal year, setting the direction for the Corporation over the next five to ten years. The four long-term goals of FFMC were updated: to generate market value and leadership; to manage an effective and efficient supply chain from "lake-to-plate"; to maintain corporate viability and sustainability; and finally, to assure continued stakeholder confidence.

FFMC's mandate was reaffirmed with a revised statement of corporate commitment to stakeholders: *To maximize returns to the fishers of western Canada through effective marketing, efficient supply chain management, and the value-added processing of quality freshwater fish products.*

Respectfully,

Jim Bear
Chairperson of the Board

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PRESIDENT'S *Report*

The 2007/08 fiscal year showed significant strengthening of market prices in a majority of our species, led by strong performances in pickerel and whitefish. As well, the Corporation capitalized on opportunities to positively impact pricing across many of its key markets and customers. Despite these gains, overall dollar sales for the Corporation dropped versus the prior year, driven by an ongoing supply shortage in several species, particularly whitefish.

The Corporation's vision is for an organization that maintains a central role in the conduct of the western Canada fishery. The 2007 Strategic Plan, designed to guide FFMC over the next five to ten years, has now been presented to the Minister and Deputy Minister of the Department of Fisheries and Oceans in Ottawa, and similar presentations will be rolled out early in the new fiscal year to other key stakeholders and government representatives. In refining the corporate purpose, vision and goals, the strategic planning team assigned high priority to balancing the need to assure the Corporation stays true to its original purpose, while evolving to remain relevant to the fishers it serves and competitive in today's market environment.

It is with this objective in mind that the Corporation began the process of building for the future by filling missing technical and management skill sets and holding a portion of this year's higher profits in retained earnings to help fund reinvestment in the plant and equipment.

Respectfully,

John K. Wood
President and Chief Executive Officer
Winnipeg, Manitoba

"**The Corporation's vision is for an organization that maintains a central role in the conduct of the western Canada fishery.**"

CORPORATE *Profile*

Freshwater Fish Marketing Corporation, a self-sustaining federal Crown corporation created in 1969, is the buyer, processor and marketer of freshwater fish from Manitoba, Saskatchewan, Alberta, Northwest Territories, and part of northwestern Ontario. The Corporation's mandate is to purchase all fish lawfully harvested and offered for sale, to create an orderly market, to promote international markets, to increase fish trade, and to increase returns to fishers.

Surpluses, in the form of final payments, are distributed annually to participating fishers.

The Board of Directors, with the President and Chief Executive Officer, governs the Corporation. All eleven positions on the Board are federal Order-in-Council appointments, with five appointed on recommendation of the participating provincial governments. During the 2007/08 fiscal year, six of those Directors were fishers and six were Aboriginal. A three-member Executive Committee assists the President and forty-six full-time staff provide administrative support.

The Corporation employs in excess of 150 full-time production personnel, which may increase during peak periods. Thirty-one contracted agents and three corporate agencies grade and purchase fish at fifty-six delivery points. Approximately two thousand three hundred fishers deliver the product harvested from more than four hundred lakes in the region.

Freshwater Fish Marketing Corporation has established a solid reputation for product reliability, quality and safety. The Corporation is a recognized price leader, exercising its mandate to market fish interprovincially and internationally. It has a leadership position in the U.S. walleye market, and is the largest supplier of whitefish in Finland, whitefish caviar in Sweden and Finland, and northern pike in France. The Corporation's plant is kosher-certified and the largest individual supplier of freshwater fish to the gefilte fish market.

MANAGEMENT *Discussion & Analysis*

After achieving a significant turnaround in total returns to fishers in 2006/07, total returns declined by 3.9% in 2007/08 from $30.9 million to $29.7 million (see page 10). This result is not a general decline in the business but the net effect of widely-varying results by species.

The pickerel / walleye pool has had a very solid year with average selling prices increasing, despite pressures from a declining US economy. With sales volume up slightly to 3,010,900 kilograms, revenue increased by over $700,000, bringing the pool's return-to-fishers result to $21.7 million. Whitefish prices began the year in a strengthening trend and continued throughout the year, ending up 13.5% over the previous year. Against this, whitefish deliveries to the Corporation were down a dramatic 31%, generating a greatly-reduced return-to-fishers result for the whitefish pool. The trend of higher selling prices but lower delivery volumes was consistent across most other species and a 13% decline in deliveries pulled down the Corporation's return-to-fishers figure. Returns-to-fishers on a per round kilogram equivalent were $2.02/kg, an increase of 12% versus the prior year.

Delivery and price trends

The decline in deliveries of most species appears to be driven by economics: for many fishers, it is simply not financially viable to harvest low-valued species at existing prices when the cost of fuel, labour and many other inputs has increased so dramatically. This, along with the alternate income available from the jobs provided by a strong western economy, has created a situation in which participation in the fishery has declined. The one significant exception to this trend is the high-value pickerel fishery in which record landings have been driven by healthy stocks and steady prices.

Declining deliveries is a cause of great concern for the Corporation, as it results in customer orders being shorted, postponed or canceled altogether, putting at risk several years of market-building activity. In addition, lower volume through the plant results in higher fixed costs per unit, reducing margins and the ability to compete. 2007/08 was a first for the Corporation in securing product through Great Lakes processors. This key strategic alliance was accomplished due to FFMC's recognized leadership in marketing and sales efforts, resulting in our ability to better serve our customers. Continuity of supply is critical to the long-term success of the Corporation. With market prices showing continued strength, the Corporation has been able to increase initial prices to fishers for the coming year. The expectation is that these higher prices will generate an increase in fishery participation and effort and this in turn will reverse the decline in delivery volume.

Average selling prices across all species increased by 12.0%, an excellent achievement given that the Canadian Dollar strengthened by a further 11.0% against the US Dollar on a year-over-year average basis. The combined effect meant that key US markets experienced a 20-25% US Dollar price increase over the year.

Cost Management

In keeping with its long-term objective of driving costs out of the supply chain, the Corporation has continued existing initiatives and implemented several new ones. The Processing Operating System - Phase One completed its second full year and Phases Two and Three their first full year of operation. Total cumulative labour savings from this project had reached $1.51 million by year-end, meaning that it has now fully paid back its $0.86 million cost and is adding to net returns every year. Efforts continue to be focused upon cost reduction and to this end, a Cost Accountant and Supply Chain Manager have been added to the management team. The addition of an experienced Supply Chain Manager represents the first time that responsibility for the complete supply chain has resided with one individual and marks a significant change in how the Corporation manages its systems and processes.

The most significant capital expenditure for the plant in several years was in progress at year-end. The existing spiral freezer was retired after 27 years of service and replaced by a larger, more efficient model capable of freezing 2.9 tonnes per hour. This is Phase One of a $2 million project designed to extend the processing cycle, thus stabilizing staffing requirements throughout the year by absorbing seasonal delivery peaks into frozen inventory and processing defrosted product in a more efficient manner. This further benefits the Corporation by enabling it to be active in the lucrative fresh market over an extended period.

STRATEGIC *Directions*

Through the first half of the 2007/08 fiscal year, a team comprised of Board members, management and an outside facilitator completed a strategic review of the Corporation's business situation and then developed a strategic plan designed to guide the Corporation over the next five to ten years. The strategic team began its work with a 'Situation Analysis', a comprehensive look at the many factors that may impact the business during the five-to-ten year planning period. It is not possible to cover all these factors in detail; what follows is a summary of those with the most significance to the Corporation.

Situation Analysis

Brand Advantage

The Corporation has a strong brand position and awareness level in the markets in which it operates. This strength, along with a detailed understanding of its customers' needs, has given the Corporation the ability to act as the price leader in these markets.

Global Food Chain

Freshwater Fish must compete in a global food chain that provides consumers with an abundance of alternatives for their food dollar. As barriers to entry fall, the Corporation's traditional markets have come under increasing pressure from international competition.

Strength of the Canadian Economy

Consumers spend more of their income on higher quality food products, generating demand and higher market prices. On the negative side, labour is in short supply for harvesting and processing and fuel prices increase the cost of fishing and freight.

Declining Volume of Deliveries

With the exception of pickerel / walleye and recently northern pike, the volume of deliveries is in decline. The reason for this decline is entirely economic, as the rising Canadian dollar reduced buying prices just as the cost of fuel and labour was increasing. In a strong western economy, alternative employment has proven more lucrative, resulting in reduced fishery participation and effort. As the new fiscal year opens, buying prices are beginning to catch up with costs and may signal the start of a turnaround in delivery trends.

Fishery Management / Sustainability

Multi-national retail chains are 'going green', which means asking for proof that wild-caught fish is coming from sustainable fisheries. Certification of sustainability is a long and expensive process but one that will become a necessity to ensure continued market access.

Increasing Food Safety Regulation Worldwide

Freshwater Fish already meets the very stringent standards for registration by the Canadian Food Inspection Agency (CFIA) and has in place the QMP, HACCP and other programs required. But as markets such as the European Union continue to tighten their requirements, the Corporation must respond or lose its ability to export.

Consumer and Customer Requirements

Consumers and customers (restaurants and supermarket chains) continue to place a priority on convenience, consistent quality and food safety, while consolidation in both the foodservice and retail channels adds to

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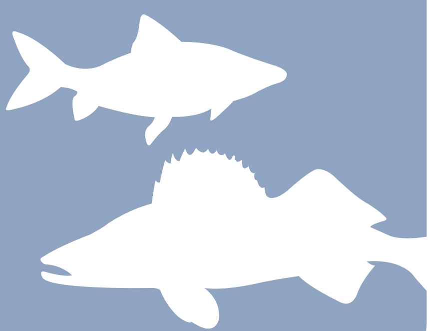


EMPLOYEE RECOGNITION
30 YEARS SERVICE

Erlinda Saria
John Sikomas
Adriano Saria
Darcia Holtzman
Janice Franco
Claudette Slobodian
Calvin Thorsteinson
Ellen Smith

price pressures and more demanding service levels. These trends create a challenging environment in which to maintain or improve margins.

Fish is in Fashion as a Healthy Alternative to Red Meat

Fish has long been considered a healthy food choice and with Omega 3 fatty acids becoming a major consumer health concern, fish has gained in stature as a protein source of choice. Finding products and markets that can leverage this very positive story will provide new opportunities.

Strategies

To address these many challenges and opportunities, the strategic team developed seven strategies that will be used to focus the Corporation's efforts over the planning period. Three themes run through these seven strategies:
(1) communication with stakeholders;
(2) building partnerships and alliances;
and (3) managing the business as an integrated supply chain from lake-to-plate.

Strategy 1. Expand the Business to Create Value and Diversify to Promote Stability

- Evaluate strategic alliances/partnerships that will add new dimensions to the business. These may include: pre-processing preparation and co-packing of new (further processed) products.
- Tapping into additional supplies from non-traditional sources.
- Encourage increased harvesting of valuable species that have not been fully utilized commercially.

Strategy 2. Evolve the Corporation to a Market-oriented Business Model

- Adopt a species-specific business-planning (product line) approach to optimize market and income opportunities for each species.
- Provide fishers with direct input into this species-by-species planning process, recognizing the harvest must be able to respond to the market.
- Invest in markets, products and brands, which will need to start with fact-based and financially sound assessments of each marketing opportunity.

Strategy 3. Promote Sustainable Development and Commercial Viability of the Fishery

- Develop effective two-way communications with fisher communities.
- Build an understanding of the various economic factors impacting the fishery.
- Support government strategies that build fisher profitability.
- Work with governments in managing the harvest to optimize value.

Strategy 4. Develop Processing Infrastructure to Meet Fishery and Market Needs

- Re-invest in modern processing assets that will reduce operating and labour costs, increase yields, maintain quality and address market/product trends.
- Continue to invest in systems that improve plant labour efficiencies and processing yields.
- Develop third-party supplier/co-packer relationships for new product/packaging development while focusing the FFMC plant on what it does best.

Strategy 5. Ensure the Long-term Financial Viability of the Corporation

- Assure resources are available for long-term re-investment in the business and create stability.
- Capitalize on existing assets.

Strategy 6. Create Organizational Structure to Promote Long-term Viability

- Fill organizational gaps and address missing skill sets by attracting and retaining quality staff. The immediate priority is supply chain management and processing cost control.
- Assure a stable and committed processing workforce consistent with production volumes and patterns.
- Create a culture that supports internal communication and cross-functional teams.
- Optimize the Corporation's ERP information systems.

Strategy 7. Stakeholder Communications

- Identify the most effective communication channels for each stakeholder group and design information packages specific to its needs.
- Develop two-way communications so that the issues and needs of each group are known to FFMC and FFMC's issues and needs are known to its stakeholders.

TEN-YEAR *Financial Summary*

Fiscal Year ended April 30 (All amounts in millions of dollars)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	**2008**
Sales	$50.7	$54.9	$61.9	$68.2	$66.8	$60.3	$59.3	$55.3	$61.6	$58.2
Net Income Before Final Payments	$5.6	$4.3	$6.8	$7.4	$6.2	($0.8)	$1.4	$0.8	$0.7	$2.3
Fish Purchases	$27.9	$34.2	$36.7	$35.9	$37.7	$35.7	$30.4	$29.2	$32.1	$29.2
Net Income Plus Fish Purchases	$33.5	$38.5	$43.5	$43.3	$43.9	$34.9	$31.8	$30.0	$32.8	$31.5
Accounts Receivable - Trade	$4.8	$5.8	$6.3	$7.4	$7.1	$7.9	$7.0	$5.1	$6.0	$5.5
Inventory – Finished Fish Products	$5.0	$8.8	$12.2	$10.9	$13.7	$14.4	$12.4	$12.6	$12.0	$10.6
Inventory – Packaging Material and Parts	$0.8	$0.8	$0.9	$0.8	$0.9	$0.9	$1.0	$0.9	$0.9	$0.7
Capital Assets – Net Book Value	$6.3	$6.5	$6.2	$6.7	$6.9	$6.7	$6.3	$6.1	$8.6	$10.6
Loans Payable	$5.8	$10.9	$12.1	$11.5	$14.0	$23.1	$18.4	$17.8	$20.7	$18.8
Retained Earnings*	$4.2	$4.2	$4.2	$4.2	$4.2	$3.3	$3.3	$3.3	$3.3	$3.6

* Retained Earnings

Over the years 1980-1994, the Corporation gradually established a retained earnings balance of $4.2 million. In the 2003/04 fiscal year, a net loss from operations of $0.8 million reduced this balance to $3.3 million. With cost controls and stronger prices returning stronger earnings in 2007/08, the Corporation has started rebuilding retained earnings.

HOW FISHERS ARE *Paid*

The *Freshwater Fish Marketing Act* mandates the Corporation to purchase all commercially caught fish in Manitoba, Saskatchewan, Alberta, the Northwest Territories and part of northwestern Ontario. The Act entitles the Corporation to establish a payment structure that provides initial and final payments under a "pool" system where receipts and costs are allocated or "pooled" by fish species to determine final payments.

Generally, initial prices are set for each species by estimating its market value, subtracting its projected processing and operating costs and withholding a contingency amount. An exception is exercised when the Corporation is developing new markets or products. Then initial prices can be temporarily set above market-justified levels to secure production for establishing new markets.

The Corporation's policy is to set initial prices for all species at levels designed to promote a full fishery in all regions. Higher volumes, including lower-value species, help develop markets, maximize efficiencies and contribute to paying fixed costs for the benefit of all fishers.

Initial prices may be adjusted during the fiscal year to reflect changing market conditions.

A temporary delivery premium may be offered for a given species to improve the returns of those fishers willing to harvest when prices are strong or when there is an urgent need to meet a customer's requirement.

At the end of the fiscal year, the profit distribution policy ensures that each species pool makes an appropriate contribution to the financial resources required for long-term re-investment in the business. After the annual audit by the Office of the Auditor General, the Corporation determines final payments from the pooled receipts. A final payment is recommended when sales revenues exceed all direct and allocated costs for a given species.

The table on page 10 provides a ten-year history of pool results.

A temporary delivery premium may be offered for a given species to improve the returns of those fishers willing to harvest when prices are strong or when there is an urgent need to meet a customer's requirement.

FINANCIAL *Returns & Deliveries*

TEN YEAR SUMMARY (1999-2008), FISCAL YEAR ENDED APRIL 30

Initial and Final Payments in Millions of Dollars (Current Dollars)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	**2008**
Pickerel										
Delivered weight[1]	3.7	4.6	5.7	5.1	5.1	5.6	5.6	6.0	6.4	6.2
Price/Round Kg.[2]	$4.38	$4.28	$4.19	$4.45	$4.65	$3.45	$3.41	$3.15	$3.35	$3.50
Initial Payment[3]	$13.0	$17.3	$19.6	$16.8	$18.2	$19.3	$17.9	$18.2	$20.8	$20.2
Final Payment	$3.2	$2.4	$4.3	$5.9	$5.5	$0.0	$1.2	$0.71	$0.67	$1.5
Total Payment	$16.2	$19.7	$23.9	$22.7	$23.7	$19.3	$19.1	$18.91	$21.47	$21.7
3 Yr. Moving Avg.[4]	$11.8	$15.3	$20.9	$22.1	$23.4	$21.9	$20.7	$19.1	$19.8	$20.7
Whitefish										
Delivered weight[1]	5.3	5.6	6.5	6.8	7.0	6.7	5.9	5.4	5.5	3.8
Price/Round Kg.[2]	$1.09	$1.27	$1.43	$1.16	$1.19	$1.10	$1.00	$1.02	$1.09	$1.07
Initial Payment[3]	$5.0	$6.2	$7.8	$7.9	$8.3	$7.4	$5.9	$5.5	$6.0	$3.9
Final Payment	$0.8	$0.9	$1.5	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.2
Total Payment	$5.8	$7.1	$9.3	$7.9	$8.3	$7.4	$5.9	$5.5	$6.0	$4.1
3 Yr. Moving Avg.[4]	$5.6	$6.0	$7.4	$8.1	$8.5	$7.9	$7.2	$6.3	$5.8	$5.2
Northern Pike										
Delivered weight[1]	2.7	2.8	2.6	2.5	2.4	2.3	1.9	1.3	1.7	1.9
Price/Round Kg.[2]	$0.81	$0.82	$0.85	$0.80	$0.71	$0.65	$0.58	$0.62	$0.59	$0.78
Initial Payment[3]	$1.9	$2.0	$1.9	$1.8	$1.7	$1.5	$1.1	$0.8	$1.0	$1.2
Final Payment	$0.3	$0.3	$0.3	$0.2	$0.0	$0.0	$0.0	$0.0	$ 0.0	$0.3
Total Payment	$2.2	$2.3	$2.2	$2.0	$1.7	$1.5	$1.1	$0.8	$1.0	$1.5
3 Yr. Moving Avg.[4]	$1.8	$2.0	$2.2	$2.2	$2.0	$1.7	$1.5	$1.1	$1.0	$1.1
Sauger										
Delivered weight[1]	1.1	1.0	0.6	0.7	0.8	0.8	0.6	0.3	0.2	0.1
Price/Round Kg.[2]	$3.55	$3.20	$3.33	$4.14	$3.88	$3.13	$2.83	$3.17	$2.5	$3.27
Initial Payment[3]	$2.9	$2.8	$1.6	$2.2	$2.5	$2.5	$1.6	$0.9	$0.5	$0.4
Final Payment	$1.0	$0.4	$0.4	$0.7	$0.6	$0.0	$0.1	$0.05	$0.0	$0.0
Total Payment	$3.9	$3.2	$2.0	$2.9	$3.1	$2.5	$1.7	$0.95	$0.5	$0.4
3 Yr. Moving Avg.[4]	$3.2	$3.2	$3.0	$2.7	$2.7	$2.8	$2.4	$1.7	$1.1	$0.6
Mullet										
Delivered weight[1]	3.9	5.8	5.4	5.0	5.4	3.9	2.6	2.6	1.9	1.8
Price/Round Kg.[2]	$0.28	$0.29	$0.28	$0.28	$0.26	$0.26	$0.27	$0.31	$0.37	$0.38
Initial Payment[3]	$1.1	$1.7	$1.5	$1.4	$1.4	$1.0	$0.7	$0.8	$0.7	$0.6
Final Payment	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.1
Total Payment	$1.1	$1.7	$1.5	$1.4	$1.4	$1.0	$0.7	$0.8	$0.7	$0.7
3 Yr. Moving Avg.[4]	$1.1	$1.3	$1.4	$1.5	$1.4	$1.3	$1.0	$0.8	$0.7	$0.7
Perch										
Delivered weight[1]	0.2	0.2	0.2	0.6	0.5	0.3	0.2	0.2	0.2	0.3
Price/Round Kg.[2]	$5.50	$5.50	$4.50	$4.50	$3.60	$3.00	$3.50	$2.70	$3.15	$2.99
Initial Payment[3]	$0.8	$0.8	$0.6	$2.2	$1.8	$0.9	$0.6	$0.5	$0.6	$0.8
Final Payment	$0.3	$0.3	$0.3	$0.5	$0.0	$0.0	$0.1	$0.04	$0.03	$0.0
Total Payment	$1.1	$1.1	$0.9	$2.7	$1.8	$0.9	$0.7	$0.54	$0.63	$0.8
3 Yr. Moving Avg.[4]	$1.0	$1.0	$1.0	$1.6	$1.8	$1.8	$1.1	$0.7	$0.6	$0.7
Other										
Delivered weight[1]	1.3	1.3	1.3	1.3	1.6	1.1	0.9	0	1.0	0.6
Price/Round Kg.[2]	$0.54	$0.62	$0.62	$0.77	$0.69	$0.73	$0.67	$0.67	$0.6	$0.5
Initial Payment[3]	$0.7	$0.8	$0.8	$0.9	$1.0	$0.8	$0.6	$0.6	$0.6	$0.5
Final Payment	$0.0	$0.0	$0.0	$0.1	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0
Total Payment	$0.7	$0.8	$0.8	$1.0	$1.1	$0.8	$0.6	$0.6	$0.6	$0.5
3 Yr. Moving Avg.[4]	$0.9	$0.8	$0.8	$0.9	$1.0	$0.9	$0.8	$0.7	$0.6	$0.6
All Pools										
Delivered weight[1]	18.2	21.3	22.3	22.0	22.8	20.7	17.7	16.7	16.9	14.7
Price/Round Kg.[2]	$1.70	$1.69	$1.82	$1.85	$1.80	$1.61	$1.68	$1.68	$1.8	$2.02
Initial Payment[3]	$25.4	$31.6	$33.8	$33.2	$34.9	$33.4	$28.4	$27.3	$30.2	$27.6
Final Payment	$5.6	$4.3	$6.8	$7.4	$6.2	$0.0	$1.4	$0.8	$0.7	$2.1
Total Payment	$31.0	$35.9	$40.6	$40.6	$41.1	$33.4	$29.8	$28.1	$30.9	$29.7
3 Yr. Moving Avg.[4]	$25.3	$29.6	$35.8	$39.0	$40.8	$38.3	$34.7	$30.4	$29.6	$29.6

[1] Delivered Weight - Round Equivalent Weight (millions of kilograms)

[2] Price/Round Kg. - Based on Initial Payment plus Final Payment

[3] Initial Payments - Net of Freight

[4] Three Year Moving Average of Total Payments

MANAGEMENT'S *Report*

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of Freshwater Fish Marketing Corporation and all information in this annual report are the responsibility of the Corporation's management. The Board of Directors reviews and approves the financial statements.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts, such as the allowance for doubtful accounts and the write-down of inventory, that are necessarily based on management's best estimates and judgment. Financial information presented elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained. The system of internal control is augmented by internal studies, which consist of periodic reviews of different aspects of the Corporation's operations.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors meets with management and the external auditor on a regular basis. External auditors have full and free access to the Board.

The Corporation's independent external auditor, the Auditor General of Canada, audited the financial statements of the Corporation in accordance with Canadian generally accepted auditing standards, and expressed her opinion on the financial statements.

John K. Wood
President and Chief Executive Officer
Freshwater Fish Marketing Corporation

Gabriella Bradics
Chief Financial Officer
Freshwater Fish Marketing Corporation

Winnipeg, Canada
July 4, 2008

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the Minister of Fisheries and Oceans

I have audited the balance sheet of Freshwater Fish Marketing Corporation as at April 30, 2008 and the statements of operations, comprehensive income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at April 30, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Freshwater Fish Marketing Act* and the by-laws of the Corporation.

Douglas Timmins

Douglas G. Timmins, CA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
July 4, 2008

BALANCE *Sheet*

as at April 30 (in thousands)	2008	2007
ASSETS		
Current		
Cash and cash equivalents (Note 4)	$ 49	$ 765
Accounts receivable (Note 5)	6,230	6,487
Inventories (Note 6)	11,340	12,919
Prepaid expenses and other assets	480	458
	18,099	20,629
Property, plant and equipment (Note 7)	10,612	8,572
	$ 28,711	$ 29,201
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 4,227	$ 4,412
Provision for final payments to fishers	2,100	727
Loans payable (Note 8)	18,829	20,740
	25,156	25,879
EQUITY		
Retained earnings	3,555	3,322
	$ 28,711	$ 29,201

Contingencies and commitment (Note 15)

The accompanying notes are an integral part of the financial statements.

Approved by the Board:

Jim Bear
Chairperson

Jim Farrell
Director

STATEMENT OF OPERATIONS,
Comprehensive Income & Retained Earnings

for the year ended April 30 (in thousands)	**2008**	**2007**
OPERATIONS		
Sales		
Export	$ 48,633	$ 51,908
Domestic	9,608	9,708
	58,241	61,616
Cost of sales		
Opening inventory of finished fish products	12,028	12,645
Add fish purchases and processing expenses:		
Fish purchases	29,208	32,068
Salaries, wages and benefits (Note 11)	8,904	9,300
Packing allowances and agency operating costs	4,239	4,898
Packaging and storage	3,033	3,657
Utilities and property taxes	1,446	1,302
Amortization of production assets	1,608	1,340
Repairs and maintenance	722	688
Other	436	831
	61,624	66,729
Less ending inventory of finished fish products (Note 6)	(10,572)	(12,028)
	51,052	54,701
Gross profit on operations	**7,189**	**6,915**
Marketing and administrative expenses		
Salaries and benefits (Note 11)	2,103	1,970
Interest expense	1,147	1,217
Net foreign exchange (gain) loss (Note 10)	(849)	552
Commissions (Note 9)	1,145	1,103
Data processing, office and professional services	758	552
Advertising and promotion	215	247
Meeting fees and expenses	136	167
Amortization of administration assets	107	117
Other	94	263
	4,856	6,188
Income before provision for final payments to fishers	**2,333**	**727**
Provision for final payments to fishers	2,100	727
Net income and comprehensive income for the year (Note 12)	**233**	-
Retained earnings at beginning of the year	3,322	3,322
Retained earnings at end of the year	**$ 3,555**	**$ 3,322**

The accompanying notes are an integral part of the financial statements.

STATEMENT OF Cash Flows

for the year ended April 30 (in thousands)	2008	2007
CASH PROVIDED BY (USED FOR)		
Operating activities		
Net income and comprehensive income for the year	$ 233	$ -
Add (deduct) items not affecting cash:		
Amortization	1,715	1,457
(Gain) loss on disposal of property, plant and equipment	(59)	60
Net changes in non-cash working capital:		
(Increase) decrease in accounts receivable	257	(1,017)
Decrease in inventory	1,579	653
(Increase) decrease in prepaid expenses and other assets	(22)	10
Increase (decrease) in accounts payable and accrued liabilities	(185)	669
Increase (decrease) in provision for final payments to fishers	1,373	(72)
Cash provided by operating activities	**4,891**	**1,760**
Investing activities		
Additions to property, plant and equipment	(3,832)	(3,996)
Proceeds on disposal of property, plant and equipment	136	34
Cash used for investing activities	**(3,696)**	**(3,962)**
Financing activities		
Increase (decrease) in loans payable	(1,911)	2,968
Cash (used for) provided by financing activities	**(1,911)**	**2,968**
Increase (decrease) in cash and cash equivalents during the year	**(716)**	**766**
Cash and cash equivalents at beginning of year	765	(1)
Cash and cash equivalents at end of year	**$ 49**	**$ 765**
Represented by:		
Cash	$ 49	$ 432
Term deposit	-	333
	$ 49	**$ 765**
Supplementary information:		
Interest paid	$ 1,248	$ 1,179

The accompanying notes are an integral part of the financial statements.

April 30, 2008

1. AUTHORITY, OPERATIONS AND OBJECTIVES

The Corporation was established in 1969 by the *Freshwater Fish Marketing Act* for the purpose of marketing and trading in fish, fish products, and fish by-products in and outside of Canada. The Corporation is required to purchase all fish legally caught in the freshwater region, which encompasses the provinces of Alberta, Saskatchewan, Manitoba, parts of northwestern Ontario, and the Northwest Territories. Participation of these provinces and territory was established by agreement with the Government of Canada.

The Corporation is an agent Crown corporation named in Part I of Schedule III of the *Financial Administration Act*. The Corporation is required to conduct its operations on a self-sustaining basis without appropriations from Parliament. An amendment to the *Freshwater Fish Marketing Act* was approved on June 22, 2006 increasing the legislative borrowing limit of the Corporation to $50 million. For the 2007/08 fiscal year, the total borrowings of the Corporation may not exceed $36.1 million as authorized by the Minister of Finance.

The Corporation has the exclusive right to trade and market the products of the commercial fishery on an interprovincial and export basis, and it exercises that right with the objectives of marketing fish in an orderly manner, maximizing returns to fishers, promoting international markets, and increasing interprovincial and export trade in fish, fish products, and fish by-products.

The Corporation is a prescribed federal Crown corporation for tax purposes and is subject to federal income tax under the *Income Tax Act.*

2. CHANGE IN ACCOUNTING POLICIES

On May 1, 2007, the Corporation adopted the following new Canadian Institute of Chartered Accountants (CICA) Handbook Sections 1530, *Comprehensive Income;* 3251, *Equity;* 3855, *Financial Instruments – Recognition and Measurement;* and 3861, *Financial Instruments – Disclosure and Presentation.* These sections provide standards for recognition, measurement, disclosure and presentation of other comprehensive income, equity, financial assets, financial liabilities and non-financial derivatives. Each of these standards requires retrospective application without prior period restatement with any adjustments being recorded in opening retained earnings, and as a result comparative financial statements have not been restated. As at May 1, 2007, no transitional adjustments were required to the opening balance of the Corporation's retained earnings arising from the adoption of these new sections. The principal changes in the accounting resulting from the adoption of these new standards are described below.

Financial instruments

Section 3855 – *Financial Instruments – Recognition and Measurement,* establishes the criteria for recognition, derecognition, measurement, and classification of financial instruments. Under the new standards, all financial instruments are classified into one of the following categories: financial assets as held for trading, held-to-maturity, available-for-sale, or as loans and receivables, and financial liabilities as held for trading, or as other financial liabilities. In accordance with the transitional provisions, upon initial recognition, financial assets and financial liabilities are required to be measured at their fair value. Subsequent measurement and changes in fair value will depend on their initial classification or designation which depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition. Held for trading financial instruments are subsequently measured at fair value and all gains and losses are recognized in net income in the period in which they arise. Available-for-sale financial instruments are subsequently measured at fair value with revaluation gains and losses included in other comprehensive income until the instrument is derecognized or impaired at which time the amounts would be recognized in net income. Financial assets held-to-maturity, loans and receivables, and other liabilities are measured at amortized cost.

As a result of the adoption of these standards, the Corporation has designated its cash and cash equivalents as held-for-trading since they can be reliably measured at fair value due to their short-term to maturity. Accounts receivable are classified as loans and receivables, and accounts payable and accrued liabilities, the provision for final payments to fishers and loans payable are classified as other financial liabilities. Open dated foreign exchange forward contracts and foreign exchange call options must be classified as held for trading.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets or liabilities are accounted for as part of the respective asset or liability's carrying value at inception and amortized over the expected life of the financial instrument using the effective interest method. For a financial asset or financial liability classified as held-for-trading, including derivative financial instruments, all transaction costs are recognized immediately in net income.

The Corporation reviewed significant contracts entered into on or after May 1, 2002 and determined there are no significant non-financial or embedded derivatives that require separate fair value recognition on the balance sheet on the transition date or at April 30, 2008.

Comprehensive income

Section 1530, *Comprehensive Income,* describes reporting and disclosure requirements with respect to comprehensive income and its components. Comprehensive income is composed of the Corporation's net income and other comprehensive income, and requires certain unrealized gains and losses resulting from changes in fair value of certain financial instruments, that would otherwise be recorded as part of net income, to be presented in other comprehensive income until such a time as it is considered appropriate for them to be recognized in net income.

The adoption of this section had no impact on the Corporation, as there have been no transactions resulting in other comprehensive income.

Equity

Section 3251, *Equity,* establishes standards for the presentation of equity and changes in equity for a reporting period as a result of the application of Section 1530, *Comprehensive Income.*

The adoption of this section had no impact on the Corporation's equity presentation since there have been no transactions resulting in other comprehensive income or changes in equity.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Freshwater Fish Marketing Corporation have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The significant accounting policies used in the preparation of these financial statements are summarized on the following pages.

Cash and cash equivalents

Cash and cash equivalents include cash and term deposits, maturing in less than three months from acquisition date.

Inventories

Finished fish products are recorded at the actual cost of fish purchases throughout the year plus the average actual cost for direct labour and overhead directly related to processing. At year-end, finished fish products are valued at the lower of cost and net realizable value. Packaging material and supplies are valued at the lower of cost and replacement cost. Inventory write-downs are included in cost of sales in the Statement of operations, comprehensive income and retained earnings.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is based on the estimated useful lives of the assets using the following methods and annual rates:

Buildings	- Lake stations	Straight-line	5-10%
	- Plant	Straight-line	2.5%
Equipment	- Machinery and office equipment	Declining balance	10-40%
	- Automotive	Declining balance	30%
Fresh fish delivery tubs		Straight-line	10%
Vessels		Straight-line	4.0-6.67%

The costs for systems under development and plant assets being upgraded or purchased, that are not yet operational, are charged to construction in progress. When the assets become operational, the cost is transferred to the appropriate property, plant and equipment classification and amortized accordingly.

Payments to fishers and retained earnings

The Corporation purchases fish at initial prices established by the Board of Directors based upon operational forecasts prepared by the Corporation and the cost of such purchases is included in cost of sales. Final payments to fishers, if any, are approved by the Board of Directors after the end of the year, based on the results of operations for the year, and are excluded from the cost of sales. The final payments are charged to operations of the current year. After the final payments are established, any remaining income for the year is recorded as retained earnings.

Foreign currency translation

Revenue and expense items are translated into Canadian dollars at the monthly average exchange rate in effect during the year. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the year-end exchange rate. All foreign exchange gains and losses incurred are included in net foreign exchange gain and loss in the Statement of operations, comprehensive income and retained earnings.

Pension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Corporation's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contributions and may change over time depending on the experience of the Plan. The Corporation's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Corporation. The Corporation is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

Revenue recognition

Sales are recorded on an accrual basis and recognized when products are shipped to customers.

Derivative financial instruments

Derivative financial instruments are utilized by the Corporation in the management of its foreign currency exposures and not for trading or speculative purposes. The Corporation does not apply hedge accounting to its derivatives. Derivatives are recognized on the balance sheet upon issuance, and removed from the balance sheet when they expire or are terminated. Both on initial recognition and subsequently, each derivative is recognized as either an asset or a liability on the balance sheet at its fair value. Derivatives with a positive fair value are reported as a component of prepaid expenses and other assets. Derivatives with a negative fair value are reported as a component of accounts payable and accrued liabilities. All changes in the fair value of derivatives are recognized in income in the period in which they occur as a component of net foreign exchange (gain) loss.

Use of estimates

Financial statements prepared in accordance with Canadian generally accepted accounting principles require management to make estimates and judgements that affect the amounts and disclosures reported in the financial statements. The more significant areas requiring the use of management estimates are related to the allowance for doubtful accounts, the provision to reduce all slow moving or unsellable finished fish inventories to their estimated net realizable value, derivative financial instruments measured at fair value and the estimated useful lives of plant and equipment. Actual results may differ from those estimated, although management does not believe that any differences would materially affect the Corporation's financial position or reported results of its operations. If actual results differ from these estimates, the impact would be recorded in future periods.

Future accounting changes

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, *Capital Disclosures*; Handbook Section 3862, *Financial Instruments – Disclosures;* Handbook Section 3863, *Financial Instruments – Presentation*. These standards are effective for the Corporation's reporting period beginning on May 1, 2008. Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The new Handbook Sections 3862 and 3863 replace Handbook Section 3861, *Financial Instruments - Disclosure and Presentation,* revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

In May 2007, the CICA issued Section 3031, *Inventories*, which supersedes existing guidance on inventories in Section 3030, *Inventories*. This standard is effective for the Corporation's reporting period beginning on May 1, 2008. This standard introduces significant changes to the measurement and disclosure of inventories, including the requirement to measure inventories at the lower of cost and net realizable value, the allocation of overhead based on normal capacity, the use of the specific cost method for inventories that are not ordinarily interchangeable for goods and services produced for specific purposes, and the reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories. Inventory policies, carrying amounts, amounts recognized as an expense, write-downs and the reversals of write-downs are required to be disclosed.

The Corporation is currently assessing the impact of these new accounting standards on its financial statements.

4. CASH AND CASH EQUIVALENTS

As at April 30, 2008, there were no U.S. dollar denominated term deposits (2007 – cash and cash equivalents included a $300 thousand term deposit in U.S. dollars for a total value of $333 thousand Canadian dollars).

5. ACCOUNTS RECEIVABLE

As at April 30, 2008, accounts receivable included amounts denominated as follows:

	2008		2007	
	Original currency	Canadian dollars	Original currency	Canadian dollars
(in thousands)				
Canadian dollars	$2,660	$2,660	$2,043	$2,043
US dollars	$3,545	3,570	$4,003	4,444
		$6,230		$6,487

6. INVENTORIES

(in thousands)	2008	2007
Finished fish products	$10,572	$12,028
Packaging material and supplies	768	891
	$11,340	$12,919

7. PROPERTY, PLANT AND EQUIPMENT

(in thousands)		2008		2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 336	$ -	$ 336	$ 336
Buildings	9,973	6,913	3,060	2,503
Equipment	17,195	14,071	3,124	2,936
Fresh fish delivery tubs/totes	1,391	550	841	1,001
Vessels	2,682	273	2,409	1,348
Construction in progress	842	-	842	448
	$32,419	$21,807	$10,612	$ 8,572

Amortization expense is recorded on the Statement of operations, comprehensive income and retained earnings in cost of sales (2008 - $1,608 thousand, 2007 - $1,340 thousand) and in marketing and administrative expenses (2008 - $107 thousand, 2007 - $117 thousand).

8. LOANS PAYABLE

(in thousands)	2008	2007
Promissory note	$ 4,029	$ 4,440
Bankers acceptances	14,800	16,300
	$18,829	$20,740

During the year, the Corporation renewed its revolving demand credit facility providing access to funds up to the amount of $36.1 million Canadian or its U.S. dollar equivalent. The funds are advanced through loans, overdrafts, promissory notes and bankers acceptances.

The bankers acceptances bear interest at 3.20% (2007– 4.28%) and mature on May 2, 2008.

The $4,000 thousand U.S. dollar denominated promissory note ($4,029 thousand Canadian dollars) is repayable in U.S. dollars, bears interest at 5.05% (2007 – 5.77%) and matures on June 16, 2008.

The bankers acceptances and promissory note are secured by the authorization of the Minister of Finance of the Corporation's bank borrowing limit (Note 1).

9. SALES COMMISSIONS

During the year, the Corporation paid commissions of $1,145 thousand (2007 - $1,103 thousand) to sales agents. Included in that amount is $1,145 thousand (2007 - $1,084 thousand) of commissions paid to foreign sales agents. Commissions are included in marketing and administrative expenses on the Statement of operations, comprehensive income and retained earnings.

10. NET FOREIGN EXCHANGE GAIN AND LOSS

Net foreign exchange (gain) loss includes a loss of $119 thousand representing the change in fair value of derivative financial instruments classified as held-for-trading (2007 – gain of $73 thousand).

11. PENSION BENEFITS

The Corporation and all eligible employees contribute to the Public Service Pension Plan. Pension benefits accrue on pensionable service at a rate of 2 per cent per year up to a maximum period of 35 years, times the average of the best five consecutive years of earnings. The benefits are fully indexed to the increase in the Consumer Price Index. The Corporation's and employees' contributions to the Public Service Pension Plan for the year were as follows:

(in thousands)	2008	2007
Corporation's contributions	$ 799	$ 643
Employees' contributions	$ 378	$ 300

12. INCOME TAXES

The Corporation is eligible to deduct for tax purposes a portion of its capital cost allowance, and accordingly, has no taxable income for the year (2007 - nil). At April 30, 2008 the estimate of the excess of undepreciated capital cost over the net book value of property, plant and equipment amounted to $2,692 thousand (2007 actual - $3,040 thousand) which can be used to reduce future years' taxable income. No amount has been recorded in the financial statements with respect to this excess amount since it is not considered more likely than not that any future income tax benefits will be realized.

13. DERIVATIVE FINANCIAL INSTRUMENTS

The Corporation generates a significant portion of its sales in U.S. dollars and uses derivative financial instruments to reduce its exposure to changes in the value of U.S. dollars. The Corporation currently uses the following types of instruments:

Open dated foreign exchange forward contracts - commitments to purchase or sell foreign currencies for delivery during a specified period in the future at a fixed rate.

Foreign exchange call options – right to purchase currencies at a specified price within a specific time period.

Included in prepaid expenses and other assets is an amount of $377 thousand (2007 - $333 thousand) and included in accrued liabilities is an amount of $163 thousand (2007 – nil) representing the fair value of derivative financial instruments held as at April 30:

(in thousands)	2008	2007
Open dated foreign exchange forward contracts	$ (77)	$ 265
Foreign exchange call options	291	68
	$ 214	$ 333

Notional principal amounts outstanding as at April 30 are listed below for the open dated foreign exchange contracts and foreign exchange call options entered into by the Corporation. The remaining term to maturity of the derivative financial instruments are under one year from the balance sheet date.

(in thousands)	2008	2007
Open dated foreign exchange forward contracts	$ 21,837	$ 8,569
Foreign exchange call options	$ 20,357	$ 8,325

In any transaction there is a potential for loss. The risk of loss relating to the Corporation's derivative financial instruments is represented by: (i) credit risk, wherein the counterparty fails to perform an obligation as agreed upon, causing the Corporation to incur a financial loss, and (ii) market risk, where an exposure exists as a result of the possibility of adverse changes in foreign exchange rates.

The Corporation manages its exposure to credit risk by contracting only with creditworthy counterparties. The Corporation manages its exposure to market risk (foreign exchange) by acquiring derivative financial instruments only within limits approved by the Board of Directors.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, provision for final payments to fishers, and loans payable approximate their respective amortized cost due to the relatively short period to maturity of the financial instruments. Derivative related amounts are valued at their fair value on the balance sheet. The estimate of the fair value of the open dated foreign exchange forward contracts is calculated using the current market spot and forward exchange rates at the end of the year, taking into consideration the closing date of the open dated foreign exchange forward contracts. The estimate of the fair value of the foreign exchange call options is calculated using a valuation technique commonly used for these instruments.

15. CONTINGENCIES AND COMMITMENT

The Corporation is involved in various legal claims arising from the normal course of business. The outcome of these claims is currently not determinable, and accordingly, no amounts have been recorded in the financial statements. It is the opinion of management that any amounts payable arising from these claims will not have a material adverse effect on the financial position of the Corporation. Amounts payable, if any, will be recorded in the year in which any liability is considered likely and the associated costs can be reasonably estimated.

On June 19, 2008, the Corporation entered into a contractual agreement for the building of a packing facility in the amount of approximately $1,510 thousand. No amounts have been recorded in the financial statements related to this contractual commitment.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

CORPORATE *Governance*

A Board of eleven Directors, including the President and Chief Executive Officer, governs the Corporation. All Board positions are federal Order-in-Council appointments, with five appointed on recommendation of the participating provincial governments. During the 2007/08 fiscal year, six of those Directors were fishers and six were Aboriginal. The Board believes this composition reflects the geographical scope, interests and well-being of its multicultural stakeholders. It is the Board's strongly-held view that a majority of its members should always be active fishers representative of the various regions.

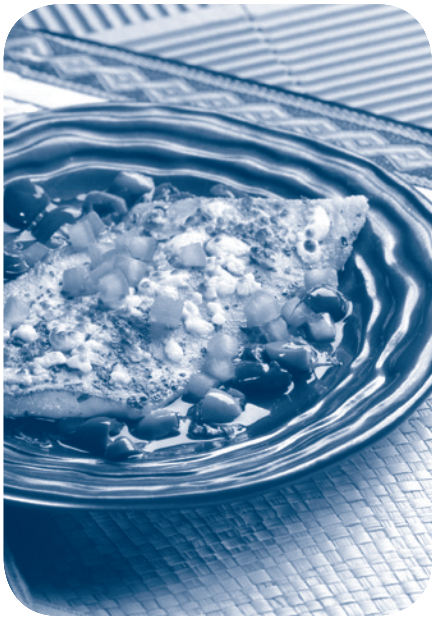
Board members exercised their liaison role with all levels of government and fisher association stakeholders by attending numerous private and public meetings, conferences and information sessions in the provinces and communities they represent. A Quarterly Report is issued to stakeholders highlighting key financial results and commenting on the progress of fisheries across the FFMC region.

The Corporation's Board members met six times in Winnipeg during the fiscal year. Once per quarter, the Board undertook a comprehensive review of financial results and operational issues. During the July 2007 meeting, the Board received the annual audit report from the Office of the Auditor General and approved the 2006/07 Annual Report.

In late March 2008, the Board met to approve its five-year annual Corporate Plan and operating budget for submission to Treasury Board.

The Board considered three applications under the Export Dealers Licence policy and approved one.

Major conferences or annual meetings attended included a Crown Corporation Governance conference in Ottawa, Fisheries Council of Canada conference, National Seafood Sector Council Board, Brussels Seafood Show, Boston Seafood Show, Manitoba Food Processors Association, Lake Winnipeg Advisory Board, Small Craft Harbour Authorities, Manitoba Commercial Inland Fisheries Federation Board, Northwest Territories Fishermen's Federation, Saskatchewan Cooperative Fisheries Ltd., Great Slave Lake Co-op, Northwest Co-op Processing, and eight other fisher association meetings.



BOARD OF *Directors*

Jim Bear
Chairperson of the Board
Scanterbury, Manitoba
Occupation: Political Advisor, Southeast Tribal Council
Served on FFMC Board: 7 years

John K. Wood
President and Chief Executive Officer
Winnipeg, Manitoba
Served on FFMC Board: 1.5 years

Irvin Constant
The Pas, Manitoba
Occupation: Fisher
Served on FFMC Board: 12 years

Gordon McDougall
Ashern, Manitoba
Occupation: Fisher
Served on FFMC Board: 12 years

James R. Favel
Île-à-la-Crosse, Saskatchewan
Occupation: Fisher
Served on FFMC Board: 9.5 years

Ed Isfeld
Winnipeg Beach, Manitoba
Occupation: Fisher
Served on FFMC Board: 18 years

Bert Buckley
Hay River, Northwest Territories
Occupation: Fisher
Served on FFMC Board: 9 years

Ron Ballantyne
Grand Rapids, Manitoba
Occupation: Fisher
Served on FFMC Board: 4.5 years

Bob Paterson
Sioux Lookout, Ontario
Occupation: Area Supervisor, Ontario Ministry of Natural Resources
Served on FFMC Board: 4 years

Peter A. Beatty
Deschambault Lake, Saskatchewan
Occupation: Vice-Chief, Peter Ballentyne First Nation
Served on FFMC Board: 1.5 years

Gail Wood
Edmonton, Alberta
Occupation: Owner, Wayne Wood Fresh Fish Ltd.
Served on FFMC Board: 1 year

CORPORATE OFFICERS

John K. Wood
President and Chief Executive Officer
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Chief Financial Officer
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