

News Release

For Immediate Release

GN enters into air travel agreement, with option to purchase equity interest

Iqaluit, Nunavut (July 16, 2025) – The Government of Nunavut (GN) is pleased to announce that it has entered into a 10-year Travel Agreement with Bradley Air Services Limited (a subsidiary of Exchange Income Corporation (EIC)), with an option to renew for an additional five years.

This agreement extends the provision of existing services by Calm Air and Canadian North to the GN, and enhances and formalizes the GN's partnership with EIC in delivering essential airline services across the territory through Canadian North and Calm Air.

"In Nunavut, air travel is a lifeline – it's our highway. It connects our families, delivers essential goods and services, and keeps our communities strong. Reliable air service is the backbone of our territory's social and economic wellbeing, and it's vital to ensuring equity and opportunity for all Nunavummiut," stated Premier P.J. Akeeagok. "This agreement also positions us to create direct benefits for Inuit through jobs, training, and stronger connections between public priorities and private delivery."

The agreement reflects a shared commitment to improving service delivery, fostering long-term economic growth, and ensuring reliable air access for all Nunavummiut. As air travel remains a critical public service in Nunavut, the agreement creates a coordinated framework that strengthens alignment between public needs and private operations.

The GN will have a meaningful voice in the oversight and delivery of contracted airline services, including medical, duty, and Family Services client travel, as well as less-than-load air freight.

The new agreement provides the GN with greater input and visibility into operations that support community connectivity, health, education, and economic opportunity. It also creates exciting training and employment opportunities for Nunavut Inuit.

Additionally, the GN has acquired an option from EIC to purchase an equity interest in Bradley Air Services Limited (operating as Canadian North), should it choose to

exercise that option. It creates a potential pathway to deepen the territory's long-term role in supporting and shaping northern air service delivery.

The GN looks forward to implementing this agreement with EIC and Bradley Air in a manner that prioritizes operational excellence, transparency, and the well-being of communities across Nunavut.

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Government of Nunavut Commercial Airline Travel Services Agreement

1. Why has the Government of Nunavut entered into this agreement?

To deliver its programs and services, the Government of Nunavut (GN) requires the services of qualified commercial operators with the capacity to provide their services effectively and consistently. The GN currently accesses these services through two separate contracts with Calm Air and Canadian North, however both contracts are approaching the end of their respective terms.

By entering into this long-term agreement, the GN has ensured continuity in the delivery of GN programs and services to Nunavummiut.

2. When will this agreement take effect?

The agreement came into effect on July 15, 2025.

3. What is the Commercial Airline Travel Services Agreement (Travel Agreement)?

The Travel Agreement is a contract between the GN and Bradley Air Services Limited (Bradley Air) detailing the terms and conditions the services will provide to the GN during the 10-year term of the contract.

4. What services are covered under the contract?

The contract includes the services currently provided to the GN by Canadian North and Calm Air respectively, including duty travel, medical travel and cargo. Unlike the existing contracts, the new agreement includes specific parameters for Family Services client travel.

5. What is new about this contract?

The primary difference between this contract and the existing agreements is that this agreement consolidates all GN commercial airline services under a single contract with Bradley Air and its subcontractor Calm Air. This means that the GN will manage a single contract covering air travel services in all three regions, rather than separate contracts for the Kivalliq region (Calm Air) and Bradley Air (Canadian North) in the Kitikmeot and Qikiqtani regions.

6. What else is new about this contract?

The contract also includes new provisions for monitoring and managing airline performance and clarity on fare attributes for passengers travelling on GN contract fares.

7. How did the Exchange Income Corporation's acquisition of Bradley Air Services impact this agreement?

Exchange Income Corporation (EIC)'s acquisition of Bradley Air impacted the relationship between the GN's two contracted airlines (Bradley Air and Calm Air) and the GN's opportunity to engage with a single vendor.

8. How will Nunavummiut be impacted by the GN's long-term Travel Agreement?

Nunavummiut will continue to access GN programs and services through the respective GN departments. The GN will work with its contractor (the Airline) to ensure those services are delivered.

9. How much is this contract costing the GN?

The total cost of this contract will be determined by the amount of medical, duty and family services travel purchased, and freight sent during the life span of the agreement. The agreement details base prices for GN contracted air fares and freight with escalation measures for factors such as fuel, inflation and regulatory changes.

10. What impact will the GN's Travel Agreement have on the travelling public?

The Agreement is focused on GN-funded travel and services, but there are indirect benefits to the travelling public. Enhanced service reliability and performance standards required under the contract are expected to improve overall operations, including for non-GN travellers.

Public fares, including the Economy Fare, remain at the discretion of the carriers and are not set by the GN. However, the GN's significant investment in Medical, Duty, and Family Services client travel helps sustain the viability of routes and supports broader affordability for all travellers.

Additionally, Exchange Income Corporation has publicly committed to no increases to the base Economy Fare through the remainder of 2025, providing short-term price stability for the public while the airline reviews its fare structure.

11. What impact does the Travel Agreement have on medevac services?

This Travel Agreement does not include Medevac Services; these services are managed through separate contracts.

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