

Dry Cargo Re-supply Programme Activity Summary

SHIPPING YEAR
2018



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Purpose

Each year the Government of Nunavut (GN) and stakeholders across Nunavut transport goods into the territory by Sealift.

Sealift is a strategic and vital link for all Nunavut communities and their residents to obtain their annual re-supply of goods and materials needed throughout the year. It remains the most economical way to transport bulk goods to the Arctic. Each year, ocean going ships and tugs and barges travel from several southern Canada Ports with a variety of goods ranging from construction materials, vehicles, heavy equipment, house wares and non-perishable items.

The purpose of this document is to provide a review of the operational year for dry goods re-supply.

Introduction

The Dry Cargo Re-supply Programme Activity Summary was prepared by the Department of Community and Government Services (CGS).

CGS continues to perform a crucial role through provision of logistical support and coordination of Sealift activities for the government. The GN (including its related entities) relies on the designated carriers to transport the needed goods and materials to its offices in each community. Nunavut-based individuals and businesses can also benefit from the same terms and conditions that the GN has negotiated with these designated carriers.

Even though it is only available for four to five months, annual sealift is critical for economic re-supply to Arctic communities and for regional development through support for existing and new resource ventures as well as exploration activities. Use of the marine mode provides shippers with the lowest costs, and a major review of Sealift showed that air transportation costs could be up to an order of approximately twenty-two times higher than by marine. This is why almost all of non-perishable goods needed in Nunavut move by water, and why the Department works hard to ensure that Sealift costs are contained and that shippers are aware of the benefits of the marine mode. Air transport is available year-round (weather permitting) and is important for transportation of perishable goods, emergency response, and providing regular links with southern Canada.

This shipping report presents significant operational information and detail about activity during the 2018 shipping season, progress and achievements with regard to Sealift and, where applicable, incidents that occurred.

An Operational Year in Review

2018 saw a number of significant events; the Mary River iron ore project shipped a record 5.1 million tonnes in 71 voyages using mainly Panamax size (75,000dwt) bulk carriers. Ice conditions did not materially affect shipments from Milne Inlet, but the company had the Finnish icebreaker *Botnica* on charter at the beginning and end of the season. Ice conditions were a major challenge for CGS and its contracted carriers during the season, and there was serious concern regarding the ability of NSSI to service the Kitikmeot, given the lack of Canadian Coast Guard (CCG) icebreaking capacity. It is hoped that the availability of new medium ice breakers during 2019 will improve matters for future years.

Total estimated northbound quantities carried by NEAS and NSSI in support of community re-supply and mine support was about 850,000m³ using their own vessels and charters. During 2018 three foreign flag dry cargo ships and four tankers supported mining ventures with inbound materials. One of the dry cargo ships – the ice strengthened heavy lift ship *HHL New York* – was flagged into Canada for three northbound trips in support of AEM.

Challenges

2018 involved 41 dry cargo trips by the two carriers from the Montreal area; twenty one of these trips were dedicated to community re-supply. As in previous years, community calls by both NEAS and NSSI generally included both Nunavik and Nunavut communities on the same voyage.

NEAS undertook 16 northbound trips from their base at the Port of Valleyfield with five ships. NSSI carried out 25 northbound trips with their fleet of eight ships from Côte Ste Catherine and Becancour. In addition the company ran the tug *Atlantic Elm* with barge *Atlantic Martin* direct to Rankin Inlet, and the tug *Atlantic Beech* with barge *Atlantic Sea Lion* direct to Baker Lake. The tugs and barges were then used to tranship cargo through Chesterfield Narrows from ships anchored outside. Both companies provided trips in support of mining related activity.

The Hudson Bay Railway line officially re-opened 01 November 2018. However, an earlier train of petroleum products derailed and one crew member died. NSSI visited the port during the shipping season, but calls may not have been in support of Kivalliq re-supply. NEAS also visited the port. The bulk carrier *Marsden Point* took out 27,000 tonnes of wheat that had been in the silos since the port closed.

Cruise activity in the Canadian Arctic was seriously affected by ice conditions, and one ship, the ice breaker *Akademik Ioffe* grounded near Kugaaruk. Passengers were taken off by a sister ship – the *Akademik Sergey Vavilov* - that was nearby and landed at Kugaaruk. The *Akademik Ioffe* then sailed to the Verreault shipyard at Matane for inspection and repairs. Two ships, *Le Boreal* and *Le Soleal* that had planned Northwest Passages were unable to do so because of ice conditions. Only two adventurers and the ex NTCL tug *Jim Kilabuk* were able to get through the Passage in 2018.

Kitikmeot

Given the serious nature of ice conditions in choke points in the Northwest Passage, the GN commissioned a risk analysis to demonstrate that the re-supply sailing for the region could be safely completed. NEAS took the *Mitiq* west in 2018, while NSSI provided community service with the *Claude* and *Sedna Desgagnes*. The *Claude Desgagnes* also took cargo to TMAC Resources Doris Mine at Robert's Bay. The company also had a re-supply cargo from offshore with the *BBC Oregon*. While both ships, as well as private sailings by NEAS successfully delivered their cargo to communities, persons who had booked goods on the GNWT tug and barge operator (Marine Transport Services) were not so lucky, as the barges were prevented by ice from delivering much of their cargo.

While TMAC continues on track with operations and planning for the Madrid (2020) and Boston (2022) properties, the neighbouring Sabina/Back River Gold project suffered delays during 2018 because barge loads of fuel and equipment were held in Tuktoyaktuk due to ice conditions.

The saga of Roald Amundsen's boat the *Maud* is finally over. The tug and barge with the boat reached Bergen in Norway on 06 August 2018, and then her final resting place at Vollen on 16 August.



Image courtesy of Maud Returns Home.

Kivalliq

The Agnico-Eagle (AEM) mine continued to generate significant traffic during 2018. The importance of the Meliadine project is evident from shipping movements, with ten dedicated shiploads to Rankin Inlet, and another five shared between Rankin Inlet and Baker Lake, the two barge loads went to Baker Lake. Construction is estimated to be 85% complete and the mine is on track for commissioning in Q1, 2019. The mine is expected to produce 400,000ozs of gold per year, with excellent prospects for a life well beyond the current horizon. The Meadowbank operation will continue utilizing ore trucked from the Amaruq prospect. There were six dedicated cargoes to Baker Lake, including two in the *HHL New York*.



HHL New York from the Shipspotting web site

As noted earlier, the Port of Churchill became accessible by rail again in November 2018, however, CGS has not yet been formally notified regarding their ability to resume re-supply shipments to Kivalliq communities through the port.

Qikiqtaaluk



Progress on the new Deep Sea Dock and lay down area at Iqaluit

During the 2017 season, Mary River shipped a reported 5.1m tonnes of iron ore on 31 Panamax bulk carriers that undertook 71 trips during the 86 day season. The largest cargo was on the *AM Hamburg* with 79,842 tonnes. The company is now planning to go ahead with the railway line to Milne Inlet. During the season, there were five re-supply trips by

NSSI and one by NEAS. As in past seasons some of these were shared with community calls. The *Miena Desgagnes* called at Pond Inlet on 04 August with construction equipment for the new harbour.



Start of Breakwater construction at Pond Inlet. Photograph Courtesy of Advisian

Also in the region, the Peregrine Diamonds project has been acquired by DeBeers, possibly attracted by the reported high quality gems that have been found during exploration. Details about mine development have not been released, but with their Victor mine in Northern Ontario scheduled to close in 2019, early progress could be expected.

Kugaaruk first received direct dry cargo service in 2015. In 2018 NSSI sent the *Zelada Desgagnes*, which had also called in 2017.

Going Forward into 2019

The new dock at Iqaluit will continue to be a major activity during 2019, leading to expected completion in 2020. The community harbour in Pond Inlet also commenced construction during the 2018 season. Baffinland Mines facilitated this project by providing about 3,000m³ space on their second re-supply call. This was three weeks ahead of the scheduled call by NSSI. The Pond Inlet harbour will be a major benefit for cruise ship calls enabling safer passenger transfer from ship to community.

It is expected that the Nanisivik Naval Facility will be completed within 2019. Some construction equipment was returned south during 2018, the balance will be shipped in 2019.

Operational Observations

NEAS

There were no issues with NEAS service to Iqaluit during 2018 and the company carried materials for the new dock as part of its delivery schedule. Ice conditions in Frobisher Bay were favorable, and no delays were reported. The mv *Mitiq* served the Kitikmeot region. The company deployed its five owned ships on 16 northbound sailings.

NEAS is contracted to provide service to Area C (Iqaluit) ex Montreal area, with a guarantee of six calls. Their ships provided seven calls during 2018.

NEAS Calls at Iqaluit 2018 Season

Dates	Ships
30/07-03/08	Mitiq
31/07-11/08	Nunalik
17-24/08	Avataq
16-20/09	Qamutiq
14-22/10	Nunaliik
20-29/10	Mitiq
23-24/10	Avataq

There were also 5 private calls by NSSI and one tug and barge with construction equipment for the dock. NEAS also called at all other Nunavut communities except Kugaaruk, in a private capacity. Some communities were visited twice during the season.

Inuit Employment

NEAS again worked with Nunavut Fisheries and Marine Training Consortium. They provided a total of 713 person days of employment for eight Inuit beneficiaries from Nunavut on board ships during the 2018 season. They also have two full time employees, one in Iqaluit, one in Rankin Inlet and one seasonal employee in Iqaluit. The company had other on board employees from Nunavik as well as one full time position in Kujuaq.

Service Centre

The Cargo Service Centre worked well during the 2018 season.

The Government of Nunavut did not expand its fleet of containers in 2018. These are 13’ and 20’ boxes, including some high cubes.

NSSI

- There were no reported issues with NSSI service to any communities they are contracted to serve during 2018.
- NSSI has disposed of the *Camilla Desgagnes* but did not bring in any new dry cargo vessels.
- NSSI deployed the *Sedna* and *Claude Desgagnes* to the Kitikmeot region.
- NSSI used the *Zelada Desgagnes* to serve Kugaaruk again in 2018.
- NSSI used the *Taiga Desgagnes* to provided two calls at Churchill.
- The company deployed its eight owned ships on 25 voyages. The company also employed two Canadian Flag tugs and barges to support service to Agnico-Eagle at Baker Lake and Rankin Inlet as well as making dedicated and combination voyages to service the mine. Ships were also deployed to Milne Inlet for Baffinland and Robert’s Bay for TMAC Resources. The 800tonne ice strengthened heavy lift ship *HHL New York* was chartered into Canadian Flag for three trips from Becancour to serve AEM’s Meadowbank and Meliadine mines.

NSSI was contracted to serve all communities other than Iqaluit ex Montreal as well as Kivalliq communities ex Churchill¹. Churchill remained inaccessible by rail during the 2018 shipping season. The following tables give numbers of calls guaranteed by region as well as dates called, and the ship making the call. Except as noted, the tables are all exit Montreal area.

NSSI² Calls Area A (1 call Guaranteed) NSSI Calls Area B (1 call Guaranteed)

Community	Call Dates	Community	Call dates
Qiqiktarjuaq	1-4/09 S	Igloodik	7-12/09T
Clyde River	5.6/09S	Hall Beach	12/09S, 13-14/09T
Pond Inlet	4/08M, 25, 26/08C, 21/10S	Repulse Bay	3-6/09T, 17/10R
Arctic Bay	28-30/07T, 3&8/09R, 19-23/09T, 19, 20/10R		
Kugaaruk ³	9-12/09Z		
Grise Fjord	29, 30/08R		
Resolute Bay	1-6/09/R		

NSSI Calls Area D (3 calls Guaranteed) NSSI Calls Area G (1 call Guaranteed)

Community	Call Dates	Community	Call Dates
Cape Dorset	6, 7/08S, 26-28/09T	Taloyoak	21-23/09S
		Gjoa Haven	18-20/09S
		Cam. Bay	12-15/09C
Kimmirut	16, 17/07, 28/09 T, 24/10RD	Kugluktuk	15, 16/09S
Pangnirtung	10, 11/08S, 21,22/10C,		

NSSI Calls Area E (3 Calls Guaranteed)

Ex Montreal Area

Churchill

Community	Call Dates	Community	See notes re-calls
Arviat	28-30/07T, 19-23/09T, 12&19/10R		
Whale Cove	30.31/07T, 4, 5/08T, 18/09T	Churchill	17/09 & 24-27/09T,
Rankin Inlet	13 calls between 25/07-19/10		
Chesterfield	22, 23/07T, 1, 2/09T, 16/09T, 18/10R		
Baker Lake	6 calls between 27/07-27/09		
Coral Hbr. ⁴	20.21/07T, 24-26/09T		
Area H	2 Calls Guaranteed		
Sanikiluaq	27-30/10T		

¹ Churchill calls are identified separately. It is assumed that these were for Churchill re-supply.

² A=Acadia Desgagnes, D= Claude Desgagnes, M=Miena Desgagnes R=Rosaire A Desgagnes, S=Sedna Desgagnes, T=Taiga Desgagnes, Z=Zelada Desgagnes.

³ Not originally included in Area A. Calls subject to a separate agreement with the GN.

⁴ Calls by the Claude and Rosaire A Desgagnes 14,15/10 are presumed to be transshipment and not community related.

Inuit Employment

NSSI continued to provide employment for Inuit beneficiaries during the 2018 season.

- *Shipboard employment and training.* In collaboration with Nunavut Fisheries and Marine Training Consortium in Iqaluit, they provided training and employment for five shipboard personnel. The employment days were not given, and only one of the people completed the full season.
- *Shoreside management.* They have two persons in shore side positions supporting annual Sealift. The Iqaluit position is full time, that in Rankin Inlet seasonal.
- *Cargo support for Agnico-Eagle.* As in previous seasons NSSI contracted with Peters Expediting in Baker Lake for cargo handling on behalf of the gold mine. Nine persons were employed, and no details of employment were provided. However, they stated that the team worked for about five days on each ship discharge, and there were six ship and two barge loads during the season.
- *Sealift advisory positions.* In cooperation with Arctic Co-Ops, NSSI trained and provided employment for persons in five communities in Nunavut to provide advice about Sealift and liaise with the ship during cargo delivery. Based on previous advice regarding hours per day, this is equivalent to about 120 person days employment.

APPENDIX A

Links to Service Providers' Websites

- Nunavut Sealink & Supply Inc. (NSSI): <http://www.arcticsealift.com>
- Nunavut Eastern Arctic Shipping Inc. (NEAS): <http://www.neas.ca>

For further information, please contact the GN Manager Logistics with Procurement, Logistics and Contract Support Services.

Telephone: (867) 975-5437

Toll Free: (888) 390-0111

Email: sealift@gov.nu.ca

APPENDIX B

Incidents in the 2018 Sealift Season

While there were no incidents that impacting ships providing re-supply services, the cruise ship *Akademik Ioffe* grounded off the Astronomical Islands near Kugaaruk. Also, an adventurer, the *Anahita* sank due to ice conditions and the two crew members had to be rescued by the *CCGS Henry Larsen*.

Ice conditions were a major problem during the season with ships facing delays in Hudson Bay; getting into Resolute as well as with heavy ice in Peel Sound and Franklin Strait.