

Good Afternoon,

In response to the Nunavut Impact Review Board's June 4, 2025, request, Transport Canada has reviewed Baffinland Iron Mine Corporations 2024 Annual Monitoring Report. Please note that Transport Canada's review was limited to those areas of the monitoring report that are relevant to the Department's mandate and jurisdiction/areas of expertise

Comment Number:	TC-01
Subject/Topic:	Marine Environment Working Group
References:	2024 Baffinland Annual Report (page 280)
Comment: <ul style="list-style-type: none">• Gap/Issue• Disagreement with the Annual Report conclusion• Reasons for disagreement with the Annual Report conclusion• Disagreement and reasons for disagreement with conclusions within the Additional Documents in Appendix	Term and Condition 77 states that a Marine Environment Working Group be establish to a forum that can address impacts as they arise. The operation of the MEWG shall not duplicate or impede the exercise of regulatory authority of authorizing agencies or government. The MEWG shall have the following permanent members: The Proponent, the Qikiqtani Inuit Association, the Government of Nunavut, the Government of Canada, the Mittimatalik HTO, and the Hunters and Trappers Organizations of the other Impacted Communities (Arctic Bay, Clyde River, Sanirajak, Igloolik), should they wish to participate. Makivik Corporation shall also be entitled to membership on the MEWG at its election. TC has participated in the MEWG as an observer since June 2022
Conclusion/Request	No comments

Comment Number:	TC-02
Subject/Topic:	Ballast Water
References:	2024 Baffinland Annual Report (page 309)
<p>Comment:</p> <ul style="list-style-type: none"> • Gap/Issue • Disagreement with the Annual Report conclusion • Reasons for disagreement with the Annual Report conclusion • Disagreement and reasons for disagreement with conclusions within the Additional Documents in Appendix 	<p>Term and Condition 88 states that prior to commercial shipping of iron ore and in conjunction with the Marine Environment Working Group, the Proponent shall provide an updated risk analysis regarding ballast water discharge to assess the adequacy of treatment and implications on the receiving environment. This risk analysis shall consider, but not be limited to:</p> <ul style="list-style-type: none"> a. Invasive species b. Seasonal oceanography c. Ballast water quality and quantity d. Receiving water quality; e. Residual physical, chemical, and/or biological effects; and f. Any risk assessment analysis regarding ballast water exchange and treatment efficacy in arctic waters
Conclusion/Request	Baffinland notes that their Ballast Water Management Plan (Baffinland, 2019e; 2023l) exceeds federal ballast water regulatory requirements by voluntarily conducting ballast water compliance monitoring and because Project vessels are required by Baffinland to conduct a mid-ocean ballast water exchange as required by Transport Canada (2022), followed by ballast water treatment in the case of

	<p>vessels which are equipped with a D-2 standard ballast water management system. Prior to ballast water discharge, all ore carriers calling on Milne Port have one of their ballast tanks randomly sampled to measure temperature and salinity thereby verifying compliance with the Ballast Water Regulations and International Maritime Organization's (IMO's) D-1 standards (Transport Canada, 2022; IMO, 2017). Under the Ballast Water Convention (IMO, 2017), a regulation requiring that internationally operating vessels constructed after 1 January 2009 adhere to the D-2 standard came into force on 8 September 2024.</p> <p>No concerns</p>
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Comment Number:	TC-03
Subject/Topic:	Ballast Water
References:	2024 Baffinland Annual Report (page 312)
Comment: <ul style="list-style-type: none"> Gap/Issue Disagreement with the Annual Report conclusion Reasons for disagreement with the Annual Report conclusion 	<p>Term and Condition 89 states that the Proponent shall develop and implement an effective ballast water management program that may include the treatment and monitoring of ballast water discharges in a manner consistent with applicable regulations and/or exceed those regulations if they are determined to be ineffective for providing the desired and predicted results. The ballast water management program shall include, without limitation, a provision that requires ship owners to test their ballast water to confirm that it meets the salinity requirements of the applicable regulations prior to discharge at the Milne Port, and a requirement noting that the Proponent, in choosing shipping contractors will, whenever</p>

<ul style="list-style-type: none"> Disagreement and reasons for disagreement with conclusions within the Additional Documents in Appendix 	feasible, give preference to contractors that use ballast water treatment in addition to ballast water exchange.
Conclusion/Request	<p>All ships entering Canadian waters must currently meet the D-1 standard while requirements for meeting the D2 standard are phased but must occur no later than 8 September 2024 for vessels constructed after 1 January 2009 and by 8 September 2030 for older vessels. Baffinland aims to adhere to these proposed dates and notes that the current Ballast Water Management Plans requirements exceed all federal and international regulations.</p> <p>No concerns</p>

Comment Number:	TC-04
Subject/Topic:	Ballast Water
References:	2024 Baffinland Annual Report (page 318)
Comment: <ul style="list-style-type: none"> Gap/Issue Disagreement with the Annual Report conclusion Reasons for disagreement with the Annual Report conclusion 	<p>Term and Condition 91 states that the Proponent shall develop a detailed monitoring plan for Steensby Inlet and Milne Inlet for fouling that complies with all applicable regulatory requirements and guidelines as issued by Transport Canada, and includes sampling areas on ships where antifouling treatment is not applied such as the areas where non-native species are most likely to occur.</p>

<ul style="list-style-type: none"> Disagreement and reasons for disagreement with conclusions within the Additional Documents in Appendix 	
Conclusion/Request	<p>Baffinland notes they are in compliance with this term and condition as no regulatory requirement or guideline for monitoring hull fouling, has been issued by Transport Canada. Baffinland also notes that Transport Canada has not issued concerns related to TC 91 that would necessitate underwater surveys of hulls.</p> <p>Transport Canada is in agreement with this conclusion and does not have concerns at this point.</p>

Comment Number:	TC-05
Subject/Topic:	Spill Prevention
References:	2024 Baffinland Annual Report (page 321)
Comment: <ul style="list-style-type: none"> Gap/Issue Disagreement with the Annual Report conclusion Reasons for disagreement with the Annual Report conclusion 	<p>Term and Condition 92 states that the Proponent shall ensure that it maintains the necessary equipment and trained personnel to respond to all sizes of potential spills associated with the Project in a self-sufficient manner.</p>

<ul style="list-style-type: none"> Disagreement and reasons for disagreement with conclusions within the Additional Documents in Appendix 	
Conclusion/Request	Baffinland notes that an audit was completed by Navenco Marine to confirm that Baffinland's spill response equipment and training requirements were in compliance with the OPEP and Transport Canada regulations for Baffinland's Class 2 Oil Handling Facility. The audit demonstrated compliance and TC has no comments.

Comment Number:	TC-06
Subject/Topic:	Spill Prevention
References:	2024 Baffinland Annual Report (page 327)
<p>Comment:</p> <ul style="list-style-type: none"> Gap/Issue Disagreement with the Annual Report conclusion Reasons for disagreement with the Annual Report conclusion Disagreement and reasons for disagreement with conclusions within the Additional Documents in Appendix 	<p>Term and Condition 97 states that prior to the commercial shipping of iron ore, the Proponent shall conduct fuel spill dispersion modeling that will, at a minimum, consider:</p> <p>Modeling of oil spills for both the Northern and Southern Shipping Routes, in representative locations, identified by the Proponent, in consultation with the Marine Environment Working Group along both Shipping Routes, and including:</p> <ul style="list-style-type: none"> i. Pinch points; ii. The approaches into Steensby Inlet and Milne Inlet; iii. Shallow water and shorelines; and,

	<p>iv. Areas that have been identified as having high flows and/or high concentrations of marine mammals, marine fish or seabirds.</p> <p>Open water and, where applicable, ice-covered conditions</p> <p>i. Spill volumes up to and including loss of a full tanker cargo</p> <p>ii. Differences in the quantity and properties of each type of bulk fuel transported by vessels when they are at, or in transit to, the ports at Steensby Inlet and Milne Inlet</p>
Conclusion/Request	<p>The spill modelling results highlighted the importance of spill prevention, the OPPP and the Spill at Sea Response Plan preparedness to minimize any adverse effects in the unlikely event of a fuel release of any size during vessel traffic into Milne Inlet.</p> <p>The Spill at Sea Response Plan was updated to append the results of additional fuel spill modelling carried out in 2018. The OPPP and OPEP for ship to shore fuel transfers at Milne Port are updated on an annual basis and approved by Transport Canada.</p> <p>Transport Canada last reviewed the OPEP in 2024 and agrees with this conclusion. Transport Canada has received the 2025 OPEP and will be reviewing it for compliance.</p>

Comment Number:	TC-07
Subject/Topic:	Accidents and Malfunctions
References:	2024 Baffinland Annual Report (page 556)

<p>Comment:</p> <ul style="list-style-type: none"> • Gap/Issue • Disagreement with the Annual Report conclusion • Reasons for disagreement with the Annual Report conclusion • Disagreement and reasons for disagreement with conclusions within the Additional Documents in Appendix 	<p>Term and Condition 173 states that the Proponent shall employ best practices and meet all regulatory requirements during all ship-to-shore and other marine-based fuel transfer events.</p>
<p>Conclusion/Request</p>	<p>Baffinland notes that they maintain a Transport Canada approved Oil Pollution Emergency Plan (OPEP) for ship to shore fuel transfers at Milne Port, which is currently a Class 2 Oil Handling Facility. Transport Canada's Guidelines for Baffinland's Class 2 Oil Handling Facility were adhered to.</p> <p>Transport Canada notes that Baffinland's Class 2 Oil Handling Facility continues to be compliant.</p>

Comment Number:	TC-08
Subject/Topic:	Accidents and Malfunctions – Foreign Flagged Vessels
References:	2024 Baffinland Annual Report (page 563)

<p>Comment:</p> <ul style="list-style-type: none"> • Gap/Issue • Disagreement with the Annual Report conclusion • Reasons for disagreement with the Annual Report conclusion • Disagreement and reasons for disagreement with conclusions within the Additional Documents in Appendix 	<p>Term and Condition 176 states that the Proponent shall enroll any foreign flagged vessels commissioned for Project-related shipping within Canadian waters into the relevant foreign program equivalent to Transport Canada's Marine Safety Delegated Statutory Inspection Program.</p>
<p>Conclusion/Request</p>	<p>Baffinland notes that Ship owners / operators are responsible for enrolling their foreign flagged vessel with the appropriate program. Baffinland incorporates this requirement into contract terms and conditions with all vessels contracted directly by Baffinland.</p> <p>5 foreign flagged bulk carriers were inspected in 2024. Although deficiencies were noted in 4 carriers, all deficiencies were rectified by the vessels immediately. Transport Canada does not have any concerns.</p>

If you have any questions, please do not hesitate to reach out.

Adam

Adam Downing

Regional Senior Environmental Supervisor, Programs, Prairie and Northern Region

Transport Canada / Government of Canada

adam.downing@tc.gc.ca / Tel : 204-771-0787 / TTY : 1-888-675-6863

Superviseur régional principal en environnement, Programmes, Région des prairies et du nord

Transports Canada / Gouvernement du Canada

adam.downing@tc.gc.ca / Tél : 204-771-0787 / ATS : 1-888-675-6863