

A large industrial facility, likely a battery manufacturing plant, featuring massive curved metal walls and a large pile of dark material. A worker in an orange uniform and hard hat stands on a metal platform on the left. The scene is illuminated by warm, golden light, possibly from the sun low on the horizon.

# The Metals Company: Unlocking the World's Largest Estimated Undeveloped Source of Battery Metals

March 25, 2024

## Forward looking statements.

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that relate to future events, TMC the metals company Inc.’s (“TMC” or the “Company”) future operations and financial performance, and the Company’s plans, strategies and prospects. These statements involve risks, uncertainties and assumptions and are based on the current estimates and assumptions of the management of the Company as of the date of this presentation and are subject to uncertainty and changes. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, among others, those set forth under the heading “Risk Factors” contained in TMC’s Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the Securities and Exchange Commission on March 25, 2024, as well as any updates to those risk factors filed from time to time in TMC’s subsequent periodic and current reports. All information in this presentation is as of the date of this presentation, and the Company undertakes no duty to update this information unless required by law.

# Last night, CBS *60 Minutes* revisited their initial 2019 story on seafloor nodules. What project milestones has TMC achieved since then?

THEN: November 2019



## Key de-risking milestones achieved



### Resource statements: **COMPLETE**

- ✓ Two SEC S-K 1300 resource statements in 2021
- ✓ Initial Assessment on NORI-D (\$6.8B NPV)



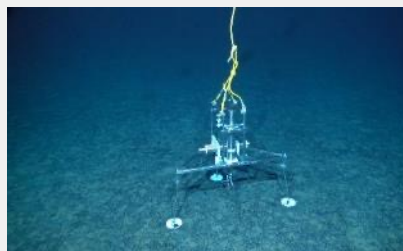
### Offshore test mining: **COMPLETE**

- ✓ First successful integrated pilot system test in CCZ since '70s, lifting 3,000 wet tonnes of nodules in 2022



### Onshore test processing: **COMPLETE**

- ✓ Pyrometallurgical processing pilot in 2021
- ✓ First nickel sulfate from seafloor nodules in 2024



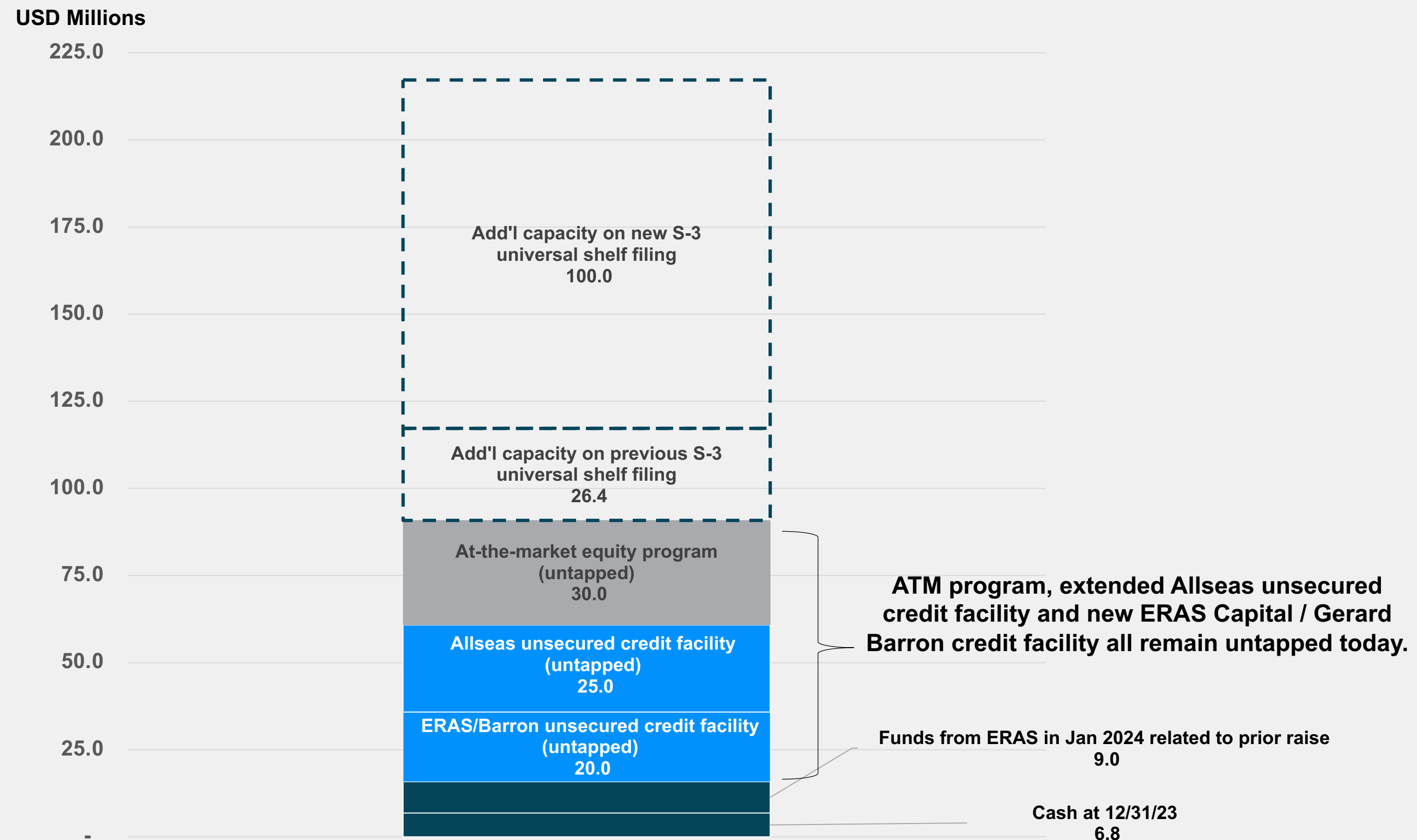
### Environmental offshore campaigns: **COMPLETE**

- ✓ Finished the last of 22 pre-application campaigns
- Data being analyzed for Enviro. Impact Statement

NOW: March 2024



**TMC year-end liquidity of ~\$61 million, pro forma for new \$20M ERAS/Barron unsecured credit facility, ERAS \$9M Registered Direct Offering funds received Jan. 2024 and extension of Allseas credit facility.**



# Summary since last quarterly update: new unsecured credit facility, updated first production timeline, final offshore campaign completed before NORI-D application.

## Q4 results

- \$15.2 million cash used in operations in Q4 2023
- Net loss of \$33.5 million and net loss per share of \$0.11 for the quarter ended December 31, 2023

## Cash and liquidity

- Total pro forma liquidity of approximately \$61 million at December 31, 2023, inclusive of:
  - Cash of \$6.8 million
  - \$9 million of additional gross proceeds received in January 2024 from the final payment in the Registered Direct Offering
  - \$25 million unsecured credit facility from an affiliate of Allseas Group SA, the maturity date of which has been extended through August 2025
  - The additional \$20 million ERAS/Barron unsecured credit facility
- We believe that our cash on hand and existing liquidity will be sufficient to meet our working capital and capital expenditure commitments for at least the next twelve months from today

## Financing activities

- An additional \$20 million unsecured credit facility with a maturity date of September 22, 2025 provided by our largest shareholder, ERAS Capital LLC (the family office of TMC director Andrei Karkar), and our Chairman and CEO, Gerard Barron
- \$25 million unsecured credit facility with an affiliate of Allseas Investments SA, which expires on November 30, 2024. Remains untapped
- \$30 million at-the-market equity program (ATM) remains untapped

## Business developments:

- **Update to NORI-D Expected Timeline to First Production:** We now expect to commence production offshore at the end of the first quarter of 2026, assuming an ISA review process of approximately one year from the submission of our application for an exploitation contract. This new estimated timeline to first production is based on refined assumptions following discussions with our strategic partner, Allseas, with respect to planned upgrades to the Hidden Gem at the latest consolidated draft text of the Mining Code issued in February 2024.
- **TMC Subsidiary NORI Concludes Key Offshore Research Campaign, Evaluating Seafloor Ecosystem Function a Year Post Nodule Collection Test:** In December 2023, we announced our latest offshore scientific research campaign to assess seafloor impacts and recovery rates twelve months after the pilot nodule collection system test conducted by NORI. NORI's latest offshore scientific research campaign successfully gathered crucial environmental data on ecosystem recovery and functioning to further support our application for a commercial exploitation contract, and the preliminary qualitative assessments are encouraging.
- **First Nickel Sulfate Produced from Polymetallic Nodules:** In March 2024, NORI produced what is believed to be the first nickel sulfate ever generated from polymetallic nodules. The sulfate, whose quality is indicative of material suitable for battery markets pending confirmation of preliminary assays, was produced in a program testing our efficient flowsheet design that processes intermediate nickel matte direct to nickel sulfate (without making nickel metal) and produces fertilizer byproducts instead of waste.
- **Binding MoU with Pacific Metals Company of Japan ("PAMCO"):** In November 2023, we signed a binding Memorandum of Understanding (MoU) with PAMCO to process 1.3 million wet tonnes of nodules when commercial operations commence. PAMCO is planning a commercial sized pilot production run in the second quarter of 2024 in which 2,000 tonnes of nodules, collected during NORI's mining test, will be processed at PAMCO's existing rotary kiln-electric arc furnace (RKEF) plant.

# Agenda.

|                           |    |
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## Why nodules?

### Polymetallic

One new nodule project can replace three new mines on land.

### Far offshore

Far away from people, no physical impact on communities.

### Very deep

The deeper you go, the less life you will find.

### Unattached

No overburden to remove, no hard rock to break. Nodules are *collected*, not mined.

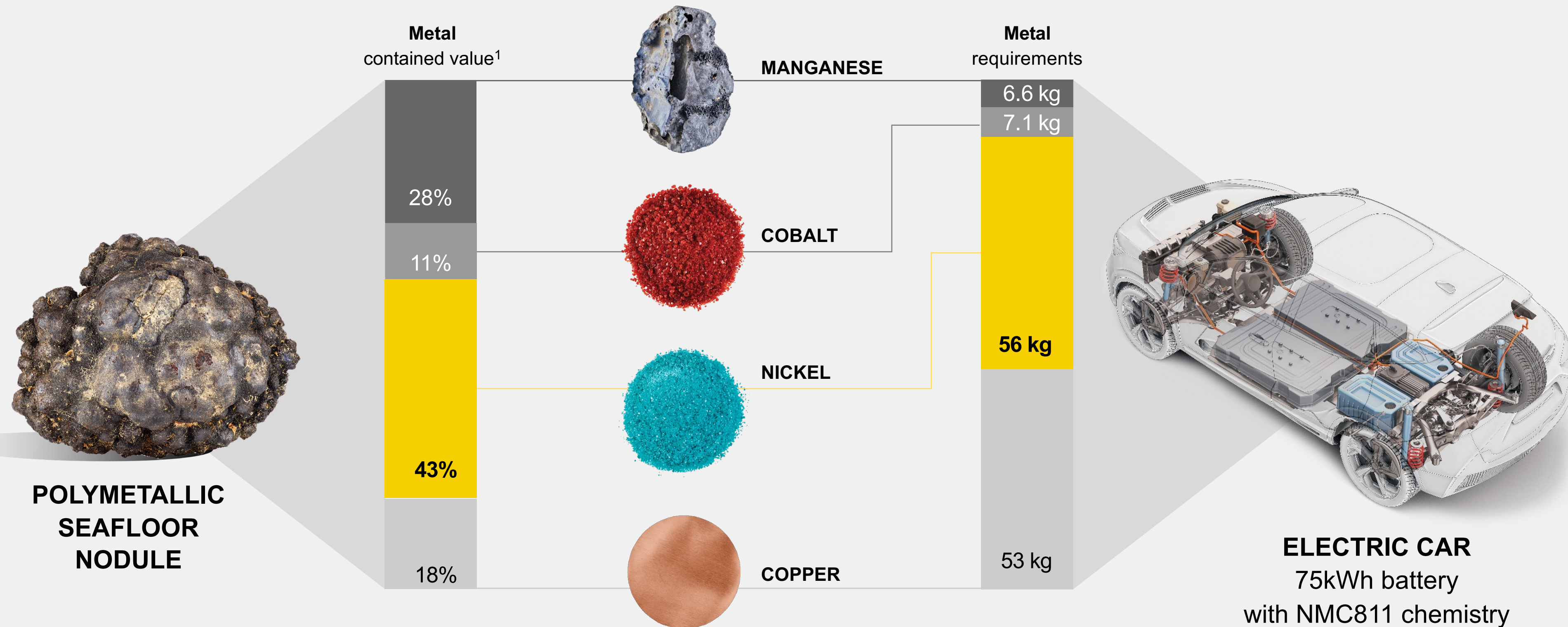
### Portable

Once nodules are transferred to a bulk carrier, they can go to places with existing infrastructure and low-carbon power.

### No tailings, near zero waste

The nature of nodules and our flowsheet design can turn nearly all of the nodule into useable products.

# Nodule composition is well suited for battery metal needs.



<sup>1</sup> Contained metal value of polymetallic nodule resources calculated using dry nodule grades from SK1300 Initial Assessment for NORI-D Project prepared by AMC, March 2021 (Ni 1.3%, Cu 1.1%, Co 0.2%, Mn 29.5%) and metal prices as of Feb 2024 for Ni at \$17,460/t, Cu at \$8,474/t, Co at \$28,550/t, Mn at \$5.0/dmtu.

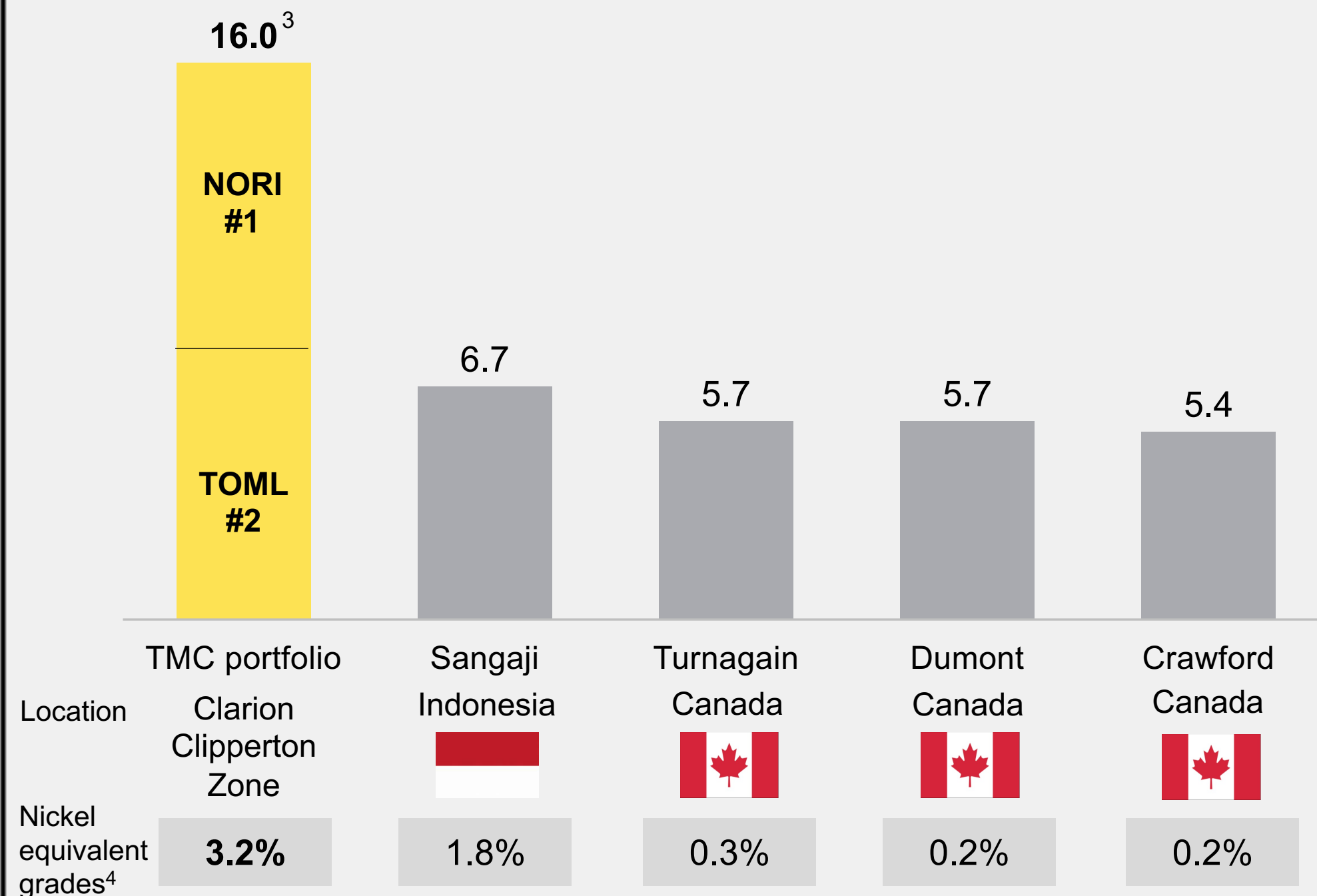


# TMC: ranked in 2022 and 2023 as #1 and #2 largest undeveloped nickel projects on the planet<sup>1</sup>; the alternative to Russian- and Chinese-funded supply.

## World's largest nickel projects – 2023

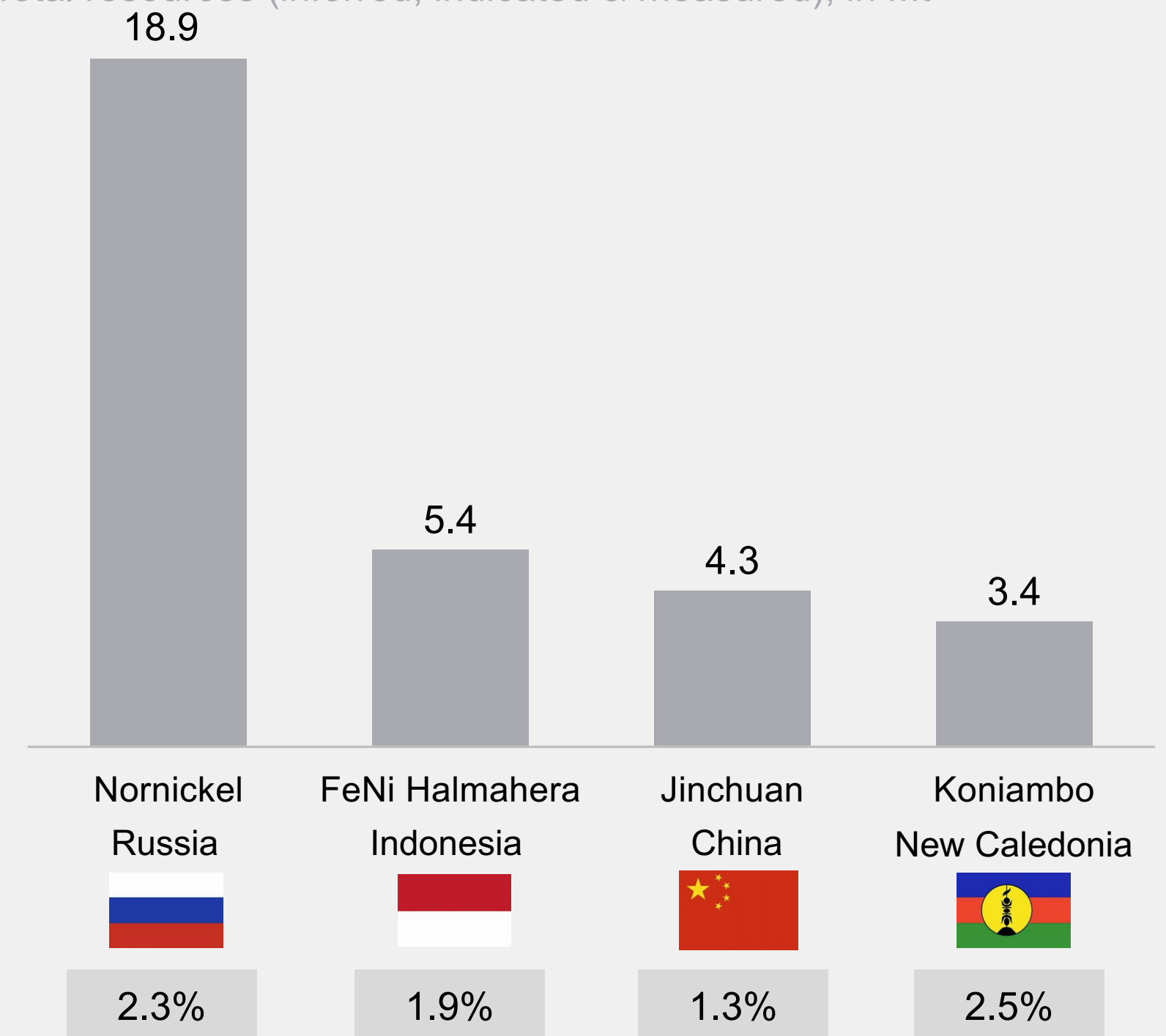
Total est. resources (inferred, indicated & measured), in Mt<sup>1</sup>

**MINING**  
**[DOT]COM**



## World's largest nickel operations ranked by resource

Total resources (inferred, indicated & measured), in Mt<sup>2</sup>



<sup>1</sup> <https://www.mining.com/featured-article/ranked-worlds-biggest-nickel-projects/>

<sup>2</sup> Global Nickel Industry Cost Summary, Wood Mackenzie, August 2020; inclusive of reserves. Asset Reports for FeNi Halmahera, Jinchuan and Koniambo.

<sup>3</sup> Canadian NI 43-101 Resource Statement for full field financial model (internal TMC development scenario).

<sup>4</sup> Nickel equivalence calculation uses NORI-D Model price deck as stated in NORI Initial Assessment available at [investors.metals.co](https://investors.metals.co).

## Recent media coverage notes impacts are relatively low, and that commercial operations are inevitable.



“Clearly now, we are reaching a very high level of interest so I would say that yes it seems to be inevitable.” ISA Sec-Gen  
[February 2024](#)

### The Washington Post

Contractors like The Metals Company — the only firm to test a full deep-sea mining system in the CCZ — are ahead in the technology race, but Chinese companies are catching up.  
[October 2023](#)

### The Economist

‘It’s time to mine the seabed’: Getting nickel from the deep causes much less damage than getting it on land.  
[July 2023](#)



Collecting metals from the seabed may well be a “more right” way for humanity to source some of its needs for new metals.

[February 2024](#)

### The Telegraph

Deep sea mining for minerals is ‘better than ravaging rainforests’, says James Cameron.

[July 2023](#)

### The New York Times

Eric Lipton tweet: “Doesn’t appear to be enough votes to indefinitely block mining...it appears it is a question of when—not if—industrial scale seabed mining will start.”

[April 2023](#)

## Recent headlines point to increasing U.S. interest in and prioritization of marine minerals to support national and energy security.

### THE WALL STREET JOURNAL.

#### U.S. Lawmakers Push for Deep-Sea Mining Funding in New Bill

[Mar 2024](#)

In March, the WSJ reported that legislation has been introduced to Congress “aimed at stepping up American interests in deep-sea mining, specifically pushing for **financial, diplomatic and infrastructure support for the industry.**”

In the language to the Responsible Use of Seafloor Resources Act of 2024, Rep. Carol Miller (R., W.Va.) and Rep. John Joyce (R., Pa.) declare that “The United States should not be beholden to China for critical minerals” and that the bill “will significantly reduce supply chain vulnerabilities and bolster American manufacturing and jobs, while combating Chinese production of critical minerals.”

### POLITICO

#### Former National Security, Defense Officials Push for Ratification of UN Treaty to Boost Deep-Sea Mining

[Mar 2024](#)

In March, Politico reported that over 350 former political and military officials – including former Secretary of State Hillary Clinton and former Defense Secretary Leon Panetta – had written to the Senate, urging them to ratify the UN Convention on the Law of the Sea (UNCLOS) so “**The United States can take its seat on the Council of the International Seabed Authority**”, and “**resume its leading role in oceans matters**” including access to deep-sea mine sites “**each containing a trillion dollars in value.**”

The letter was signed by around 189 American ambassadors, 73 generals, 50 admirals, four directors of national intelligence and scores of other distinguished supporters.

## National Defense Authorization Act signed by President Biden: Pentagon must deliver a report to Congress regarding domestic processing and refining of nodules.



U.S. Department of Defense

- To counter China’s growing hold on the global supply chain, it is essential that the United States secures its own innovative supply of critical and strategic minerals and materials, including polymetallic nodules, to decrease reliance on sources from foreign adversaries...
- Accordingly, the committee directs the Assistant Secretary of Defense for Industrial Base Policy shall, by March 1, 2024, submit a report to the House Armed Services Committee assessing the processing of seabed resources of polymetallic nodules domestically.
- The report shall include, at a minimum, the following:
  - (1) a review of current resources and controlling parties in securing seabed resources of polymetallic nodules;
  - (2) an assessment of current domestic deep-sea mining and material processing capabilities; and
  - (3) a roadmap recommending how the United States can have the ability to source and/or process critical minerals in innovative arenas, such as deep-sea mining, to decrease reliance on sources from foreign adversaries and bolster domestic competencies.

## **NORI-D Project: binding MoU with PAMCO to explore processing at existing RKEF facility in Japan, in line with our capital-light strategy.**

A Binding Memorandum of Understanding (MoU) with the Pacific Metals Company (PAMCO) of Japan was signed in November 2023

- PAMCO intends to process 1.3 million wet tonnes of nodules when commercial operations commence
- PAMCO will initially produce two products:
  - Nickel-copper-cobalt alloy
  - A manganese silicate product used to make silico-manganese alloy for steelmaking
- PAMCO is planning a commercial sized pilot in Q2 2024
  - 2,000 tonnes of nodules collected during NORI's mining test will be processed through PAMCO's existing plant



**NORI-D Project: we have also now demonstrated we can turn nodules into nickel sulfate, indicative of battery market suitability pending confirmation of preliminary assays.**

- NORI has produced what is believed to be the first nickel sulfate ever generated from polymetallic nodules
- The sulfate, whose quality is indicative of material suitable for battery markets pending confirmation of preliminary assays, was produced in a program testing our efficient flowsheet design that processes intermediate nickel matte direct to nickel sulfate (without making nickel metal) and produces fertilizer byproducts instead of waste
- Cobalt sulfate testing is ongoing, with first crystals expected to be generated in Q2 2024

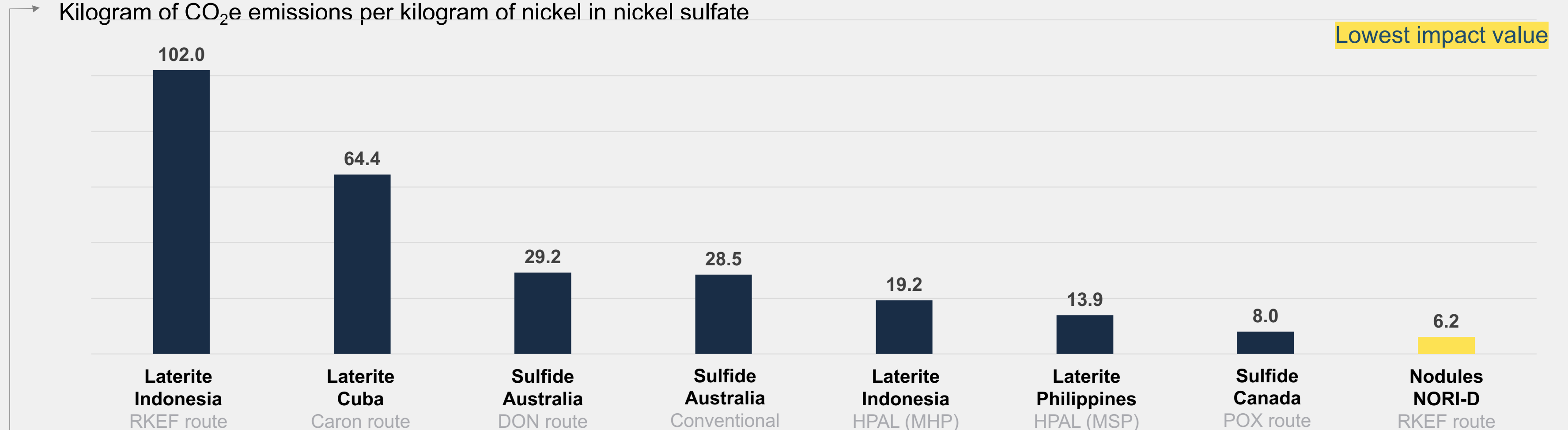


# NORI-D nickel could have dramatically lower lifecycle impacts including substantially lower CO<sub>2</sub>e emissions.

## Global Warming Potential

Kilogram of CO<sub>2</sub>e emissions per kilogram of nickel in nickel sulfate

Lowest impact value



| Impact category                   | Unit                  | Laterite Indonesia | Laterite Cuba | Sulfide Australia | Sulfide Australia | Laterite Indonesia | Laterite Philippines | Sulfide Canada | Nodules NORI-D |
|-----------------------------------|-----------------------|--------------------|---------------|-------------------|-------------------|--------------------|----------------------|----------------|----------------|
|                                   |                       | RKEF route         | Caron route   | DON route         | Conventional      | HPAL (MHP)         | HPAL (MSP)           | POX route      | RKEF route     |
| Global warming potential          | kg CO <sub>2</sub> eq | 102.0              | 64.4          | 29.2              | 28.5              | 19.2               | 13.9                 | 8.0            | 6.2            |
| Stratospheric ozone depletion     | mg CFC11 eq           | 14.1               | 17.3          | 27.5              | 27.1              | 3.1                | 3.1                  | 3.4            | 0.7            |
| Fine particulate matter formation | g PM2.5 eq            | 1,187.0            | 31.7          | 43.1              | 42.9              | 262.0              | 160.4                | 39.5           | 9.2            |
| Terrestrial acidification         | kg SO <sub>2</sub> eq | 0.96               | 0.09          | 0.13              | 0.13              | 0.69               | 0.53                 | 0.13           | 0.03           |
| Freshwater eutrophication         | g P eq                | 91.0               | 9.5           | 75.8              | 76.4              | 9.1                | 5.2                  | 2.9            | 1.0            |
| Marine eutrophication             | g N eq                | 5.5                | 0.1           | 2.3               | 2.3               | -1.8               | -1.3                 | 0.2            | -2.1           |
| Water consumption                 | m <sup>3</sup>        | 0.31               | 0.17          | 0.15              | 0.13              | 0.25               | 0.24                 | 0.15           | 0.05           |
| Land-based waste generation       | kg                    | 244                | 365           | 545               | 545               | 337                | 337                  | 82             | 0              |
| Marine waste generation*          | kg                    | N/A                | N/A           | N/A               | N/A               | N/A                | N/A                  | N/A            | 137            |

\* Nodule collection operations entrain underlying sediment, separate it from nodules and return to the seafloor within meters of its origin. For the purposes of the LCA, this entrained sediment has been defined as a marine waste stream  
 Source: Independent lifecycle assessment (LCA) completed by Benchmark March 2023. Lifecycle from mine to end-product format (battery-grade nickel sulfate, cobalt sulfate, copper cathode and manganese silicate)  
 Nodules from NORI-D (RKEF route) also found to be the lowest impact option for copper. Cobalt from the DRC is lowest impact in GWP and water consumption; cobalt from NORI-D are lowest in all other assessed impact categories.

# NORI-D Project: Pre-Feasibility Study (PFS) elements are coming together in advance of application for an exploitation contract.

## COMPLETED

### PFS offshore progress

- Allseas: test mining and delivery of high quality environmental and production data
- Allseas: Mining Plan on Project Zero analyzed. Focusing on scenario of 3 million wet tonnes per year (3mpta) for Hidden Gem
- Project Zero definition and application strategy

### PFS onshore progress

- PAMCO: have analyzed 22 tonne sample of nodules, validating that nodules can be tolled through their facility producing intermediate products that align with TMC's specifications

### Key partners:



## UPCOMING

### PFS est. completion: mid-24

- In February 2023, TMC announced it had engaged Bechtel to support the NORI-D exploitation contract application including PFS work
- Binding agreements to include work programs from offshore / onshore partners (namely Allseas and PAMCO) for key PFS inputs

### Exploitation Application\*

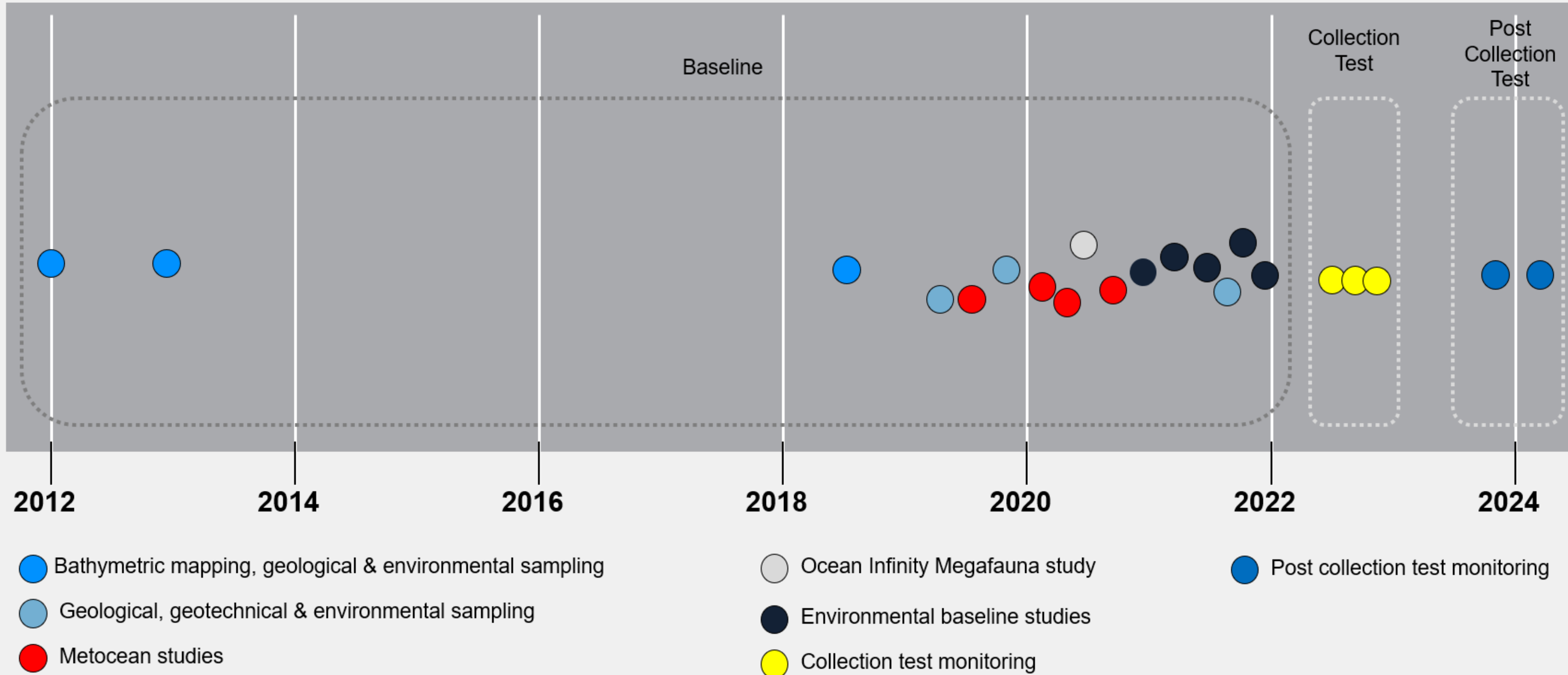
- Certificate of Sponsorship
- Mining Plan
- Financing Plan
- Environmental Impact Statement
- Emergency Response and Contingency Plan
- Health and Safety Plan & Maritime Security Plan
- Training Plan
- Environmental Management and Monitoring Plan
- Closure Plan

\*PFS informs sections highlighted in yellow in an application for an exploitation contract over the NORI-D area following the July 2024 meeting of the ISA



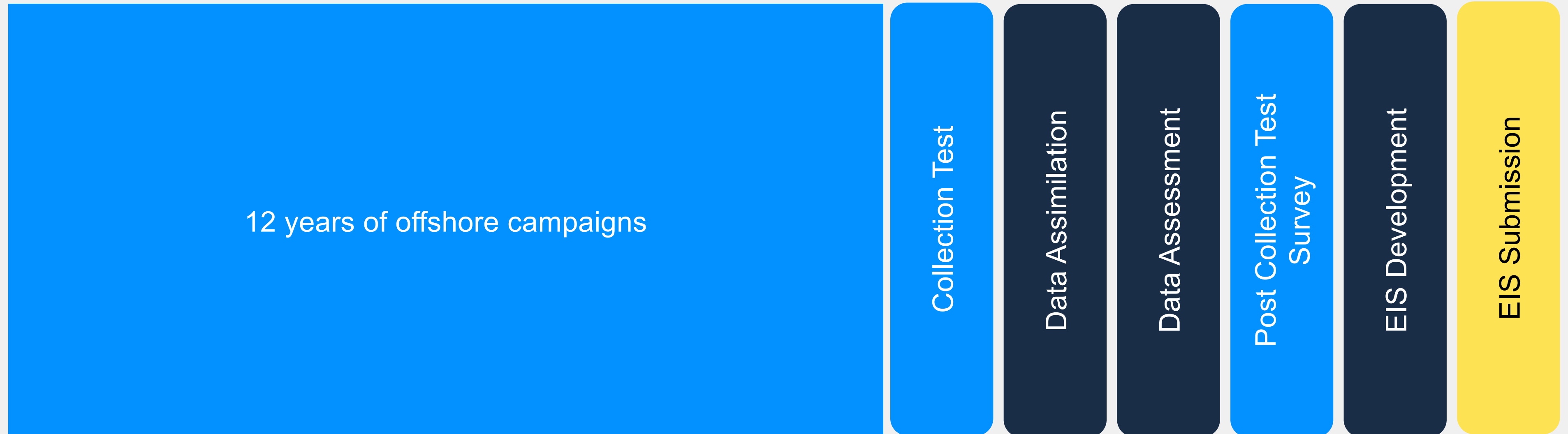


## NORI-D Project: Environmental Impact Statement (EIS) informed by data collected from 22 offshore campaigns over 12 years and over \$150 million cumulative spending.



**EIS: we are assessing data collected from before, during and after our collection system test.**

Environmental Impact Assessment Process



# Pilot collection system test and initial environmental impact monitoring campaign completed in Dec 2022.



## PILOT COLLECTOR SYSTEM TEST PROGRAM IN 2022

|                |  |
|----------------|--|
| January        | Riser acceptance test  |
| February       | Thruster re-lift, dockside vessel commissioning, review of nodule offloading & handling test program |
| Feb 7          | LARS load test   |
| Feb 28–Mar 3   | Thruster installation  |
| March 2–9      | Collector wet function tests in outer harbor   |
| March 12–17    | Hidden Gem dynamic positioning trials  |
| March 18–28    | Collector drive test in the North Sea  |
| April 6–11     | Deep-water test in the Atlantic  |
| April 21–24    | Riser deployment test  |
| April 22–May 3 | Jumper deployment and connection test  |
| May 3–June 29  | Transit to Mexico  |
| June 29–       | Mobilization   |

## ENVIRONMENTAL IMPACT MONITORING CAMPAIGN

|           |   |
|-----------|---|
| 2021-2022 | EIS, EMMP & revisions submitted to ISA  |
| July 8–15 | Mobilization                            |
| July 15   | Pre-collector test survey               |
| Sept 7    | ISA recommendation to proceed           |
| Sept-Dec  | Pre, during, post environmental surveys |

## PILOT TRIALS IN NORI-D

|          |  |
|----------|--|
| Sept-Dec | Integrated collector test<br>~4.5k wet tonnes collected, over 3k wet tonnes brought to surface |
|----------|--|

# One of the largest ever deep-sea datasets ever compiled.

**100+** studies

## Seabed-to-surface ocean research program

### Surface biology

Surface fauna logbook (PelagOS)  
Remote Sensing, Hydrophone Acousitcs



### Pelagic biology

Microbial Community Characterization  
Phytoplankton Community Characterization  
Zooplankton Community Characterization  
Gelatinous Zooplankton Characterization  
Micronekton Characterization  
Trophic Analysis (Stable Isotopes)  
Temporal Variability of Pelagic Communities  
Trace Element Profiles In Water Column  
Particulate Profiles in Water Column  
Discharge Plume Characterization (Physical)  
Discharge Plume Characterization (Biological)  
Midwater Discharge (food webs particle composition)



### Benthic biology

Mega fauna Characterization (Photo transects)  
Mega fauna Characterization (Time Lapse)  
Macro Fauna Characterization  
Micro Fauna Characterization  
Meso Fauna Characterization  
Macro Fauna Characterization

### Collector impact studies

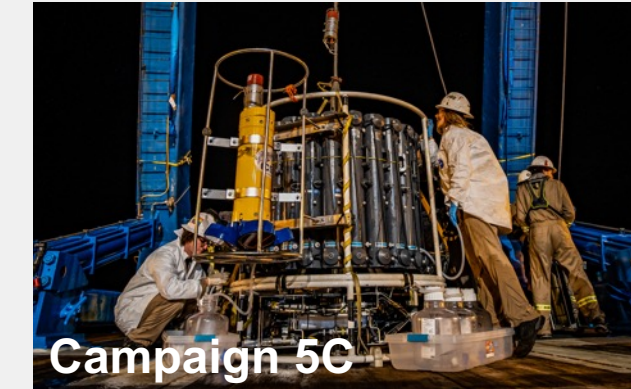
Met ocean studies  
Bathymetry (seabed mapping)  
Habitat mapping  
Database development  
Digital twin development  
Collector test nearfield studies  
Collector test far-field modeling  
Plume modeling  
Existing Resource Utilization Study  
Noise & Light Study  
Meteorology & Air Quality Study  
Hazard & Risk Assessment  
Emergency Response Planning  
Cultural & Historical Resources  
Waste Management  
Cumulative Impacts

### Sediment analysis

Baited camera and traps  
Benthic respiration and nutrient cycling  
Seafloor metabolic activities  
Bioturbation, sediment characteristics  
Porewater sampling  
Exposure toxicology studies  
Metals determination by ICP analysis  
Induction of gene transcripts (metals)



Campaign 4D



Campaign 5C



Campaign 7C



Campaign 5A



Campaign 5D



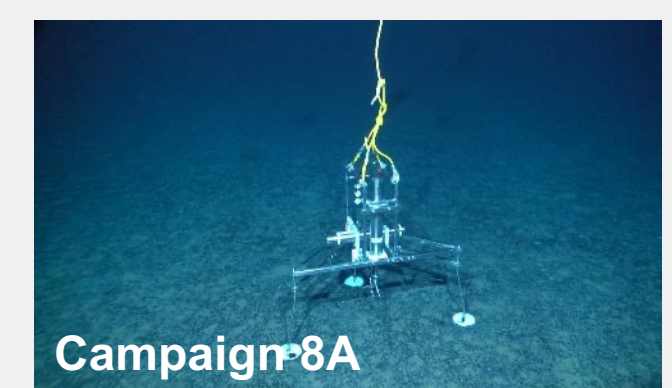
Campaign 7B 1&2



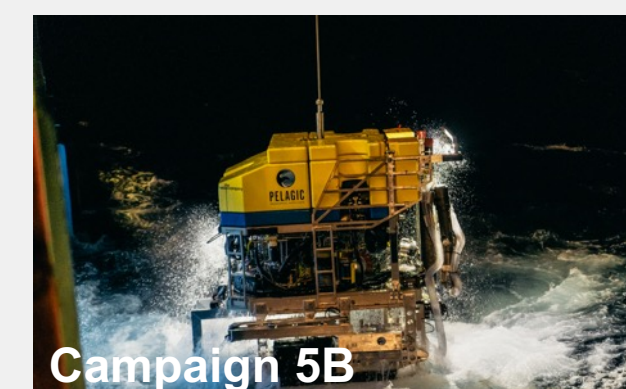
Campaign 4E



Campaign 5E



Campaign 8A



Campaign 5B



Campaign 7A 1&2



Campaign 8B

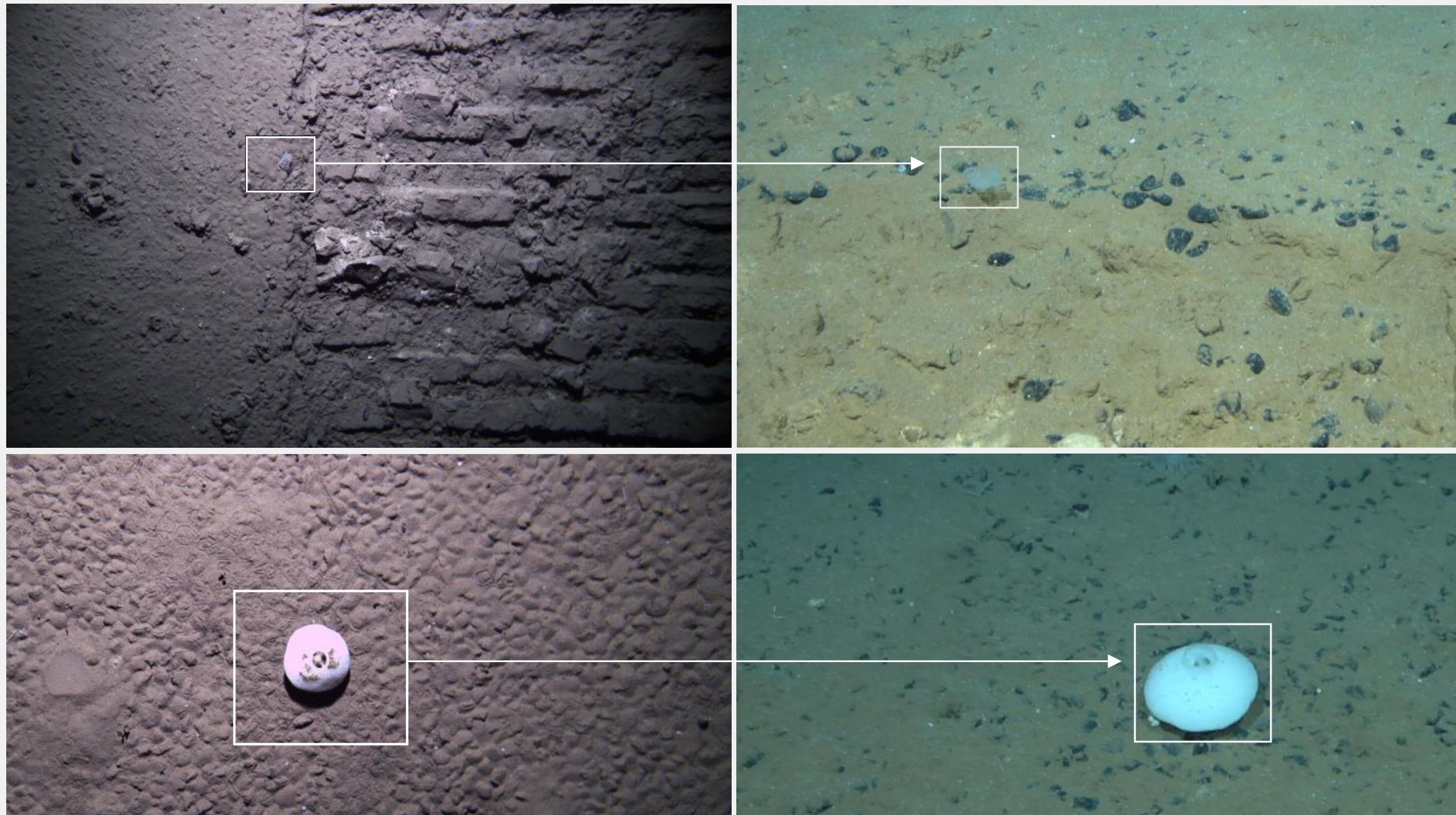
\* Assuming the average length of a campaign to be 35-40 days, this represents over 4000 days.

Twelve month post collection test environmental campaign on NORI-D now complete.

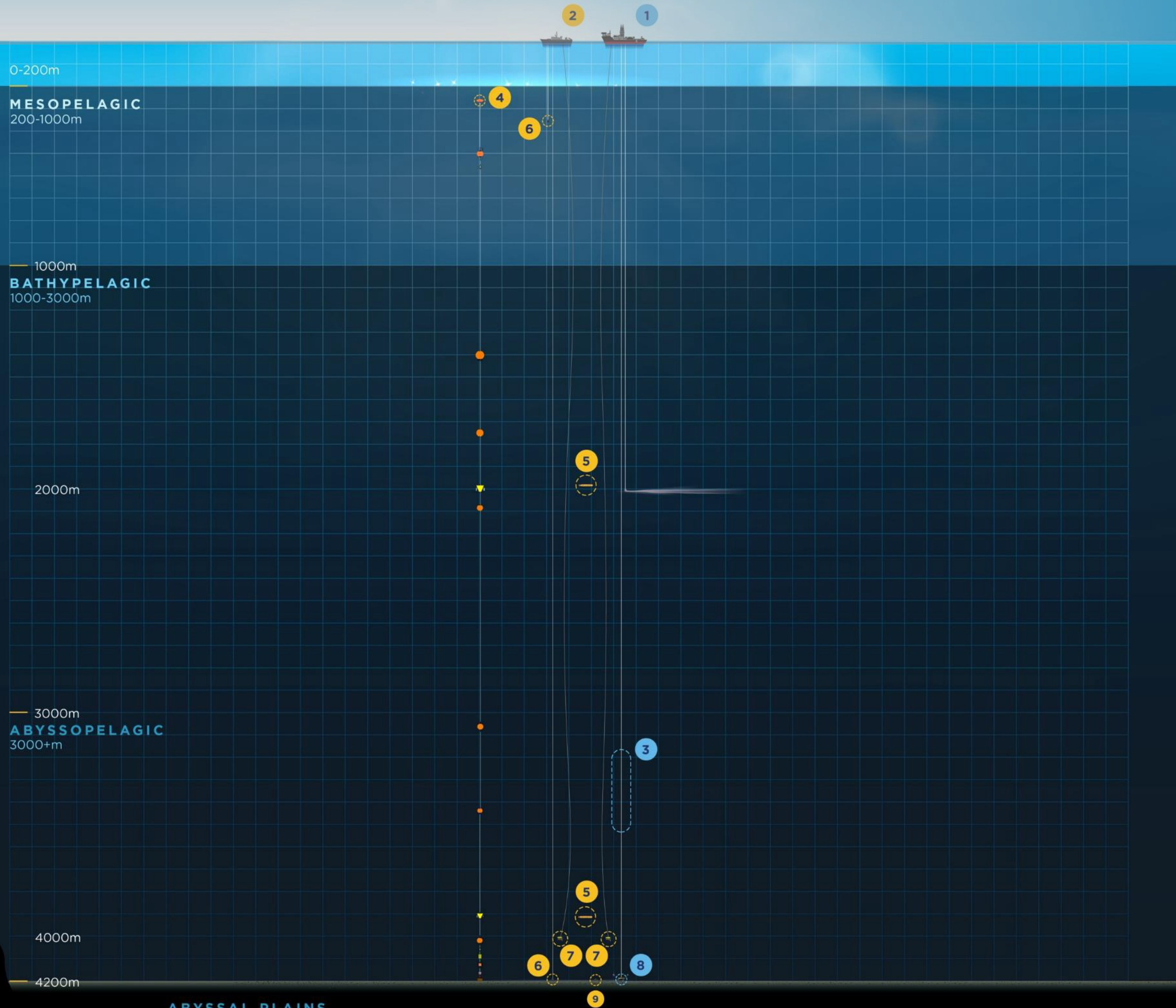


Video available here: <https://vimeo.com/903774715?share=copy>

**Qualitative data shows individual organisms are present and alive one year following collection test, even right next to the vehicle tracks.**



# We successfully monitored the plume during our pilot collection system test.



- PRODUCTION EQUIPMENT
- MONITORING EQUIPMENT



A subsidiary of  
the metals company

1

**HIDDEN GEM VESSEL**

2

**ENVIRONMENTAL MONITORING VESSEL**

3

**RISER SYSTEM**

4

**OCEANOGRAPHIC MOORING**

5

**AUV**

6

**CTD ROSETTE**  
[CONDUCTIVITY, TEMPERATURE, DEPTH]

7

**ROV**

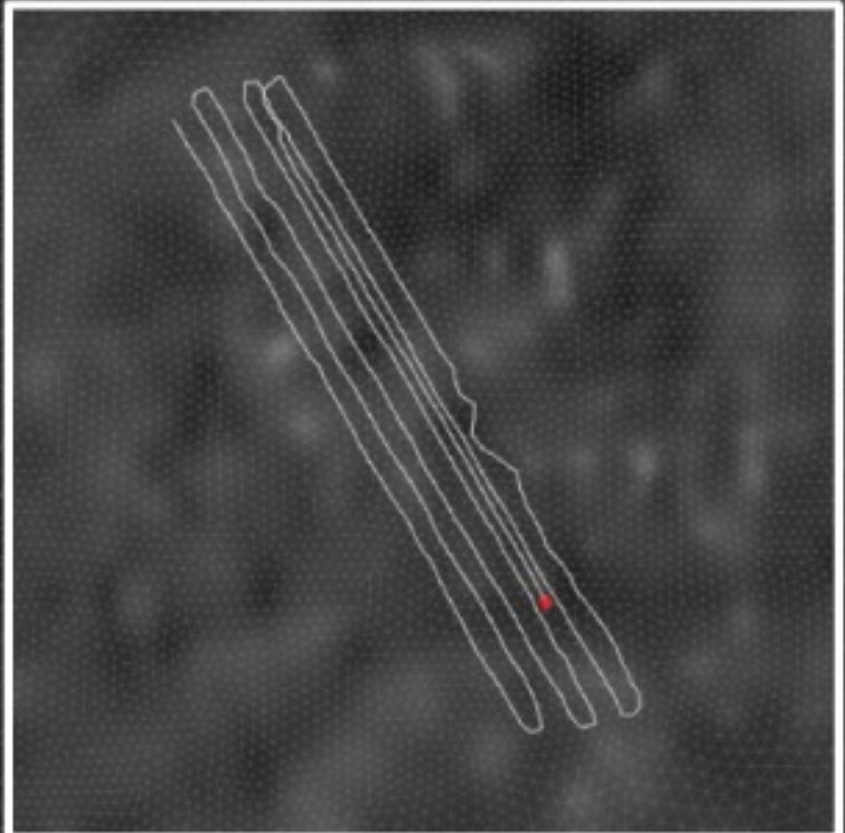
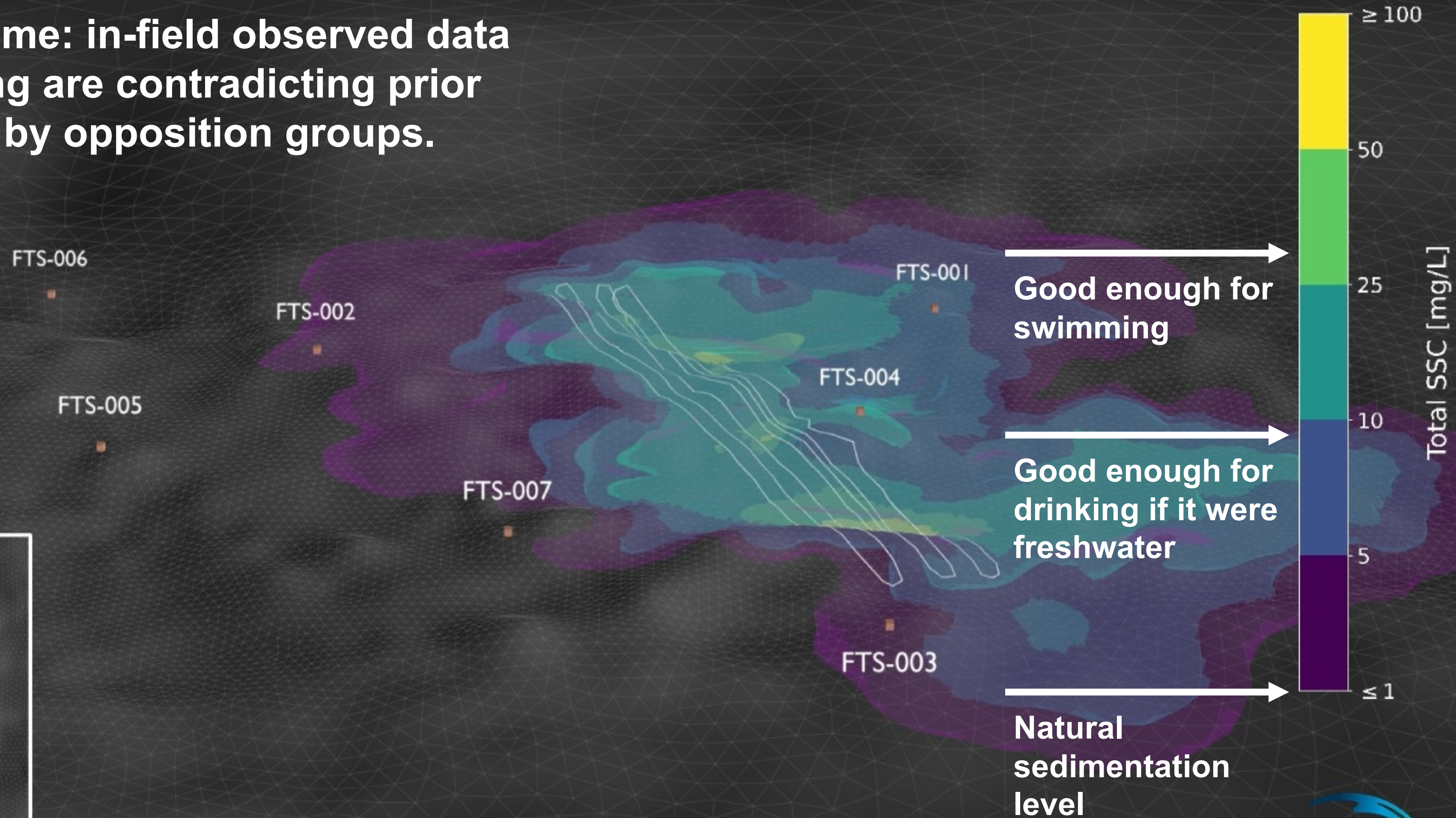
8

**COLLECTOR VEHICLE**

9

**BENTHIC LANDER**

**Seafloor plume: in-field observed data and modeling are contradicting prior speculation by opposition groups.**



2022-10-23 00:45:00

Video available at: <https://vimeo.com/851319010/79c7c9ff18?share=copy>



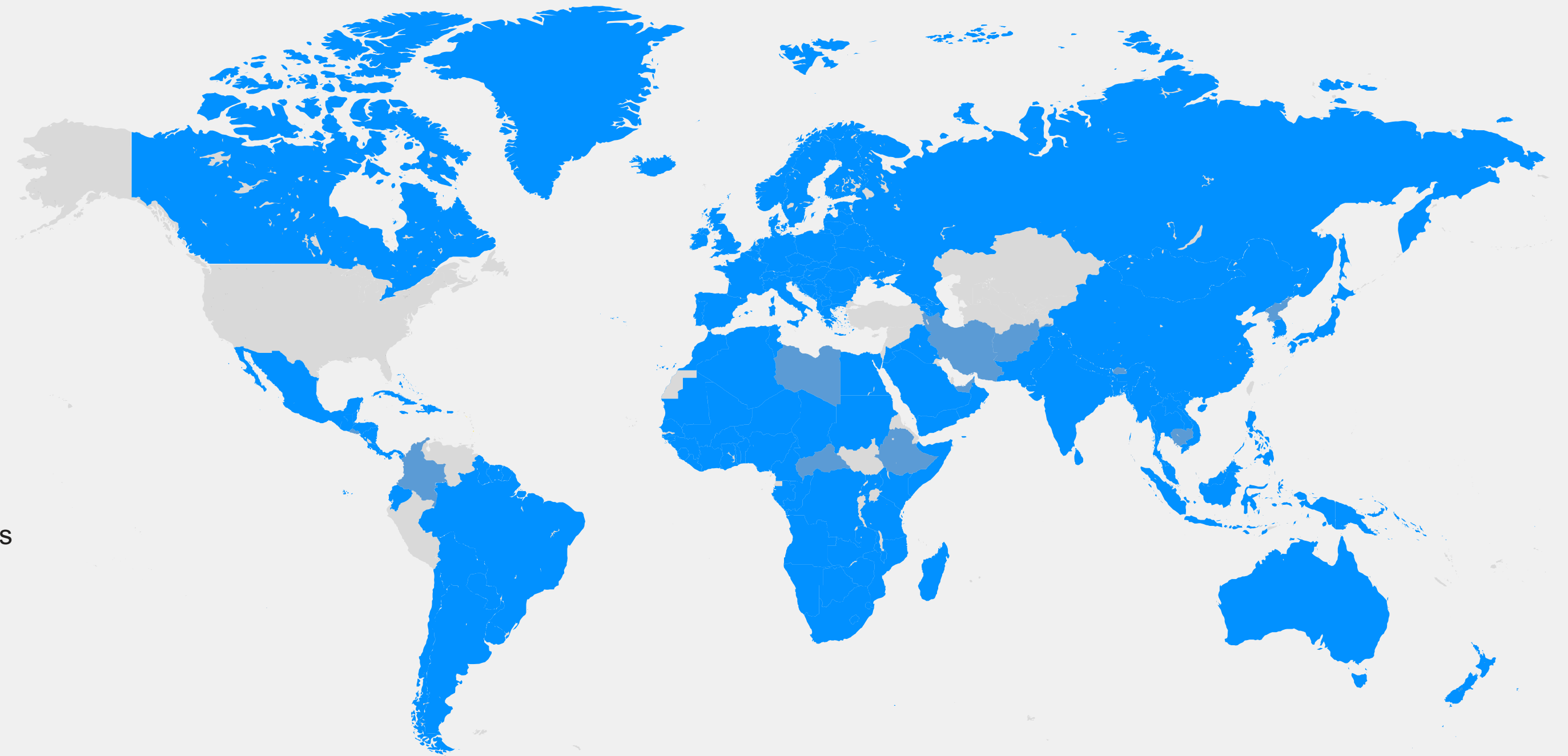


## Regulated by the International Seabed Authority established in 1994 by UNCLOS.

UNCLOS Parties  
UNCLOS Signatories



- The International Seabed Authority (ISA) was established in 1994 by the United Nations Convention on the Law of the Sea (“UNCLOS”) and regulates seabed minerals beyond national jurisdiction (“the Area”).
- Issues Exploration Contracts to qualified applicants who are sponsored by a State Party to UNCLOS.
- 19 polymetallic nodule contracts issued to date to a mix of state-backed, state-owned and commercial contractors.



# Consolidated regulatory text now released, signaling transition to the final phase of Mining Code negotiations.



ISBA/29/C/CRP.1  
16 February 2024  
English only

Twenty-ninth session  
Council session, part I  
Kingston,  
18 – 29 March 2024

## Draft regulations on exploitation of Mineral resources in the Area

### Consolidated text

#### Explanatory note

1. Recalling the Annex to the Council decision of 21 July 2023 (ISBA/28/C/24), the Council requested that one consolidated text of the draft regulations on exploitation of Mineral resources in the Area (the Regulations) would be provided for the twenty-ninth session. The consolidated text includes the current versions of the following texts:

(a) The revised draft text of the President (ISBA/28/C/WOW/CRP.2)

(b) The third revised draft text of the Chair of the Open Ended Working Group on the Financial Terms of a Contract (ISBA/28/C/OEWG/CRP.6)

(c) The fourth revised draft text of the Facilitator of the Informal Working Group on the Protection and Preservation of the Marine Environment (ISBA/28/C/IWG/ENV/CRP.3/Rev.1)


(d) The fourth revised draft text of the Facilitator of the Informal Working Group on Inspection, Compliance and Enforcement (ISBA/28/C/IWG/ICE/CRP.3)

(e) The revised draft text of the Co-Facilitators of the Informal Working Group on Institutional Matters (ISBA/28/C/IWG/IM/CRP.2)

2. Based on the negotiations during the third part of the twenty-eight session and the written proposals submitted thereafter, this consolidated text has been prepared by the President of the Council of the twenty-eight session. The President has prepared this consolidated text to assist discussions of the Council in an informal manner, and to try to harmonize and streamline the Regulations better, and all with a view to facilitating the finalization of the work of the Regulations.

3. The consolidated text represents a revision of the texts listed above in paragraph 1, and the same approach to this revision has been followed as for the revisions of the previous texts prepared by the working groups, which are as follows:

(a) Only those proposals in respect of which there has been no express opposition to, are reflected in the consolidated text. This is without prejudice to their future consideration or the possibility for delegations to re-introduce textual proposals not incorporated in the present consolidated text;

Please recycle 

## Regulatory Text

- In November 2023, the Council agreed to consolidate the draft text, harmonizing and cleaning up the text into one document, making it easier to negotiate.
- This signals the transition to the **final phase of negotiations.**
- Consolidated text was released on February 16, 2024 and is 225 pages
- The consolidated text will be negotiated in March 2024 and July 2024

**ISA Secretary-General, H.E. Mr. Michael W. Lodge**, said, “The establishment of the regulatory framework is a pivotal element of the progressive methodology inherent in the formation and functioning of ISA as enshrined in the 1994 Agreement. This is a task incumbent upon ISA to execute its duty not only to safeguard the marine environment but also to assure that the rights of all State Parties to undertake activities in the Area are upheld in strict adherence to the ISA’s rules, regulations and procedures.”

<https://www.isa.org.jm/news/isa-council-closes-part-iii-of-its-meetings-and-concludes-its-28th-session/>

# ISA making progress toward final regulations, while TMC subsidiary NORI reserves legal rights to submit application before final regulations are in place.



## Article 15 of the 1994 Implementation Agreement

Empowers a Member State whose national contractor is 2 years away from being ready to lodge an application for the ISA Exploitation Contract to notify the ISA of upcoming application.

Consistent with NORI's rights under the United Nations Convention on the Law of the Sea (UNCLOS), and the 1994 Agreement relating to the Implementation of Part XI of UNCLOS (the Agreement), **NORI reserves its right to submit an application for a plan of work for exploitation, which will be included as part of the application for an exploitation contract, and to have that application considered and provisionally approved** pursuant to Section 1, Paragraph 15 of the Annex to the Agreement.

## Timeline

|               |  |
|---------------|--|
| 2011          | Fiji requests the ISA to prepare workplan for adopting the Mining Code   |
| 2012          | ISA Secretariat prepares a workplan for adopting the Mining Code   |
| 2013          | ISA produces technical study no. 11 "Towards the Development of a Regulatory Framework for Polymetallic Nodule Exploitation in the Area" |
| 2015          | ISA circulates 1 <sup>st</sup> draft of the Mining Code  |
| 2017          | ISA circulates 2 <sup>nd</sup> draft of the Mining Code; agrees on July 2020 as target adoption date                                     |
| 2018          | ISA circulates 3 <sup>rd</sup> draft of the Mining Code  |
| 2019          | ISA circulates 4 <sup>th</sup> draft of the Mining Code  |
| July 2020     | ISA stated goal for adoption delayed due to COVID  |
| July 2021     | Government of Nauru (Sponsor of NORI) submitted a 2-year notice<br>ISA adopts a roadmap for completing regulations by July 2023          |
| Dec 2021      | In-person ISA meetings resume in Jamaica, after a nearly 2-year hiatus   |
| March 2022    | ISA meetings to address regulations, financials and standards & guidelines   |
| July/Aug 2022 | ISA meetings to address regulations, financials and standards & guidelines   |
| Oct/Nov 2022  | ISA meetings to address regulations, financials and standards & guidelines   |
| March 2023    | ISA meetings to address regulations, financials and standards & guidelines   |
| July 2023     | ISA meetings to address regulations, financials and standards & guidelines   |
| July 2023     | <b>Initial roadmap date for ISA to adopt final exploitation regulations (date has passed)</b>  |
| Nov 2023      | ISA meetings to address regulations, financials and standards & guidelines   |
| March 2024    | ISA meetings to address regulations, financials and standards & guidelines   |
| July 2024     | <b>ISA meetings, following which NORI expects to submit application for exploitation contract</b>  |
| Q1 2026       | <b>Est. production in NORI-D assuming 1-year application review and approval by the ISA</b>  |

## Expected NORI-D application process: if LTC recommends approval, two-thirds majority of ISA Council needed to overturn.

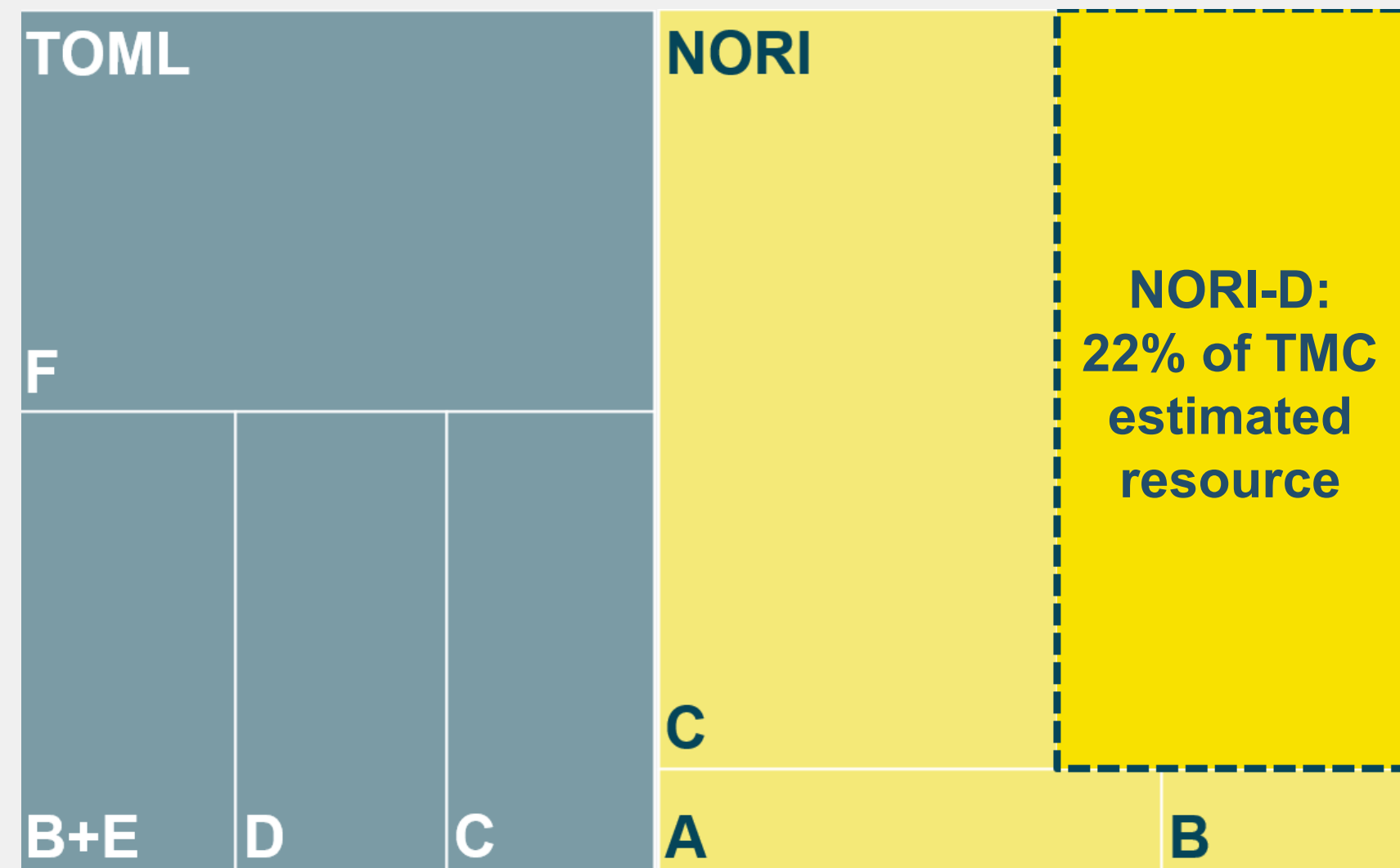


### Exploitation Contract Application Review Process

| 30 days   | 7 days  | 90 days   | 7 days   | 30 days  | 120 days  | 60 days   | 344 days  |
|---|---|---|--|--|---|---|---|
| Secretary General (SG) will review the application for completeness | Legal & Technical Commission (LTC) will publish applicable section of the application | Applicable sections of application are open for stakeholder comment | SG will provide stakeholder comments to Contractor | Contractor provides responses and revised application if required<br><br>*Note this time period could be extended if the Contractor decides to amend the application | LTC reviews the application. If consensus on a approval recommendation is not reached, decision made by simple majority vote. | If the LTC recommends approval, the Council reviews and if acceptable approves recommendation. Two-thirds majority of ISA Council would be needed to overturn a positive LTC recommendation | Timeline from initial filing in which application could be approved—assuming no significant changes to the timelines in final regulations and no significant changes to the application |

**Based on SEC-compliant Initial Assessment, NORI-D project estimated at \$6.8 billion NPV (est. \$8.1 billion using March 2024 metal prices).**

Estimated resource 1,634Mt (wet)<sup>1</sup>



## NORI-D Financial Model<sup>2</sup>

\$ billions unless otherwise noted

| Estimated Prices | March '21 Initial Assess. w/CRU price forecast | March '24 prices, all other inputs unchanged | Increase |
|------------------|--|--|----------|
| Nickel           | \$16,106/t                                     | \$17,526/t                                   | 9%       |
| Copper           | \$6,787/t                                      | \$8,511/t                                    | 25%      |
| Cobalt           | \$46,416/t                                     | \$28,550/t                                   | -38%     |
| Mn silicate      | \$4.53/dmtu                                    | \$5.00/dmtu                                  | 10%      |

### Estimated Project economics—cumulative over project life

|                      |               |                |              |
|----------------------|---------------|----------------|--------------|
| <b>Total revenue</b> | <b>\$95.1</b> | <b>\$100.7</b> | <b>6%</b>    |
| Nickel               | 44.0          | 48.0           |              |
| Copper               | 12.7          | 15.9           |              |
| Cobalt               | 10.4          | 6.8            |              |
| Mn silicate          | 27.2          | 29.5           |              |
| <b>Total OPEX</b>    | <b>37.5</b>   | <b>37.5</b>    | <b>0%</b>    |
| <b>Total EBITDA</b>  | <b>57.3</b>   | <b>62.9</b>    | <b>10%</b>   |
| <i>EBITDA margin</i> | <i>60%</i>    | <i>62%</i>     | <i>2 pts</i> |

|            |                      |                      |             |
|------------|----------------------|----------------------|-------------|
| <b>NPV</b> | <b>\$6.8 billion</b> | <b>\$8.1 billion</b> | <b>+19%</b> |
|------------|----------------------|----------------------|-------------|

<sup>1</sup> Canadian NI 43-101 Resource Statement for full field financial model (internal DeepGreen development scenario).

<sup>2</sup> Canadian NI 43-101 and SEC Regulation S-K (Subpart 1300) Compliant NORI Area D Clarion Clipperton Zone Mineral Resource Estimate and associated financial model, AMC, March 2021. 'Current price' scenario is internal-only, as of March 6, 2024. NPV at January 1, 2021, assuming 9% discount rate. 'CRU Forecast' based on price projections from CRU Group used the 2021 Initial Assessment.

## Income statement highlights: three months ended Dec 31, 2023.

| (\$mm)                                     | Q4 2022      | Q4 2023     | Change        |
|--|--------------|-------------|---------------|
| Exploration and evaluation expenses        | 104.3        | 26.7        | (77.6)        |
| General and administrative expenses        | 7.0          | 6.5         | (0.5)         |
| <b>Operating loss</b>                      | <b>111.3</b> | <b>33.2</b> | <b>(78.1)</b> |
| Equity-accounted investment loss           | -            | 0.1         | N/A           |
| Change in fair value of warrants liability | (1.3)        | (0.2)       | 1.1           |
| Foreign exchange loss                      | -            | 0.2         | 0.2           |
| Interest expense (income)                  | (0.6)        | (0.2)       | 0.4           |
| Fees and interest on credit facility       | -            | 0.3         | 0.3           |
| Tax expense                                | 0.1          | -           | (0.1)         |
| <b>Other items</b>                         | <b>(1.8)</b> | <b>0.2</b>  | <b>2.0</b>    |
| <b>Net loss</b>                            | <b>109.5</b> | <b>33.4</b> | <b>(76.1)</b> |
| <b>Loss per share (\$)</b>                 | <b>0.41</b>  | <b>0.11</b> | <b>(0.30)</b> |

## Cash flow highlights: three months ended Dec 31, 2023.

| (\$mm)                                   | Q4 2022 | Q4 2023 | Change |
|--|---------|---------|--------|
| <b>Cash used in operating activities</b> | 19.8    | 15.2    | (4.6)  |
| <b>Capital expenditures</b>              | 0.2     | 0.4     | 0.2    |
| Acquisition of equipment                 | 0.2     | 0.4     | 0.2    |
| <b>Free cash outflow</b>                 | 20.0    | 15.6    | (4.4)  |

## Balance sheet highlights: year ended Dec 31, 2023.

|  | Dec 31, 2022 | Dec 31, 2023 | Change        |
|--|--------------|--------------|---------------|
| <b>Total Assets (\$mm)</b>               | <b>94.8</b>  | <b>68.9</b>  | <b>(25.9)</b> |
| Cash                                     | 46.8         | 6.8          | (40.0)        |
| Accounts receivable and prepaid expenses | 2.8          | 2.0          | (0.8)         |
| Exploration and evaluation assets        | 43.2         | 43.2         | -             |
| Right of use Asset                       | -            | 5.7          | 5.7           |
| Property and equipment                   | 2.0          | 2.8          | 0.8           |
| Investment                               | -            | 8.4          | 8.4           |
| <b>Total Liabilities (\$mm)</b>          | <b>53.3</b>  | <b>58.0</b>  | <b>4.7</b>    |
| Accounts payable and accrued liabilities | 41.6         | 31.3         | (10.3)        |
| Warrant liability                        | 1.0          | 2.0          | 1.0           |
| Royalty liability                        | -            | 14.0         | 14.0          |
| Deferred tax liability                   | 10.7         | 10.7         | -             |
| <b>Total Equity (\$mm)</b>               | <b>41.5</b>  | <b>10.9</b>  | <b>(30.6)</b> |
| Common shares                            | 332.9        | 438.2        | 105.3         |
| Additional paid-in-capital               | 184.9        | 122.8        | (62.1)        |
| Accumulated other comprehensive income   | (1.2)        | (1.2)        | -             |
| Deficit                                  | (475.1)      | (548.9)      | (73.8)        |



A large industrial facility, possibly a steel mill, with a worker in an orange suit and white hard hat standing on a metal platform. The walls are made of dark, reflective metal panels. A large, dark, textured pile of material is visible on the right side. The word "APPENDIX" is written in white capital letters in the lower center of the image.

**APPENDIX**

## Appendix: non-GAAP reconciliation.

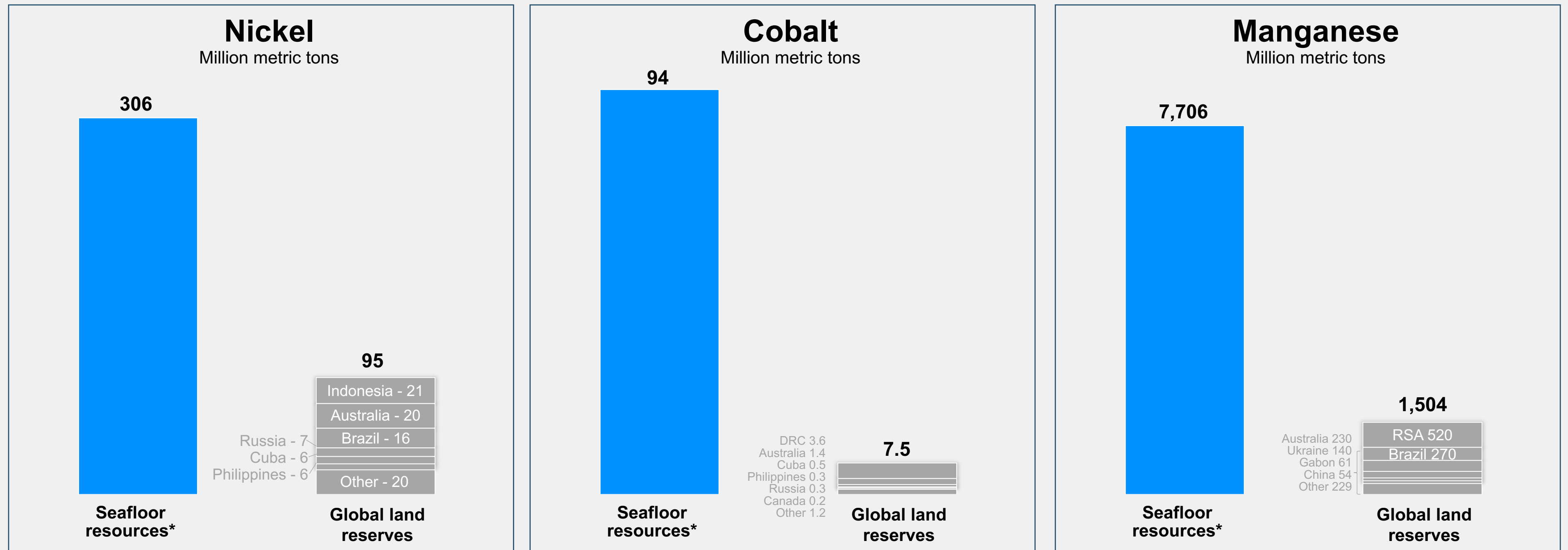
### Non-GAAP Financial Measures – Free Cash Outflow

Free cash outflow is a non-GAAP financial measure. Free cash outflow is used in addition to and in conjunction with results presented in accordance with United States Generally Accepted Accounting Principles (“U.S. GAAP”), and free cash outflow should not be relied upon to the exclusion of U.S. GAAP financial measures. TMC’s management strongly encourages investors to review TMC’s financial statements and publicly-filed reports in their entirety and to not rely on any single financial measure. Free cash outflow, which is reconciled to “net cash used in operating activities”, is cash flow from operations reduced by capital expenditures. TMC believes that free cash outflow is a useful additional measure to “net cash used in operations” since the excluded expenditures are not a recurring expenditure of operations moving forward and free cash outflow is useful as a measure of TMC’s ability to meet its planned operating obligations moving forward. Free cash outflow however, has limitations due to the fact that it does not represent the residual cash flow available for discretionary expenditures and different companies define free cash outflow and other measures of free cash flow in different manners and, therefore, TMC’s free cash outflow can not be compared to another company’s use of free cash outflow or any other measure of free cash flow. TMC therefore believes it is important to view free cash outflows as a complement to its entire condensed consolidated statements of cash flows.

A reconciliation of “net cash used in operating activities” to free cash outflow for the three months ended December 31, 2023 and 2022 is as follows:

| (\$mm)                                   | Three months ended<br>December 31 |             |
|--|-----------------------------------|-------------|
|  | 2022                              | 2023        |
| <b>Cash used in operating activities</b> | 19.8                              | 15.2        |
| <b>Capital expenditures</b>              | 0.2                               | 0.4         |
| Acquisition of equipment                 | 0.2                               | 0.4         |
| <b>Free cash outflow</b>                 | <b>20.0</b>                       | <b>15.6</b> |

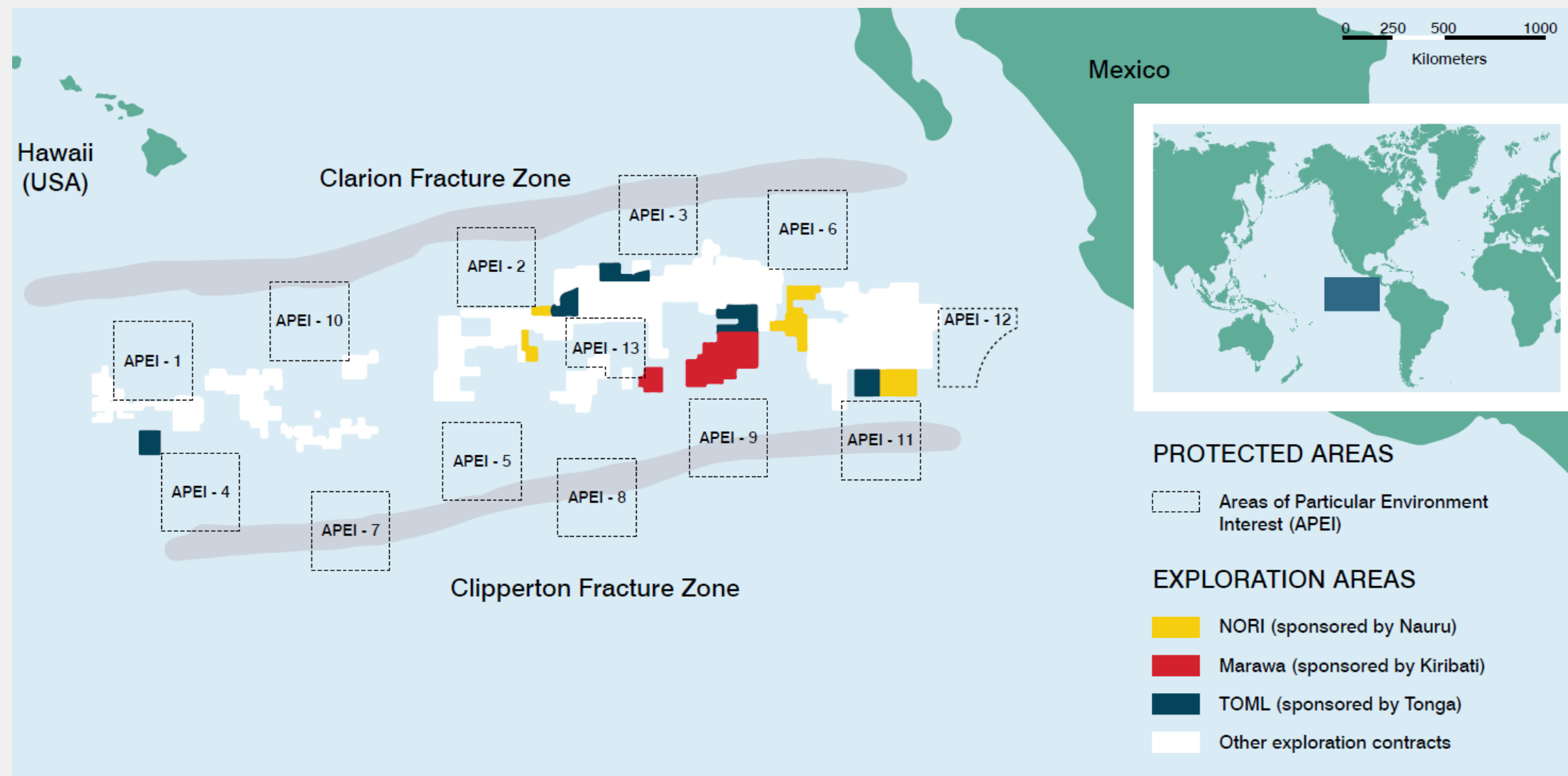
# Why explore the seafloor? That's where most of the planet's nickel, cobalt & manganese is.



\*Combined estimates for Clarion-Clipperton Zone polymetallic nodules and Prime Crust Zone cobalt crusts

Source: USGS 2021 commodity summaries for terrestrial resources; James R. Hein, Kira Mizell, Andrea Koschinsky, Tracey A. Conrad, Deep-ocean mineral deposits as a source of critical metals for high- and green-technology applications: Comparison with land-based resources, Ore Geology Reviews, Volume 51, 2013, Pages 1-14, ISSN 0169-1368, doi.org/10.1016/j.oregeorev.2012.12.001 for CCZ nodules and PCZ crusts

# TMC: technical resource statements issued on NORI + TOML, with an *in situ* estimated resource of Ni, Cu, Co and Mn sufficient to electrify the entire U.S. passenger car fleet<sup>1</sup>.



| TMC exploration contract area    | NORI <sup>2</sup>                     | TOML <sup>3</sup>        | Marawa                  |
|----------------------------------|---------------------------------------|--------------------------|-------------------------|
| Sponsoring State                 | Republic of Nauru                     | Kingdom of Tonga         | Republic of Kiribati    |
| Exploration area                 | 74,830 km <sup>2</sup>                | 74,713 km <sup>2</sup>   | ~75,000 km <sup>2</sup> |
| Technical resource statement     | Yes                                   | Yes                      | Work in progress        |
| Estimated nodule tonnage         | 866 <sup>4</sup> million tonnes (wet) | 768 million tonnes (wet) |                         |
| Avg. grade across contract area: |                                       |                          |                         |
| Manganese                        | 29.5%                                 | 29.2%                    |                         |
| Nickel                           | 1.3%                                  | 1.3%                     |                         |
| Copper                           | 1.1%                                  | 1.1%                     |                         |
| Cobalt                           | 0.2%                                  | 0.2%                     |                         |

<sup>1</sup> Assuming 75kWh batteries with NMC811 chemistry and nodule resource grade and abundance, "Where Should Metals for the Green Transition Come From?", Paulikas et al, LCA white paper, April 2020. Calculation based on estimated contained value of nickel.

<sup>2</sup> SEC Regulation S-K (Subpart 1300) Compliant NORI Clarion Clipperton Zone Mineral Resource Estimate AMC, 17 March 2021. 521 Mt Inferred, 341 Mt, 4 Mt Measured.

<sup>3</sup> SEC Regulation S-K (Subpart 1300) Compliant TOML Clarion Clipperton Zone Project Mineral Resource Estimate, AMC, 26 March 2021. 696 Mt inferred, 70 Mt Indicated, 2.6 Mt Measured.

<sup>4</sup> SEC Regulation S-K (Subpart 1300) Compliant NORI Area D Clarion Clipperton Zone Mineral Resource Estimate and associated financial model, AMC, 17 March 2021. 11 Mt Inferred @ 1.4% Ni, 1.1% Cu, 0.1% Co and 31.0 % Mn and 15.6 Kg/m<sup>2</sup> abundance, 341 Mt Indicated @ 1.4% Ni, 1.1% Cu, 0.1% Co and 31.2% Mn and abundance 17.1Kg/m<sup>2</sup>, 4 Mt Measured @ 1.4% Ni, 1.1% Cu, 0.1% Co and 32.2% Mn and 18.6 Kg/m<sup>2</sup>.

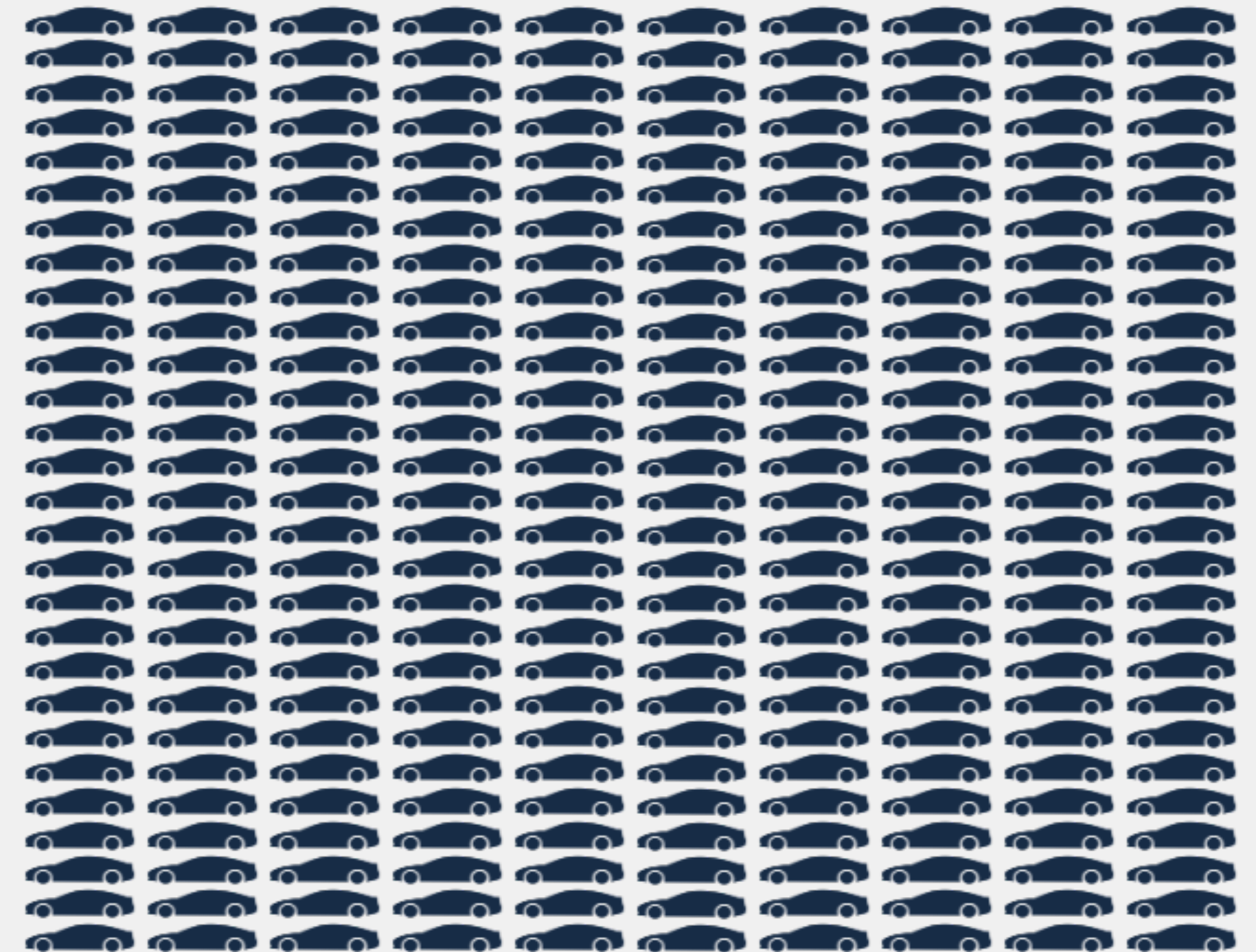
# TMC estimated resource alone has the potential to supply U.S. demand for nickel, cobalt and manganese.

## The Metals Company

15,700,000 t Ni / 2,400,000 t Co / 13,300,000 t Cu / 350,000,000 t Mn Total Resource  
 Estimated *In situ* quantities of nickel, copper, cobalt and manganese equivalent to the requirements of 280 million vehicles or the entire U.S. passenger vehicle fleet<sup>1</sup>



= Approximate raw material requirements of a million Electric Vehicles<sup>1</sup>



### Eagle Mine

137,000t Ni / 3,700t Co Total Resource

Only U.S. miner of nickel or cobalt reaching end of life 2025<sup>2</sup>

\*Nickel concentrate (11-14%) exported for refining



### Talon Metals

135,000 t Ni / 3,500 t Co Total Resource

Unpermitted Tamarack project in Minnesota, enviro. review in 2023<sup>3</sup>

\*Nickel concentrate (13%) likely exported for refining



<sup>1</sup> Internal company calculation assuming 75kWh batteries with NMC811 chemistry and nodule resource grade and abundance, "Where Should Metals for the Green Transition Come From?", Paulikas et al, LCA white paper, April 2020. Calculation based on estimated contained value of nickel.

<sup>2</sup> <https://minedocs.com/23/Eagle-TR-12312022.pdf>

<sup>3</sup> <https://talonmetals.com/wp-content/uploads/2020/08/Talon-Tamarack-PEA-Update-12Mar2020-Final.pdf>