



Council

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Status of contracts for exploration and related matters

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Report of the Secretary-General

1. The present report provides information on the status of contracts for exploration in the Area since the twenty-second session of the Council of the International Seabed Authority, in July 2016. Contracts currently pertain to each of the three mineral resources for which the Authority has adopted regulations on prospecting and exploration. These are polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts. In addition, the report contains information on the status of implementation of the decision of the Assembly of the Authority of 25 July 2013 (ISBA/19/A/12) concerning overhead charges for the administration and supervision of exploration contracts. The information provided herein covers the period until 31 May 2017.

I. Status of contracts for exploration

2. As at 31 May 2017, a total of 27 contracts for exploration had entered into force (17 for polymetallic nodules, 6 for polymetallic sulphides and 4 for cobalt-rich ferromanganese crusts). A complete list of the contracts, with details of the contractor, the sponsoring State, if applicable, the general location of the exploration area and the dates of entry into force and expiry of each contract, is provided in annex I.

3. Since the twenty-second session of the Council, three new contracts have been signed. A contract for exploration for polymetallic nodules was signed with the Cook Islands Investment Corporation on 15 July 2016, a contract for exploration for polymetallic sulphides was signed with the Government of India on 26 September 2016 and a contract for exploration for polymetallic nodules was signed with the China Minmetals Corporation on 12 May 2017.

4. One more contract for exploration is to be signed before the end of 2017 with the Government of the Republic of Korea for exploration for cobalt-rich ferromanganese crusts, relating to the plan of work approved by the Council at its twenty-second session.

* ISBA/23/C/L.1.



5. An application for exploration for polymetallic sulphides was received by the Secretary-General in January 2017 from the Government of Poland. The application is to be considered by the Legal and Technical Commission during its meetings in July and August 2017.

6. In respect of the six applications for a five-year extension of the exploration contracts approved by the Council during its twenty-second session, extension agreements have been signed with four contractors: Interoceanmetal Joint Organization, the Government of the Republic of Korea, China Ocean Mineral Resources Research and Development Association and Deep Ocean Resources Development Co. Ltd. Two other agreements are expected to be signed by the end of the present session, with Yuzhmorgeologiya and the Institut français de recherche pour l'exploitation de la mer.

7. An application for a five-year extension of an exploration contract for polymetallic nodules submitted in September 2016 by the Government of India will be considered by the Commission at the present session.

II. Status of consultations regarding the implementation of decision [ISBA/19/A/12](#)

8. By its decision of 25 July 2013, the Assembly established an annual overhead charge of \$47,000 to cover the costs incurred by the Authority in administering and supervising contracts. The charge is due to be paid by each contractor by 31 March each year. The decision is to be implemented through the addition of two new clauses (sects. 10.5 and 10.6) to the standard clauses for contracts for exploration. The decision of the Assembly also specifies the date of its entry into force (25 July 2013) and contains special provisions regarding its effect in respect of existing contracts and pending and approved applications submitted before 25 July 2013.

A. Applications submitted after 25 July 2013

9. The decision of the Assembly had immediate effect from the date of its adoption (25 July 2013), meaning that standard clauses 10.5 and 10.6 apply automatically to any contract entered into as a result of an application for approval of a plan of work for exploration submitted after that date. A total of six applications have been submitted since 25 July 2013. Five of them have been approved by the Councils and one, submitted in January 2017, is currently before the Commission. Four contracts have already been signed with Cook Islands Investment Corporation (polymetallic nodules), Federal Institute for Geosciences and Natural Resources (polymetallic sulphides), Companhia de Pesquisa de Recursos Minerais S.A. (cobalt-rich ferromanganese crusts) and China Minmetals Corporation (polymetallic nodules), while a fifth contract, pertaining to an approved application, is to be signed in 2017, as indicated in paragraph 4 above.

B. Existing contracts

10. With regard to contracts for exploration that had already entered into force as at 25 July 2013, the Assembly requested the Secretary-General to consult each contractor with a view to revising the contracts, in accordance with section 24.2 of the standard clauses, in order to incorporate clauses 10.5 and 10.6. A total of 14 contracts existed as at 25 July 2013. The status of those consultations is reflected in annex II. It should be noted that, in the case of the six contracts that have been

approved for extension, standard clauses 10.5 and 10.6 are applicable to the period of extension.

C. Applications submitted before 25 July 2013

11. In the case of the nine applications for approval of plans of work submitted before 25 July 2013, the Secretary-General, as requested by the Assembly, consulted each applicant before signing a contract for exploration, and standard clauses 10.5 and 10.6 were consequently incorporated into all nine contracts signed thereafter.

III. Recommendation

12. The Council is invited to take note of the present report.

Annex I

Status of contracts for exploration

A. Contracts for exploration for polymetallic nodules

	<i>Contractor</i>	<i>Date of entry into force</i>	<i>Sponsoring State</i>	<i>General location of the exploration area</i>	<i>Date of expiry</i>
1	Interoceanmetal Joint Organization	29 March 2001 29 March 2016 ^a	Bulgaria, Cuba, Czechia, Poland, Russian Federation and Slovakia	Clarion- Clipperton Fracture Zone	28 March 2016 28 March 2021
2	Yuzhmorgeologiya	29 March 2001 29 March 2016 ^a	Russian Federation	Clarion- Clipperton Fracture Zone	28 March 2016 28 March 2021
3	Government of the Republic of Korea	27 April 2001 27 April 2016 ^a	–	Clarion- Clipperton Fracture Zone	26 April 2016 26 April 2021
4	China Ocean Mineral Resources Research and Development Association	22 May 2001 22 May 2016 ^a	China	Clarion- Clipperton Fracture Zone	21 May 2016 21 May 2021
5	Deep Ocean Resources Development Co. Ltd.	20 June 2001 20 June 2016 ^a	Japan	Clarion- Clipperton Fracture Zone	19 June 2016 19 June 2021
6	Institut français de recherche pour l'exploitation de la mer	20 June 2001 20 June 2016 ^a	France	Clarion- Clipperton Fracture Zone	19 June 2016 19 June 2021
7	Government of India	25 March 2002	–	Central Indian Ocean Basin	24 March 2017
8	Federal Institute for Geosciences and Natural Resources	19 July 2006	Germany	Clarion- Clipperton Fracture Zone	18 July 2021
9	Nauru Ocean Resources Inc.	22 July 2011	Nauru	Clarion- Clipperton Fracture Zone (reserved area)	21 July 2026
10	Tonga Offshore Mining Limited	11 January 2012	Tonga	Clarion- Clipperton Fracture Zone (reserved area)	10 January 2027
11	Global Sea Mineral Resources NV	14 January 2013	Belgium	Clarion- Clipperton Fracture Zone	13 January 2028

^a Five-year extension of contract granted at the twenty-second session (2016).

<i>Contractor</i>	<i>Date of entry into force</i>	<i>Sponsoring State</i>	<i>General location of the exploration area</i>	<i>Date of expiry</i>
12 UK Seabed Resources Ltd.	8 February 2013	United Kingdom of Great Britain and Northern Ireland	Clarion-Clipperton Fracture Zone	7 February 2028
13 Marawa Research and Exploration Ltd.	19 January 2015	Kiribati	Clarion-Clipperton Fracture Zone (reserved area)	18 January 2030
14 Ocean Mineral Singapore Pte Ltd.	Signed in Kingston on 15 January 2015 and in Singapore on 22 January 2015	Singapore	Clarion-Clipperton Fracture Zone (reserved area)	21 January 2030
15 UK Seabed Resources Ltd.	29 March 2016	United Kingdom	Clarion-Clipperton Fracture Zone	28 March 2031
16 Cook Islands Investment Corporation	15 July 2016	Cook Islands	Clarion-Clipperton Fracture Zone (reserved area)	14 July 2031
17 China Minmetals Corporation	12 May 2017	China	Clarion-Clipperton Fracture Zone (reserved area)	11 May 2032

B. Contracts for exploration for polymetallic sulphides

<i>Contractor</i>	<i>Date of entry into force</i>	<i>Sponsoring State</i>	<i>General location of the exploration area</i>	<i>Date of expiry</i>
1 China Ocean Mineral Resources Research and Development Association	18 November 2011	China	South-West Indian Ridge	17 November 2026
2 Government of the Russian Federation	29 October 2012	–	Mid-Atlantic Ridge	28 October 2027
3 Government of the Republic of Korea	24 June 2014	–	Central Indian Ocean	23 June 2029
4 Institut français de recherche pour l'exploitation de la mer	18 November 2014	France	Mid-Atlantic Ridge	17 November 2029
5 Federal Institute for Geosciences and Natural Resources	6 May 2015	Germany	Central Indian Ridge and South-East Indian Ridge	5 May 2030
6 Government of India	26 September 2016		Indian Ocean Ridge	25 September 2031

C. Contracts for exploration for cobalt-rich ferromanganese crusts

	<i>Contractor</i>	<i>Date of entry into force</i>	<i>Sponsoring State</i>	<i>General location of the exploration area</i>	<i>Date of expiry</i>
1	Japan Oil, Gas and Metals National Corporation	27 January 2014	Japan	Western Pacific Ocean	26 January 2029
2	China Ocean Mineral Resources Research and Development Association	29 April 2014	China	Western Pacific Ocean	28 April 2029
3	Ministry of Natural Resources and Environment of the Russian Federation	10 March 2015	–	Magellan Mountains in the Pacific Ocean	9 March 2030
4	Companhia de Pesquisa de Recursos Minerais S.A.	9 November 2015	Brazil	Rio Grande Rise in the South Atlantic Ocean	8 November 2030
5	Government of the Republic of Korea	To be signed		East of the Northern Mariana Islands in the Pacific Ocean	

Annex II

Status of consultations with regard to the revision of contracts for exploration already existing as at 25 July 2013 with a view to incorporating standard clauses 10.5 and 10.6

<i>Contractor</i>	<i>Exploration for</i>	<i>Date of entry into force</i>	<i>Status</i>
Interoceanmetal Joint Organization	Polymetallic nodules	29 March 2001	Accepted on 28 April 2015 Incorporated into the extended contract effective on 29 March 2016
Yuzhmorgeologiya	Polymetallic nodules	29 March 2001	Accepted on 17 July 2015 Incorporated into the extended contract effective on 29 March 2016
Government of the Republic of Korea	Polymetallic nodules	27 April 2001	Accepted on 17 June 2014 Incorporated into the extended contract effective on 27 April 2016
China Ocean Mineral Resources Research and Development Association	Polymetallic nodules	22 May 2001	Accepted on 1 July 2015 Incorporated into the extended contract effective on 22 May 2016
Deep Ocean Resources Development Ltd.	Polymetallic nodules	20 June 2001	Accepted on 9 January 2014 Incorporated into the extended contract effective on 20 June 2016
Institut français de recherche pour l'exploitation de la mer	Polymetallic nodules	20 June 2001	Incorporated into the extended contract effective on 20 June 2016
Government of India	Polymetallic nodules	25 March 2002	Fee paid for 2015, 2016 and 2017 without written acceptance
Federal Institute for Geosciences and Natural Resources	Polymetallic nodules	19 July 2006	Accepted on 21 March 2014
Nauru Ocean Resources Inc.	Polymetallic nodules	22 July 2011	Accepted on 9 July 2015
Tonga Offshore Mining Limited	Polymetallic nodules	11 January 2012	Accepted on 18 February 2014
Global Sea Mineral Resources NV	Polymetallic nodules	14 January 2013	Accepted on 19 December 2013
UK Seabed Resources Ltd.	Polymetallic nodules	8 February 2013	Fee paid for 2014, 2015, 2016 and 2017 without written acceptance
China Ocean Mineral Resources Research and Development Association	Polymetallic sulphides	18 November 2011	Accepted on 1 July 2015
Government of the Russian Federation	Polymetallic sulphides	29 October 2012	Accepted on 23 July 2015