



## Council

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**Status of contracts for exploration and related matters,  
including information on the periodic review of the  
implementation of approved plans of work for exploration**

### **Status of contracts for exploration and related matters, including information on the periodic review of the implementation of approved plans of work for exploration**

#### **Report of the Secretary-General**

#### **I. Status of contracts for exploration and related matters**

1. Contracts currently pertain to each of the three mineral resources for which the International Seabed Authority has adopted regulations on prospecting and exploration. These are polymetallic nodules, polymetallic sulphides, and cobalt-rich ferromanganese crusts.

2. As of 31 January 2023, 30 contracts<sup>2</sup> for exploration are in force, of which 19 are for polymetallic nodules, 7 are for polymetallic sulphides and 4 are for cobalt-rich ferromanganese crusts. For each mineral resource, a complete list, containing the name of the contractor, the sponsoring State or States, if applicable, the general location of the exploration area and the dates of entry into force and date of extension, if applicable, and expiry of each contract, is provided in annex I to the present report.

3. The Council is reminded that, on 28 December 2021, the contractor Companhia de Pesquisa de Recursos Minerais S.A. (CPRM), sponsored by Brazil, renounced the whole of its rights in relation to its contract for the exploration for cobalt-rich ferromanganese crusts. On the same date, the Government of Brazil terminated its sponsorship of CRPM.

4. It was noted that CRPM was required to fulfil several obligations that had accrued prior to the date of renunciation including completion of training obligations, responses to comments and questions of the Legal and Technical Commission and, submission of data

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<sup>1</sup> ISBA/28/C/L.1

<sup>2</sup> The contract with Companhia de Pesquisa de Recursos Minerais S.A. (CPRM) is excluded. See paragraph 3 for details.

to the Authority pursuant to section 10 of the standard clauses of exploration contracts. Since the last report to Council, the secretariat has held three meetings with the contractor, on 20 July 2022, 22 November 2022, and 12 December 2022 respectively, regarding the fulfilment of these outstanding contractual obligations. CPRM has committed to submit its final report on 15 February 2023.

## **II. Periodic review of the implementation of approved plans of work for exploration**

5. In accordance with the regulations on exploration and the standard clauses of contracts for exploration, the contractor and the Secretary-General are to undertake jointly a periodic review of the implementation of a plan of work for exploration at intervals of five years. The Secretary-General may request the contractor to submit such additional data and information as may be necessary for the purposes of the review. In the light of the review, the contractor is required to make such adjustments to its plan of work as are necessary and to indicate its programme of activities for the following five-year period, including a revised schedule of expected yearly expenditure. The Secretary-General is to report on the review to the Legal and Technical Commission and the Council. The Secretary-General is to indicate in the report whether any observations transmitted to him by States parties to the Convention concerning the manner in which the contractor has discharged its obligations under the regulations relating to the protection and preservation of the marine environment were taken into account in the review.

6. To implement these provisions, the Secretary-General consults with the Legal and Technical Commission on the content of periodic review reports submitted by contractors (in-session or intersessionally depending on the timing of the reports). The periodic report serves as a checkpoint against which to evaluate the progress of exploration work, submission of data by the contractor and overall consistency of planned activities with the approved plan of work for exploration. Comments and suggestions made by the Commission will then be taken into account in discussions between the Secretary-General and the contractor to make adjustments to the proposed programme of activities as may be necessary. The programme of activities is then incorporated into the contract as a revised schedule.

7. Between May and December 2022, three periodic reviews were completed, namely periodic reviews of the implementation of the plans of work of Nauru Ocean Resources Inc (NORI), (completed 10 June 2022); Cook Islands Investment Corporation, (completed 29 August 2022); and Tonga Offshore Mining Ltd, (completed 23 December 2022).

8. On 31 August 2022, the Ministry of Natural Resources and Environment of the Russian Federation submitted its periodic review report in respect of its contract for exploration for polymetallic sulphides. The report is undergoing evaluation and it is anticipated that the periodic review process will be completed by 31 March 2023, following consultation with the Legal and Technical Commission.

9. On 18 November 2022, UK Seabed Resources Ltd. Submitted a draft of its second periodic review report in respect of its first contract for exploration for polymetallic nodules. The report is currently under evaluation, with an anticipated completion date of 30 April 2023.

10. Two periodic reports are overdue. The first five-year period of the contract for exploration for polymetallic sulphides with China Ocean Mineral Resources Research and Development Association (COMRA) expired on 19 November 2021. A periodic report and a proposed programme of activities for the next five-year period (2021-2026) is yet to be

submitted. Since early 2021, the secretariat has maintained close consultations with the contractor in this respect. Most recently, by a letter dated 7 February 2023, the contractor notified the secretariat that severe budgetary and technical challenges have further delayed the determination of the proposed programme of activities, but that the periodic report will be submitted no later than 31 March 2023.

11. The first five-year period of the contract for exploration for polymetallic nodules with China Minmetals Corporation (CMC) expired on 11 May 2022. Further to discussions held with the Secretariat, the contractor informed by letter of 4 June 2022 that the periodic report and proposed programme of activities were under internal finalization. The secretariat sent formal reminders to the contractor on 22 November 2022 and again on 1 February 2023 with copies to the sponsoring State. Most recently, the contractor committed that the periodic report would be submitted no later than 31 March 2023.

12. Annex II to the present report provides a breakdown of the status of periodic reviews, including those due in 2023.

### **III. Extensions of contracts for exploration**

13. The Council will recall that eight applications for five-year extensions of contracts for exploration for polymetallic nodules were approved by the Council during the twenty-sixth and twenty-seventh sessions<sup>3</sup>.

14. Subsequently, extension agreements (all for the exploration of polymetallic nodules) were signed with the following four contractors: Interoceanmetal Joint Organization, Deep Ocean Resources Development Co. Ltd, Federal Institute for Geosciences and Natural Resources of Germany, and the Government of India. Extension agreements with the Government of the Republic of Korea and COMRA have been prepared and will be signed before the end of the first part of the twenty-eighth session of the Council.<sup>4</sup>

15. With respect to the contractor JSC Yuzhmorgeologiya, the secretariat is awaiting a response from the contractor on the draft extension agreement sent in May 2022. On 2 February 2023 the contractor notified the secretariat that it was close to finalising its edits and responses to the draft agreement though it has not committed to a submission date.

16. With respect to the contractor, Institut français de recherche pour l'exploitation de la mer (Ifremer), the Secretary-General wrote to the contractor on 20 December 2022 inviting the contractor to confirm, in light of a statement made by the Permanent Representative of France to the Authority on 10 November 2022 in the Council, that Ifremer remains committed to carry out its exploration programme in good faith and in full compliance with the provisions of the Convention and the 1994 Agreement and the rules, regulations and procedures of the Authority and with a view to bringing the exploration area into commercial production, as envisaged by the Convention. In the event that the position of France meant that it was not within the capacity of Ifremer to make such a commitment,

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<sup>3</sup> Decisions of the Council relating to an application for extension of contracts: ISBA/26/C/49 Interoceanmetal Joint Organization; ISBA/26/C/50 JSC Yuzhmorgeologiya; ISBA/26/C/51 Government of the Republic of Korea; ISBA/26/C/52 Deep Ocean Resources Development Co. Ltd; ISBA/26/C/53 China Ocean Mineral Resources Research and Development Association; ISBA/26/C/54 Institut français de recherche pour l'exploitation de la mer; ISBA/26/C/55 Federal Institute for Geosciences and Natural Resources of the Federal Republic of Germany; ISBA/27/C/18 Government of India

<sup>4</sup> The extension agreement with COMRA will be signed on 27 February 2023 during the official visit of the Secretary-General of COMRA to ISA.

the Secretary-General requested written clarification as to the process envisaged to review or terminate the contract pursuant to the regulations.

17. By a letter dated 9 February 2023, the President of Ifremer informed the Secretary-General that recent statements by France, as well as media reports, should not be understood as affecting or calling into question the sponsorship of France in relation to its contracts with the Authority. Ifremer has always performed its contractual obligations in good faith and will continue to do so. All previous commitments relating to the proper execution of the proposed programme of activities for the period 2021-2026 as well as relevant undertakings remain intact. Ifremer is committed to continue its exploration campaign in order to acquire high-resolution data and carry out new sampling with the aim of improving the classification of mineral resources in the most nodule-dense areas of the contract area, carry out environment studies and complete the study of technical and economic aspects of the project. In light of these clarifications and renewed commitments, the secretariat is preparing the extension agreement for signature.

#### **IV. Status of relinquishments**

18. Contractors are required to relinquish parts of the areas allocated for exploration in accordance with the provisions of regulation 27 of the regulations on prospecting and exploration for polymetallic sulphides in the Area (ISBA/16/A/12/Rev.1, annex) and regulation 27 of the regulations on prospecting and exploration for cobalt-rich ferromanganese crusts in the Area (ISBA/18/A/11, annex) in respect of the relinquishment from the original contract area for polymetallic sulphides and cobalt-rich ferromanganese crusts. The mechanisms for relinquishing the area are guided by Recommendations issued by the Legal and Technical Commission (ISBA/25/LTC/8) which the contractors use to prepare their relinquishment reports and maps and the secretariat uses to evaluate the contractors' report. The outcomes of the evaluation are then issued as a note by the secretariat via a conference room paper (CRP) for the Commission and as an official document to the Council, in which both bodies are requested to take note of the secretariat's conclusions.

19. During 2022 the Japan Organization for Metals and Energy Security (JOGMEC)<sup>5</sup> relinquished one third of its allocated area under the contract for the exploration of cobalt-rich ferromanganese crusts<sup>6</sup>. COMRA relinquished 50% of its allocated area under the contract for the exploration of polymetallic sulphides; this being its second relinquishment, COMRA has now relinquished 75% of its original area<sup>7</sup>. COMRA additionally relinquished one third of its allocated area under the contract for the exploration of cobalt-rich ferromanganese crusts<sup>8</sup>.

20. During 2022 the Council granted BGR and Ifremer requests for deferral of their schedules for relinquishment of areas under their contracts for polymetallic sulphides<sup>9</sup>. The request and granting of the deferrals is based on paragraph 6 of regulation 27 of ISBA/16/A/12/Rev.1 and ISBA/18/A/11, which provides that the Council may, at the request of the contractor, and on the recommendation of the Legal and Technical Commission, in exceptional circumstances, defer the schedule of relinquishment, and that such exceptional circumstances must be determined by the Council and must include, inter

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<sup>5</sup> Formerly called Japan Oil, Gas and Metals National Corporation

<sup>6</sup> ISBA/27/C/17

<sup>7</sup> ISBA/27/C/31

<sup>8</sup> ISBA/27/C/32

<sup>9</sup> ISBA/27/C/19 and ISBA/27/C/39 respectively.

alia, consideration of prevailing economic circumstances or other unforeseen exceptional circumstances arising in connection with the operational activities of the contractor.

20. Annex III to the present report provides a breakdown of the status and schedule of the relinquishment of contract areas.

## **V. Recommendations**

21. The Council is invited to take note of the status of the contracts for exploration, the information on the periodic review of the implementation of approved plans of work, status of relinquishment, and the progress of extension agreements.

22. Matters related to the performance of contractors, including the results of inspections and identification of any instances of alleged non-compliance and regulatory action taken in accordance with the Convention, the 1994 Agreement and the regulations will be taken up in the context of the annual report of the Secretary-General on the implementation of the decision of the Council relating to the report of the Chair of the Legal and Technical Commission.<sup>10</sup>

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<sup>10</sup> ISBA/27/C/44.

## Annex I

## Status of approved contracts for exploration

## A. Contracts for exploration for polymetallic nodules

<i>Contractor</i>	<i>Date of entry into force</i>	<i>Sponsoring State(s)</i>	<i>General location of the exploration area</i>	<i>Date of expiry</i>
1 Interoceanmetal Joint Organization	29 March 2001	Bulgaria, Cuba, Czechia, Poland, Russian Federation, Slovakia	Clarion-Clipperton Fracture Zone	28 March 2016
	29 March 2016 <sup>a</sup>			28 March 2021
	29 March 2021 <sup>b</sup>			28 March 2026
2 JSC Yuzhmoregeologiya	29 March 2001	Russian Federation	Clarion-Clipperton Fracture Zone	28 March 2016
	29 March 2016 <sup>a</sup>			28 March 2021
	29 March 2021 <sup>b</sup>			28 March 2026
3 Government of the Republic of Korea	27 April 2001	–	Clarion-Clipperton Fracture Zone	26 April 2016
	27 April 2016 <sup>a</sup>			26 April 2021
	27 April 2021 <sup>b</sup>			26 April 2026
4 China Ocean Mineral Resources Research and Development Association	22 May 2001	China	Clarion-Clipperton Fracture Zone	21 May 2016
	22 May 2016 <sup>a</sup>			21 May 2021
	22 May 2021 <sup>b</sup>			21 May 2021
5 Deep Ocean Resources Development Co. Ltd.	20 June 2001	Japan	Clarion-Clipperton Fracture Zone	19 June 2016
	20 June 2016 <sup>a</sup>			19 June 2021
	20 June 2021 <sup>b</sup>			19 June 2026
6 Institut français de recherche pour l'exploitation de la mer	20 June 2001	France	Clarion-Clipperton Fracture Zone	19 June 2016
	20 June 2016 <sup>a</sup>			19 June 2021
	20 June 2021 <sup>b</sup>			19 June 2026
7 Government of India	25 March 2002	–	Central Indian Ocean Basin	24 March 2017
	25 March 2017 <sup>c</sup>			24 March 2022
	25 March 2022 <sup>d</sup>			24 March 2027
8 Federal Institute for Geosciences and Natural Resources	19 July 2006	Germany	Clarion-Clipperton Fracture Zone	18 July 2021
	19 July 2021 <sup>e</sup>			18 July 2026
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

<i>Contractor</i>	<i>Date of entry into force</i>	<i>Sponsoring State(s)</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.	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
18 Beijing Pioneer HiTech Development Corporation	18 October 2019	China	Western Pacific Ocean	17 October 2034
19 Blue Minerals Jamaica Ltd	4 April 2021	Jamaica	Clarion-Clipperton Fracture Zone (reserved area)	3 April 2036

<sup>a</sup> First five-year extension of contract granted at the twenty-second session (2016)

<sup>b</sup> Second five-year extension of contract granted at the twenty-sixth session (2021)

<sup>c</sup> First five-year extension of contract granted at the twenty-third session (2017)

<sup>d</sup> Second five-year extension of contract granted at the twenty-seventh session (2022)

<sup>e</sup> First five-year extension of contract granted at the twenty-sixth session (2021)

## B. Contracts for exploration for polymetallic sulphides

<i>Contractors</i>	<i>Date of entry into force</i>	<i>Sponsoring States</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

<i>Contractors</i>	<i>Date of entry into force</i>	<i>Sponsoring States</i>	<i>General location of the exploration area</i>	<i>Date of expiry</i>
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
7 Government of Poland	12 February 2018	-	Mid-Atlantic Ridge	11 February 2033

### C. Contracts for exploration for cobalt-rich ferromanganese crusts

<i>Contractors</i>	<i>Date of entry into force</i>	<i>Sponsoring States</i>	<i>General location of the exploration area</i>	<i>Date of expiry</i>
1 Japan Organization for Metals and Energy Security <sup>11</sup>	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 Government of the Republic of Korea	27 March 2018	-	East of the Northern Mariana Islands in the Pacific Ocean	26 March 2033

<sup>11</sup> Formerly called Japan Oil, Gas and Metals National Corporation



## Annex II

### Periodic reviews due in 2023

<i>Contractor</i>	<i>Type of resource</i>	<i>Expiration of five-year period<sup>12</sup></i>	<i>Status</i>
China Ocean Mineral Resources Research and Development Association	Polymetallic sulphides	17 November 2021	Contractor has not submitted its five-year report
China Minmetals Corporation	Polymetallic nodules	11 May 2022	Contractor has not submitted its five-year report
Ministry of Natural Resources and Environment of the Russian Federation	Polymetallic sulphides	29 October 2022	In progress
Global Sea Mineral Resources NV	Polymetallic nodules	14 January 2023	Report due by 31 March 2024 <sup>13</sup>
UK Seabed Resources Ltd. (first contract)	Polymetallic nodules	7 February 2023	In progress
Government of Poland	Polymetallic sulphides	11 February 2023	
Government of the Republic of Korea	Cobalt-rich crusts	26 March 2023	
Beijing Pioneer Hi-Tech Development Corporation	Polymetallic nodules	17 October 2023	
Japan Organization for Metals and Energy Security (JOGMEC)	Cobalt-rich ferromanganese crusts	27 January 2024	

<sup>12</sup> Not later than 90 days prior to the expiration of each five-year period from the date on which the contract enters into force, the contractor and the Secretary-General shall jointly undertake a review of the implementation of the plan of work for exploration under the contract (sect. 4.4 of the standard clauses for exploration contract ([ISBA/19/C/17](#), annex IV, [ISBA/16/A/12/Rev.1](#), annex 4, and [ISBA/18/A/11](#), annex IV)).

<sup>13</sup> Refer to paragraph 11 of [ISBA/25/C/9](#), Status of contracts for exploration and related matters, including information on the periodic review of the implementation of approved plans of work for exploration.

## Annex III

### Schedule and status of relinquishments of areas under contracts for exploration

#### A. Contracts for exploration for polymetallic sulphides

<i>Contractor</i>	<i>1st relinquishment 50% of original contract area – in year 8</i>	<i>2nd relinquishment 75% of original contract area – Year 10</i>
China Ocean Mineral Resources Research and Development Association	Completed	Completed
Ministry of Natural Resources and Environment of the Russian Federation	Completed	29 October 2022 <sup>a</sup>
Government of the Republic of Korea	24 June 2022 <sup>b</sup>	23-Jun-24 (Deferment of this date has been requested) <sup>c</sup>
Institut français de recherche pour l'exploitation de la mer	Deferred to 18 November 2023 <sup>d</sup>	Deferred to 18 November 2025 <sup>d</sup>
Federal Institute for Geosciences and Natural Resources	Deferred 06 May 2024 <sup>e</sup>	Deferred to 6 May 2026 <sup>e</sup>
Government of India	26 September 2024	26 September 2026
Government of Poland	12 February 2026	12 February 2028

<sup>a</sup> Commission and Council to review the submission of relinquishment at 28th Session (March 2023)

<sup>b</sup> Commission and Council to review the submission of relinquishment at 28th Session (March 2023)

<sup>c</sup> Commission and Council to consider the request for deferral at 28th Session (March 2023)

<sup>d</sup> Decision of the Council ISBA/27/C/39

<sup>e</sup> Decision of the Council, ISBA/27/C/19

#### B. Contracts for exploration for cobalt-rich ferromanganese crusts

<i>Contractor</i>	<i>1st relinquishment one third of original contract area – in year 8</i>	<i>2nd relinquishment two thirds of original contract area – Year 10</i>
Japan Organization for Metals and Energy Security	Completed	27 January 2024
China Ocean Mineral Resources Research and Development Association	Completed	28 April 2024
Ministry of Natural Resources and Environment of the Russian Federation	10 March 2023	09 March 2025
Government of the Republic of Korea	27 March 2026	26 March 2028