

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 28TH SESSION:
COUNCIL - PART I**

Please fill out one form for each textual proposal which your delegation(s) wish(es) to amend, add or delete and send to council@isa.org.jm.

1. Name of Working Group:

Open-ended Working Group of the Council on the financial terms

2. Name(s) of Delegation(s) making the proposal:

Submitted by Nauru Ocean Resources Inc. and Tonga Offshore Mining Ltd.

3. Please indicate the relevant provision to which the textual proposal refers.

Draft Regulation 71

4. Kindly provide the proposed amendments to the regulation or standard or guideline in the text box below, using the “track changes” function in Microsoft Word. Please only reproduce the parts of the text that are being amended or deleted.

1. A royalty return shall include the following information for each royalty return period, **in accordance with the Standard and taking into account the Guidelines:**

(a) The quantity in ~~wet metric tons~~ **dry metric tons** of ~~mineral~~metal-bearing ore recovered from each Mining Area;

(b) The quantity and value by ~~Mineral~~metal in ~~wet metric tons~~ **dry metric tons** of the ~~mineral~~metal-bearing ore shipped from the Mining Area; The value and the basis of the valuation **(by MineralMetal)** of the ~~mineral~~metal-bearing ore sold or removed without sale from the Mining Area, as verified by a ~~suitably qualified person~~ **Suitably Qualified Person** and supported by a representative chemical analysis of the ore by a certified laboratory;

...

2. In respect of a final royalty return period ending on the date of expiry, surrender or termination of the exploitation contract, the Contractor shall provide:

(c) The quantity and value **(by MineralMetal)** of all closing stocks of the ~~mineral~~metal-bearing ore.

5. Please indicate the rationale for the proposal. [150-word limit]

- We are content with measurements in dry metric tons
- We consider there will need to be an agreed procedure for how weights, which will be on a wet basis, will be converted to a dry basis. We consider this should be specified in the applicable Standard and/or Guideline on the payment of royalties.

- References to 'by Mineral' should be 'by metal' because the mineralogy of nodules is fluid depending upon the level of desiccation and moisture content.