



Council

Distr.: General
20 March 2013

Original: English

Nineteenth session
Kingston, Jamaica
15-26 July 2013

Proposal for a joint venture operation with the Enterprise

Report by the Interim Director-General of the Enterprise

1. In October 2012, the Secretary-General of the Authority received a proposal from Nautilus Minerals Inc. (Nautilus), a company incorporated in Canada, to enter into negotiations to form a joint venture with the Enterprise for the purpose of developing eight of the reserved area blocks in the Clarion-Clipperton Zone. The blocks in question, which are identified in schedule 1 to the draft heads of agreement set out in the annex to the present report, were contributed by GSR Minerals NV (Belgium), UK Seabed Resources Ltd. (United Kingdom of Great Britain and Northern Ireland), Yuzhmorgeologiya (Russian Federation) and China Ocean Mineral Research and Development Association (COMRA).

2. The terms of the proposal by Nautilus are set out in a draft heads of agreement, which is annexed to the present report. Under the agreement, Nautilus would work with the Enterprise to develop a proposal for a joint venture operation by 2015. Any such proposal would have to be based on sound commercial principles, as required by the 1994 Agreement (General Assembly resolution 48/263, annex). Should the proposal be approved in 2015, the Council may decide to issue a directive for the independent functioning of the Enterprise in accordance with paragraph 2 of the annex to the 1994 Agreement. During that period, Nautilus will carry out, at its own expense and risk, an agreed work programme that will include the following elements:

(a) By 31 December 2013, Nautilus will complete a resource estimate in respect of the reserved areas broadly in compliance with Canadian National Instrument 43-101 using existing publicly available data;¹

(b) Also by the end of 2013, Nautilus will compile relevant environmental, metallurgical, mining and other data into a report to be delivered to the Authority;

(c) By 31 December 2014, Nautilus shall use its best endeavours to complete a preliminary financial model based upon the results of the resource estimate and

¹ Under the Convention and the 1994 Agreement, no prospecting is permitted in reserved areas, so existing data will have to be used for this purpose.



summary report above and the detailed simulation work to be carried out by Nautilus following the completion of pre-feasibility work by Tonga Offshore Mining Ltd. This preliminary financial model shall form the basis for discussion between Nautilus and the Enterprise to develop the joint venture proposal;

(d) During 2015, the parties shall finalize the joint venture proposal which must set out in detail the commercial terms upon which the joint venture shall be formed, including but not limited to the following:

- (i) Participating interests;
- (ii) Financial and technical contributions;
- (iii) Management of the joint venture;
- (iv) Work programme and budget;
- (v) Marketing and sale of joint venture product;

(e) The Interim Director-General of the Enterprise shall present the finalized proposal to the Council in 2015 with a view to the Council issuing a directive at that time for the independent functioning of the Enterprise. Providing the Council issues such a directive, a binding joint venture agreement is to be executed in 2016.

3. The total cost of the work programme described above is estimated at \$550,000, which shall be borne by Nautilus. The heads of agreement includes a provision whereby Nautilus shall provide an annual report on its expenditure incurred. In addition, Nautilus agrees to underwrite the costs incurred by the Enterprise (or the secretariat performing the functions of the Enterprise) through an annual fee to be paid to and administered by the Authority for this purpose.

4. It should be emphasized that the Council is not being asked to approve a joint venture operation at this time. Rather, the Council is being invited to give its approval to the heads of agreement contained in the annex to the present report whereby the terms of a joint venture operation will be negotiated over a two-year period with a view to presentation of a joint venture proposal to the Council in 2015, in accordance with paragraph 2 of the annex to the 1994 Agreement, based on sound commercial principles. Subject to the terms of the proposal being acceptable at that time, the Council would then be in a position to issue a directive for the independent functioning of the Enterprise.

5. The Council is invited to consider the proposal put forward by Nautilus through the Interim Director-General of the Enterprise.

Annex

Business Proposal Heads of Agreement

The International Seabed Authority (**ISA**)

Nautilus Minerals Inc (**Nautilus**)

I. Details

Date

Parties

Name International Seabed Authority

Short form name **ISA**

Place of incorporation

Notice details Address: 14-20 Port Royal Street, Kingston, Jamaica
Telephone: (876) 922 9105
Facsimile: (876) 967 7487
Attention:

Name Nautilus Minerals Inc

Short form name **Nautilus**

Place of incorporation Canada

Notice details Address: Level 7, 303, Coronation Drive, Milton QLD 4064
Telephone: +61 7 3318 5555
Facsimile: +61 7 3318 5500
Attention: Mr. Jonathan Lowe

II. Background

1. Nautilus and its Affiliates intend to commercially explore the ocean floor for gold, copper, silver and zinc deposits. Nautilus and its Affiliates hold various licences and exploration applications, including in the Area.
2. The International Seabed Authority (ISA) is an autonomous international organization established under UNCLOS and the 1994 Agreement through which parties to the Convention shall, in accordance with the regime for the Area established in Part XI of UNCLOS and the 1994 Agreement, organize and control activities in the Area, particularly with a view to administering the resources of the Area.
3. The Enterprise is created only when the ISA Council issues a directive providing for the functioning of the Enterprise independent of the secretariat of the ISA following the approval by the ISA Council of a business proposal for a joint venture based on sound commercial principles (as defined in paragraph 2 of section 2 of the annex to the 1994 Agreement).
4. In accordance with the provisions of article 170 of the UNCLOS and paragraph 1 of section 2 of the annex to the 1994 Agreement, the secretariat of the ISA shall perform the functions of the Enterprise until it begins to operate independently of the secretariat. Such functions include, inter alia, the assessment of approaches to joint venture operations.
5. This Heads of Agreement records the basis upon which Nautilus (or one of its Affiliates) and the secretariat of the ISA, performing the functions of the Enterprise

pursuant to section 2 of the annex to the 1994 Agreement, shall agree a business proposal for the formation of a joint venture between the Enterprise and Nautilus (or one of its Affiliates) in respect of the Reserved Areas (Business Proposal) for the purpose of exploring and developing the Reserved Areas. (Joint Venture)

III. Agreed terms

6. Effective Date: This Heads of Agreement shall be effective and in force from 19 October 2012.

IV. Programme for development of business proposal

7. 2013 Programme

(a) Nautilus shall use its best endeavours to undertake the following by 31 December 2013:

(i) Complete a resource estimate in respect of the Reserved Areas broadly in compliance with Canadian National Instrument 43-101 using existing publicly available data.

(ii) Together with the resource estimate, start to compile relevant environmental, metallurgical, mining and other data into a report to be delivered to the ISA (Resource estimate and summary report).

8. 2014 Programme

(a) Nautilus shall use its best endeavours to complete a preliminary financial model based upon data updated using the results of the Resource Estimate and Summary Report and the detailed simulation work to be completed by Nautilus following Tonga Offshore Mining Limited's completion of pre-feasibility work in accordance with its Contract of Exploration with the ISA, by 31 December 2014.

(b) The preliminary financial model described in (a) above shall form the basis for discussions between Nautilus and the ISA to agree to the Business Proposal.

9. 2015 Programme

(a) The parties shall finalize the Business Proposal which must set out in detail the commercial terms upon which the Joint Venture shall be formed, including but not limited to the following:

(i) Participating interests;

(ii) Financial and technical contributions;

(iii) Management of the Joint Venture;

(iv) Work programme and budget;

(v) Marketing and sale of Joint Venture product.

(b) At the annual session of the ISA Council in the year 2015, the Interim Director-General of the Enterprise will submit the Business Proposal (in accordance with paragraph 2 of section 2 of the annex to the 1994 Agreement) to the ISA

Council with a view to the Council issuing a directive for the independent functioning of the Enterprise.

10. 2016 Programme

(a) Subject to the decision of the ISA Council, by 31 December 2016, Nautilus and the Enterprise shall conclude their negotiations in respect of the final terms of the Joint Venture and shall have executed a binding joint venture agreement.

V. Costs

11. Nautilus shall bear the risk and any and all costs associated with completing the programmes described in clauses 7 to 9, excluding any costs incurred by the ISA in the ordinary course of holding its annual session of the ISA Council.

12. Nautilus' estimate of the costs of completing the programmes described in clauses 7 to 9 is as follows:

<i>Work programme</i>	<i>Approximate cost (United States dollars)</i>
2013	100 000
2014	250 000
2015	200 000

13. Nautilus shall provide the ISA with an annual report outlining the costs incurred in respect of the programmes described in clauses 7 to 9, which report shall be prepared according to the ISA financial expenditure guidelines.

14. Subject to clause VII, any and all costs incurred by Nautilus in connection with the Reserved Areas, undertaking the programmes described in clauses 7 to 9 and developing the Business Proposal, shall be credited toward any financial contribution that Nautilus may be required to make to the Joint Venture.

15. Nautilus shall pay to the ISA an annual fee for the right to explore the Reserved Areas in the sum of US\$ 100,000. The ISA Council shall have the right to review the amount of the fee on an annual basis but it shall not be increased by more than the percentage increase in the ISA annual operating budget for any year.

VI. Communication

16. Nautilus and the ISA will maintain regular dialogue during the programmes described in clause IV to ensure all parties are fully informed and that any issues that might affect the Joint Venture can be addressed prior to the consideration of the Business Proposal by the ISA Council.

VII. Original contractor rights

17. The parties acknowledge and agree that the finalization of the terms of the Joint Venture will trigger an obligation of the Enterprise under paragraph 5 of section 2 of the annex to the 1994 Agreement to offer the original contractor which contributed the Reserved Areas the right of first refusal to enter into a joint venture agreement.

18. In the event the original contractors which contributed the Reserved Areas exercise such right of first refusal the Enterprise must make it a condition of any joint venture agreement executed between the Enterprise with that original contractor that Nautilus and the Enterprise be reimbursed based on cost multiplied by three for the programmes undertaken by Nautilus and the Enterprise respectively as described in clauses IV and V above.

VIII. Commitment to joint venture

19. The ISA agrees to negotiate with Nautilus in good faith, and with priority, to develop the Business Proposal and to form the Joint Venture and shall do all things reasonably necessary, to enable the Joint Venture to be formed in a timely manner.

20. In the event any applications are received by the ISA from any third parties in respect of the Reserved Areas prior to the approval of the Business Proposal by the ISA Council, the ISA agrees to deal with such applications in accordance with the provisions of UNCLOS and the 1994 Agreement.

21. Each party shall ensure that its employees, agents and advisers comply with the undertakings in this clause as if they were the relevant party.

IX. Mutual indemnity

22. To the extent permitted under Legislative Requirements, the ISA releases, holds harmless and indemnifies Nautilus and its Affiliates and their respective officers, servants, agents and employees from and against all claims, losses, damages, costs, expenses and liabilities in respect of loss or damage to any property and in respect of any injury or death to the officers, servants, agents and employees of the ISA and its Affiliates arising directly or indirectly from the performance by Nautilus of its obligations under this Agreement.

23. To the extent permitted under Legislative Requirements, Nautilus releases, holds harmless and indemnifies the ISA and its Affiliates and their respective officers, servants, agents and employees from and against all claims, losses, damages, costs, expenses and liabilities in respect of loss or damage to any property and in respect of any injury or death to the officers, servants, agents and employees of Nautilus and its Affiliates arising directly or indirectly from the performance by ISA of its obligations under this Agreement.

X. Arbitration

(a) Meaning of dispute

24. For purposes of this clause X, “Dispute” means any dispute, disagreement, controversy or claim arising out of or relating to this Agreement, or the interpretation or performance of provisions of this Agreement or the breach, termination or validity thereof, that the parties are unable to resolve by mutual agreement within a reasonable time, other than any dispute that is a question of the interpretation of Part XI and the Annexes relating thereto of the UNCLOS with respect to activities in the Area.

(b) Negotiation

25. If there is a Dispute, senior representatives from Nautilus and the ISA, respectively, must promptly meet and use all reasonable endeavours acting in good faith to resolve the Dispute.

(c) Submission to UNCITRAL arbitration

26. The Parties agree that in accordance with Article 188, paragraph 2, of the UNCLOS any Dispute that is not settled by negotiation under clause X (b) within 10 business days after Nautilus Minerals or the ISA notifies the other of the Dispute will be settled by arbitration under the Arbitration Rules, as at present in force, of the United Nations Commission on International Trade Law (the UNCITRAL Arbitration Rules), subject to such modifications as the parties to the Dispute may agree in writing at the time.

(d) Application of UNCITRAL Arbitration Rules

27. For the purposes of the arbitration of any Dispute under the UNCITRAL Arbitration Rules:

(a) the appointing authority will be the Australian Commercial Dispute Centre which will also administer the arbitration;

(b) an agreed appointee will be appointed as a single arbitrator, but if within thirty (30) days after the receipt by the respondent of the notice of arbitration the parties have not agreed on a single arbitrator, the number of arbitrators will be three;

(c) the place of arbitration will be Sydney, Australia, or such other place as the parties to the Dispute may agree; and

(d) the language to be used in the arbitral proceedings will be English.

(e) Award binding

28. An award in arbitration proceedings under this clause X will be binding on the parties to the Dispute and judgement thereon may be entered in any court having jurisdiction for the purpose.

(f) Cost of arbitration

29. Unless otherwise agreed or provided, the cost of any arbitration procedure will be borne:

(a) equally by the parties to the Dispute where it has been referred jointly by them; or

(b) otherwise, by the unsuccessful party in accordance with the UNCITRAL Arbitration Rules.

(g) Stay of other rights

30. Where a Dispute has been referred to arbitration pursuant to this clause X, no party will be entitled to exercise any rights or election arising in consequence of any alleged default by another party arising out of the subject matter of the Dispute until the Dispute has been resolved by the decision of the arbitrators.

(h) Court proceedings and other relief

31. A party may not commence court proceedings in relation to a Dispute until it has exhausted the procedures in this clause X. No party is prevented from applying to a court at any stage for urgent injunctive or other relief.

XI. Confidential information

(a) Use and disclosure

32. Each party (**Recipient**):

(a) may use Confidential Information of a Disclosing Party only for the purposes of this Agreement; and

(b) must keep confidential all Confidential Information of the other parties (each a Disclosing Party) except:

(i) for disclosures permitted under clause XI (c); and

(ii) subject to clause XI (d), to the extent (if any) the Recipient is required by law or the rules of any stock exchange to disclose any Confidential Information.

(b) Permitted disclosure

33. A Recipient may disclose Confidential Information of a Disclosing Party to persons who:

(a) have a need to know for the purposes of this Agreement (and only to the extent that each has a need to know); and

(b) before disclosure.

(i) in the case of the Recipient's officers and employees, have been directed by the Recipient to keep confidential all Confidential Information of the Disclosing Party; and

(ii) in the case of other persons approved in writing by the Disclosing Party, have agreed in writing with the Recipient to comply with substantially the same obligations in respect of Confidential Information of the Disclosing Party as those imposed on the Recipient under this Agreement.

(c) Recipient's obligations

34. A Recipient must:

(a) ensure that each person to whom it discloses Confidential Information of a Disclosing Party under clause XI(b) complies with a direction given under clause XI(b)(ii); and

(b) notify the Disclosing Party of, and take all steps to prevent or stop, any suspected or actual breach of a direction given under clause XI(b)(ii).

(d) Disclosure by law

35. If a Recipient is required by law or the rules of any stock exchange to disclose any Confidential Information of a Disclosing Party to a third person (including, but not limited to, government) the Recipient must:

(a) before doing so:

(i) notify the Disclosing Party; and

(ii) give the Disclosing Party a reasonable opportunity to take any steps that the Disclosing Party considers necessary to protect the confidentiality of that information; and

(iii) notify the third person that the information is confidential information of the Disclosing Party.

XII. No reliance

(a) No reliance

36. The ISA acknowledges and agrees that it has not relied on:

(a) any representation or warranty, express or implied, by Nautilus Minerals or its Affiliates, including in relation to the viability of the Reserved Areas;

(b) the accuracy, reliability or completeness of information disclosed to it by or on behalf of, Nautilus or its Affiliates; or

(c) any recommendation by Nautilus or its Affiliates on the suitability of participating in the Business Proposal or the Joint Venture.

(b) Own investigations

37. Each party acknowledges and agrees that it enters into this Agreement and the transactions contemplated by it on the basis of its own independent investigation and assessment and that it has had the opportunity to make and has made reasonable enquiries and has satisfied itself in relation to matters arising from those investigations and, to the maximum extent permitted by law, each party and its Affiliates, officers and employees disclaim and release each other from all liability in relation to those matters.

XIII. Miscellaneous

(a) Capacity and status

38. Each party warrants, at the date of execution of this Agreement, that:

(a) it is duly organized, validly existing and in good standing under the laws of its place of incorporation;

(b) it has the capacity to enter into and perform its obligations under this Agreement and that all corporate and other internal actions required to authorize it to enter into and perform its obligations under this Agreement have been or will be properly taken;

(c) its execution, delivery and performance of this Agreement have been duly authorized by all required actions of its governing authority or owners and do not and will not:

(i) violate any law, rule, regulation, order or decree applicable to it; or

(ii) violate its constitution or organisational documents; and

(d) it will not breach any other agreement or arrangement by entering into or performing its obligations under this Agreement and this Agreement when signed will have been duly executed by it and will be valid and binding upon it in accordance with its terms.

(b) Alterations

39. This Agreement may be altered only in writing signed by each party.

(c) Assignment

(a) Nautilus shall be entitled to assign, transfer or novate the Agreement, any part of it, or any benefit or interest in or under it, to any of its co-venturers or an Affiliate.

(b) Nautilus shall be entitled to assign the Agreement, any part of it, or any benefit or interest in or under it, to any third party, provided such third party is capable of performing the obligations under the Agreement or otherwise with the written consent of the ISA which shall not be unreasonably withheld.

(c) The ISA undertakes that, in the event of any assignment described above, it will promptly execute a formal assignment of interest in the Agreement to the relevant party, to be effective upon the written assumption by the assignee of all obligations of Nautilus under the Agreement.

(d) Costs

40. Subject to clause V, each party must pay its own costs of negotiating, preparing and executing this Agreement, and any other agreement required by this Agreement.

(e) Stamp duty

41. Any stamp duty, duties or other taxes of a similar nature (including fines, penalties and interest) in connection with this Agreement must be paid by Nautilus.

(f) Survival

42. Any obligation which by its nature is intended to survive termination, survives termination of this Agreement.

(g) Counterparts

43. This Agreement may be executed in counterparts. All executed counterparts constitute one document.

(h) No merger

44. The rights and obligations of the parties under this Agreement do not merge on completion of any transaction contemplated by this Agreement.

(i) Entire agreement

45. This Agreement constitutes the entire agreement between the parties in connection with its subject matter and supersedes all previous agreements or understandings between the parties in connection with its subject matter.

(j) Further action

46. Each party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this Agreement and any transactions contemplated by it.

(k) Severability

47. A term or part of a term of this Agreement that is illegal or unenforceable may be severed from this Agreement and the remaining terms or parts of the term of this document continue in force.

(l) Waiver

48. A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

(m) Announcements

49. A public announcement in connection with this Agreement or any transaction contemplated by it must be approved by each party before it is made, except if required by law or a regulatory body (including a relevant stock exchange).

(n) Governing law and jurisdiction

50. This document is governed by the laws of England and each party submits to the non-exclusive jurisdiction of the courts of England.

51. In accordance with Article 188 of the UNCLOS any dispute, disagreement, controversy or claim arising out of or relating to this Agreement that is a question of the interpretation of Part XI and the Annexes relating thereto of the UNCLOS with

respect to activities in the Area shall be referred to the Seabed Disputes Chamber for a ruling.

XIV. Defined terms and interpretation

(a) Defined terms

52. In this Agreement including all of its schedules, the following terms have the following meanings unless the context otherwise requires:

- (i) **Affiliate** or affiliated means, in relation to a party:
 - a. a related body corporate of the party;
 - b. a company in which the party beneficially owns 50 per cent or more of the issued shares;
 - c. a trust of which the party is the beneficiary and from which the party has received 50 per cent or more of the distributions from that trust in the previous three years;
 - d. a trust of which a related body corporate of the party is the responsible entity, trustee, manager or investment adviser of the trust;
 - e. a limited partnership whose general partner is a related body corporate of the party;
 - f. a general partnership all of whose general partners are related bodies corporate of the party;
 - g. if the party is a limited partnership, general partnership or a trust, a custodian of an asset or assets of the limited partnership, general partnership or trust; or
 - h. if the party is an individual, the spouse, former spouse, mother, father, brother, sister or child over the age of 18 of the party.
- (ii) **Agreement** means this Heads of Agreement, including all schedules to it.
- (iii) **1994 Agreement** means the Agreement relating to the implementation of Part XI of UNCLOS.
- (iv) **Area** means the seabed and ocean floor and subsoil thereof beyond the limits of national jurisdiction which are controlled by the ISA.
- (v) **Authorities** means all Government bodies, instrumentalities, boards or other public authorities, having jurisdiction over Services.
- (vi) **Business day** means a day that is not a Saturday, Sunday, bank holiday or public holiday in either Brisbane, Australia or England.
- (vii) **Confidential Information** of a party (**Disclosing Party**) means all information:
 - a. treated by the Disclosing Party as confidential; and

b. disclosed by the Disclosing Party to another party or of which another party becomes aware, whether before or after the date of this Agreement, except information;

c. another party creates (whether alone or jointly with any third person) independently of the Disclosing Party; or

d. that is public knowledge (otherwise than as a result of a breach of confidentiality by another party or any of its permitted disclosees).

(viii) **Control** means the ownership, directly or indirectly, of more than 50 per cent of the voting rights in a legal entity.

(ix) **day** means a calendar day.

(x) **ISA** means the International Seabed Authority.

(xi) **Legislative requirements** includes all acts, ordinances, regulations, subordinate legislation, by-laws, orders, awards, certificates, licences, consents, permits and Approvals of any applicable jurisdiction.

(xii) **month** means a calendar month.

(xii) **Nautilus** means Nautilus Minerals Inc.

(xiii) **Recipient** has the meaning given in clause XI (a) of this Agreement.

(xiv) **Related company** means any subsidiary of that company and, where the plural is used means all of them.

(xv) **Reserved Areas** means the reserved areas described in Schedule 1 hereto.

(xvi) **Seabed Disputes Chamber** means the Seabed Disputes Chamber of the International Tribunal for the Law of the Sea established under Article 186 of the UNCLOS.

(xvii) **UNCLOS** means the United Nations Convention on the Law of the Sea 1982.

(b) Interpretation

53. In this Agreement, including all annexures, schedules and exhibits, except where the context otherwise requires:

(i) the singular includes the plural and vice versa, and a gender includes other genders;

(ii) another grammatical form of a defined word or expression has a corresponding meaning;

(iii) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this Agreement, and a reference to this Agreement includes any schedule or annexure;

(iv) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;

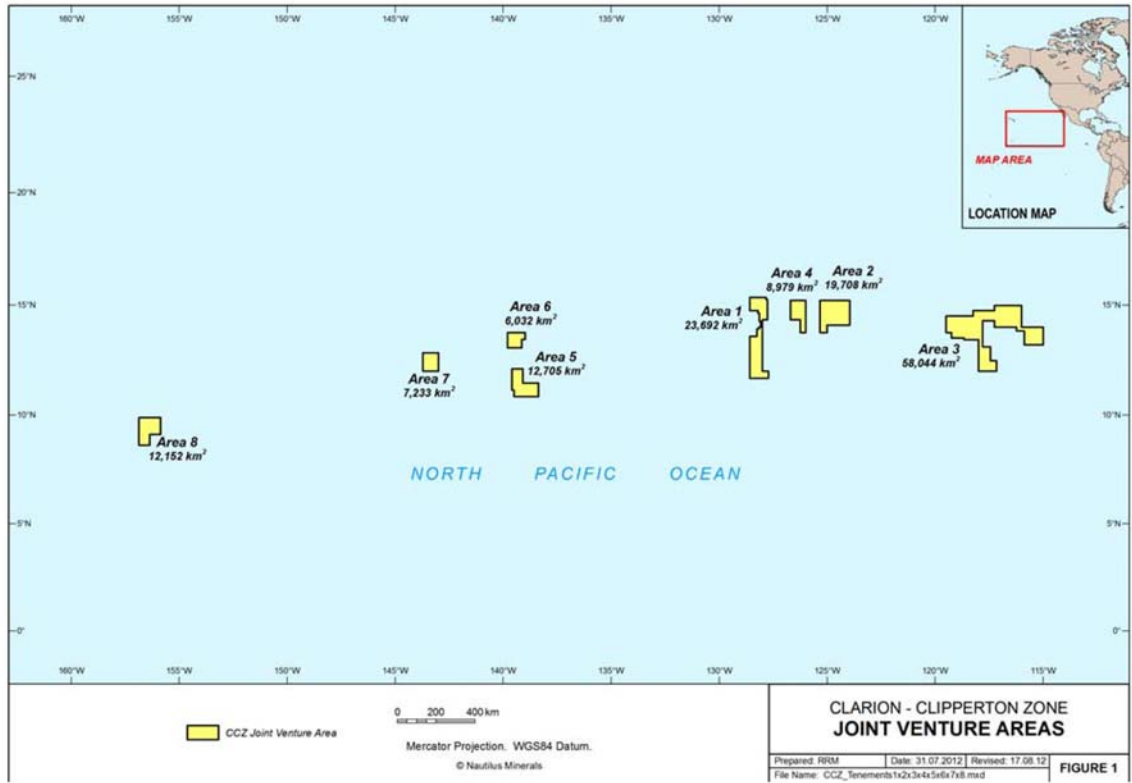
(v) a reference to **\$US, USD, dollar** or **\$** is to United States currency;

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- (vi) a reference to **€**, **EUR** or **Euro** is to the currency of those members of the European Union that are part of the Eurozone;
 - (vii) a reference to time is local time in respect of the relevant area of operations;
 - (viii) a reference to a party is to a party to this document, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
 - (viii) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
 - (ix) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (x) a word or expression defined in the *Corporations Act 2001* (Cth) has the meaning given to it in the *Corporations Act 2001* (Cth);
 - (xi) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
 - (xii) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
 - (xiii) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
 - (xiv) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this document or any part of it; and
 - (xv) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

(b) Headings

54. Headings are for ease of reference only and do not affect interpretation.

XV. Schedule 1-reserved areas



(a) Clarion-Clipperton Zone — Area 1

Boundary description in Longitude/Latitude coordinates (decimal degrees, WGS84 Datum)

All that area of seafloor covering the entire area of ISA reserved area *GTEC A1* in the Clarion Clipperton Zone of the North Pacific Ocean, bounded by a line commencing at the northwest corner at:

	128.5833 W	15.3333 N (the point of commencement)
then to	127.8333 W	15.3333 N
then to	127.8333 W	15.2500 N
then to	127.7667 W	15.2500 N
then to	127.7667 W	14.3333 N
then to	128.0000 W	14.3333 N
then to	128.0000 W	12.0000 N
then to	127.7167 W	12.0000 N
then to	127.7167 W	11.6667 N
then to	128.5833 W	11.6667 N
then to	128.5833 W	13.5760 N
then to	128.2500 W	13.5760 N
then to	128.2500 W	13.9167 N
then to	128.1667 W	13.9167 N
then to	128.1667 W	14.0000 N

then to 128.0833 W 14.0000 N
 then to 128.0833 W 14.2500 N
 then to 128.1522 W 14.2500 N
 then to 128.1522 W 14.6250 N
 then to 128.2083 W 14.6250 N
 then to 128.2083 W 14.7500 N
 then to 128.5833 W 14.7500 N
 then to 128.5833 W 15.3333 N being the point of commencement
 Total area of this reserved area is **23,692 km²**

(b) Clarion-Clipperton Zone — Area 2

Boundary description in Longitude/Latitude coordinates (decimal degrees, WGS84 Datum)

All that area of seafloor covering part of the ISA reserved area **GTEC A5** in the Clarion-Clipperton Zone of the North Pacific Ocean, bounded by a line commencing at the northwest corner at:

125.3330 W 15.2000 N (the point of commencement)
 then to 123.9520 W 15.2000 N
 then to 123.9520 W 14.0833 N
 then to 125.0000 W 14.0833 N
 then to 125.0000 W 13.7500 N
 then to 125.3333 W 13.7500 N
 then to 125.3330 W 15.2000 N being the point of commencement
 Total area of this reserved area is **19,708 km²**

(c) Clarion-Clipperton Zone — Area 3

Boundary description in Longitude/Latitude coordinates (decimal degrees, WGS84 Datum)

All that area of seafloor covering part of the ISA reserved area **UK Seabed Resources Ltd. A** in the Clarion-Clipperton Zone of the North Pacific Ocean, bounded by a line commencing at the northwest corner at:

119.5000 W 14.5000 N (the point of commencement)
 then to 118.2500 W 14.5000 N
 then to 118.2500 W 14.7500 N
 then to 117.2500 W 14.7500 N
 then to 117.2500 W 14.9667 N
 then to 116.0000 W 14.9667 N
 then to 116.0000 W 14.0000 N
 then to 115.0000 W 14.0000 N
 then to 115.0000 W 13.2000 N
 then to 115.8700 W 13.2000 N
 then to 115.8700 W 13.8200 N
 then to 116.2400 W 13.8200 N
 then to 116.2400 W 14.0000 N
 then to 117.2600 W 14.0000 N
 then to 117.2600 W 14.2800 N

then to 117.8000 W 14.2800 N
then to 117.8000 W 13.1000 N
then to 117.4400 W 13.1000 N
then to 117.4400 W 12.4700 N
then to 117.1600 W 12.4700 N
then to 117.1600 W 12.0000 N
then to 118.0000 W 12.0000 N
then to 118.0000 W 13.4333 N
then to 118.6667 W 13.4333 N
then to 118.6667 W 13.5000 N
then to 119.2500 W 13.5000 N
then to 119.2500 W 13.7500 N
then to 119.5000 W 13.7500 N
then to 119.5000 W 14.5000 N being the point of commencement
Total area of this reserved area is **58,043 km²**

(d) Clarion-Clipperton Zone — Area 4

Boundary description in Longitude/Latitude coordinates (decimal degrees, WGS84 Datum)

All that area of seafloor covering part of the ISA reserved area **GTEC A3** in the Clarion-Clipperton Zone of the North Pacific Ocean, bounded by a line commencing at the northwest corner at:

126.7000 W 15.1996 N (the point of commencement)
then to 126.0000 W 15.2000 N
then to 126.0000 W 13.7500 N
then to 126.2500 W 13.7500 N
then to 126.2500 W 14.3333 N
then to 126.7000 W 14.3333 N
then to 126.7000 W 15.1996 N being the point of commencement
Total area of this reserved area is **8,979 km²**

(e) Clarion-Clipperton Zone — Area 5

Boundary description in Longitude/Latitude coordinates (decimal degrees, WGS84 Datum)

All that area of seafloor covering part of the ISA reserved areas **YUZHMOGEOLOGIA 11 & COMRA 6** in the Clarion-Clipperton Zone of the North Pacific Ocean, bounded by a line commencing at the northwest corner at:

139.6000 W 12.1000 N (the point of commencement)
then to 139.1000 W 12.1000 N
then to 139.1000 W 11.4500 N
then to 138.3740 W 11.4500 N
then to 138.3740 W 10.8330 N
then to 139.5000 W 10.8333 N
then to 139.5000 W 11.1250 N
then to 139.6000 W 11.1250 N
then to 139.6000 W 12.1000 N being the point of commencement
Total area of this reserved area is **12,705 km²**

(f) Clarion-Clipperton Zone — Area 6

Boundary description in Longitude/Latitude coordinates (decimal degrees, WGS84 Datum)

All that area of seafloor covering part of the ISA reserved areas **YUZHMOERGEOLGIA 10 & 11** in the Clarion-Clipperton Zone of the North Pacific Ocean, bounded by a line commencing at the northwest corner at:

	139.8000 W	13.7500 N (the point of commencement)
then to	138.9800 W	13.7500 N
then to	138.9800 W	13.4500 N
then to	139.1400 W	13.4500 N
then to	139.1400 W	13.0600 N
then to	139.8000 W	13.0600 N
then to	139.8000 W	13.7500 N being the point of commencement

Total area of this reserved area is **6,032 km²**

(g) Clarion-Clipperton Zone — Area 7

Boundary description in Longitude/Latitude coordinates (decimal degrees, WGS84 Datum)

All that area of seafloor covering part of the ISA reserved area **YUZHMOERGEOLGIA 10** in the Clarion-Clipperton Zone of the North Pacific Ocean, bounded by a line commencing at the northwest corner at:

	143.7210 W	12.8333 N (the point of commencement)
then to	143.0000 W	12.8333 N
then to	143.0000 W	12.0000 N
then to	143.7210 W	12.0000 N
then to	143.7210 W	12.8333 N being the point of commencement

Total area of this reserved area is **7,233 km²**

(h) Clarion-Clipperton Zone — Area 8

Boundary description in Longitude/Latitude coordinates (decimal degrees, WGS84 Datum)

All that area of seafloor covering part of the ISA reserved area **COMRA 1** in the Clarion-Clipperton Zone of the North Pacific Ocean, bounded by a line commencing at the northwest corner at:

	156.8750 W	9.8750 N (the point of commencement)
then to	155.8783 W	9.8750 N
then to	155.8750 W	9.1250 N
then to	156.3750 W	9.1250 N
then to	156.3750 W	8.6250 N
then to	156.8750 W	8.6250 N
then to	156.8750 W	9.8750 N being the point of commencement

Total area of this reserved area is **12,152 km²**

Total area covered by Schedule 1 = 148,544 km²

XVI. Signing page

Signed for Nautilus Minerals Inc. by an authorized officer in the presence of

Signature of officer

Signature of witness

Name of officer (print)

Name of witness (print)

Office held

Signed for the International Seabed Authority by an authorized officer in the presence of

Signature of officer

Signature of witness

Name of officer (print)

Name of witness (print)

Office held
