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# Status of prospecting and contracts for exploration for polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts in the Area

#### Report of the Secretary-General

1. The present report provides the members of the Legal and Technical Commission with information on the status of prospecting and contracts for exploration for polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts in the Area. It also provides information on the status of implementation of certain decisions taken by the Assembly at its nineteenth session that will require formal revisions to be made to some of the existing contracts for exploration. The information contained in the present report is up to date as at 15 January 2014.

# I. Status of prospecting

2. On 6 September 2011, pursuant to regulation 4, paragraph 2, of the Regulations on Prospecting and Exploration for Polymetallic Sulphides in the Area, the Federal Institute for Geosciences and Natural Resources of Germany (BGR) notified the Secretary-General of its intention to engage in prospecting for polymetallic sulphides in the area of the southern central Indian ridge and the northern south-east Indian ridge. This notification was duly recorded and the prospector was informed accordingly. Prospectors are required to submit an annual report on the status of prospecting and the results obtained. The first such report, due from BGR in 2013, was duly received on 23 December and is submitted to the Commission pursuant to regulation 6.

### II. Status of exploration contracts

3. As at 15 January 2014, 14 contracts for exploration were in force (12 for polymetallic nodules and 2 for polymetallic sulphides). Five plans of work for





exploration have been approved by the Council but have not yet been concluded in the form of contracts. Seven further applications are pending consideration before the Legal and Technical Commission. The annex to the present document contains a summary of the status of contracts for exploration and applications for approval of plans of work for exploration for the three mineral resources currently regulated by the Authority.

- 4. At its nineteenth session, in 2013, the Council approved applications for approval of plans of work for exploration for cobalt-rich ferromanganese crusts by China Ocean Mineral Resources Research and Development Association (COMRA) and Japan Oil, Gas and Metals National Corporation (JOGMEC). Both plans of work have been prepared in the form of contracts for exploration. The contract with JOGMEC is scheduled to be signed in Tokyo on 27 January. It is anticipated that the contract with COMRA will be signed prior to the twentieth session of the Authority, to be held in July.
- 5. Three further plans of work for exploration, approved by the Council at its eighteenth session, remain to be concluded in the form of contracts. It is anticipated in this regard that contracts with the Government of the Republic of Korea, the Institut français de recherche pour l'exploitation de la mer (IFREMER) and Marawa Research and Exploration Ltd. (sponsored by Kiribati) will be signed prior to July 2014.

#### III. Implementation of revisions to standard clauses

- Each contract for exploration incorporates, as appendix II, the standard clauses for exploration contracts set out in annex IV to the applicable regulations. Those standard clauses were amended by two decisions of the Assembly last year. First, by its decision contained in document ISBA/19/A/9, the Assembly adopted several amendments to the Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area, including amendments in annex IV. Second, on 25 July 2013, the Assembly adopted the decision contained in document ISBA/19/A/12, in which it amended the standard clauses for exploration contracts in annex IV to the Nodules Regulations, the Sulphides Regulations and the Regulations on Prospecting and Exploration for Cobalt-rich Ferromanganese Crusts in the Area. The amendments introduce standard clauses 10.5 and 10.6, which require contractors to pay an annual fixed fee of \$47,000 when submitting their annual reports. The decision of the Assembly contained in document ISBA/19/A/12 includes special provisions with respect to the implementation of the decision in the context of contracts already in existence as at 25 July 2013 and with respect to applications submitted prior to that date.
- 7. With respect to contracts already in existence as at 25 July 2013,<sup>1</sup> the Assembly urged the Secretary-General to consult as soon as possible with each contractor with a view to renegotiating those contracts, in accordance with section 24.2 of the standard clauses, in order to include the new provisions. Accordingly, the

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<sup>&</sup>lt;sup>1</sup> These are: IOM; Yuzhmorgeologiya; Government of the Republic of Korea; COMRA (nodules); DORD; IFREMER; Government of India; BGR; Nauru Ocean Resources Inc.; Tonga Offshore Mining Limited; UK Seabed Resources Ltd.; G-TEC Sea Mineral Resources NV; COMRA (sulphides); and the Government of the Republic of Korea (nodules).

Secretary-General wrote to each contractor in July 2013 proposing amendments to the standard clauses in line with the decision of the Assembly. At the time the present report was prepared, Deep Ocean Resources Development (DORD) and G-TEC Sea Mineral Resources NV had formally accepted the revised standard clauses.

- 8. With respect to the five approved applications<sup>2</sup> and the four applications<sup>3</sup> submitted prior to 25 July, the Assembly requested the Secretary-General to consult the applicant prior to the signature of the contract with a view to incorporating the new provisions. This is in progress, and the contract to be signed with JOGMEC in January 2014 will include the revised standard clauses.
- 9. The Commission is invited to take note of the present report.

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<sup>&</sup>lt;sup>2</sup> These are: the Government of the Republic of Korea; IFREMER (sulphides); Marawa Research and Exploration Ltd.; JOGMEC; and COMRA (crusts).

<sup>&</sup>lt;sup>3</sup> These are: the Ministry of Natural Resources of the Russian Federation; UK Seabed Resources Ltd.; the Government of India; and Ocean Mineral Singapore Pte. Ltd.

#### Annex

# Status of contracts for exploration for polymetallic nodules, polymetallic sulphides and cobalt-rich ferromanganese crusts

# A. Contracts for exploration for polymetallic nodules

Contractor	Date of entry into force	Sponsoring State or States	General location of exploration area	Date of expiry	
Interoceanmetal Joint Organization	29 March 2001	Bulgaria, Cuba, Czech Republic, Poland, Russian Federation and Slovakia	Clarion-Clipperton Fracture Zone	28 March 2016	
Yuzhmorgeologiya	29 March 2001	Russian Federation	Clarion-Clipperton Fracture Zone	28 March 2016	
Government of the Republic of Korea	27 April 2001	-	Clarion-Clipperton Fracture Zone	26 April 2016	
China Ocean Mineral Resources Research and Development Association	22 May 2001	China	Clarion-Clipperton Fracture Zone	21 May 2016	
Deep Ocean Resources Development Co. Ltd.	20 June 2001	Japan	Clarion-Clipperton Fracture Zone	19 June 2016	
Institut français de recherche pour l'exploitation de la mer	20 June 2001	France	Clarion-Clipperton Fracture Zone	19 June 2016	
Government of India	25 March 2002	_	Indian Ocean	24 March 2017	
Federal Institute for Geosciences and Natural Resources of Germany	19 July 2006	Germany	Clarion-Clipperton Fracture Zone	18 July 2021	
Nauru Ocean Resources Inc.	22 July 2011	Nauru	Clarion-Clipperton Fracture Zone (reserved area)	21 July 2026	
Tonga Offshore Mining Limited	11 January 2012	Tonga	Clarion-Clipperton Fracture Zone (reserved area)	10 January 2027	

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Contractor	Date of entry into force	Sponsoring State or States	General location of exploration area	Date of expiry
Marawa Research and Exploration Ltd.	To be signed	Kiribati	Clarion-Clipperton Fracture Zone (reserved area)	-
UK Seabed Resources Ltd.	8 February 2013	United Kingdom of Great Britain and Northern Ireland	Clarion-Clipperton Fracture Zone	7 February 2028
G-TEC Sea Mineral Resources NV	14 January 2013	Belgium	Clarion-Clipperton Fracture Zone	13 January 2028

## B. Contracts for exploration for polymetallic sulphides

Contractor	Date of entry into force	Sponsoring State or States	General location of exploration area	Date of expiry
China Ocean Mineral Resources Research and Development Association	18 November 2011	China	South-west Indian ridge	17 November 2026
Government of the Russian Federation	29 October 2012	-	Mid-Atlantic ridge	28 October 2027
Government of the Republic of Korea	To be signed	-	Central Indian Ocean	-
Institut français de recherche pour l'exploitation de la mer	To be signed	France	Mid-Atlantic ridge	_

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

Contractor	Date of entry into force	Sponsoring State or States	General location of exploration area	Date of expiry
Japan Oil, Gas and Metals National Corporation	To be signed on 27 January 2014	Japan	Western Pacific Ocean	-
China Ocean Mineral Resources Research and Development Association	To be signed	China	Western Pacific Ocean	-

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