

**TEMPLATE FOR SUBMISSION OF TEXTUAL PROPOSALS DURING THE 27<sup>TH</sup> SESSION:  
COUNCIL - PART II**

***Open Ended Working Group – Financial Terms of Contracts***

*Please fill out one form for each textual proposal which your delegation(s) wish(es) to amend, add or delete and send to [council2022@isa.org.jm](mailto:council2022@isa.org.jm).*

**1. Name(s) of Delegation(s) making the proposal:**

Australia and Canada

**2. Please indicate the relevant provision to which the textual proposal refers.**

Definition of “Resources” in the Schedule to the draft Regulations.

**3. 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.**

(Proposed amendments in red text)

“Resources” means all solid, liquid or gaseous mineral resources, **mineral-bearing ore, associated minerals, or mixture thereof**, in situ in the Area at or beneath the seabed, including: (a) polymetallic nodules, defined as any deposit or accretion of nodules, on or below the surface of the deep seabed, which contain metals such as manganese, nickel, cobalt and copper; (b) polymetallic sulphides, defined as hydrothermally formed deposits of sulphides and accompanying mineral resources in the Area which contain concentrations of metals such as copper, lead, zinc, gold and silver; and (c) cobalt crusts, defined as cobalt-rich ferromanganese hydroxide/oxide deposits formed from direct precipitation of Minerals from seawater onto hard substrates containing concentrations of metals such as cobalt, titanium, nickel, platinum, molybdenum, tellurium, cerium and other metallic and rare earth elements.

**4. Please indicate the rationale for the proposal. [150 word limit]**

In the Briefing Note for the Fifth Meeting of the Open-ended Working Group of the Council on the financial terms of a contract, the Chair suggested including additional detailed requirements in Guidelines to refer to “mineral-bearing ore” and Metals, to aid auditing and analysis of records. Australia and Canada consider these requirements should be in legally binding provisions. The definition of “Resources” in the Schedule should be amended to include reference to ‘mineral-bearing ore’. A Standard should then elaborate on the metals on which the royalty is assessed. The

definition of “Resources” in the Schedule to the Regulations should also include reference to ‘associated minerals’. This would allow Council to consider making associated minerals subject to the payment provisions if, in the future, associated minerals are extractable, for example, if technology to extract value from additional co-products becomes feasible.