

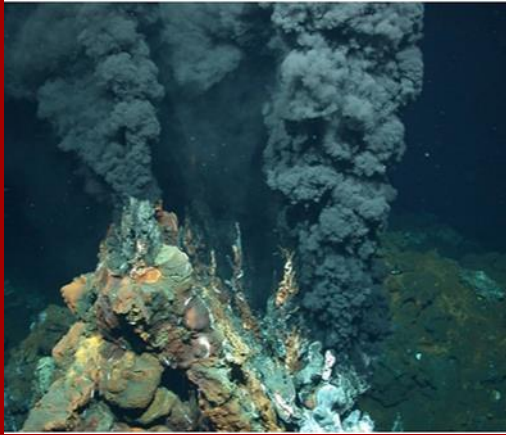


Deep seabed mining: the regulatory regime

Michael Lodge

*Legal Counsel, International
Seabed Authority*

17 March 2015



“The Area and its resources are the common heritage of mankind.”

Access to the Area

Access for qualified applicants only on the basis of a contract with the ISA acting on behalf of mankind as a whole

State party to the 1982
Convention or

State enterprise
sponsored by a State
party or

Natural or juridical
person possessing the
nationality of a State
Party and sponsored by
a State Party or

The Enterprise

Mining Code

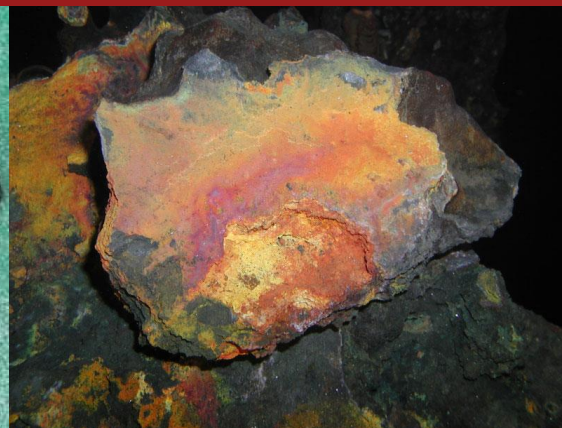
Regulations cover prospecting and exploration only



**Polymetallic
nodules**



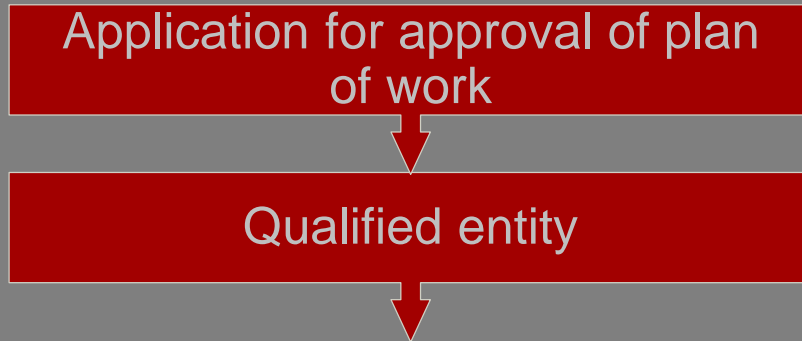
Cobalt-rich crusts



**Polymetallic
sulphides**

*Rules for exploitation currently under
development*

Process



State party to the 1982 Convention *or*

State enterprise sponsored by a State party *or*

Natural or juridical person possessing the nationality of a State Party and sponsored by a State Party *or*

The Enterprise

Process

Application for approval of plan
of work



Qualified entity



Sponsoring State




GOVERNMENT OF KIRIBATI
MINISTRY OF FISHERIES AND MARINE RESOURCES
DEVELOPMENT
P.O.Box 64, Bairiki, Tarawa, Republic of Kiribati
Tel: (686) 210999 Fax: (686) 21120
Email: info@mimrd.gov.ki

Our ref: _____ Date: 21st March, 2012

Mr. Nii Allotey Odunton
Secretary General
International Seabed Authority
14-20 Port Royal Street
Kingston, Jamaica

Dear Secretary-General,

In accordance with Regulation 11 of the *Regulations on Prospecting and Exploration for Polymetallic Nodules in the Area 2000* the Republic of Kiribati hereby certifies sponsorship of Marawa Research and Exploration Ltd. in its application to the Authority for a polymetallic nodule exploration contract, and assumes responsibility in accordance with article 139, article 153, paragraph 4, and Annex III, article 4, paragraph 4, of the *United Nations Convention on the Law of the Sea 1982*.

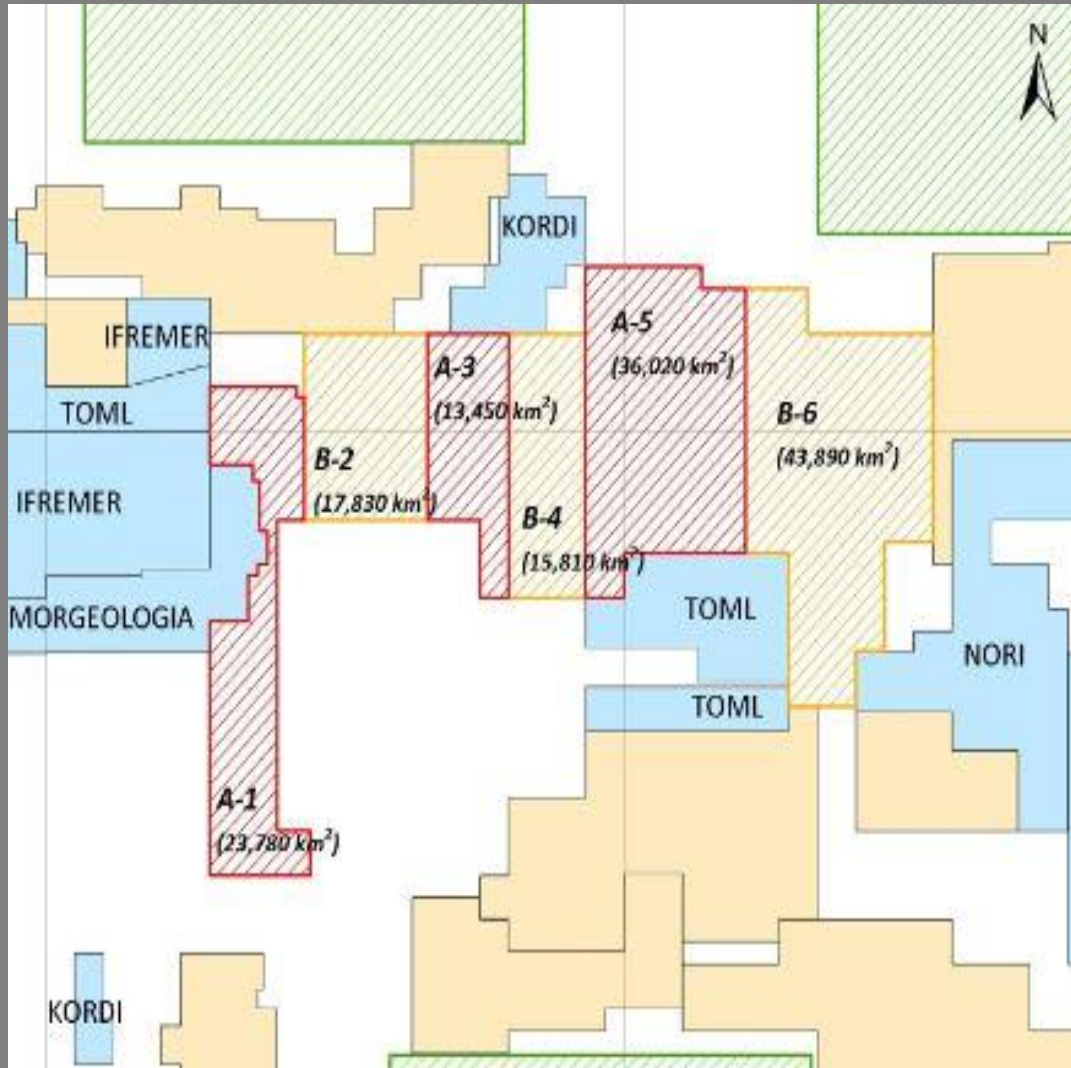
Marawa Research and Exploration Ltd. is a national State enterprise wholly owned by the Republic of Kiribati, and is subject to the effective control of the State.

The Republic of Kiribati ratified the *United Nations Convention on the Law of the Sea 1982* on 24 February 2003.

Yours Sincerely,


Hon. Timian Reiher
Minister of Fisheries and Marine Resources Development
Bairiki, Tarawa, Republic of Kiribati

Polymetallic nodules



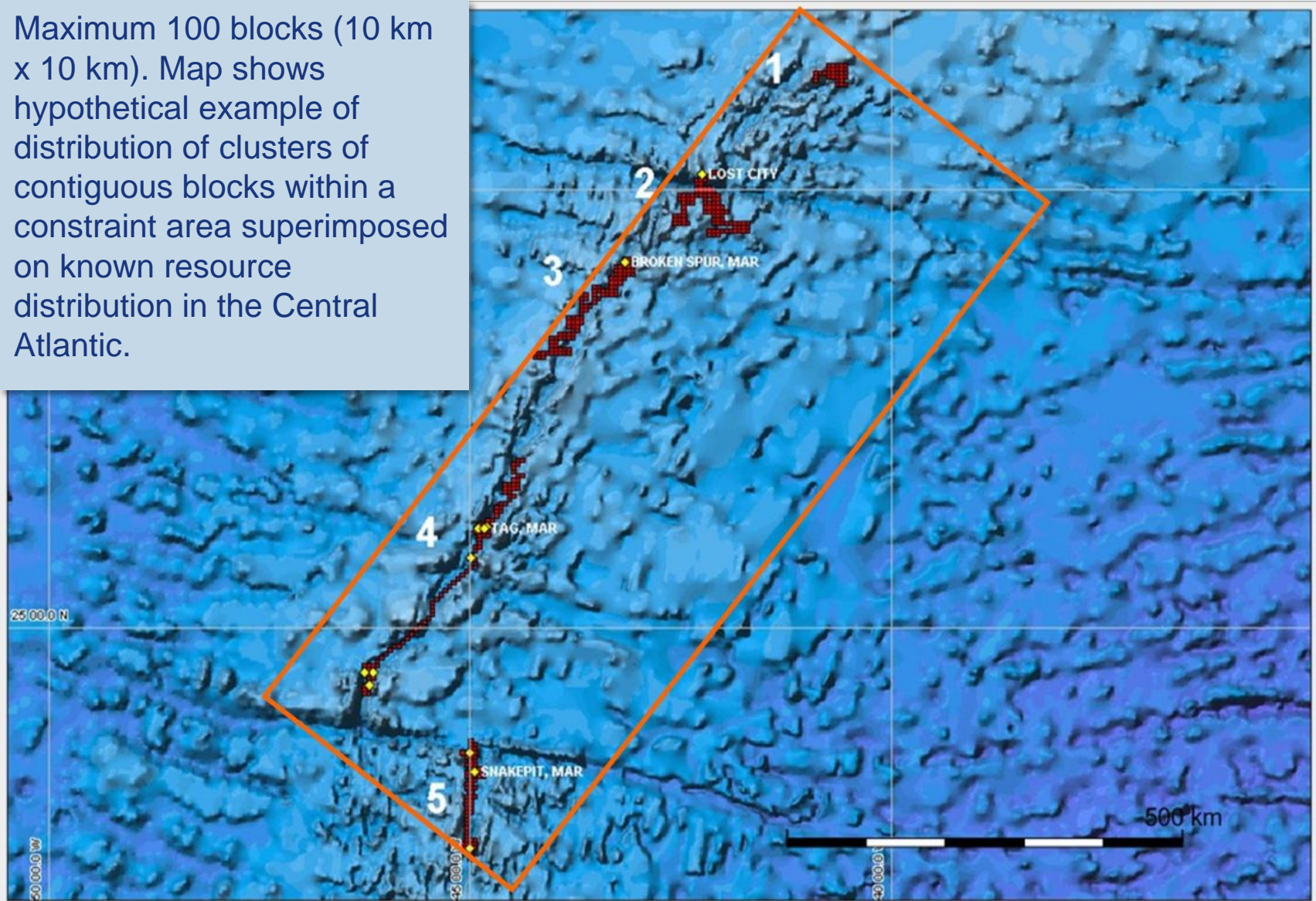
Two sites of equal estimated commercial value (one for the contractor, one to be reserved)

Each site not more than 150,000 Km² in size, relinquish to 75,000 Km²

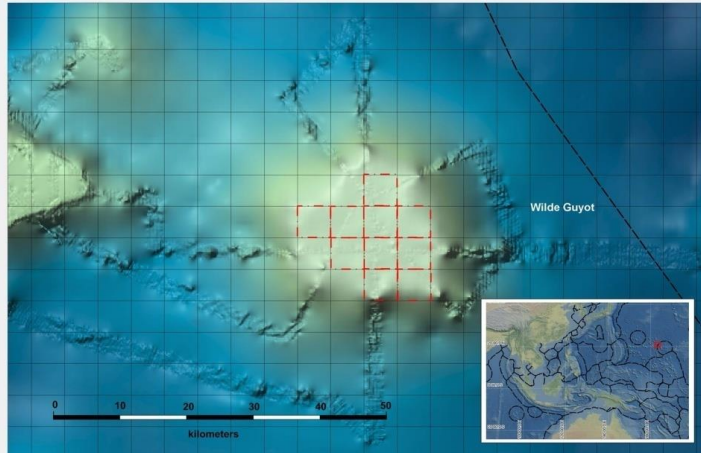
Any geographical configuration and need not be a single area

Polymetallic sulphides

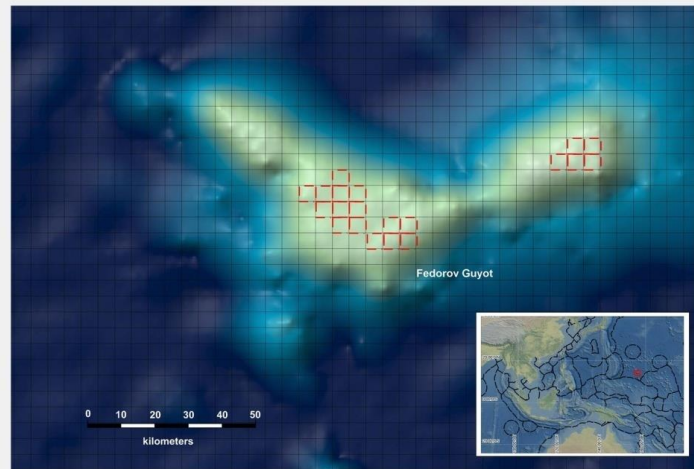
Maximum 100 blocks (10 km x 10 km). Map shows hypothetical example of distribution of clusters of contiguous blocks within a constraint area superimposed on known resource distribution in the Central Atlantic.



Cobalt-rich crusts



Example: Wilde Guyot with cluster of 10 blocks (5 x 5 km)



Example: Fedorov Guyot with 20 blocks (5 x 5 km) in 2 clusters



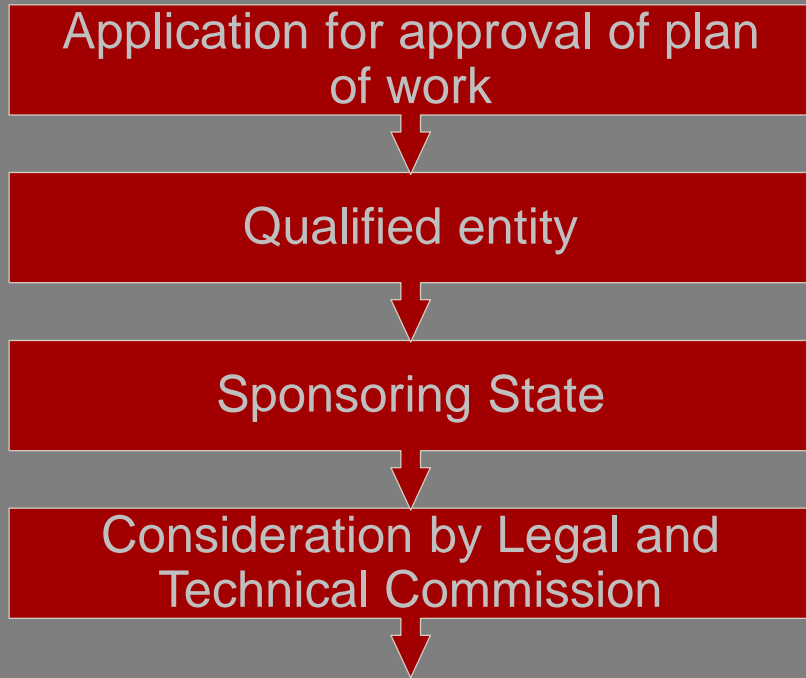
Each exploration block no more than 20 Km², may be square or rectangle.

Maximum of 150 block, arranged in clusters of maximum 5 contiguous blocks.

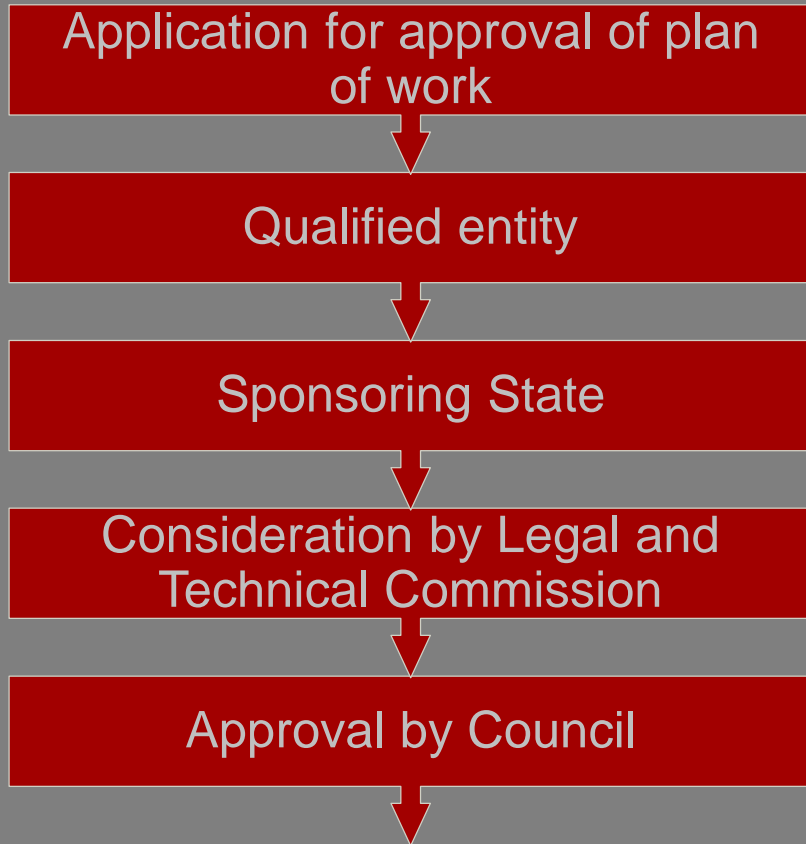
Clusters need not be contiguous but must be in a constraint area measuring 550 x 550 Km.

Total exploration area 3,000 Km², to be relinquished down to 500 km²

Process



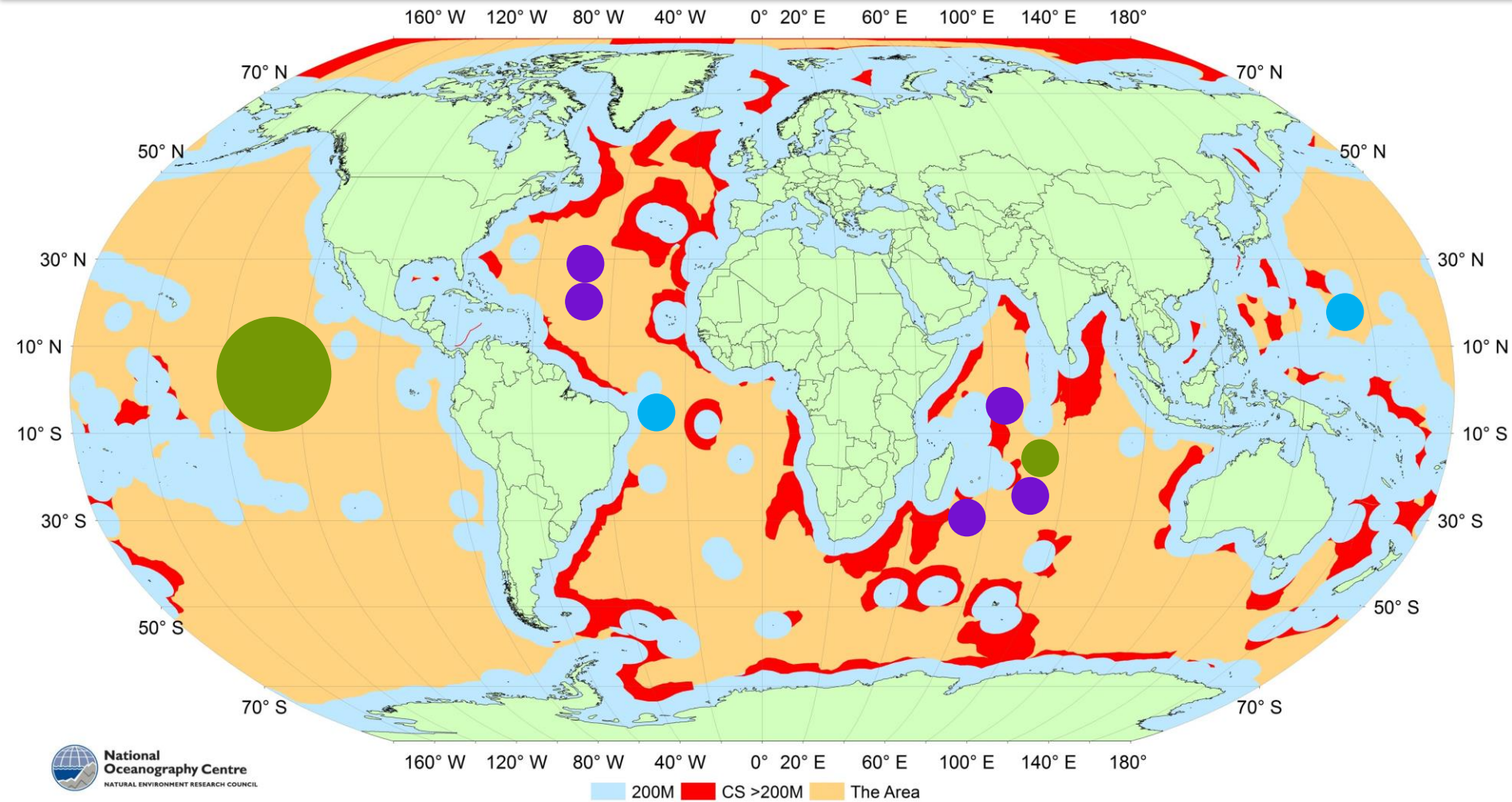
Process



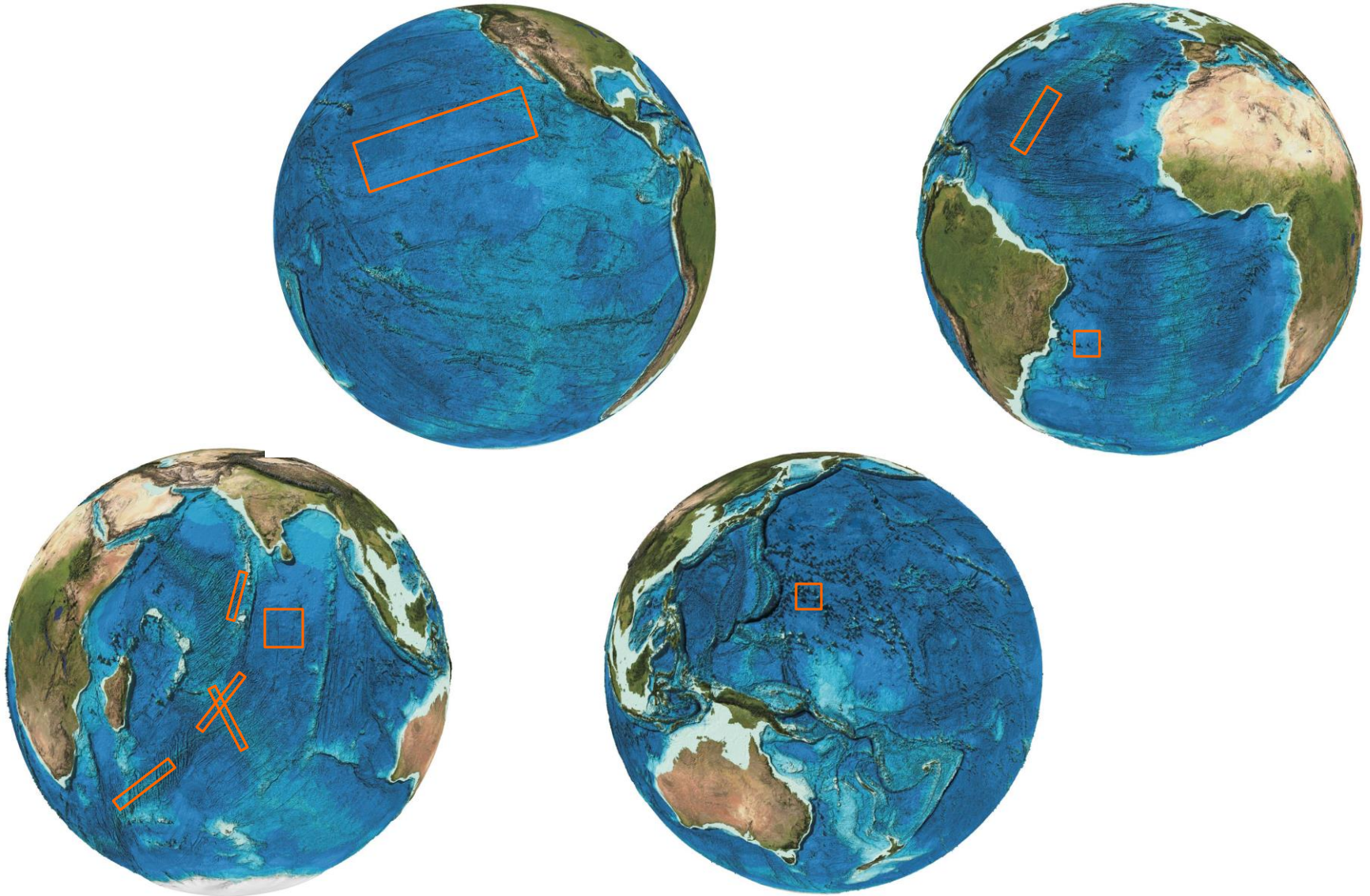
Process



Exploration contracts issued by ISA



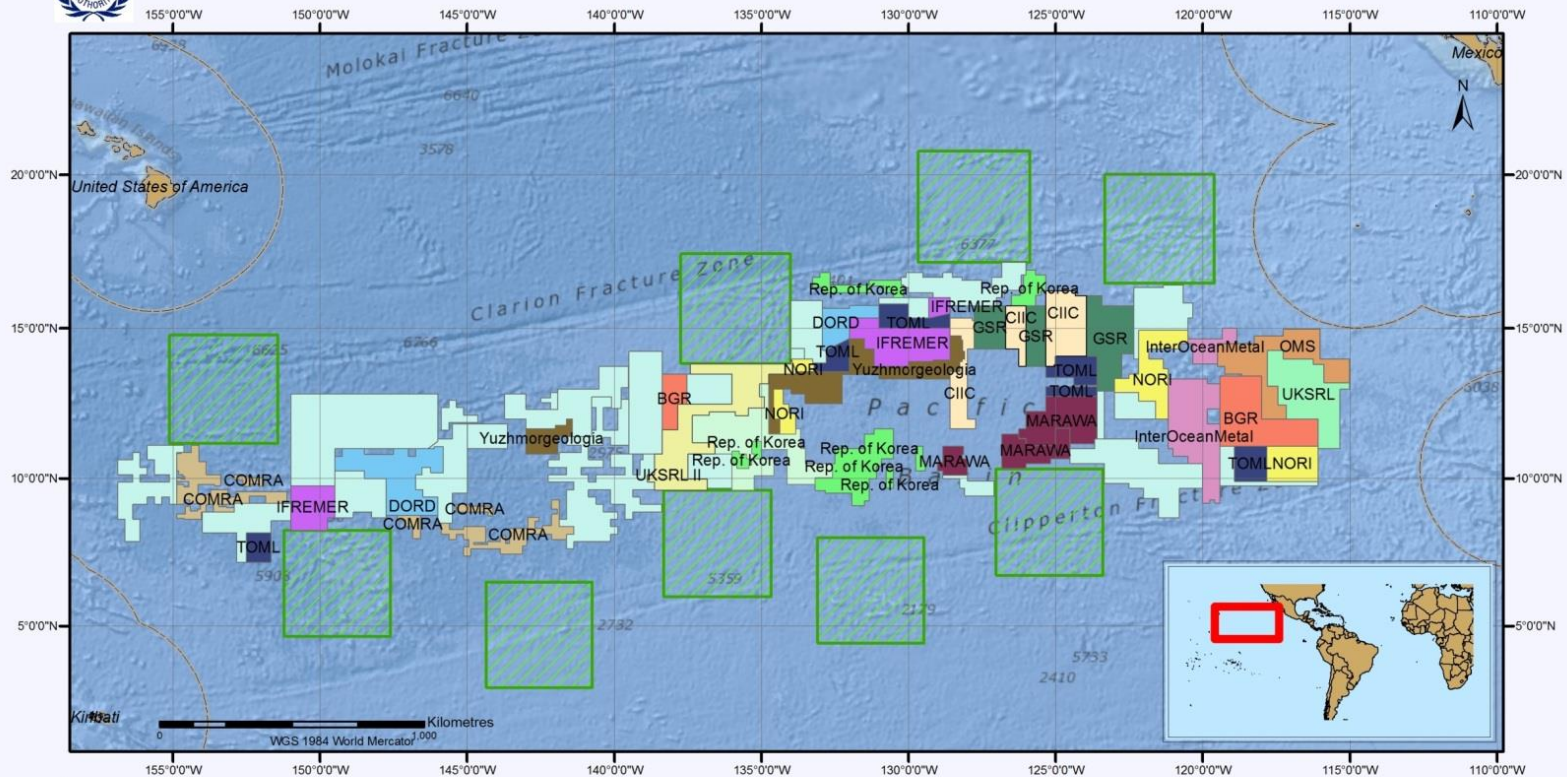
Exploration contracts issued by ISA



Exploration contracts issued by ISA



Polymetallic Nodules Exploration Areas in the Clarion-Clipperton Fracture Zone

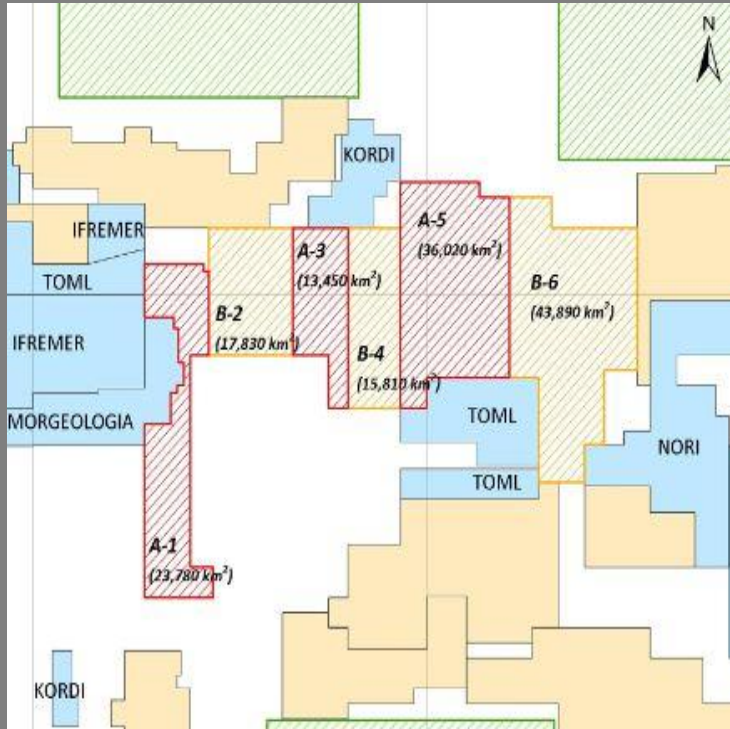


- | | |
|---|---|
| Ocean Mineral Singapore Pte Ltd. (OMS) | Government of the Republic of Korea |
| Cook Islands Investment Corporation (CIIC) | Institut français de recherche pour l'exploitation de la mer (IFREMER; France) |
| Marawa Research and Exploration Ltd (Kiribati) | Interoceanmetal (IOM; Bulgaria, Cuba, Czech Republic, Poland, Russian Fed., Slovakia) |
| Bundesanstalt für Geowissenschaften und Rohstoffe (BGR; Germany) | Nauru Ocean Resources Inc. (NORI; Nauru) |
| China Ocean Mineral Resources Research and Development Association (COMRA; China) | Tonga Offshore Mining Ltd (TOML, Tonga) |
| Deep Ocean Resources Development Company (DORD; Japan) | UK Seabed Resources Ltd (UKSRL I; UK) |
| G-TEC Minerals Resources NV (GSR; Belgium) | Yuzhmorgeologia (Russian Federation) |
| | UK Seabed Resources Ltd. (UKSRL II; UK) |
| Reserved area* | Area of particular environmental interest (APEI)** |
| | Exclusive Economic Zones |

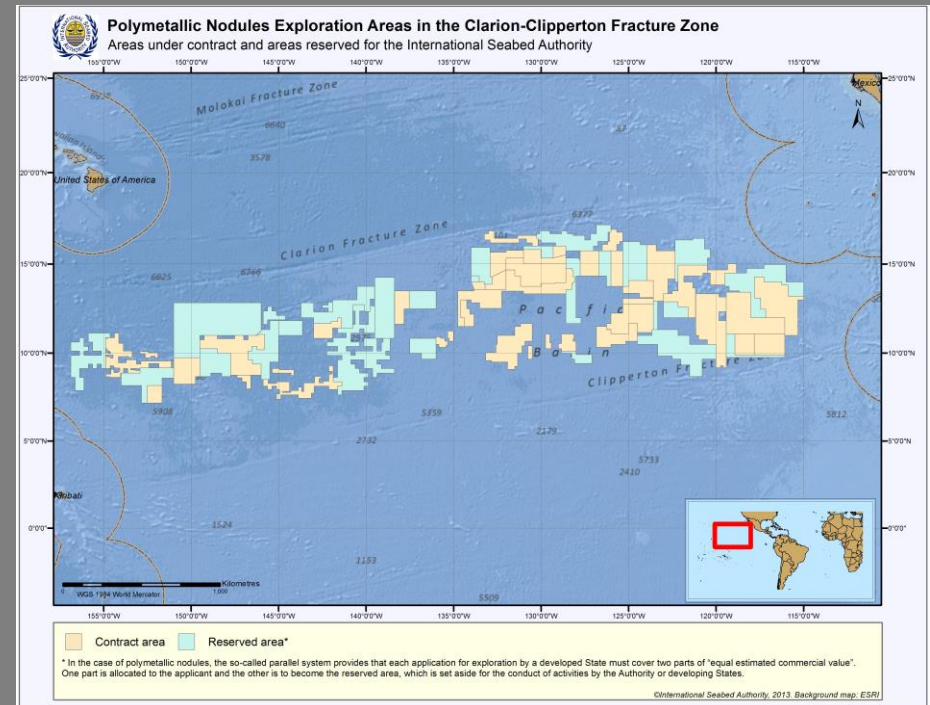
* In the case of polymetallic nodules, the so-called parallel system provides that each application for exploration by a developed State must cover two parts of "equal estimated commercial value". One part is allocated to the applicant and the other is to become the reserved area, which is set aside for the conduct of activities by the Authority or developing States.

** In July 2012, the Authority adopted an environmental management plan for the Clarion-Clipperton Zone to be implemented on a provisional basis over an initial three-year period. The plan includes the designation of a network of areas of particular environmental interest (ISBA/18/C/22).

Reserved areas

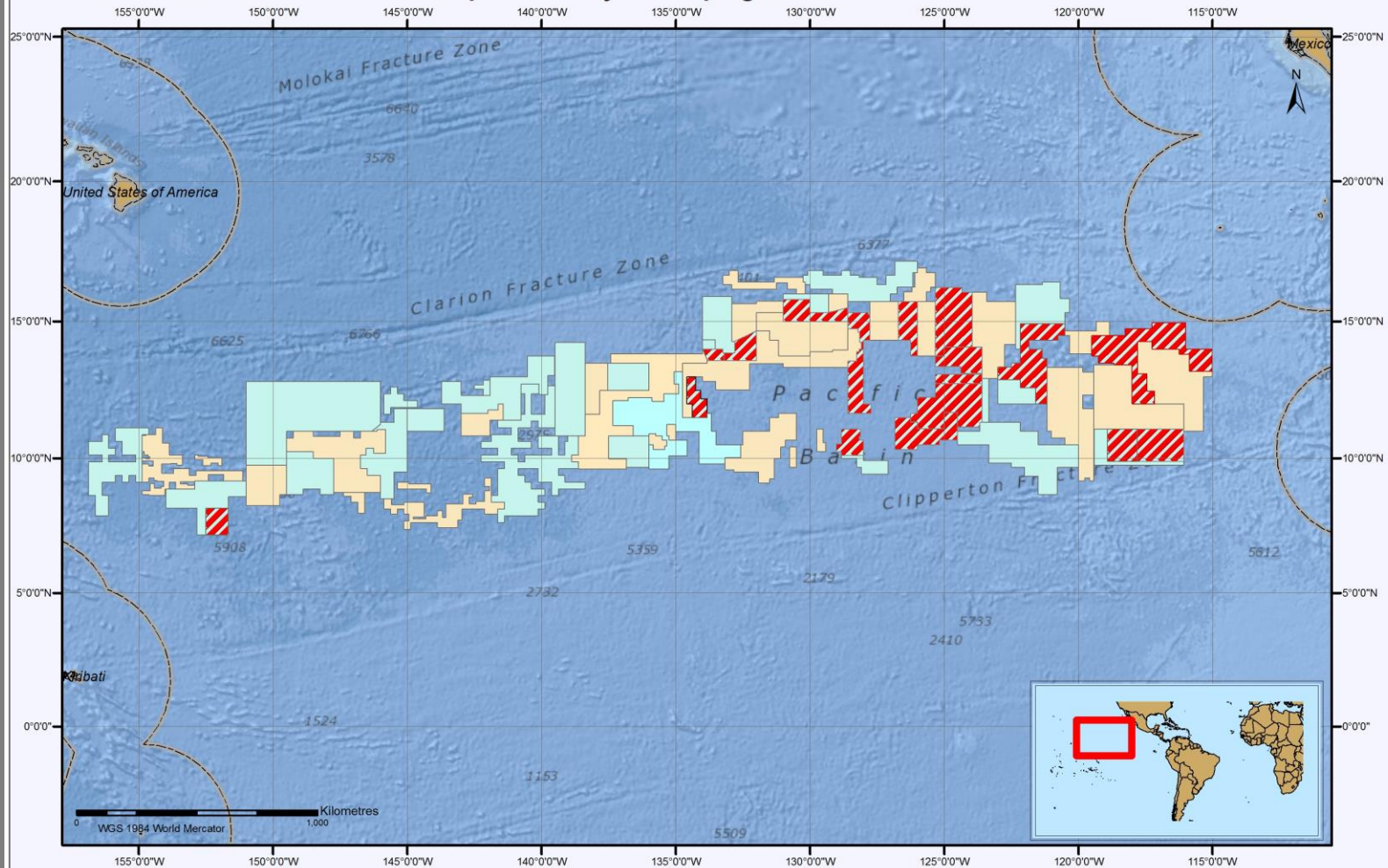


*Available to the Enterprise
or a developing State or
entity sponsored by a
developing State*



Reserved areas

Prospecting and exploration for polymetallic nodules in the Clarion-Clipperton Fracture Zone Plans of work in reserved areas sponsored by developing States



- Plan of work within reserved area sponsored by developing State (Tonga, Nauru, Kiribati, Cook Islands or Singapore)
- Other contract area
- Remaining reserved area*

* In the case of polymetallic nodules, the so-called parallel system provides that each application for exploration by a developed State must cover two parts of "equal estimated commercial value". One part is allocated to the applicant and the other is to become the reserved area, which is set aside for the conduct of activities by the Authority or developing States.

Standard contract terms

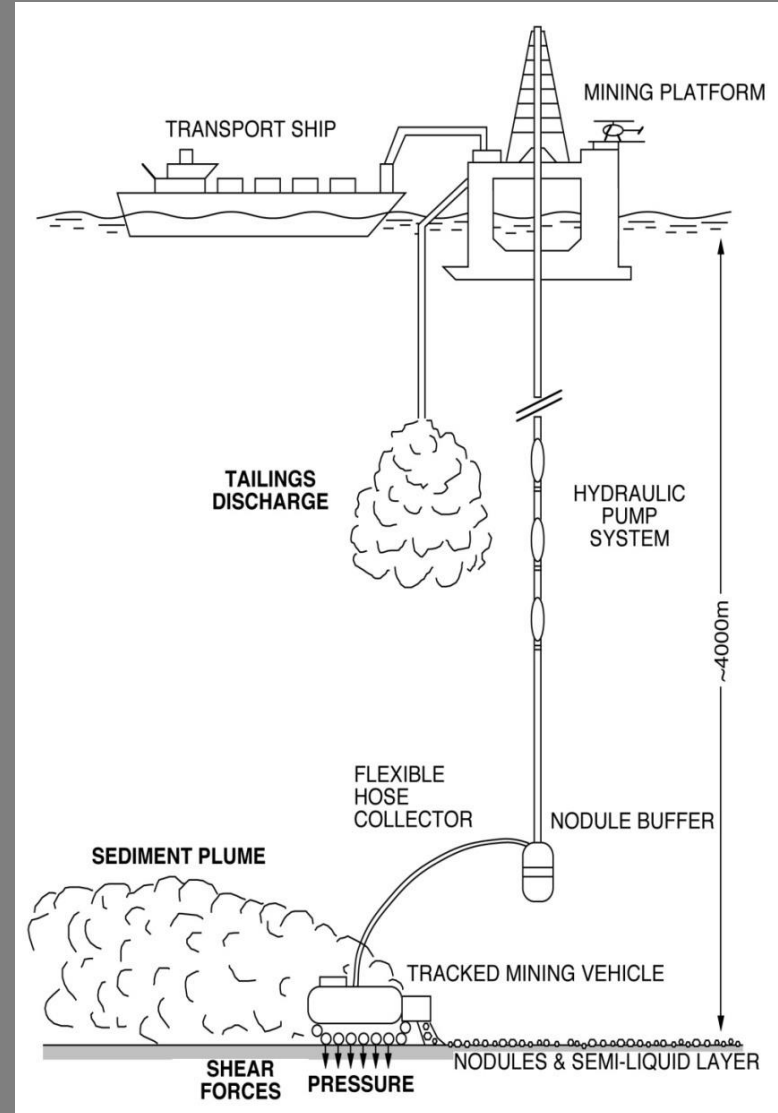
- 15 year duration, extension for 5 years in 'exceptional circumstances'
- Progressive relinquishment
- Mandatory training programme for personnel of developing countries
- Annual reporting
- Minimum exploration expenditure
- Preference for exploitation
- Disputes to be settled in accordance with Part XI, Section 5, of the Convention, including recourse to Seabed Disputes Chamber

Environment



Environment

- Baseline data
- Best practices
- Precautionary approach
- Annual reporting
- Monitoring
- Evaluation
- Prior EIA for test mining



Moving to exploitation

Developing a Regulatory Framework for Mineral Exploitation in the Area

Stakeholder Engagement

This stakeholder survey is the first stage of a consultative process and communications strategy being developed by the International Seabed Authority. It is aimed at a broad stakeholder base and seeks initial input into the development of further rules, regulations and procedures to be drawn up by the International Seabed Authority.



Developing a Regulatory Framework for Mineral Exploitation in the Area

Report to Members of the Authority and all stakeholders

This Report contains a draft framework for the regulation of exploitation activities in the Area, as requested by the Council. The Report is addressed to all stakeholders and seeks comment on the draft framework, which draws on the 2014 Stakeholder Survey.



Exploitation?

