MEDIA RELEASE

Monday 8 May 2023

The Metals Company loses second major investor as Maersk divests.

Bad news mounts for the floundering would-be miner The Metals Company (TMC) with The Wall Street Journal reporting the divestment of Danish shipping company Maersk. This follows the divestment last December by Norway's largest private asset manager, Storebrand.

Formerly TMC's second biggest shareholder, Maersk informed the newspaper that it now holds an interest of less than 2.3% in TMC and is in the process of selling all its shares.

Andy Whitmore, Deep Sea Mining Campaign's (DSMC) Finance Advocacy Officer stated, "TMC frequently cited its relationship with Maersk, presumably to boost its flagging credibility.[1] It makes sense for Maersk to divest to avoid reputational damage by association with TMC – a company heavily criticised on environmental and scientific grounds and with diminished financial prospects, and to also distance itself from the controversial emerging industry of deep sea mining.

Andy continued "Unfortunately for Maersk, it has suffered a financial loss as TMC's shares have been hovering around $0.80 down from $12 at the launch of the company in 2021."

This April saw TMC breaching Nasdaq rules for the second time in less than six months and receiving its second de-listing notice for trading below $1 for more than 30 days. Its first notice issued in December 2022 was removed after a temporary share rally.

TMC also continues to be embroiled in legal proceedings, both suing investors who failed to provide funding during the merger that formed the company, and itself being subject to class action for non-disclosure and "making false and/or misleading statements" during that merger. In addition, the latest TMC quarterly report reveals it is under investigation by the Securities and Exchange Commission over aspects of the merger and its purchase of Tongan mining licences.

The cash flow projected for TMC and its failure to raise revenue augers poorly for its viability. TMC's latest figures show only $46.8 million in the bank as of 31 December 2022. Despite an

---

[1] On the November 2022 presentation to investors, TMC listed Maersk as a 'tier 1 partner/investor' next to three other organisations who are current partners. There is a footnote which clarifies Maersk is a shareholder and the initial agreement had ended, but Maersk's logo continued to be used to imply ongoing support for TMC. As a result Maersk was often seen as a TMC supporter, for instance a February 2023 Guardian article notes "heavyweight investors now looking hungrily at deep-sea mining include the Danish logistics giant Maersk."

unsecured loan from partner Allseas and claims the company can cut expenses, it seems unlikely they can continue for more than a year.[2]

Faced with this financial crunch the company confidently asserts they will get a mining licence from July 2024. It has – with its sponsoring State Nauru – pushed hard for this to happen via the International Seabed Authority. TMC talks down the difficulties it faces, but they are growing all the time with an increasing number of countries stating opposition to their getting a licence and even Nauru saying will not let TMC apply for a license in July if standards are not in place.

Catherine Coumans, MiningWatch Canada notes "As a small Canadian start-up with serious cash-flow problems, TMC must keep talking up the chances of starting deep sea mining as soon as possible. Yet this same talk is making several countries more vocal in rejecting a rush into an entirely new extractive industry. The divestment of Maersk – following on from Storebrand's divestment in TMC and Lockheed Martin's recent divestment from UK Seabed Resources – shows a move away from risk associated with seabed mining among the bigger corporate players."

For more information

United Kingdom
Andy Whitmore, Deep Sea Mining Campaign
andy@dsm-campaign.org +44 7754 395 597

Australia
Nat Lowrey, Deep Sea Mining Campaign
communications@dsm-campaign.org +61 421 226 200

Canada
Dr. Catherine Coumans, MiningWatch Canada
catherine@miningwatch.ca +1 613-256-8331

[2] The projections are complicated by several factors. TMC claim that they will reduce their exploration expenditure, as the major operations have completed, and they can cut back their general operating expenses. However, assuming general expenses remain the same (around $30m) and some exploration and evaluation (even a quarter of average of last two years is $30m), leading to $60m. As the last confirmed balance was from end December, taking off 4 months to end April would leave $27m in the bank, add the Allseas loan of $25, and – leaving other factors aside, this means that cash should run out within a year without other action.