

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **July 31, 2023**

TMC THE METALS COMPANY INC.

(Exact name of registrant as specified in its charter)

British Columbia, Canada
(State or other jurisdiction of
incorporation)

001-39281
(Commission File Number)

Not Applicable
(IRS Employer
Identification No.)

**595 Howe Street, 10th Floor
Vancouver, British Columbia**
(Address of principal executive offices)

V6C 2T5
(Zip Code)

Registrant's telephone number, including area code: **(604) 631-3115**

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
TMC Common Shares without par value	TMC	The Nasdaq Stock Market LLC
Redeemable warrants, each whole warrant exercisable for one TMC Common Share, each at an exercise price of \$11.50 per share	TMCWW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

The information set forth under Item 8.01 of this Current Report on Form 8-K with respect to entering into the Exclusive Vessel Use Agreement and the Amendment to the Unsecured Credit Facility is incorporated into this Item 1.01 by reference.

Item 2.02. Results of Operations and Financial Condition.

The information set forth under Item 8.01 of this Current Report on Form 8-K with respect to cash on hand as of June 30, 2023 is incorporated into this Item 2.02 by reference.

The information in this Item 2.02 is unaudited and preliminary and does not present all information necessary for an understanding of the financial condition of TMC the metals company Inc. (the “Company”) as of June 30, 2023 and its results of operations for the three and six months ended June 30, 2023. The Company’s actual cash balance as of June 30, 2023 may differ from this estimate due to the completion of the Company’s quarter-end closing and financial reporting procedures.

Item 7.01. Regulation FD Disclosure.

On August 1, 2023, the Company issued a press release announcing a corporate update, a copy of which is furnished as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 8.01. Other Events.

Following the conclusion of Part II of the International Seabed Authority’s (“ISA”) 28th session on July 28, 2023, the Company, an explorer of lower-impact battery metals from seafloor polymetallic nodules, provided the following corporate update regarding its expected production capacity, development timeline, costs and liquidity and capital resources.

Expected Increased Production Capacity of the Project Zero Offshore System and Expected Associated Costs

In the fourth quarter of 2022, the Company successfully tested the pilot nodule collection system in Area D of its “NORI” project area in the Clarion Clipperton Zone of the Pacific Ocean in which the Company’s subsidiary, Nauru Ocean Resources Inc. (“NORI”), currently holds exclusive exploration rights for polymetallic nodules from the ISA. As a result of lifting to the production vessel, *Hidden Gem*, of more than 3,000 tonnes of wet nodules during these tests, the Company’s partner, Allseas Group S.A. (“Allseas”) and NORI believe that they can upgrade the pilot nodule collection system, including the *Hidden Gem*, into the first production system, which the Company refers to as the Project Zero Offshore System.

Allseas and NORI are now executing on a plan designed to increase the maximum production capacity of the Project Zero Offshore System from the previous estimate of 1.3 million wet tonnes per annum to an estimated 3.0 million wet tonnes per annum in stepped increments based on Allseas’ estimates – a potential increase of 130%. The upgrades are expected to include the addition of a second 15 meter collector vehicle, the use of a wider diameter riser pipe from the seafloor to the surface, implementation of a larger compressor spread and improvements to the system designed to further mitigate its environmental impacts. Capacity is expected to be increased over time as production and experience milestones are met, which the Company believes will help manage operational risk, minimize up-front capital expenditure requirements and allow for staged increases in capacity as environmental review thresholds are met. Most of these capacity improvements are expected to occur after NORI’s application for an exploitation contract over NORI Area D is ready for submission to the ISA.

In furtherance of the Company’s non-binding term sheet entered into in March 2022 with Allseas, the Company continues its discussions with Allseas regarding these upgrades and the development of the Project Zero Offshore System and anticipates reaching a definitive agreement with Allseas before the end of 2023. The definitive agreement is expected to include further detail on pre-production system development and post-production costs. There can be no assurances, however, that the Company will enter into a definitive agreement(s) with Allseas in a particular time period, or at all, or on terms similar to those currently expected, or that if such definitive agreement(s) is entered into that the Project Zero Offshore System will be successfully developed or operated.

In addition, on August 1, 2023, the Company and Allseas entered into an Exclusive Vessel Use Agreement pursuant to which Allseas will give exclusive use of the *Hidden Gem* to the Company in support of the development of the Project Zero Offshore System until the system is completed or December 31, 2026, whichever is earlier. In consideration of the exclusivity term, the Company will issue to Allseas 4.15 million common shares. The Company expects that the definitive agreement with Allseas discussed above will extend the exclusive use of the *Hidden Gem*. The foregoing description of the Exclusive Vessel Use Agreement does not purport to be a complete description of the rights and obligations of the parties thereunder and is qualified in its entirety by reference to the full text of the Exclusive Vessel Use Agreement attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Finalization of Application to the ISA for an Exploitation Contract for NORI Area D

NORI intends to submit an application to the ISA for an exploitation contract for NORI Area D following the conclusion of the July 2024 meeting of the ISA's 29th session. Assuming a one-year review process, we expect to be in production in the fourth quarter of 2025 if the application is approved. After consideration of feedback received from the ISA's Legal and Technical Commission ("LTC") following the pilot nodule collection tests, the Company plans to further add to its growing body of environmental data by conducting a post-collection test monitoring campaign in 2023 in NORI Area D and using the findings thereof as part of the initial application. This campaign was originally planned to be part of NORI's Environmental Management and Monitoring Plan ("EMMP") that will be submitted to the ISA following the initial application. The Company believes the findings of this campaign will strengthen the quality of the required Environmental Impact Statement and EMMP by providing additional information on the environmental regeneration of the collection test area. Based on observations during the 2022 post-collection test monitoring campaign as well as information shared by other contractors, we expect that the findings of this additional campaign will further enhance the quality of the application.

The Company estimates that it will require \$60 to \$70 million of cash in addition to \$20 million cash on hand as of June 30, 2023 (but not including potential drawdown on the existing Allseas credit facility) to submit an application for an exploitation contract for NORI Area D following the July 2024 ISA meeting. This estimate includes, among other things, the expected costs of:

- the environmental and social impact assessment ("ESIA"), including the post-collection test monitoring campaign described above;
- pre-feasibility studies;
- layup costs for the *Hidden Gem*;
- non-recurring engineering and project management on the Project Zero Offshore System;
- regulatory and legal; and
- payroll and other general corporate matters.

This estimate is exclusive of costs expected to be spent subsequent to submission of the application for an exploitation contract, including more detailed feasibility estimates and development costs on the Project Zero Offshore System as described above. The Company expects to refine its expected cash needs to prepare for potential commercialization following the time it submits its application to the ISA for an exploitation contract after it finalizes its planned definitive agreement with Allseas discussed above.

As previously disclosed by the Company, the ISA did not adopt final rules, regulations and procedures ("RRPs" or the "Mining Code") to allow for the exploitation of seafloor resources by the July 9, 2023 deadline. At its July 2023 session, the ISA released a road map to finalize the Mining Code with a view to its adoption during the 30th session of the ISA in 2025, with the potential for earlier adoption during the 29th session of the ISA in 2024 if the Mining Code is ready for adoption by then. The road map includes three scheduled ISA Council meetings through July 2024 to progress the Mining Code. There can be no assurances, however, that the Mining Code will be adopted within these timelines, or at all.

Consistent with Nauru's rights, as the sponsoring state of NORI, under the United Nations Convention on the Law of the Sea ("UNCLOS"), NORI reserves its right to submit a plan of work for exploitation, which will be part of any application for an exploitation contract NORI submits to the ISA, for NORI Area D in the absence of the adoption of the final Mining Code pursuant to Section 1, Paragraph 15(c) of the Annex to the 1994 agreement relating to the implementation of Part XI of UNCLOS, the possibility of which was recognized in ISA Council decisions ISBA/28/C/24 and ISBA/28/C/25. There can be no assurances, however, that the ISA will provisionally approve the plan or that such provisional approval would lead to the issuance of an exploitation contract by the ISA.

Assuming submission of an application for exploitation contract for NORI Area D in the third quarter of 2024 and the ISA's timely one-year review and approval thereof, the Company anticipates that its first production of nodules from NORI Area D could be in the fourth quarter of 2025. There can be no assurances, however, if the ISA will approve an application, or the plan of work included therein, and/or issue an exploitation contract.

Liquidity and Capital Resources

On July 31, 2023, the Company entered into the Amendment to the Unsecured Credit Facility with Argentum Credit Virtuti GCV (the “Lender”), the parent of Allseas Investments S.A. and an affiliate of Allseas, to extend the credit facility to November 30, 2024. Under the amended credit facility, the Company may borrow from the Lender up to \$25,000,000 in the aggregate through November 30, 2024. The foregoing description of the Amendment to the Unsecured Credit Facility does not purport to be complete description of the rights and obligations of the parties thereunder and is qualified in its entirety by reference to the full text of the Amendment to the Unsecured Credit Facility attached as Exhibit 10.2 to this Current Report on Form 8-K and incorporated herein by reference.

As a result, the Company’s current liquidity and capital resources include:

- \$20 million cash on hand as of June 30, 2023;
- \$25 million credit facility with the Lender available through November 30, 2024, which remains undrawn as of the filing of this Current Report on Form 8-K;
- \$30 million At-The-Market offering (“ATM”) pursuant to which the Company may, from time to time, issue and sell common shares, which remains unused as of the filing of this Current Report on Form 8-K; and
- \$100 million effective universal “shelf” registration statement pursuant to which the Company may issue common shares, preferred shares, debt securities, warrants and units, including the \$30 million common shares issuable under the ATM.

In addition, the Company will need additional financing to fund its continued operations over time. These financings could include additional public or private equity, debt financings, equity-linked financings or other sources of financing, including through non-dilutive asset, royalty or project-based and/or asset-based financings.

Forward-Looking Statements

This Current Report on Form 8-K contains “forward-looking” statements and information within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by words such as “aims,” “anticipates,” “believes,” “could,” “estimates,” “expects,” “forecasts,” “goal,” “intends,” “may,” “plans,” “possible,” “potential,” “seeks,” “will” and variations of these words or similar expressions, although not all forward-looking statements contain these words. Forward-looking statements in this Current Report on Form 8-K include, but are not limited to, statements concerning: the Company’s financial closing procedures; the Company’s financing plans; the Company’s expectations for the development of the Project Zero Offshore System, including the design, upgrades, cost, production capacity and timeline for completion; the expected terms and timing of a definitive agreement with Allseas; the timing of when the Company expects to submit an application to the ISA for an exploitation contract which will include a plan of work for exploitation; the estimated additional cash needed to submit an application to the ISA for an exploitation contract; the adoption of the final Mining Code by the ISA and the timing thereof; the Company’s plans to submit to the ISA an application for an exploitation contract and the plan of work for exploitation included therein; and the anticipated timing of the Company’s first commercial production of nodules from NORI Area D. The Company may not actually achieve the plans, intentions or expectations disclosed in these forward-looking statements, and you should not place undue reliance on these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in these forward-looking statements as a result of various factors, including, among other things: the Company’s strategies and future financial performance; the ISA’s ability to timely adopt the Mining Code and/or willingness to review and/or approve a plan of work for exploitation under UNCLOS on a timely basis, if at all; the Company’s ability to obtain exploitation contracts or approved plans of work for exploitation for its areas in the Clarion Clipperton Zone; regulatory uncertainties and the impact of government regulation and political instability on the Company’s resource activities; changes to any of the laws, rules, regulations or policies to which the Company is subject, including the terms of the final Mining Code, if any, adopted by ISA and the potential timing thereof; the impact of extensive and costly environmental requirements on the Company’s operations; environmental liabilities; the impact of polymetallic nodule collection on biodiversity in the Clarion Clipperton Zone and recovery rates of impacted ecosystems; the Company’s ability to develop minerals in sufficient grade or quantities to justify commercial operations; the lack of development of seafloor polymetallic nodule deposit; the Company’s ability to successfully enter into definitive agreement(s) with Allseas and other parties in which it is in discussions, if any; uncertainty in the estimates for mineral resource calculations from certain contract areas and for the grade and quality of polymetallic nodule deposits; risks associated with natural hazards; uncertainty with respect to the specialized treatment and processing of polymetallic nodules that the Company may recover; risks associated with collective, development and processing operations, including with respect to the development of onshore processing capabilities and capacity and Allseas’ expected development efforts with respect to the Project Zero Offshore System; the Company’s dependence on Allseas; fluctuations in transportation costs; fluctuations in metals prices; testing and manufacturing of equipment; risks associated with the Company’s limited operating history, limited cash resources and need for additional financing; risks associated with the Company’s intellectual property; Low Carbon Royalties’ limited operating history and other risks and uncertainties, any of which could cause the Company’s actual results to differ from those contained in the forward-looking statements, that are described in greater detail in the section entitled “Risk Factors” in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on March 27, 2023, as well as in other filings the Company may make with the SEC in the future. Any forward-looking statements contained in this Current Report on Form 8-K speak only as of the date hereof, and the Company expressly disclaims any obligation to update any forward-looking statements contained herein, whether because of any new information, future events, changed circumstances or otherwise, except as otherwise required by law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

<u>10.1</u>	<u>Exclusive Vessel Use Agreement, dated August 1, 2023, by and between TMC the metals company Inc. and Allseas Group S.A.</u>
<u>10.2</u>	<u>Amendment to the Unsecured Credit Facility, dated July 31, 2023, by and between TMC the metals company Inc. and Argentum Credit Virtuti GCV.</u>
<u>99.1</u>	<u>Press release dated August 1, 2023.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TMC THE METALS COMPANY INC.

Date: August 1, 2023

By: /s/ Craig Shesky

Name: Craig Shesky

Title: Chief Financial Officer

EXCLUSIVE VESSEL USE AGREEMENT

THIS AGREEMENT is dated August 1, 2023 between:

TMC THE METALS COMPANY INC., a company organized under the laws of British Columbia, Canada (“**TMC**”);

and

ALLSEAS GROUP S.A, a corporation organized under the laws of Switzerland (“**Allseas**”)

RECITALS

WHEREAS, Allseas and TMC have been working together since 2019 to develop and scale the collection of polymetallic nodules in the Clarion Clipperton Zone of the Pacific ocean (the “**CCZ**”);

AND WHEREAS, the Parties entered into a Pilot Mining Test System Agreement on July 8, 2019, as further amended (the “**PMTA**”), to design, develop and deploys the Pilot Mining Test System (“**PMTS**”) in NORI-D area;

AND WHEREAS, following the successful deployment of the PMTS, completion of the pilot test and completion of the PMTA, the Parties plan to modify and scale the PMTS into a commercial nodule collection system, where the PMTS is upgraded into a commercial system that will be capable of collecting and transporting a total of 1.3Mtpa of wet nodules from the NORI-D Area in the CCZ to shore (“**Project Zero System**”). In addition, the Parties intend to enter into a commercial nodule collection contract.

AND WHEREAS, the Parties continue to work towards a binding Heads of Terms Agreement to govern the development of the Project Zero System;

AND WHEREAS the Parties wish to maintain and extend the exclusive use of the Samsung 10000 production vessel, named “Hidden Gem” (the “**Hidden Gem**”) for use in TMC’s NORI-D Project and the development of the Project Zero System;

NOW THEREFORE, THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, agreements, representations and warranties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties to this Agreement covenant and agree as follows:

ARTICLE 1 **EXCLUSIVE USE OF THE HIDDEN GEM**

1.1 Exclusivity and Exclusivity Term

In consideration of TMC issuing 4,150,000 Common Shares of TMC (the “**Shares**”) to Allseas, Allseas undertakes to TMC that for the duration of the Exclusivity Term it will directly or indirectly allocate the vessel Hidden Gem exclusively in support of the development of the Project Zero System.

The Exclusivity Term commences on the date of this agreement and ends on the date, whichever occurs first:

- (a) The Project Zero System is completed; or
- (b) By mutual agreement of the Parties; or
- (c) Of Allseas' notice pursuant Section 3; or
- (d) 31 December 2026.

Furthermore, the Parties acknowledge and agree that any agreement related to the Project Zero System shall contain exclusivity terms with respect to the Hidden Gem and TMC engagement with Allseas for collection and transportation.

1.2 Payment for Exclusivity

As consideration for the Exclusivity Term, TMC shall issue to Allseas, within 14 days of the date hereof, 4,150,000 Shares. For greater certainty, Allseas shall not be entitled to any cash payment in connection with the Exclusivity Term. Allseas agrees and acknowledges that TMC shall issue the Shares in reliance on Allseas' representations contained in Section 2.2.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Mutual Representations and Warranties

Each Party represents to the other Party the following on the date hereof:

- (a) the Party is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of formation;
 - (b) the Party has the necessary corporate capacity and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations under this Agreement and has taken all necessary corporate action in respect of the foregoing;
 - (c) neither the Agreement nor the completion of the transactions contemplated hereby conflicts with, or will conflict with, or will result in a breach or violation of, any constituting documents of the Party, any agreement to which the Party is a party or by which the Party is bound, or any applicable law, where such conflict, breach or violation would prevent, impair or modify the performance by the Party of its obligations under this Agreement in any material respect;
 - (d) there is no consent, approval, authorization, release, waiver or other action of, or any registration, declaration, filing or notice with or to, any Governmental Authority or other person that is required for the execution or delivery by the Party of this Agreement or the performance of its obligations hereunder;
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- (e) this Agreement has been duly executed and delivered by the Party and will constitute upon execution and delivery thereof a legal, valid and binding obligation of the Party enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws of general application affecting the enforceability of remedies and rights of creditors and except that equitable remedies such as specific performance and injunction are in the discretion of a court.
- (f) the Shares have been duly authorized and, when issued and paid for in compliance with the provisions of this Agreement, will be validly issued, fully paid and nonassessable. The issuance and delivery of the Shares is not subject to pre-emptive, co-sale, right of first refusal or any other similar rights of the shareholders of TMC or any other person or any liens or encumbrances, other than encumbrances under applicable securities laws. Assuming the accuracy of the representations made by Allseas in the certificate referred to in Section 2.2, the offer and issuance by TMC of the Shares is exempt from registration under the Securities Act of 1933, as amended (the “**Securities Act**”) and is exempt from the prospectus requirement under applicable Canadian securities laws.

2.2 Allseas Representations and Warranties

Allseas represents to TMC the following:

- (a) that the issuance of the Shares to Allseas will not result in Allseas (individually or together with other persons with whom Allseas has identified, or will have identified, itself as part of a “group” in a public filing made with the SEC involving TMC’s securities) acquiring, or obtaining the right to acquire, in excess of 19.99% of the outstanding common shares of TMC or the voting power of TMC on a post transaction basis that assumes that the Shares have been issued;
 - (b) Allseas is acquiring the Shares pursuant to this Agreement for its own account for investment only and with no present intention of distributing any of such Shares or any arrangement or understanding with any other persons regarding the distribution of such Shares;
 - (c) Allseas is an “accredited investor” within the meaning of (i) Rule 501 of Regulation D promulgated under the Securities Act or (ii) a Qualified Institutional Buyer within the meaning of Rule 144A promulgated under the Securities Act; and
 - (d) Allseas will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of) any of the securities purchased hereunder except in compliance with the Securities Act, applicable blue sky laws, applicable Canadian securities laws and the rules and regulations promulgated thereunder and Allseas agrees that a restricted legend may be placed on the certificate(s) representing the Shares to such effect.
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ARTICLE 3
TERMINATION

3.1 Bankruptcy, Insolvency, and Financial Condition

- (a) Allseas may terminate this Agreement on notice to TMC if:
- (i) TMC fails to pay its debts generally as they become due or otherwise acknowledges insolvency;
 - (ii) TMC ceases to carry on business in the ordinary course;
 - (iii) TMC makes a general assignment for the benefit of its creditors;
 - (iv) TMC commences or institutes any application, proceeding, or other action under any statute, law, ordinance, regulation, rule, code, constitution, treaty, common law, government order, or other requirement or rule of law of any government authority relating to bankruptcy, insolvency, winding-up, reorganization, administration, plan of arrangement, relief or protection of debtors, compromise of debts, or similar laws, seeking:
 - (A) to adjudicate it as bankrupt or insolvent;
 - (B) reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition, compromise, arrangement, stay of proceedings of creditors generally, or other relief with respect to it or its assets or debts; or
 - (C) appointment of a receiver, interim receiver, receiver and manager, trustee, custodian, liquidator, or other similar official for it or for all or any substantial part of its assets; or
 - (v) there shall be commenced against TMC any case, proceeding, or other action of a nature referred to in Article 3.1(a)(iv) above which:
 - (A) results in the entry of an order granting any of the relief, adjudication or appointments set out in Article 3.1(a)(iv) above; or
 - (B) remains undismissed, undischarged, or unbonded for a period of thirty (30) days.

ARTICLE 4 GENERAL

4.1 Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by facsimile or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice, if sent by facsimile or other means of electronic communication, shall be deemed to have been received on the day of sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below. Notices of change of address shall also be governed by this Section. Notices and other communications shall be addressed as follows:

- (a) if to TMC:

TMC the metals company Inc.

10th Floor, 595 Howe Street
Vancouver, British Columbia
V6C 2T5 Canada

Attention: Gerard Barron, CEO
Email: Gerard@Metals.co

- (b) if to Allseas:

Allseas Group S.A.
Route de Pra de Plan 18
1618 Châtel-Saint-Denis
Switzerland Attention: Cornelis Kooger
Email: CKO@Allseas.com

4.2 Assignment

This Agreement shall enure to the benefit of and be binding upon the parties hereto and thereto, their respective successors and any permitted assignee of some or all of the parties' rights or obligations under this Agreement as permitted under this Section. Neither TMC nor Allseas shall assign all or any part of its rights, benefits or obligations under this Agreement without the prior written consent of the other.

4.3 Entire Agreement

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter described herein. There are no warranties, conditions or representations (including any that may be implied by statute), and there are no agreements in connection with such subject matter except as specifically set forth or referred to in this Agreement.

4.4 Governing Law

This Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales. The Parties agree that the courts of England are the most appropriate and convenient courts to settle disputes and accordingly neither Party will argue to the contrary.

4.5 Delivery; Electronic Execution

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. To evidence its execution of an original counterpart of this Agreement a party may send a copy of its signature on the execution page hereof or thereof to the other parties by facsimile or other means of recorded electronic transmission (including in PDF form) and such transmission shall constitute valid delivery of an executed copy of this Agreement

[Remainder of the page was intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the parties have executed this Agreement this 1st day of August, 2023.

TMC THE METALS COMPANY INC.

By: *Gerard Barron*

Name: Gerard Barron
Title: Chief Executive Officer

ALLSEAS GROUP S.A.

By: /s/ Edward Heerema
Name: E.P. Heerema
Title: President

Signature Page – Credit Facility – TMC and ALLSEAS

AMENDMENT TO THE UNSECURED CREDIT FACILITY

THIS AMENDMENT is dated July 31, 2023 between:

TMC THE METALS COMPANY INC., a company organized under the laws of British Columbia, Canada (“**TMC**”);

and

ARGENTUM CREDIT VIRTUTI GCV, a corporation organized under the laws of Belgium and the parent of Allseas Investments S.A. (“**Argentum**”)

RECITALS

WHEREAS TMC and Argentum entered into an Unsecured Credit Facility agreement (the “**UCF**”) on March 22, 2023.

AND WHEREAS the parties wish to amend the UCF as set forth below.

NOW THEREFORE, THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, agreements, representations and warranties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties to this Agreement covenant and agree as follows:

1. **Definitions.** Capitalized terms used and not defined in this Amendment have the respective meanings assigned to them in the UCF.
 2. **Amendments.** The UCF is hereby amended as follows:
 - 2.1. Section 1.1.10 shall be replaced in its entirety with the following: “Maturity Date” means November 30, 2024;
 3. **Entire Agreement.** This Amendment shall be read together with the UCF as a single agreement, and together constitute the entire agreement between the Parties with respect to the subject matter hereof and thereof. Each Party agrees to execute, acknowledge and deliver such further instructions, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Amendment. This Amendment may be executed in multiple originals, each of which shall be considered an original for all purposes and, collectively, shall be considered to constitute this Amendment. Signatures transmitted by facsimile or in a Portable Document Format (pdf) may be considered an original for all purposes, including, without limitation, the execution of this Amendment and enforcement of this Amendment. This Amendment shall prevail in case of any conflict with the UCF.
-

IN WITNESS WHEREOF the parties have executed this Amendment this 31st day of July, 2023.

TMC THE METALS COMPANY INC.

By: /s/ Gerard Barron

Name: Gerard Barron

Title: Chief Executive Officer

ARGENTUM CREDIT VIRTUTI GCV

By: /s/ Edward Heerema

Name: Edward Heerema

Title: Zaakvoerder

TMC Announces Corporate Update on Expected Timeline, Application Costs and Production Capacity Following Part II of the 28th Session of the International Seabed Authority

NEW YORK, Aug. 1, 2023 — TMC the metals company Inc. (Nasdaq: TMC) (“TMC” or “the Company”), an explorer of lower-impact battery metals from seafloor polymetallic nodules, today provided a corporate update on expected development timeline, production capacity and application costs for its NORI-D Nodule Project following the recent International Seabed Authority (ISA) Council decisions on a roadmap to deliver final rules, regulations and procedures, also known as the Mining Code.

Update Highlights:

- TMC subsidiary Nauru Ocean Resources Inc. (NORI) intends to submit an application to the ISA for an exploitation contract for NORI Area D following the July 2024 meeting of the ISA. Assuming a one-year review process, NORI expects to be in production in the fourth quarter of 2025.
- NORI and strategic partner Allseas plan for an increased production capacity for the Project Zero Offshore System, using the *Hidden Gem* vessel, from an estimated 1.3 million wet tonnes to an estimated 3.0 million wet tonnes per annum, an increase of 130%, including an additional 15-meter-wide collector vehicle, a wider diameter riser pipe, larger compressor spread, and improvements to the system designed to further mitigate its environmental impacts.
- The Company estimates that it will require \$60 to 70 million of additional cash to submit an application for an exploitation contract following the July 2024 meeting of the ISA.
- TMC had \$20M cash on hand and an undrawn \$25M unsecured credit facility as of June 30th 2023. Allseas has agreed to extend the maturity date of the \$25 million unsecured credit facility provided to the Company through November 30, 2024 on the same terms. In addition, on August 1, 2023, the Company and Allseas entered into an Exclusive Vessel Use Agreement which will give the Company exclusive use of the *Hidden Gem* in support of the development of the Project Zero Offshore System with 4.15 million common shares to be issued to Allseas as consideration.

Gerard Barron, TMC Chairman and CEO, commented: “While we were pleased to see the high level of motivation and collaboration among the ISA Members who made significant progress in Kingston this month, it is clear the Parties need more time to fulfill their legal obligation of delivering the Mining Code. After carefully listening during the last three weeks of ISA meetings, NORI now intends to submit an application following the July 2024 ISA session, which gives us more time to strengthen our environmental dataset while providing time for three more Council sessions and intersessional work. NORI will monitor closely the progress that the Council makes over the next three meetings. As a lean and capital-light enterprise with supportive strategic partners like Allseas, who is taking advantage of the additional time to improve the system’s annual production capacity and reduce its environmental impacts further, TMC and NORI are prepared to work within the ISA’s new roadmap. We are pleased to see the ISA’s reiteration of their obligation to consider a plan of work when we are ready to lodge it in consultation with our sponsoring state. Meanwhile, our teams continue work on the scientific evidence to support NORI’s application and we will include a campaign to revisit the site of last year’s pilot collection trials in the Clarion Clipperton Zone to further bolster our environmental knowledge. We will continue to share this data openly, with the entire world.”

Increased Production Capacity for Project Zero

Following the successful integrated system trials in 2022 where over 3,000 tonnes of nodules were lifted from seafloor to surface, TMC subsidiary NORI and its offshore partner and shareholder Allseas are now planning to increase the production capacity of the Project Zero Offshore System from an estimated 1.3 million wet tonnes per annum to an estimated 3.0 million wet tonnes per annum, a potential increase of 130%. Alongside upgrades to the pilot collector vehicle tested last year, the system is expected to include an additional 15-meter-wide collector vehicle, a wider diameter riser pipe, a larger compressor spread and improvements to the system to further mitigate its environmental impacts.

Capacity is expected to be increased in a phased approach based on ongoing environmental monitoring conducted in accordance with the Environmental Management and Monitoring Program (EMMP) and Adaptive Management System (AMS) to ensure ramp-up occurs within environmental thresholds in a plan designed to minimize up-front capital expenditure requirements and manage operational risk.

Allseas has agreed to extend the maturity date of the \$25 million unsecured credit facility provided to the Company through November 30, 2024 on the same terms as the existing credit facility. In addition, on August 1, 2023 the Company and Allseas entered into an Exclusive Vessel Use Agreement pursuant to which Allseas will give exclusive use of the *Hidden Gem* to the Company in support of the development of the Project Zero Offshore System with 4.15 million common shares issued to Allseas as consideration.

Finalizing NORI-D Application

After listening carefully during the recent ISA meetings, NORI intends to submit an application to the ISA for an exploitation contract for its NORI Area D following the July 2024 session, by which time the ISA would have concluded three additional ISA Council sessions while continuing with intersessional working groups.

Following feedback received from the ISA's Legal and Technical Commission (LTC), NORI will further add to its growing body of environmental data by conducting a new post-collection test campaign this year, a campaign which was originally slated to be part of NORI's Environmental Management & Monitoring Plan (EMMP) post application, which the Company believes will strengthen the quality of NORI's Environmental Impact Statement (EIS) and EMMP by providing additional information on the environmental regeneration of the collection test area. Based on observations during the 2022 post-collection test monitoring campaign as well as information shared by other contractors, NORI expects that the results of this additional campaign will further enhance the quality of its application.

Consistent with NORI's rights under the United Nations Convention on the Law of the Sea (UNCLOS), and the 1994 Agreement relating to the Implementation of Part XI of UNCLOS (the Agreement), NORI reserves its right to submit an application for a plan of work for exploitation, which will be included as part of the application for an exploitation contract, prior to the ISA's provisional adoption and approval of the Mining Code, the possibility of which was recognized in the ISA Council decisions ISBA/28/C/24 and ISBA/28/C/25, and to have that application considered and provisionally approved pursuant to Section 1, Paragraph 15 of the Annex to the Agreement.

Assuming a one-year review process for an application, NORI expects to be in production in the fourth quarter of 2025.

Financial Position

The Company estimates that it will require \$60 to 70 million of cash in addition to the \$20 million cash on hand as of June 30, 2023 (but not including potential drawdown on the existing Allseas credit facility) to submit an application for an exploitation contract for NORI Area D following the July 2024 meeting of the ISA. This estimate includes, among other things, the expected costs of:

- The environmental and social impact assessment (ESIA), including a post-collection test monitoring campaign
- Pre-feasibility studies
- Non-recurring engineering and project management on the Project Zero Offshore System
- Layup costs for the *Hidden Gem*
- Regulatory and legal costs
- Payroll and other general corporate matters
- This estimate is exclusive of costs expected to be spent subsequent to submission of the application for an exploitation contract on more detailed feasibility estimates and to progress Project Zero Offshore System development.
- The Company expects to refine its expected cash needs to prepare for potential commercialization following the time NORI submits its application to the ISA for an exploitation contract after it finalizes its planned definitive agreement with Allseas.

Current liquidity and capital resources as of June 30, 2023:

- Cash balance of \$20 million,
- \$25 million unsecured credit facility with an affiliate of Allseas, which remains undrawn today,
- \$30 million at-the-market equity program (ATM), which remains unused today, and
- \$100 million effective universal “shelf” registration statement pursuant to which the Company may issue securities, including the \$30 million common shares issuable under the ATM.

About The Metals Company

The Metals Company is an explorer of lower-impact battery metals from seafloor polymetallic nodules, on a dual mission: (1) supply metals for the clean energy transition with the least possible negative environmental and social impact and (2) accelerate the transition to a circular metal economy. The Company through its subsidiaries holds exploration and commercial rights to three polymetallic nodule contract areas in the Clarion Clipperton Zone of the Pacific Ocean regulated by the International Seabed Authority and sponsored by the governments of Nauru, Kiribati and the Kingdom of Tonga.

More Info

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Forward-Looking Statements

This press release contains “forward-looking” statements and information within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by words such as “aims,” “anticipates,” “believes,” “could,” “estimates,” “expects,” “forecasts,” “goal,” “intends,” “may,” “plans,” “possible,” “potential,” “seeks,” “will” and variations of these words or similar expressions, although not all forward-looking statements contain these words. Forward-looking statements in this press release include, but are not limited to, statements concerning: the Company’s financial closing procedures; the Company’s financing plans; the Company’s expectations for the development of the Project Zero Offshore System, including the design, upgrades, cost, production capacity and timeline for completion; the expected terms and timing of a definitive agreement with Allseas; the timing of when the Company expects to submit an application to the ISA for an exploitation contract which will include a plan of work for exploitation; the estimated additional cash needed to be to submit an application to the ISA for an exploitation contract; the adoption of the final Mining Code by the ISA and the timing thereof; the Company’s plans to submit to the ISA an application for an exploitation contract and the plan of work for exploitation included therein; and the anticipated timing of the Company’s first commercial production of nodules from NORI Area D. The Company may not actually achieve the plans, intentions or expectations disclosed in these forward-looking statements, and you should not place undue reliance on these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in these forward-looking statements as a result of various factors, including, among other things: the Company’s strategies and future financial performance; the ISA’s ability to timely adopt the Mining Code and/or willingness to review and/or approve a plan of work for exploitation under UNCLOS; the Company’s ability to obtain exploitation contracts or approved plans of work for exploitation for its areas in the Clarion Clipperton Zone; regulatory uncertainties and the impact of government regulation and political instability on the Company’s resource activities; changes to any of the laws, rules, regulations or policies to which the Company is subject, including the terms of the final Mining Code, if any, adopted by ISA and the potential timing thereof; the impact of extensive and costly environmental requirements on the Company’s operations; environmental liabilities; the impact of polymetallic nodule collection on biodiversity in the Clarion Clipperton Zone and recovery rates of impacted ecosystems; the Company’s ability to develop minerals in sufficient grade or quantities to justify commercial operations; the lack of development of seafloor polymetallic nodule deposit; the Company’s ability to successfully enter into binding agreements with Allseas and other parties in which it is in discussions, if any; uncertainty in the estimates for mineral resource calculations from certain contract areas and for the grade and quality of polymetallic nodule deposits; risks associated with natural hazards; uncertainty with respect to the specialized treatment and processing of polymetallic nodules that the Company may recover; risks associated with collective, development and processing operations, including with respect to the development of onshore processing capabilities and capacity and Allseas’ expected development efforts with respect to the Project Zero Offshore System; the Company’s dependence on Allseas; fluctuations in transportation costs; fluctuations in metals prices; testing and manufacturing of equipment; risks associated with the Company’s limited operating history, limited cash resources and need for additional financing;; risks associated with the Company’s intellectual property; Low Carbon Royalties’ limited operating history and other risks and uncertainties, any of which could cause the Company’s actual results to differ from those contained in the forward-looking statements, that are described in greater detail in the section entitled “Risk Factors” in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on March 27, 2023, as well as in other filings the Company may make with the SEC in the future. Any forward-looking statements contained in this press release speak only as of the date hereof, and the Company expressly disclaims any obligation to update any forward-looking statements contained herein, whether because of any new information, future events, changed circumstances or otherwise, except as otherwise required by law.
