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): **September 9, 2021**

TMC THE METALS COMPANY INC.
(Exact name of registrant as specified in its charter)

British Columbia, Canada	**001-39281**	**Not Applicable**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

595 Howe Street, 10th Floor **Vancouver, British Columbia**	**V6C 2T5**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(574) 252-9333**

Sustainable Opportunities Acquisition Corp.
1601 Bryan Street, Suite 4141
Dallas, Texas 75201
(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. ☐

INTRODUCTORY NOTE

Due to the large number of events reported under the specified items of Form 8-K, this Current Report on Form 8-K is being filed in two parts. An amendment to this Form 8-K is being submitted for filing on the same date to include additional matters under Items 3.01, 5.03, 7.01 and 8.01 of Form 8-K.

On September 9, 2021 (the "Closing Date"), Sustainable Opportunities Acquisition Corp., a Cayman Islands exempted company limited by shares ("SOAC" and after the Business Combination described herein, the "Company"), consummated the previously announced business combination (the "Business Combination") pursuant to the terms of the Business Combination Agreement, dated as of March 4, 2021 (the "Business Combination Agreement"), by and among SOAC, 1291924 B.C. Unlimited Liability Company, an unlimited liability company existing under the laws of British Columbia, Canada ("NewCo Sub"), and DeepGreen Metals Inc., a company existing under the laws of British Columbia, Canada ("DeepGreen"). A description of the Business Combination and the terms of the Business Combination Agreement are included in the proxy statement/prospectus filed with the U.S. Securities and Exchange Commission (the "SEC") on August 13, 2021 (the "Proxy Statement"), in the section entitled "*Proposal No. 2 – Business Combination Proposal*" beginning on page 207 of the Proxy Statement. As used in this Current Report on Form 8-K, "TMC" refers to SOAC after giving effect to the consummation of the Continuance (as defined below).

Prior to the Effective Time (as defined below), SOAC migrated and was continued from the Cayman Islands to British Columbia, Canada and was domesticated as a company existing under the laws of British Columbia, pursuant to Part XII of the Cayman Islands Companies Act (as Revised) and Part 9, Division 8 of the *Business Corporations Act* (British Columbia) (the "BCBCA") (such continuance, the "Continuance"). As a result and upon the consummation of the Continuance, (i) the identifying name of the Class A ordinary shares of SOAC, par value $0.0001 per share (the "Class A ordinary shares"), and Class B ordinary shares of SOAC, par value $0.0001 per share (the "Class B ordinary shares"), were changed to common shares of the Company (the "TMC Common Shares") and the Class A ordinary shares and Class B ordinary shares were changed from shares with par value to shares without par value; (ii) the rights and restrictions attached to the renamed Class A ordinary shares and Class B ordinary shares of SOAC were deleted and the shares have the rights and restrictions attached to the TMC Common Shares, as described in the notice of articles and articles of the Company; (iii) the number of authorized TMC Common Shares were unlimited; (iv) each issued and outstanding whole warrant to purchase one Class A ordinary share automatically represented the right to purchase one TMC Common Share at an exercise price of $11.50 per share on the terms and conditions set forth in the SOAC warrant agreement; (v) the notice of articles and articles of TMC became the governing documents of the Company; and (vi) SOAC's name changed to "TMC the metals company Inc."

On the Closing Date, promptly following the Continuance, pursuant to a court-approved plan of arrangement (the "Plan of Arrangement," and the arrangement pursuant to such Plan of Arrangement, the "Arrangement") under the BCBCA, (i) SOAC acquired all of the issued and outstanding common shares in the capital of DeepGreen (the "DeepGreen Common Shares"); (ii) the shareholders and the optionholders of DeepGreen became entitled to receive at the Effective Time, in exchange for their DeepGreen Common Shares and options to purchase DeepGreen Common Shares, as applicable, an aggregate of (a) 229,162,651 TMC Common Shares (which includes TMC Common Shares underlying options) based on an Adjusted Equity Value (as defined in the Business Combination Agreement) immediately prior to the Effective Time of $2,291,628,539, (b) 4,999,973 Class A Special Shares (which includes Class A Special Shares underlying options), (c) 9,999,853 Class B Special Shares (which includes Class B Special Shares underlying options), (d) 9,999,853 Class C Special Shares (which includes Class C Special Shares underlying options), (e) 19,999,855 Class D Special Shares (which includes Class D Special Shares underlying options), (f) 19,999,855 Class E Special Shares (which includes Class E Special Shares underlying options), (g) 19,999,855 Class F Special Shares (which includes Class F Special Shares underlying options), (h) 24,999,860 Class G Special Shares (which includes Class G Special Shares underlying options), and (i) 24,999,860 Class H Special Shares (which includes Class H Special Shares underlying options), in each case, in the capital of the Company, each of which Special Share is automatically convertible into TMC Common Shares on a one-for-one basis (unless adjusted as described in the Proxy Statement) if certain TMC Common Share price thresholds are met as described in the Proxy Statement (collectively, the "DeepGreen Earnout Shares"); (iii) DeepGreen became a wholly-owned subsidiary of the Company; and (iv) DeepGreen and NewCo Sub amalgamated to continue as one unlimited liability company existing under the laws of British Columbia, Canada. In addition, the Allseas Warrant (as defined in the Proxy Statement) was assumed by the Company and became a warrant to purchase TMC Common Shares upon the consummation of the Business Combination, in accordance with its terms. As a consequence of the Business Combination, each option to purchase DeepGreen Common Shares, whether vested or unvested, that was outstanding immediately prior to the Effective Time was assumed by the Company and became an option (vested or unvested, as applicable) to purchase a number of TMC Common Shares equal to the number of DeepGreen Common Shares subject to such option immediately prior to the Effective Time multiplied by the Per Share Consideration (as defined in the Business Combination Agreement), rounded down to the nearest whole number of shares, at an exercise price per share equal to the exercise price per share of such option immediately prior to the Effective Time divided by the Per Share Consideration, rounded up to the nearest whole cent. The time that the Arrangement became effective is referred to as the "Effective Time."

Immediately following the Continuance and prior to the Effective Time, Sustainable Opportunities Holdings LLC, a Delaware limited liability company (the "Sponsor"), exchanged 741,000 TMC Common Shares (which consisted of the SOAC Class B ordinary shares prior to the Continuance) for 500,000 Class I Special Shares (the "Class I Special Shares") and 741,000 Class J Special Shares, each of which is automatically convertible into TMC Common Shares on a one-for-one basis (unless adjusted as described in the Proxy Statement), if certain TMC Common Share price thresholds are met as described in the Proxy Statement (the "Class J Special Shares" and, together with the Class I Special Shares, the "Sponsor Earnout Shares" and, collectively with the DeepGreen Earnout Shares, the "TMC Special Shares").

In connection with the foregoing and concurrently with the execution of the Business Combination Agreement, SOAC entered into Subscription Agreements (the "Subscription Agreements") with certain investors (the "PIPE Investors"), pursuant to which the PIPE Investors agreed to purchase an aggregate of 11,030,000 TMC Common Shares at a purchase price of $10.00 per share, for aggregate gross proceeds of $110,300,000 (the "PIPE Financing"). The PIPE Financing closed concurrently with the Business Combination. SOAC also entered into Subscription Agreements for an aggregate of 22,000,000 Common Shares, for a purchase price of $10.00 per share and an aggregate purchase price of $220,000,000 with two investors who defaulted on the Closing Date under the Subscription Agreements. The Company plans to aggressively pursue its available remedies with respect to such investors.

The total number of TMC Common Shares outstanding immediately following the Closing was approximately 224,385,324 comprising (i) 203,874,981 TMC Common Shares issued to DeepGreen shareholders, (ii) 11,030,000 TMC Common Shares issued in connection with the Closing to the PIPE Investors pursuant to the PIPE Financing, (iii) 6,759,000 TMC Common Shares held by the initial shareholders (which includes the Sponsor, Rick Gaenzle, Isaac Barchas and Justin Kelly, the "initial shareholders") and (iv) 2,721,343 TMC Common Shares held by public shareholders, reflecting redemptions of 27,278,657 Class A ordinary shares.

In connection with the Closing, SOAC's units, Class A ordinary shares and public warrants ceased trading on the New York Stock Exchange (the "NYSE") and the TMC Common Shares and public warrants to purchase TMC Common Shares (the "Public Warrants") commenced trading on the Nasdaq Global Select Market (the "Nasdaq") under the symbols "TMC" and "TMCWW," respectively, on September 10, 2021.

The foregoing descriptions of the Business Combination, the PIPE Financing and the Subscription Agreements do not purport to be complete and are qualified in their entirety by the full text of the Business Combination Agreement and the forms of Subscription Agreement, respectively, which are attached hereto as Exhibits 2.1, 10.1 and 10.2, respectively, and are incorporated herein by reference.

Unless the context otherwise requires, references in this Current Report on Form 8-K to "we," "us," "our," "TMC" and the "Company" refer to "TMC the metals company Inc." following the Business Combination, and references to "SOAC" and "DeepGreen" refer to Sustainable Opportunities Acquisition Corp. and DeepGreen Metals Inc. and its subsidiaries, respectively, prior to the Business Combination. All references herein to the "Board" refer to the board of directors of the Company.

Item 1.01. Entry into a Material Definitive Agreement.

Amended and Restated Registration Rights Agreement

At the Closing, the Company, the initial shareholders, including the Sponsor (the "Sponsor Group Holders"), and certain holders of DeepGreen securities immediately prior to the Effective Time (the "DeepGreen Holders") entered into an amended and restated registration rights agreement (the "Amended and Restated Registration Rights Agreement"), pursuant to which, among other things, the Sponsor Group Holders and the DeepGreen Holders were granted certain registration rights with respect to their respective TMC Common Shares on the terms and subject to the conditions therein. The Sponsor Group Holders and the DeepGreen Holders also agreed not to effect any sale or distribution of certain equity securities of the Company held by them during the period ending on the earlier of (a) 180 days after the Closing, subject to certain customary exceptions, and (b) subsequent to the Closing, (x) if the last reported sale price of the TMC Common Shares equals or exceeds $12.00 per share for any 20 trading days within any 30 consecutive trading days commencing after the Closing or (y) the date on which the Company completes a liquidation, merger, stock exchange, reorganization or other similar transaction that results in all of the Company's public shareholders having the right to exchange their TMC Common Shares for cash, securities or other property. Certain TMC Common Shares held by the Sponsor Group Holders shall not be offered, sold, pledged or distributed for periods of six months or twelve months, as applicable, and certain TMC Common Shares held by the DeepGreen Holders shall not be offered, sold, pledged or distributed for periods of six months or eighteen months, as applicable, subject to the exceptions described in the Amended and Restated Registration Rights Agreement.

The material terms of the Amended and Restated Registration Rights Agreement are described in the section of the Proxy Statement beginning on page 219 entitled "*Business Combination Proposal—Related Agreements—Amended and Restated Registration Rights Agreement.*"

The foregoing description of the Amended and Restated Registration Rights Agreement does not purport to be complete and is qualified in its entirety by the full text of the Amended and Restated Registration Rights Agreement, which is attached hereto as Exhibit 10.5 and is incorporated herein by reference.

Indemnity Agreements

On the Closing Date, the Company entered into indemnity agreements with each of its directors and executive officers. Each indemnity agreement provides for indemnification and advancements by the Company of certain expenses and costs relating to claims, suits or proceedings arising from his or her service to the Company, or, at the Company's request, service to other entities, as officers or directors to the maximum extent permitted by applicable law.

The foregoing description of the indemnity agreements does not purport to be complete and is qualified in its entirety by the terms and conditions of the form of indemnity agreement, which is attached hereto as Exhibit 10.18 and is incorporated herein by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The disclosure set forth in the "Introductory Note" above is incorporated into this Item 2.01 by reference.

As previously reported, at an extraordinary general meeting of shareholders held on September 3, 2021 (the "extraordinary general meeting"), SOAC's shareholders approved the Business Combination. The Business Combination was completed on September 9, 2021.

As of the Closing Date and following the consummation of the Business Combination, the Company had the following outstanding securities:

- approximately 224,385,324 TMC Common Shares;
- warrants to purchase approximately 24,500,000 TMC Common Shares, each exercisable beginning on October 9, 2021 at a price of $11.50 per share (the "Warrants"), including approximately 15,000,000 Public Warrants and 9,500,000 private placement warrants issued in connection with SOAC's initial public offering;
- options to purchase an aggregate of approximately 25,287,670 shares of TMC Common Shares and 14,896,783 TMC Special Shares convertible into an aggregate of 14,896,783 TMC Common Shares if the TMC Common Share applicable price thresholds are exceeded following the closing of the Business Combination at a weighted average exercise price of $1.11 per share;
- an aggregate of 121,343,181 TMC Special Shares convertible into an aggregate of 121,343,181 TMC Common Shares if the TMC Common Share applicable price thresholds are exceeded following the closing of the Business Combination; and
- the Allseas Warrant, contingent upon the successful completion of the pilot mining test system (the "PMTS"), exercisable at a price of $0.01 per share for up to 11,578,620 TMC Common Shares depending on the date of successful completion of the PMTS.

FORM 10 INFORMATION

Prior to the Closing Date, the Company was a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) with no operations, formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. On the Closing Date and after the consummation of the Business Combination, the Company became a holding company whose only assets consist of equity interests in DeepGreen.

Cautionary Note Regarding Forward-Looking Statements

The Company makes forward-looking statements in this Current Report on Form 8-K and in documents incorporated herein by reference. All statements, other than statements of present or historical fact included in or incorporated by reference in this Current Report on Form 8-K, regarding the Company's future financial performance, as well as the Company's strategy, future operations, financial position, estimated revenues, and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this Current Report on Form 8-K, the words "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "will," "would," and the negative of such terms and other similar expressions, are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words.

These forward-looking statements are based on information available as of the date of this Current Report on Form 8-K, and on management's current expectations, forecasts, assumptions, hopes, beliefs, intentions and strategies regarding future events. The Company cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of the Company, incident to its business. Accordingly, forward-looking statements in this Current Report on Form 8-K and in any document incorporated herein by reference should not be relied upon as representing the Company's views as of any subsequent date, and the Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

As a result of a number of known and unknown risks and uncertainties, the Company's actual results or performance may be materially different from those expressed or implied by these forward-looking statements. Some factors that could cause actual results to differ include:

- our ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, the commercial and technical feasibility of seafloor polymetallic nodule collection and processing;
- the supply and demand for battery metals and manganese alloys;
- the future prices of battery metal and manganese alloys;
- the timing and content of International Seabed Authority's exploitation regulations that will create the legal and technical framework for exploitation of polymetallic nodules in the Clarion Clipperton Zone of the Pacific Ocean;
- government regulation of deep seabed mining operations and changes in mining laws and regulations;
- the risks of developing and deploying equipment for operations to collect polymetallic nodules at sea and to process such nodules on land;
- environmental risks;

- the timing and amount of estimated future production, costs of production, capital expenditures and requirements for additional capital;
- cash flow provided by operating activities;
- our ability to raise financing in the future;
- unanticipated reclamation expenses;
- claims and limitations on insurance coverage;
- the uncertainty in mineral resource estimates;
- financial risks posed by the Company's material weakness in its internal control over financial reporting;
- the uncertainty in geological, hydrological, metallurgical and geotechnical studies and opinions;
- infrastructure risks;
- dependence on key management personnel and executive officers;
- our financial performance;
- economic downturns and political and market conditions beyond our control could adversely affect our business, financial condition and results of operations; and
- the impact of the COVID-19 pandemic on our business.

These and other factors that could cause actual results to differ from those implied by the forward-looking statements, which are more fully described under the heading "Risk Factors" in the Proxy Statement beginning on page 47. The risks described under the heading "Risk Factors" beginning on page 47 of the Proxy Statement are not exhaustive. New risk factors emerge from time to time and it is not possible to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Forward-looking statements are not guarantees of performance. You should not put undue reliance on these statements, which speak only as of the date hereof. All forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Business

The business of SOAC prior to the Business Combination is described in the Proxy Statement in the section entitled "*Information about SOAC*" beginning on page 101 of the Proxy Statement, which is incorporated herein by reference. The business of the Company is described in the Proxy Statement in the section entitled "*Information about DeepGreen*" beginning on page 120 of the Proxy Statement, which is incorporated herein by reference.

Risk Factors

The risk factors related to the Company's business and operations are set forth in the Proxy Statement in the section entitled "*Risk Factors*" beginning on page 47 of the Proxy Statement, which is incorporated herein by reference.

Properties

The properties of SOAC prior to the Business Combination are described in the Proxy Statement in the section entitled "*Information about SOAC – Properties*" beginning on page 113 of the Proxy Statement, which is incorporated herein by reference. The properties of the Company are described in the Proxy Statement in the section entitled "*Information about DeepGreen – Properties*" beginning on page 143 of the Proxy Statement, which is incorporated herein by reference.

The Company does not have a physical office in Vancouver, British Columbia, its directors and executive officers work remotely in various countries around the world, and the Vancouver, British Columbia address disclosed as its principal executive office has been provided because it is the Company's records office required under the BCBCA.

Financial Statements

The unaudited condensed financial statements as of June 30, 2021 and for the six months ended June 30, 2021 of DeepGreen have been prepared in accordance with U.S. generally accepted accounting principles and pursuant to the regulations of the SEC and are attached hereto as Exhibit 99.2 and are incorporated herein by reference.

These unaudited condensed financial statements should be read in conjunction with the historical audited financial statements of DeepGreen as of and for the years ended December 31, 2020 and 2019, and the related notes included in the Proxy Statement beginning on page F-44 of the Proxy Statement, which are incorporated herein by reference.

Unaudited Pro Forma Condensed Combined Financial Information

The unaudited pro forma condensed combined financial information of the Company as of June 30, 2021 and for the six months ended June 30, 2021 and for the year ended December 31, 2020 is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of the financial condition and results of operation of DeepGreen for the six months ended June 30, 2021 is attached hereto as Exhibit 99.3 and is incorporated herein by reference. Management's discussion and analysis of the financial condition and results of operation of DeepGreen for the years ended December 31, 2020 and 2019 is included in the Proxy Statement in the section entitled "*DeepGreen's Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 176 of the Proxy Statement, which is incorporated herein by reference.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information known to the Company regarding the beneficial ownership of the TMC Common Shares as of the Closing Date by:

- each person known to the Company to be the beneficial owner of more than 5% of outstanding TMC Common Shares;
- each of the Company's executive officers and directors; and
- all executive officers and directors of the Company as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days. TMC Common Shares issuable upon exercise of options and warrants currently exercisable within 60 days are deemed outstanding solely for purposes of calculating the percentage of total ownership and total voting power of the beneficial owner thereof.

The beneficial ownership of TMC Common Shares is based on 224,385,324 TMC Common Shares issued and outstanding as of the Closing Date.

Unless otherwise indicated, the Company believes that each person named in the table below has sole voting and investment power with respect to all shares of the TMC Common Shares beneficially owned by them. Unless otherwise indicated, the business address of each of the following entities or individuals is c/o TMC the metals company Inc., 595 Howe Street, 10th Floor, Vancouver, British Columbia, Canada V6C 2T5.

Name and Address of Beneficial Owner	Number of TMC Common Shares[1]	Percentage of Shares Beneficially Owned (%)
Directors and Executive Officers:		
Gerard Barron[2]	13,978,180	6.2%
Anthony O'Sullivan[3]	575,110	*
Erika Ilves[4]	247,781	*
Craig Shesky[5]	308,762	*
Dr. Gregory Stone[6]	33,076	*
Gina Stryker	—	—
Christian Madsbjerg[7]	—	—
Andrew Hall	—	—
Scott Leonard[8]	6,669,000	3.0%
Sheila Khama	—	—
Andrei Karkar[9]	39,621,909	17.7%
Amelia Kinahoi Siamomua	—	—
All Directors and Executive Officers of the Company as a Group (12 Individuals)[10]	62,174,818	27.7%
Five Percent Holders:		
ERAS Capital[11]	39,621,909	17.7%
Maersk Supply Service A/S[12]	20,820,816	9.3%
Allseas Group S.A.[13]	14,151,648	6.3%

* Indicates beneficial ownership of less than 1%.

(1) Excludes TMC Special Shares.

(2) Consists of 13,978,180 TMC Common Shares. Does not include 6,353,378 TMC Common Shares underlying options that are not exercisable within 60 days of September 9, 2021 held by Mr. Barron.

(3) Consists of 575,110 TMC Common Shares held by The O'Sullivan Family Trust No. 1. Does not include 1,696,931 TMC Common Shares underlying options that are not exercisable within 60 days of September 9, 2021 held by Mr. O'Sullivan. Anthony O'Sullivan is the sole director of JOZEM Pty Ltd. which is the trustee of The O'Sullivan Family Trust No. 1.

(4) Consists of (i) 217,099 TMC Common Shares held by Ms. Ilves and 30,682 TMC Common Shares held of record by Ms. Ilves' children. Does not include 2,373,336 TMC Common Shares underlying options that are not exercisable within 60 days of September 9, 2021 held by Ms. Ilves.

(5) Consists of 308,762 TMC Common Shares. Does not include 658,065 TMC Common Shares underlying options that are not exercisable within 60 days of September 9, 2021 held by Mr. Shesky.

(6) Consists of 33,076 TMC Common Shares. Does not include 1,829,243 TMC Common Shares underlying options that are not exercisable within 60 days of September 9, 2021 held by Dr. Stone.

(7) Does not include 716,916 TMC Common Shares underlying options that are not exercisable within 60 days of September 9, 2021 held by Mr. Madsbjerg.

(8) Consists of 6,669,000 TMC Common Shares held by Sustainable Opportunities Holdings LLC, of which Scott Leonard is one of the managers and shares voting and dispositive power over the securities held by Sustainable Opportunities Holdings LLC and therefore Mr. Leonard may be deemed to be a beneficial owner thereof.

(9) Consists of 39,621,909 TMC Common Shares held by ERAS Capital LLC ("ERAS"). Does not include 769,020 TMC Common Shares underlying options that are not exercisable within 60 days of September 9, 2021 held by Mr. Karkar. Mr. Karkar has voting and dispositive control over the securities held by ERAS and therefore Mr. Karkar may be deemed to have beneficial ownership of the shares held by ERAS.

(10) See footnotes 2 through 9.

(11) The address of ERAS is 323 Marina Boulevard, San Francisco, California 94123. Andrei Karkar has voting and dispositive control over the securities held by ERAS and therefore Mr. Karkar may be deemed to have beneficial ownership of the shares held by ERAS.

(12) The address of Maersk Supply Service A/S is Esplanaden 50 Copenhagen K, DK-1098 Denmark. Maersk Supply Service A/S is a subsidiary of AP Moller-Maersk A/S.

(13) The address of Allseas Group S.A. is 18 Route de Pra de Plan, Case Postale, 411 1618 Chatel-Saint-Denis, Switzerland.

Directors and Executive Officers

Information with respect to the Company's directors and executive officers after the Business Combination is set forth in the Proxy Statement in the sections entitled "*Management of TMC Following the Business Combination*" beginning on page 191 and "*Executive and Director Compensation of DeepGreen*" beginning on page 171 of the Proxy Statement, which are incorporated herein by reference.

Directors

Effective as of the Closing Date, and in connection with the closing of the Business Combination, the size of the Board was increased from five to eight members. Each of Scott Honour, Rick Gaenzle, Isaac Barchas and Justin Kelly resigned as directors of SOAC effective as of the Closing Date. Effective as of the Closing Date, Gerard Barron, Christian Madsbjerg, Andrew Hall, Sheila Khama, Amelia Kinahoi Siamomua, Gina Stryker and Andrei Karkar were elected to serve as directors on the Board, with Scott Leonard elected and continuing to serve on the Board. Biographical information for these individuals is set forth in the Proxy Statement in the section entitled "*Management of TMC Following the Business Combination*" beginning on page 191 of the Proxy Statement, which is incorporated herein by reference.

Eric Branderiz and Riva Krut each decided for personal reasons to not serve as directors of the Company following the Business Combination and were replaced by Gina Stryker and Amelia Siamomua, respectively, as directors of the Company. Ms. Krut will act as a senior advisor to the Company's Sustainability and Innovation Committee (as defined below) of the board of directors of TMC.

Biographical information for Ms. Stryker and Ms. Siamomua is set forth below.

Ms. Siamomua has over 35 years of experience as a development economist and an international civil servant with a strong focus on gender equality and sustainability issues. Since March 2021, Ms. Siamomua has been an independent consultant on gender and social inclusion for the Government of Nauru. From June 2015 until February 2021, Ms. Siamomua served as Head of Gender, Economic, Youth & Sustainable Development Directorate of the Commonwealth Secretariat based in London, United Kingdom, where she represented the Secretary General at the United Nations ("UN") High-level Group on Women's Access to Justice and the UN Commission on the Status of Women. Between 2012 and 2014, Ms. Siamomua held a position as Inter-Regional Advisor (Small Island Developing States) within the Division for Sustainable Development at the UN Department of Economic and Social Affairs, where she analyzed best practices on sustainable development and provided policy advice to governments and relevant stakeholders in developing countries. Prior to that, Ms. Siamomua served as senior advisor in Papua New Guinea from 2010-2012 and as project coordinator in Fiji from 2008-2009 as part of the UN Development Programme. Ms. Siamomua has earned a B.A. in Economics and Politics and an MBA from the University of the South Pacific. Ms. Siamomua's qualifications to serve on the board of directors of TMC include her sustainable development expertise and her extensive knowledge of economic and social policies of developing countries.

Ms. Stryker has 20 years of tax experience in corporate settings as well as 14 years of senior management experience. Since May 2020, Ms. Stryker has served as General Counsel and Corporate Secretary of SOAC. Since August 2019, Ms. Stryker has also been a part of 3920 Partners LLC, a company focused on sustainable investment, where she now serves as Partner. From July 2018 to January 2019, Ms. Stryker served as Senior Advisor to EVP Restructuring at GenOn Energy, Inc. ("GenOn"), where she led tax and business strategy engagement as GenOn prepared to emerge from Chapter 11. Prior to July 2018, Ms. Stryker managed a family office. Ms. Stryker has earned a B.S. in Applied Science from Youngstown State University, a J.D. from University of Pittsburgh, an LLM from New York University and an MBA from Rice University. Ms. Stryker's qualifications to serve on the board of directors of TMC include her prior experience advising on tax and business strategy in the energy industry.

Independence of Directors

Nasdaq rules generally require that independent directors must comprise a majority of a listed company's board of directors. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, the Board has determined that Andrew Hall, Scott Leonard, Gina Stryker, Sheila Khama, Christian Madsbjerg, Amelia Kinahoi Siamomua and Andrei Karkar, representing seven (7) of the Company's eight (8) directors, are "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and rules of the Nasdaq. Andrew Hall shall serve as the Lead Independent Director of the Board. Additional information with respect to the independence of the Company's directors is set forth in the Proxy Statement in the section entitled "*Management of TMC Following the Business Combination*" beginning on page 191 of the Proxy Statement, which is incorporated herein by reference.

Committees of the Board of Directors

Effective as of the Closing Date, the standing committees of the Board consist of an audit committee (the "Audit Committee"), a compensation committee (the "Compensation Committee"), a nominating and corporate governance committee (the "Nominating and Corporate Governance Committee") and a sustainability and innovation committee (the "Sustainability and Innovation Committee"). Each of the committees reports to the Board.

Effective as of the Closing Date, the Board appointed Scott Leonard, Andrew Hall and Gina Stryker to serve on the Audit Committee, with Scott Leonard as chair of the Audit Committee. Scott Leonard is an "audit committee financial expert" as defined by the SEC. The Board appointed Sheila Khama, Gina Stryker and Andrei Karkar to serve on the Compensation Committee, with Andrei Karkar as chair of the Compensation Committee. The Board appointed Christian Madsbjerg, Sheila Khama and Andrei Karkar to serve on the Nominating and Corporate Governance Committee, with Christian Madsbjerg as chair of the Nominating and Corporate Governance Committee. The Board appointed Sheila Khama, Christian Madsbjerg and Amelia Kinahoi Siamomua to serve on the Sustainability and Innovation Committee, with Sheila Khama as chair of the Sustainability and Innovation Committee.

The purpose of the Sustainability and Innovation Committee is to assist the Board in discharging its responsibilities relating to oversight of the Company's policies, programs, performance and related risks and opportunities that concern key sustainability and innovation matters, including issues of significance to the Company and its stakeholders that may affect its business, strategy, operations, performance, or reputation.

The Board adopted a written charter for the Sustainability and Innovation Committee, which is available on the Company's website.

Additional information with respect to the committees of the Board is set forth in the Proxy Statement in the section entitled "*Management of TMC Following the Business Combination—Board Committees*" beginning on page 195 of the Proxy Statement, which is incorporated herein by reference.

Executive Officers

Effective as of the Closing Date, in connection with the Business Combination, the Board appointed Gerard Barron to serve as Chief Executive Officer, Anthony O'Sullivan to serve as Chief Development Officer, Erika Ilves to serve as Head of Strategy and Business Development, Craig Shesky to serve as Chief Financial Officer, and Dr. Gregory Stone to serve as Chief Ocean Scientist. Each of Scott Leonard and David Quiram resigned as Chief Executive Officer and Chief Financial Officer, respectively, effective as of the Closing Date. Biographical information for the Company's executive officers is set forth in the Proxy Statement in the section entitled "*Management of TMC Following the Business Combination*" beginning on page 191 of the Proxy Statement, which is incorporated herein by reference.

Director Compensation

Information with respect to the compensation of the Company's directors is set forth in the Proxy Statement in the sections entitled "*Executive and Director Compensation of DeepGreen – Post-Business Combination TMC Executive Officer and Director Compensation*" beginning on page 175 of the Proxy Statement, which is incorporated herein by reference.

On September 9, 2021, the Company adopted a non-employee director compensation policy. Pursuant to the policy, the annual cash retainer for non-employee directors is $90,000. Annual cash retainers for committee membership are as follows:

Position	**Retainer**
Lead director	$ 30,000
Audit Committee chairperson	$ 22,500
Audit Committee member	$ 7,500
Compensation Committee chairperson	$ 15,000
Compensation Committee member	$ 5,000
Nominating and Corporate Governance Committee chairperson	$ 15,000
Nominating and Corporate Governance Committee member	$ 5,000
Sustainability and Innovation Committee chairperson	$ 15,000
Sustainability and Innovation Committee member	$ 5,000

These fees are payable in arrears in quarterly installments as soon as practicable following the last business day of each fiscal quarter, provided that the amount of such payment will be prorated for any portion of such quarter that a director is not serving on the Board, on such committee or in such position. Non-employee directors are also reimbursed for reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board and any committee of the Board on which they serve and in connection with other business related to the Board. Directors may also be reimbursed for reasonable out-of-pocket business expenses in accordance with the Company's travel and other expense policies, as may be in effect from time to time.

In addition, the Company grants to new non-employee directors upon their initial election to the Board a number of restricted stock units ("RSUs") (each RSU relating to one share of TMC Common Shares), having an aggregate fair market value equal to $100,000, determined by dividing (A) $100,000 by (B) the closing price of the TMC Common Shares on the Nasdaq on the date of the grant (rounded down to the nearest whole share), on the first business day after the date that the non-employee director is first appointed or elected to the Board. Each of these grants shall vest in equal annual installments over three years from the date of the grant, subject to the non-employee director's continued service as a director on the applicable vesting dates.

The foregoing description of the nonemployee director compensation policy is not complete and is subject to and qualified in its entirety by reference to the nonemployee director compensation policy, a copy of which is attached hereto as Exhibit 10.19 and is incorporated herein by reference.

Executive Compensation

Information with respect to the compensation of the Company's executive officers is set forth in the Proxy Statement in the section entitled "*Executive and Director Compensation of DeepGreen*" beginning on page 120 of the Proxy Statement, which is incorporated herein by reference.

The foregoing description of the compensation of the Company's executive officers is qualified in its entirety by the full text of the employment agreement with Gerard Barron; the employment agreement with Anthony O'Sullivan; and the employment agreement with Erika Ilves; copies of which are attached hereto as Exhibits 10.20, 10.21 and 10.22, respectively, and are incorporated herein by reference.

2021 Incentive Equity Plan

At the extraordinary general meeting, the SOAC shareholders approved the TMC the metals company Inc. 2021 Incentive Equity Plan (the "2021 Plan"). The description of the 2021 Plan is set forth in the Proxy Statement section entitled "*Proposal No. 6 – Incentive Equity Plan Proposal*" beginning on page 244 of the Proxy Statement, which is incorporated herein by reference. A copy of the full text of the 2021 Plan is filed as Exhibit 10.23.1 to this Current Report on Form 8-K and is incorporated herein by reference. Following the consummation of the Business Combination, the Company expects that the Board or the Compensation Committee will make grants of awards under the 2021 Plan to eligible participants.

DeepGreen Metals Inc. Stock Option Plan

As a consequence of the Business Combination, the Company adopted and assumed the DeepGreen Metals Inc. Stock Option Plan, as amended (the "DeepGreen Plan"), and each option to purchase DeepGreen Common Shares, whether vested or unvested, that was outstanding immediately prior to the Effective Time was assumed by the Company and became an option (vested or unvested, as applicable) to purchase a number of TMC Common Shares equal to the number of DeepGreen Common Shares subject to such option immediately prior to the Effective Time multiplied by the Per Share Consideration, rounded down to the nearest whole number of shares, at an exercise price per share equal to the exercise price per share of such option immediately prior to the Effective Time divided by the Per Share Consideration, rounded up to the nearest whole cent. No further awards will be granted out of the DeepGreen Plan. The description of the DeepGreen Plan is set forth in the Proxy Statement section entitled "*Executive and Director Compensation of DeepGreen–Stock Option Plan and Stock Option Awards*" beginning on page 174 of the Proxy Statement, which is incorporated herein by reference.

Certain Relationships and Related Person Transactions and Director Independence

Certain relationships and related person transactions of the Company are described in the Proxy Statement in the section entitled "*Certain Relationships and Related Person Transactions*" beginning on page 202 of the Proxy Statement, which is incorporated herein by reference. The disclosure regarding director independence set forth in the Proxy Statement in the section entitled "*Management of TMC Following the Business Combination – Independence of the Board of Directors*" beginning on page 197 of the Proxy Statement is incorporated herein by reference.

Legal Proceedings

Reference is made to the disclosure regarding legal proceedings in the section of the Proxy Statement entitled "*Information About SOAC—Legal Proceedings"* beginning on page 112 of the Proxy Statement, which is incorporated herein by reference, and "*Information About DeepGreen —Legal Proceedings*" beginning on page 143 of the Proxy Statement, which is incorporated herein by reference.

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Market Information and Holders

The Company's Class A ordinary shares, Public Warrants and units ("SOAC Units") (each SOAC Unit consisting of one share of SOAC's Class A ordinary shares and one-half of one Public Warrant) were historically quoted on the NYSE under the symbols "SOAC," "SOAC WS" and "SOAC.U," respectively. At the Closing Date, and following the consummation of the Business Combination, the SOAC Units automatically separated into the component securities and, as a result, no longer trade as a separate security. On September 10, 2021, the TMC Common Shares and Public Warrants began trading on the Nasdaq under the new trading symbols "TMC" and "TMCWW," respectively.

As of the Closing Date, and following the consummation of the Business Combination, the Company had approximately 224,385,324 TMC Common Shares issued and outstanding held of record by 197 holders, approximately 15,000,000 Public Warrants held of record by one holder and 9,500,000 private placement warrants issued in connection with SOAC's initial public offering held of record by one holder, each exercisable for one TMC Common Share at a price of $11.50 per share beginning on October 9, 2021.

Dividends

The Company has not paid any cash dividends on its common shares to date. The Company may retain future earnings, if any, for future operations, expansion and debt repayment and has no current plans to pay cash dividends for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of the Board and will depend on, among other things, the Company's results of operations, financial condition, cash requirements, contractual restrictions and other factors that the Board may deem relevant. In addition, the Company's ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness the Company or its subsidiaries incur. The Company does not anticipate declaring any cash dividends to holders of its common shares in the foreseeable future.

Recent Sales of Unregistered Securities

Reference is made to the disclosure set forth below under Item 3.02 of this Current Report on Form 8-K concerning the issuance and sale by the Company of certain unregistered securities, which is incorporated herein by reference.

Description of Registrant's Securities to Be Registered

The description of the Company's securities is set forth in the Proxy Statement in the section entitled "*Description of TMC Securities*" beginning on page 265 of the Proxy Statement, which is incorporated herein by reference.

Indemnification of Directors and Officers

The disclosure set forth in Item 1.01 of this Current Report on Form 8-K under the section entitled "*Indemnity Agreements*" is incorporated by reference into this Item 2.01.

Financial Statements and Exhibits

The information set forth under Item 9.01 of this Current Report on Form 8-K is incorporated herein by reference.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The information set forth under Item 4.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

Business Combination Consideration

In accordance with the terms and subject to the conditions of the Business Combination Agreement, pursuant to the Plan of Arrangement, the shareholders and the optionholders of DeepGreen received on the Closing Date in exchange for their DeepGreen Common Shares or options, as applicable, an aggregate of 203,874,981 TMC Common Shares in exchange for DeepGreen Common Shares and rollover options to purchase an aggregate of 25,287,670 TMC Common Shares with respect to DeepGreen options assumed by the Company, and (ii) the DeepGreen Earnout Shares (which includes DeepGreen Earnout Shares underlying the rollover options assumed by the Company). The TMC Common Shares, DeepGreen Earnout Shares and rollover options to purchase TMC Common Shares and DeepGreen Earnout Shares issued to shareholders and optionholders of DeepGreen pursuant to the Plan of Arrangement were not registered under the Securities Act of 1933, as amended (the "Securities Act"), and were issued pursuant to the exemption provided by Section 3(a)(10) under the Securities Act.

Sponsor Earnout Shares

Immediately following the Continuance and prior to the Effective Time, the Sponsor exchanged 741,000 SOAC Common Shares (which consisted of the SOAC Class B ordinary shares prior to the Continuance) for the Sponsor Earnout Shares, each of which is automatically convertible into TMC Common Shares on a one-for-one basis (subject to adjustment), if certain TMC Common Share price thresholds are met as described in the Proxy Statement. The Sponsor Earnout Shares issued to the Sponsor were issued pursuant to and in accordance with the exemption from registration under the Securities Act, under Section 3(a)(9) as involving an exchange by the Company exclusively with its security holders.

PIPE Financing

On the Closing Date, the Company offered and sold to the PIPE Investors, pursuant to the Subscription Agreements, an aggregate of 11,030,000 TMC Common Shares at a price of $10.00 per share for aggregate gross proceeds to the Company of $110,300,000 in the PIPE Financing. The PIPE Financing closed concurrently with the Business Combination. SOAC also entered into Subscription Agreements for an aggregate of 22,000,000 Common Shares, for a purchase price of $10.00 per share and an aggregate purchase price of $220,000,000 with two investors who defaulted on the Closing Date under the Subscription Agreements. The Company plans to aggressively pursue its available remedies with respect to such investors.

The shares issued to the PIPE Investors in the PIPE Financing on the Closing Date were issued pursuant to and in accordance with the exemption from registration under the Securities Act, under Section 4(a)(2) and/or Regulation D promulgated under the Securities Act.

The Subscription Agreements provide for certain registration rights. In particular, the Company will, within forty-five (45) calendar days after the Closing Date, file with the SEC (at the Company's sole cost and expense) a registration statement registering the resale of the shares of the TMC Common Shares issued to the PIPE Investors, and will use its commercially reasonable efforts to have such registration statement declared effective as soon as practicable after the filing thereof, but no later than the earlier of (i) the 90th calendar day (or the 120th calendar day if the SEC notifies the Company that it will "review" such registration statement) following the Closing and (ii) the 10th business day after the date the Company is notified (orally or in writing) by the SEC that such registration statement will not be "reviewed" or will not be subject to further review.

The foregoing description of the PIPE Financing does not purport to be complete and is qualified in its entirety by the full text of the Subscription Agreements, the forms of which are attached hereto as Exhibits 10.1 and 10.2, respectively, and is incorporated herein by reference.

Item 3.03. Material Modification to Rights of Security Holders.

In connection with the consummation of the Business Combination, SOAC changed its name to "TMC the metals company Inc." and adopted the notice of articles and articles of the Company upon the Continuance (the "TMC Notice and Articles").

TMC Notice and Articles

As a result of and upon the consummation of the Continuance, SOAC's amended and restated memorandum and articles of association, dated May 5, 2020, was replaced with the TMC Notice and Articles, which, among other things:

(a) changed the Company's name to "TMC the metals company Inc.";

(b) established the authorized capital of the Company to consist of (i) an unlimited number of TMC Common Shares, (ii) an unlimited number of preferred shares, issuable in series, and (iii) the TMC Special Shares, in each case, without par value;

(c) declassified the Board with the result being that each director will be elected on an annual basis;

(d) reduced the requisite quorum for a meeting of shareholders from a majority to at least two shareholders representing no less than one-third ($33^{1/3}$%) of the shares entitled to vote at such meeting;

(e) added an advance notice provision that requires a shareholder to provide notice to the Company in advance of a meeting of shareholders should such shareholder wish to nominate a person for election to the Board;

(f) added a forum selection provision whereby, subject to limited exceptions, or unless the Company consents in writing to the selection of an alternative forum, the Supreme Court of the Province of British Columbia, Canada, and the appellate courts therefrom, will be the sole and exclusive forum for certain shareholder litigation matters; and

(g) made certain other changes, including the changes in the rights and restrictions attached to the Class B ordinary shares, and the deletion of the provisions relating to the initial public offering, the Sponsors, the initial business combination and other related matters.

The shareholders of SOAC approved the TMC Notice and Articles at the extraordinary general meeting. This summary is qualified in its entirety by reference to the text of the TMC Notice and Articles, which are attached hereto as Exhibit 3.1 and Exhibit 3.2, respectively, and incorporated herein by reference.

Item 4.01. Change in Registrant's Certifying Accountant.

(a) Dismissal of independent registered public accounting firm

On the Closing Date, the Audit Committee of the Board appointed Ernst & Young LLP ("E&Y") as the Company's independent registered public accounting firm to audit the Company's consolidated financial statements for the year ending December 31, 2021. Marcum LLP ("Marcum") served as independent registered public accounting firm of SOAC prior to the Business Combination. Accordingly, Marcum was informed that it was replaced as the Company's independent registered public accounting firm on September 9, 2021, upon the Closing of the Business Combination.

The reports of Marcum on SOAC's balance sheet as of December 31, 2020 (as restated), and the statements of operations, changes in shareholders' equity and cash flows for the year ended December 31, 2020 (as restated) and for the period from December 18, 2019 (inception) through December 31, 2019, did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainties, audit scope or accounting principles.

During the audit for the year ended December 31, 2020 (as restated) and for the period from December 18, 2019 (inception) through December 31, 2019, and reviews of the unaudited condensed consolidated financial statements for the six months ended June 30, 2021, there were no disagreements between the Company and Marcum on any matter of accounting principles or practices, financial disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Marcum, would have caused it to make reference to the subject matter of the disagreements in its reports on the Company's financial statements for such periods.

During the year ended December 31, 2020 and the period from December 18, 2019 (inception) through December 31, 2019, there were no "reportable events" (as defined in Item 304(a)(1)(v) of Regulation S-K under the Exchange Act), except that for the year ended December 31, 2020 and the quarter ended March 31, 2021, based upon an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer of SOAC concluded that its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective solely as a result of the restatement of its financial statements as of and for such periods in light of the SEC Staff Statement dated April 12, 2021, which required SOAC to reclassify the outstanding warrants as liabilities on its balance sheet. Based on the foregoing, it was determined that SOAC had a material weakness as of December 31, 2020 relating to its internal controls over financial reporting, and such material weakness had not yet been remediated as of June 30, 2021.

During the period from December 18, 2019 (inception) to the date the Board approved the engagement of E&Y as the Company's independent registered public accounting firm, SOAC did not consult with E&Y on matters that involved the application of accounting principles to a specified transaction, the type of audit opinion that might be rendered on SOAC's consolidated financial statements or any other matter that was either the subject of a disagreement or reportable event.

The Company has provided Marcum with a copy of the foregoing disclosures and Marcum provided a letter to the SEC stating that it agrees with the statements made by the Company set forth above. A copy of Marcum's letter to the SEC, dated September 15, 2021, is filed as Exhibit 16.1 to this Current Report on Form 8-K.

Item 5.01. Changes in Control of Registrant.

The information set forth under the Introductory Note and in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information set forth in the sections entitled "*Directors and Executive Officers*," "*Executive Compensation*" and "*Certain Relationships and Related Person Transactions and Director Independence*," "*2021 Incentive Equity Plan*," "*DeepGreen Metals Inc. Stock Option Plan"* and "*2021 Employee Stock Purchase Plan*" in Item 2.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 5.06. Change in Shell Company Status.

As a result of the Business Combination, which fulfilled the definition of an "initial Business Combination" as required by SOAC's organizational documents, the Company ceased to be a shell company upon the closing of the Business Combination. The material terms of the Business Combination are described in the section entitled "*Proposal No. 2 – Business Combination Proposal*" and "*The Business Combination Agreement*" beginning on page 207 of the Proxy Statement, and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The unaudited condensed financial statements as of June 30, 2021 and for the six months ended June 30, 2021 of DeepGreen have been prepared in accordance with U.S. generally accepted accounting principles and pursuant to the regulations of the SEC and are attached hereto as Exhibit 99.2 and are incorporated herein by reference.

These unaudited condensed financial statements should be read in conjunction with the historical audited financial statements of DeepGreen as of and for the years ended December 31, 2020 and 2019, and the related notes included in the Proxy Statement beginning on page F-44 of the Proxy Statement, which are incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined financial information of the Company as of June 30, 2021 and for the six months ended June 30, 2021 and for the year ended December 31, 2020 is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

(d) Exhibits.

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference Herein from Form or Schedule	Filing Date	SEC File/Reg. Number
2.1†	Business Combination Agreement, dated as of March 4, 2021, by and among Sustainable Opportunities Acquisition Corp., 1291924 B.C. Unlimited Liability Company and DeepGreen Metals Inc.		Form 8-K (Exhibit 2.1)	3/4/2021	001-39281
3.1	Notice of Articles of TMC the metals company Inc.	X			
3.2	Articles of TMC the metals company Inc.	X			
4.1	TMC the metals company Inc. Common Share Certificate	X			
4.2	Warrant Agreement between Continental Stock Transfer & Trust Company and Sustainable Opportunities Acquisition Corp., dated May 8, 2020		Form 8-K (Exhibit 4.1)	5/8/2021	001-39281
10.1	Form of Subscription Agreement for institutional investors, by and between Sustainable Opportunities Acquisition Corp. and the subscriber parties thereto		Form S-4/A (Exhibit 10.1)	8/5/2021	333-255118
10.2	Form of Subscription Agreement for accredited investors, by and between Sustainable Opportunities Acquisition Corp. and the subscriber parties thereto		Form S-4/A (Exhibit 10.2)	8/5/2021	333-255118
10.3	Form of Transaction Support Agreement by and between Sustainable Opportunities Acquisition Corp. and certain DeepGreen securityholders		Form S-4/A (Exhibit 10.3)	8/5/2021	333-255118
10.4††	Sponsor Letter Agreement, dated as of March 4, 2021, by and among Sustainable Opportunities Holdings LLC, certain other holders set forth on Schedule I thereto, Sustainable Opportunities Acquisition Corp. and DeepGreen Metals Inc.		Form S-4/A (Exhibit 10.4)	8/5/2021	333-255118
10.5	Amended and Restated Registration Rights Agreement, by and between Sustainable Opportunities Acquisition Corp., Sustainable Opportunities Holdings LLC, the parties listed under Sponsor Group Holders on the signature page(s) thereto and the parties listed under DeepGreen Holders on the signature page(s) thereto		Form S-4/A (Exhibit 10.5)	8/5/2021	333-255118
10.6†	Strategic Alliance Agreement, dated as of March 29, 2019, by and between DeepGreen Metals Inc. and Allseas Group S.A.		Form S-4/A (Exhibit 10.7)	8/5/2021	333-255118
10.7†	Pilot Mining Test Agreement dated as of July 8, 2019, by and between DeepGreen Metals Inc. and Allseas Group S.A.		Form S-4/A (Exhibit 10.8)	8/5/2021	333-255118
10.8†	Third Amendment to Pilot Mining Test Agreement and First Amendment to Strategic Alliance Agreement, dated as of March 4, 2021, by and between DeepGreen Metals Inc. and Allseas Group S.A.		Form S-4/A (Exhibit 10.9)	8/5/2021	333-255118
10.9	Investment and Participation Agreement, dated as of March 15, 2017, by and among DeepGreen Metals Inc., Maersk Supply Service NS, and Maersk Supply Service Subsea UK Limited		Form S-4/A (Exhibit 10.10)	8/5/2021	333-255118
10.10	Project Management Framework Agreement, dated as of April 6, 2018, by and among Nauru Ocean Resources Inc. and Maersk Supply Service Integrated Solutions A/S		Form S-4/A (Exhibit 10.11)	8/5/2021	333-255118
10.11	Letter Agreement, dated as of March 3, 2021, by and among DeepGreen Metals Inc., Maersk Supply Service NS, and Maersk Supply Service Subsea UK Limited		Form S-4/A (Exhibit 10.12)	8/5/2021	333-255118
10.12†	Sponsorship Agreement, dated as of March 8, 2008, by and between the Kingdom of Tonga and Tonga Offshore Mining Limited		Form S-4/A (Exhibit 10.13)	8/5/2021	333-255118
10.13†	Sponsorship Agreement, dated as of June 5, 2017, by and among the Republic of Nauru, the Nauru Seabed Minerals Authority, and Nauru Ocean Resources Inc.		Form S-4/A (Exhibit 10.14)	8/5/2021	333-255118

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference Herein from Form or Schedule	Filing Date	SEC File/Reg. Number
10.14	ISA Contract for Exploration (Republic of Nauru) dated as of July 22, 2011		Form S-4/A (Exhibit 10.15)	8/5/2021	333-255118
10.15	ISA Contract for Exploration (Kingdom of Tonga) dated as of January 11, 2012.		Form S-4/A (Exhibit 10.16)	8/5/2021	333-255118
10.16	Fourth Amendment to Pilot Mining Test Agreement and Second Amendment to Strategic Alliance Agreement, dated as of June 30, 2021, by and between DeepGreen Metals Inc. and Allseas Group S.A.		Form S-4/A (Exhibit 10.23)	8/5/2021	333-255118
10.17	Certificate of the Sponsorship signed by the Government of Nauru on April 11, 2011.		Form S-4/A (Exhibit 10.24)	8/5/2021	333-255118
10.18+	Form of Indemnity Agreement	X			
10.19+	Nonemployee Director Compensation Policy	X			
10.20+	Employment Agreement, dated January 1, 2018, by and between DeepGreen Metals Inc. and Gerard Barron		Form S-4/A (Exhibit 10.17)	8/5/2021	333-255118
10.21+	Employment Agreement, dated July 25, 2017, by and between DeepGreen Metals Inc. and Anthony O'Sullivan		Form S-4/A (Exhibit 10.18)	8/5/2021	333-255118
10.22+	Employment Agreement, dated September 1, 2018, by and between DeepGreen Metals Inc. and Erika Ilves		Form S-4/A (Exhibit 10.19)	8/5/2021	333-255118
10.23.1+	TMC the metals company Inc. 2021 Incentive Equity Plan	X			
10.23.2+	Form of Stock Option Agreement under TMC the metals company Inc. 2021 Incentive Equity Plan	X			
10.23.3+	Form of Restricted Stock Unit Agreement under TMC the metals company Inc. 2021 Incentive Equity Plan	X			
10.24+	DeepGreen Metals Inc. Stock Option Plan and form of Stock Option Agreement thereunder		Form S-4/A (Exhibit 10.20)	8/5/2021	333-255118
10.25+	Amendment to DeepGreen Metals Inc. Stock Option Plan		Form S-4/A (Exhibit 10.21)	8/5/2021	333-255118
16.1	Letter from Marcum LLP to the SEC, dated September 15, 2021	X			
96.1	Technical Report Summary — Initial Assessment of the NORI Property, Clarion-Clipperton Zone, for Deep Green Metals Inc., effective as of March 17, 2021, by AMC Consultants Pty Ltd and other qualified persons.		Form S-4/A (Exhibit 96.1)	8/5/2021	333-255118
96.2	Technical Report Summary — Initial Assessment of the TOML Mineral Resource, Clarion-Clipperton Zone, Pacific Ocean, for Deep Green Metals Inc., effective as of March 26, 2021, by AMC Consultants Pty Ltd and other qualified persons.		Form S-4/A (Exhibit 96.2)	8/5/2021	333-255118
99.1	Unaudited pro forma condensed combined financial information of the Company as of June 30, 2021 and for the six months ended June 30, 2021 and for the year ended December 31, 2020	X			
99.2	Unaudited condensed consolidated financial statements of DeepGreen Metals Inc. as of June 30, 2021 and for the six months ended June 30, 2021	X			
99.3	Management's Discussion and Analysis of Financial Condition and Results of Operations of DeepGreen Metals Inc. as of June 30, 2021 and for the six months ended June 30, 2021	X			
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				

+ Indicates a management contract or compensatory plan.
† Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit.
†† Schedules and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(2). The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

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.

By: /s/ Gerard Barron
Name: Gerard Barron
Title: Chief Executive Officer

Date: September 15, 2021

BC Registry Services

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CAROL PREST

Notice of Articles

BUSINESS CORPORATIONS ACT

This Notice of Articles was issued by the Registrar on: September 9, 2021 07:14 AM Pacific Time

Incorporation Number: **C1323488**

Recognition Date and Time: *Continued into British Columbia on September 9, 2021 07:14 AM Pacific Time*

NOTICE OF ARTICLES

Name of Company:

TMC THE METALS COMPANY INC.

REGISTERED OFFICE INFORMATION

Mailing Address:
SUITE 2900, 550 BURRARD STREET
VANCOUVER BC V6C 0A3
CANADA

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AUTHORIZED SHARE STRUCTURE

1.	No Maximum	Common Shares	Without Par Value With Special Rights or Restrictions attached
2.	No Maximum	Preferred Shares	Without Par Value With Special Rights or Restrictions attached
3.	5,000,000	Class A Special Shares	Without Par Value With Special Rights or Restrictions attached
4.	10,000,000	Class B Special Shares	Without Par Value With Special Rights or Restrictions attached
5.	10,000,000	Class C Special Shares	Without Par Value With Special Rights or Restrictions attached
6.	20,000,000	Class D Special Shares	Without Par Value With Special Rights or Restrictions attached

7.	20,000,000	Class E Special Shares	Without Par Value With Special Rights or Restrictions attached
8.	20,000,000	Class F Special Shares	Without Par Value With Special Rights or Restrictions attached
9.	25,000,000	Class G Special Shares	Without Par Value With Special Rights or Restrictions attached
10.	25,000,000	Class H Special Shares	Without Par Value With Special Rights or Restrictions attached
11.	500,000	Class I Special Shares	Without Par Value With Special Rights or Restrictions attached
12.	741,000	Class J Special Shares	Without Par Value With Special Rights or Restrictions attached

Exhibit 3.2

Incorporation Number C1323488

Translation of Name (if any) _____

PROVINCE OF BRITISH COLUMBIA

BUSINESS CORPORATIONS ACT

ARTICLES

OF

TMC THE METALS COMPANY INC.

Fasken Martineau DuMoulin LLP
Barristers & Solicitors
Canada

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

PROVINCE OF BRITISH COLUMBIA

BUSINESS CORPORATIONS ACT

ARTICLES
OF
TMC THE METALS COMPANY INC.

(the "Company")

Incorporation Number C1323488

Translation of Name (if any) _____

PART 1
INTERPRETATION

1.1 Definitions. Without limiting Article 1.2, in these Articles, unless the context requires otherwise:

"**adjourned meeting**" means the meeting to which a meeting is adjourned under Article 11.8 or 11.12;

"**board**", "board of directors" and "directors" mean the directors or sole director of the Company for the time being and include a committee or other delegate, direct or indirect, of the directors or director;

"***Business Corporations Act***" means the *Business Corporations Act*, S.B.C. 2002, c.57 as amended, restated or replaced from time to time, and includes its regulations;

"***Interpretation Act***" means the *Interpretation Act*, R.S.B.C. 1996, c. 238;

"**legal personal representative**" means the personal or other legal representative of the shareholder; and "**seal**" means the seal of the Company, if any.

1.2 *Business Corporations Act* Definitions Apply. The definitions in the *Business Corporations Act* apply to these Articles.

1.3 *Interpretation Act* Applies. The *Interpretation Act* applies to the interpretation of these articles as if these Articles were an enactment.

1.4 Conflict in Definitions. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles.

1.5 Conflict Between Articles and Legislation. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

PART 2
SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure. The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate. Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Right to Share Certificate or Acknowledgement. Each shareholder is entitled, without charge, to:

(a) one certificate representing the share or shares of each class or series of shares registered in the shareholder's name; or

(b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate,

provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgement and delivery of a share certificate or acknowledgment for a share to one of several joint shareholders or to one of the shareholder's duly authorized agents will be sufficient delivery to all. The Company may refuse to register more than three persons as joint holders of a share.

2.4 Sending of Share Certificate. Any share certificate or non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate to which a shareholder is entitled may be sent to the shareholder by mail at the shareholder's registered address, and neither the Company nor any agent is liable for any loss to the shareholder because the share certificate or acknowledgment sent is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate. If the board of directors, or any officer or agent designated by the directors, is satisfied that a share certificate is worn out or defaced, they must, on production to them of the certificate and on such other terms, if any, as they think fit:

(a) order the certificate to be cancelled; and

(b) issue a replacement share certificate.

2.6 Replacement of Lost, Stolen or Destroyed Certificate. If a share certificate is lost, stolen or destroyed, a replacement share certificate must be issued to the person entitled to that certificate if the board of directors, or any officer or agent designated by the directors, receives:

(a) proof satisfactory to them that the certificate is lost, stolen or destroyed; and

(b) any indemnity the board of directors, or any officer or agent designated by the directors, considers adequate.

2.7 Splitting Share Certificates. If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company must cancel the surrendered certificate and issue replacement share certificates in accordance with that request. The Company may refuse to issue a certificate with respect to a fraction of a share.

2.8 Certificate Fee. There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts. Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

PART 3
ISSUE OF SHARES

3.1 Directors Authorized to Issue Shares. Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the directors may issue, allot, sell or otherwise dispose of the unissued shares, and previously issued shares that are subject to reissuance or held by the Company, whether with par value or without par value, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares may be issued) that the directors, in their absolute discretion, may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts. The directors may, at any time, authorize the Company to pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage. The directors may authorize the Company to pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue. Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

(a) consideration is provided to the Company for the issue of the share by one or more of the following:

(i) past services performed for the Company;

(ii) property; or

(iii) money; and

(b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Warrants, Options and Rights. Subject to the *Business Corporations Act*, the Company may issue warrants, options and rights upon such terms and conditions as the directors determine, which warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

3.6 Fractional Shares. A person holding a fractional share does not have, in relation to the fractional share, the rights of a shareholder in proportion to the fraction of the share held.

PART 4
SHARE REGISTERS

4.1 Central Securities Register. As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register.

4.2 Branch Registers. In addition to the central securities register, the Company may maintain branch securities registers.

4.3 Appointment of Agents. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register and any branch securities registers. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.4 Closing Register. The Company must not at any time close its central securities register.

PART 5
SHARE TRANSFERS

5.1 Recording or Registering Transfer. Except to the extent that the *Business Corporations Act* otherwise provides, a transfer of a share of the Company must not be recorded or registered unless:

(a) a duly signed instrument of transfer in respect of the share has been received by the Company;

(b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and

(c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

5.2 Form of Instrument of Transfer. The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder. Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer. If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer, or, if no number is specified, all the shares represented by share certificates deposited with the instrument of transfer:

(a) in the name of the person named as transferee in that instrument of transfer; or

(b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the share certificate is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required. Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee. Subject to the applicable rules of any stock exchange on which the shares of the Company may be listed, there must be paid to the Company, in relation to the registration of any transfer, the amount determined by the directors.

PART 6
TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death. In the case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative. The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

PART 7
PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares. Subject to the special rights and restrictions attached to any class or series of shares and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and on the terms specified in such resolution.

7.2 Purchase When Insolvent. The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(a) the Company is insolvent; or

(b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares. If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(a) is not entitled to vote the share at a meeting of its shareholders;

(b) must not pay a dividend in respect of the share; and

(c) must not make any other distribution in respect of the share.

PART 8
BORROWING POWERS

8.1 Powers of Directors. The Company, if authorized by the directors, may from time to time:

(a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;

(b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person;

(c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(d) mortgage or charge, whether by way of specific or floating charge, or give other security on the whole or any part of the present and future undertaking of the Company.

8.2 Terms of Debt Instruments. Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, and with any special privileges on the redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of directors or otherwise, and may by their terms be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder, all as the directors may determine.

8.3 Delegation by Directors. For greater certainty, the powers of the directors under this Part 8 may be exercised by a committee or other delegate, direct or indirect, of the board authorized to exercise such powers.

PART 9
ALTERATIONS

9.1 Alteration of Authorized Share Structure. Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

(a) by ordinary resolution:

(i) create one or more classes or series of shares or, if none of the shares of a class or series of shares is allotted or issued, eliminate that class or series of shares;

(ii) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(iii) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(iv) if the Company is authorized to issue shares of a class of shares with par value:

(A) decrease the par value of those shares; or

(B) if none of the shares of that class of shares is allotted or issued, increase the par value of those shares;

(v) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(vi) alter the identifying name of any of its shares; or

(vii) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act.;* or

(b) by directors' resolution, subdivide or consolidate all or any of its unissued, or fully paid issued, shares.

9.2 Special Rights and Restrictions. Subject to the *Business Corporations Act*, the Company may by ordinary resolution:

(a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.3 Change of Name. The Company may by directors' resolution or ordinary resolution authorize an alteration of its Notice of Articles in order to change its name.

9.4 Company Alterations. If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify a type of resolution, the Company may by ordinary resolution authorize any act of the Company, including without limitation, an alteration of these Articles or its Notice of Articles.

PART 10
MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings. Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold an annual general meeting, for the first time, not more than 18 months after the date on which it was recognized, and after its first annual reference date, at least once in each calendar year and not more than 15 months after the annual reference date for the preceding calendar year at such date, time and location as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting. If all of the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Shareholder Meetings. The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Location of Shareholder Meetings. The directors may by directors' resolution, approve a location outside of British Columbia for the holding of a meeting of shareholders.

10.5 Notice for Meetings of Shareholders. The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(a) if and for so long as the Company is a public company, 21 days; and

(b) otherwise, 10 days.

10.6 Record Date for Notice. The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(a) if and for so long as the Company is a public company, 21 days; and

(b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Record Date for Voting. The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Failure to Give Notice and Waiver of Notice. The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to receive notice does not invalidate any proceedings at that meeting. Any person entitled to receive notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.9 Notice of Special Business at Meetings of Shareholders. If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by the shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.10 Class Meetings and Series Meetings of Shareholders. Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

10.11 Notice of Dissent Rights. The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least the following number of days before the meeting:

(a) if and for so long as the Company is a public company, 21 days;

(b) otherwise, 10 days.

PART 11
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business. At a meeting of shareholders, the following business is special business:

(a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of, or voting at, the meeting;

(ii) consideration of any financial statements of the Company presented to the meeting;

(iii) consideration of any reports of the directors or auditor;

(iv) the setting or changing of the number of directors;

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

(vii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and

(viii) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority. The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum. Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum. If there is only one shareholder entitled to vote at a meeting of shareholders:

(a) the quorum is one person who is, or who represents by proxy, that shareholder; and

(b) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Meetings by Telephone or Other Communications Medium. A shareholder or proxy holder who is entitled to participate in, including vote at, a meeting of shareholders may participate in person or by telephone or other communications medium if all shareholders and proxy holders participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A shareholder who participates in a meeting in a manner contemplated by this Article 11.5 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner. Nothing in this Article 11.5 obligates the Company to take any action or provide any facility to permit or facilitate the use of any communications mediums at a meeting of shareholders.

11.6 Other Persons May Attend. The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum, and is not entitled to vote at the meeting, unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.7 Requirement of Quorum. No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting.

11.8 Lack of Quorum. If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(a) in the case of a general meeting convened by requisition of shareholders, the meeting is dissolved; and

(b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place, or at such other date, time or location as the chair specifies on the adjournment.

11.9 Lack of Quorum at Succeeding Meeting. If, at the meeting to which the first meeting referred to in Article 11.8(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.10 Chair. The following individual is entitled to preside as chair at a meeting of shareholders:

(a) the chair of the board, if any; and

(b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.11 Selection of Alternate Chair. If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.12 Adjournments. The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.13 Notice of Adjourned Meeting. It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.14 Decisions by Show of Hands or Poll. Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands or the functional equivalent of a show of hands by means of telephonic, electronic or other communications facilities, unless a poll, before or on the declaration of the result of the vote by show of hands (or its functional equivalent), is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.15 Declaration of Result. The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands (or its functional equivalent) or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.14, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.16 Motion Need Not Be Seconded. No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.17 Casting Vote. In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.18 Manner of Taking a Poll. Subject to Article 11.19, if a poll is duly demanded at a meeting of shareholders:

(a) the poll must be taken:

(i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(ii) in the manner, at the time and at the place that the chair of the meeting directs;

(b) the result of the poll is deemed to be a resolution of and passed at the meeting at which the poll is demanded; and

(c) the demand for the poll may be withdrawn by the person who demanded it.

11.19 Demand for a Poll on Adjournment. A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.20 Chair Must Resolve Dispute. In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.21 Casting of Votes. On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.22 Demand for Poll. No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.23 Demand for a Poll Not to Prevent Continuation of Meeting. The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.24 Retention of Ballots and Proxies. The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during statutory business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

11.25 Electronic Voting. Any vote at a meeting of shareholders may be held entirely or partially by means of telephonic, electronic or other communications facilities if the directors determine to make them available whether or not persons entitled to attend participate in the meeting by means of telephonic, electronic or other communications facilities.

PART 12
VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares. Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint registered holders of shares under Article 12.3:

(a) on a vote by show of hands (or its functional equivalent), every person present who is a shareholder or proxy holder and entitled to vote at the meeting has one vote, and

(b) on a poll, every shareholder entitled to vote at the meeting has one vote in respect of each share held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity. A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is the legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Shareholders. If there are joint shareholders registered in respect of any share:

(a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders. Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder. If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(a) for that purpose, the instrument appointing a representative must:

  (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies or, if no number is specified, two days before the day set for the holding of the meeting; or

  (ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting; and

(b) if a representative is appointed under this Article 12.5:

  (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

  (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies. If and for so long as it is a public company, Articles 12.7 to 12.15 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

12.7 Appointment of Proxy Holder. Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders. A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 When Proxy Holder Need Not Be Shareholder. A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;

(b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;

(c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or

(d) the Company is a public company.

12.10 Deposit of Proxy. A proxy for a meeting of shareholders must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

(b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote. A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy. A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[Name of Company]
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder): _____

Signed this ____ day of _____, _____.

_____
Signature of shareholder

_____
Name of shareholder—printed

12.13 Revocation of Proxy. Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

(a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed. An instrument referred to in Article 12.13 must be signed as follows:

(a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy; or

(b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote. The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

PART 13
DIRECTORS

13.1 Number of Directors. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

(a) if the Company is a public company, the greater of three and the most recently set of:

(i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(ii) the number of directors set under Article 14.4;

(b) if the Company is not a public company, the most recently set of:

(i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(ii) the number of directors set under Article 14.4.

13.2 Change in Number of Directors. If the number of directors is set under Articles 13.1(a)(i) or 13.1(b)(i):

(a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy. An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors. A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors. The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors. The Company must reimburse each director for the reasonable expenses that he or she may incur in his or her capacity as director in and about the business of the Company.

13.7 Special Remuneration for Directors. If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director. Unless otherwise determined by ordinary resolution, the directors may authorize the Company to pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

PART 14
ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting. At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

(a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director. No election, appointment or designation of an individual as a director is valid unless:

(a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*; or

(b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

14.3 Failure to Elect or Appoint Directors. If:

(a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

(b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(c) the date on which his or her successor is elected or appointed; and

(d) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled. If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies. Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act. The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies. If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors. Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

(a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director. A director ceases to be a director when:

(a) the term of office of the director expires;

(b) the director dies;

(c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(d) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders. The Company may remove any director before the expiration of his or her term of office by ordinary resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors. The board may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company in accordance with the *Business Corporations Act* and does not promptly resign, and the board may appoint a director to fill the resulting vacancy.

PART 15
ADVANCE NOTICE REQUIREMENTS

15.1 Definitions. In this Part 15, unless the context otherwise requires:

(a) "**Applicable Securities Laws**" means the applicable securities statutes of each relevant state, province and territory of the United States and Canada, as applicable, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant state, province and territory of the United States and Canada;

(b) "**Person**" includes an individual, firm, association, trustee, executor, administrator, legal or personal representative, body corporate, company, corporation, trust, partnership, limited partnership, joint venture, syndicate or other form of unincorporated association, a government and its agencies or instrumentalities, any entity or group (whether or not having legal personality), any successor (by merger, statutory amalgamation or otherwise) and any of the foregoing acting in any derivative, representative or fiduciary capacity;

(c) "**Public Announcement**" shall mean disclosure in a press release reported by a national news service in the United States, or in a document publicly filed by the Company with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended.

15.2 Nomination of Directors. Only Persons who are eligible under the *Business Corporations Act* and who are nominated in accordance with the provisions herein shall be eligible for election as directors of the Company. At any annual general meeting of shareholders, or any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, nominations of Persons for election to the Board may be made only:

(a) by or at the direction of the Board, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a "proposal" made in accordance with Part 5, Division 7 of the *Business Corporations Act*, or pursuant to a requisition of the shareholders made in accordance with Section 167 of the *Business Corporations Act*; or

(c) by any Person (a "Nominating Shareholder"): (i) who, at the close of business on the date that the Nominating Shareholder's Notice (as defined below) is given and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such ownership that is satisfactory to the Company, acting reasonably; and (ii) who complies with all notice procedures set forth herein.

15.3 Timely Notice. In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with Article 15.4 below) and in proper written form (in accordance with Article 15.8 below) to the Corporate Secretary of the Company at the registered office of the Company (as set out in Article 15.8 of this Part 15).

15.4 Manner of Timely Notice. To be timely, the Nominating Shareholder's Notice to the Corporate Secretary of the Company must be made:

(a) in the case of an annual general meeting of shareholders, not less than thirty (30) days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than fifty (50) days after the date (the "Notice Date") on which the first Public Announcement of the date of the annual general meeting was made, the Nominating Shareholder's Notice may be made not later than the close of business on the tenth (10^{th}) day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15^{th}) day following the day on which the first Public Announcement of the date of the special meeting of shareholders was made,

15.5 Proper Form of Timely Notice. To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth:

(a) as to each Person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the Person; (ii) the present principal occupation or employment of the Person and the principal occupation or employment within the five years preceding the notice; (iii) the country of residence of the Person; (iv) the class or series and number of shares in the capital of the Company which are directly or indirectly controlled or directed or which are owned beneficially or of record by the Person as of the record date for the annual general meeting of shareholders, or the special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (iv) full particulars regarding any agreements between the Person and/or the Nominating Shareholder and/or any other person or company relating to the Person's nomination for election as a director of the Company; and (v) any other information relating to the Person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws; and

(b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; (collectively with Article 15.5(a), the "Nominating Shareholder's Notice").

The Company may require any proposed nominee to furnish such other information as may be required to be contained in a dissident's proxy circular or by Applicable Securities Laws to determine the independence of the Proposed Nominee or the eligibility of such proposed nominee to serve as a director of the Company.

15.6 Notice to be Updated. To be considered timely and in proper written form, the Nominating Shareholder's Notice will be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such Nominating Shareholder's Notice will be true and correct as of the record date for the annual general meeting of shareholders, or the special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors.

15.7 Eligibility for Nomination as a Director. No Person shall be eligible for election as a director of the Company (except pursuant to Article 15.2(a) unless nominated in accordance with the provisions of this Part 15; provided, however, that nothing in this Part 15 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at any annual general meeting of shareholders, or any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the *Business Corporations Act* or at the discretion of the Chair of the Board. The Chair of the Board of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this Part 15, and, if any proposed nomination is not in compliance with such provisions, to declare that such defective nomination shall be deemed voided and subsequently disregarded.

15.8 Delivery of Notice. Notwithstanding any other provision in this Part 15, notice given to the Corporate Secretary of the Company pursuant to this Part 15 may only be given by personal delivery, facsimile transmission or email (provided that the Corporate Secretary has stipulated an e-mail address for purposes of this Part 15), and shall be deemed to have been given and received only at the time it is served by personal delivery or sent by facsimile transaction (provided that receipt of confirmation of such transmission has been received) or by e-mail (at the address as foresaid) to the Corporate Secretary at the registered office of the Company as follows:

10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C

2T5 Canada Fax: +1 604 687-8772

provided that if such delivery or electronic transmission is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic transmission shall be deemed to have been made on the subsequent day that is a business day.

15.9 Board's Discretion. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any and all requirements in this Part 15.

PART 16
FORUM FOR ADJUDICATION OF CERTAIN DISPUTES

16.1 Forum Selection. Unless the Company consents in writing to the selection of an alternative forum, the Supreme Court of the Province of British Columbia, Canada and the appellate Courts therefrom (collectively, the "**Courts**"), shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the Company to the Company; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the *Business Corporations Act* or these Articles or the Notice of Articles (as may be amended from time to time); or (iv) any action or proceeding asserting a claim otherwise related to the relationships among the Company, its affiliates and the shareholders, directors and officers of such corporations (but does not include the business carried on by such corporations). If any action or proceeding the subject matter of which is within the scope of the preceding sentence is filed in a Court other than a Court located within the Province of British Columbia (a "**Foreign Action**") in the name of any registered or beneficial securityholder of the Company, such securityholder shall be deemed to have consented to (i) the personal jurisdiction of the Courts in connection with any action or proceeding brought in any such Court to enforce foregoing exclusive forum provision (an "**Enforcement Action**") and (ii) having service of process made upon such securityholder in any such Enforcement Action by service upon such securityholder's counsel in the Foreign Action as agent for such securityholder. For the avoidance of doubt, this Part 16 shall not apply to any action brought to enforce a duty or liability created by the U.S. Securities Act of 1933, as amended, or the U.S. Securities Exchange Act of 1934, as amended. Unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the U.S. Securities Act of 1933, as amended. Any person or entity purchasing or otherwise acquiring any interest in any security of the Company shall be deemed to have notice of and consented to the provisions of this Part 16.

PART 17
POWERS AND DUTIES OF DIRECTORS

17.1 Powers of Management. The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

17.2 Appointment of Attorney of Company. The directors exclusively may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 18
DISCLOSURE OF INTEREST OF DIRECTORS

18.1 Obligation to Account for Profits. A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

18.2 Restrictions on Voting by Reason of Interest. A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

18.3 Interested Director Counted in Quorum. A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

18.4 Disclosure of Conflict of Interest or Property. A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

18.5 Director Holding Other Office in the Company. A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

18.6 No Disqualification. No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

18.7 Professional Services by Director or Officer. Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

18.8 Director or Officer in Other Corporations. A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

PART 19
PROCEEDINGS OF DIRECTORS

19.1 Meetings of Directors. The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the board held at regular intervals may be held at the place, at the time and on the notice, if any, that the board may by resolution from time to time determine.

19.2 Voting at Meetings. Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

19.3 Chair of Meetings. Meetings of directors are to be chaired by:

(a) the chair of the board, if any;

(b) in the absence of the chair of the board, the president, if any, if the president is a director; or

(c) any other director chosen by the directors if:

(i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

19.4 Meetings by Telephone or Other Communications Medium. A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone or other communications medium if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 19.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

19.5 Calling of Meetings. A director may, and the secretary or an assistant secretary, if any, on the request of a director must, call a meeting of the directors at any time.

19.6 Notice of Meetings. Other than for meetings held at regular intervals as determined by the directors pursuant to Article 19.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 25.1 or orally or by telephone.

19.7 When Notice Not Required. It is not necessary to give notice of a meeting of the directors to a director if:

(a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed or is the meeting of the directors at which that director is appointed; or

(b) the director has waived notice of the meeting.

19.8 Meeting Valid Despite Failure to Give Notice. The accidental omission to give notice of any meeting of directors to any director, or the non-receipt of any notice by any director, does not invalidate any proceedings at that meeting.

19.9 Waiver of Notice of Meetings. Any director may file with the Company a document signed by the director waiving notice of any past, present or future meeting of the directors and may at any time withdraw that waiver with respect to meetings of the directors held after that withdrawal. After sending a waiver with respect to all future meetings of the directors, and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

19.10 Quorum. The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at a majority of the directors.

19.11 Validity of Acts Where Appointment Defective. Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

19.12 Consent Resolutions in Writing. A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or, if no date is stated in the resolution, on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 19.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

PART 20
EXECUTIVE AND OTHER COMMITTEES

20.1 Appointment and Powers of Executive Committee. The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

20.2 Appointment and Powers of Other Committees. The directors may, by resolution,

(a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:

(i) the power to fill vacancies in the board of directors;

(ii) the power to remove a director;

(iii) the power to change the membership of, or fill vacancies in, any committee of the board, and

(iv) the power to appoint or remove officers appointed by the board; and

(c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution.

20.3 Obligations of Committee. Any committee appointed under Articles 20.1 or 20.2, in the exercise of the powers delegated to it, must

(a) conform to any rules that may from time to time be imposed on it by the directors; and

(b) report every act or thing done in exercise of those powers as the directors may require.

20.4 Powers of Board. The directors may, at any time, with respect to a committee appointed under Articles 20.1 or 20.2:

(a) revoke or alter the authority given to a committee, or override a decision made by a committee, except as to acts done before such revocation, alteration or overriding;

(b) terminate the appointment of, or change the membership of, a committee; and

(c) fill vacancies on a committee.

20.5 Committee Meetings. Subject to Article 20.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 20.1 or 20.2:

(a) the committee may meet and adjourn as it thinks proper;

(b) the committee may elect a chair of its meetings but, if no chair of the meeting is elected, or if at any meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(c) a majority of the members of a directors' committee constitutes a quorum of the committee; and

(d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting has no second or casting vote.

PART 21
OFFICERS

21.1 Appointment of Officers. The directors may, from time to time, appoint such officers, if any, as the directors determine, and the directors may, at any time, terminate any such appointment.

21.2 Functions, Duties and Powers of Officers. The directors may, for each officer:

(a) determine the functions and duties of the officer;

(b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

21.3 Qualifications. No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any officer need not be a director.

21.4 Remuneration. All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

PART 22
INDEMNIFICATION

22.1 Definitions. In this Part 22:

(a) "**eligible penalty**" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(b) "**eligible proceeding**" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director of the Company or an affiliate of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director of the Company or an affiliate of the Company:

(i) is or may be joined as a party; or

(ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(c) "**expenses**" has the meaning set out in the *Business Corporations Act*.

22.2 Mandatory Indemnification of Directors and Former Directors. Subject to the *Business Corporations Act*, the Company must indemnify and advance expenses of a director or former director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 22.2.

22.3 Indemnification of Other Persons. Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

22.4 Non-Compliance with *Business Corporations Act*. The failure of a director or former director of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

22.5 Company May Purchase Insurance. The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

(a) is or was a director, officer, employee or agent of the Company;

(b) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(c) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(d) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, officer, employee or agent or person who holds or held such equivalent position.

PART 23
DIVIDENDS

23.1 Payment of Dividends Subject to Special Rights. The provisions of this Part 23 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

23.2 Declaration of Dividends. Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

23.3 No Notice Required. The directors need not give notice to any shareholder of any declaration under Article 23.2.

23.4 Record Date. The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

23.5 Manner of Paying Dividend. A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of paid up shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

23.6 Settlement of Difficulties. If any difficulty arises in regard to a distribution under Article 23.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(a) set the value for distribution of specific assets;

(b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(c) vest any such specific assets in trustees for the persons entitled to the dividend.

23.7 When Dividend Payable. Any dividend may be made payable on such date as is fixed by the directors.

23.8 Dividends to be Paid in Accordance with Number of Shares. All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

23.9 Receipt by Joint Shareholders. If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

23.10 Dividend Bears No Interest. No dividend bears interest against the Company.

23.11 Fractional Dividends. If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

23.12 Payment of Dividends. Any dividend or other distribution payable in respect of shares will be paid by cheque or by electronic means or by such other method as the directors may determine. The payment will be made to or to the order of each registered holder of shares in respect of which the payment is to be made. Cheques will be sent to the registered address of the shareholder unless the shareholder otherwise directs. In the case of joint holders, the payment will be made to the order of all such joint holders and, if applicable, sent to them at the registered address of the joint shareholder who is first named on the central securities register, unless such joint holders otherwise direct. The sending of the cheque or the sending of the payment by electronic means or the sending of the payment by a method determined by the directors in an amount equal to the dividend or other distribution to be paid less any tax that the Company is required to withhold will satisfy and discharge the liability for the payment, unless payment is not made upon presentation, if applicable, or the amount of tax so deducted is not paid to the appropriate taxing authority.

23.13 Capitalization of Surplus. Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

23.14 Unclaimed Dividends. Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Company. The Company shall not be liable to any person in respect of any dividend which is forfeited to the Company or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law

PART 24
DOCUMENTS, RECORDS AND REPORTS

24.1 Recording of Financial Affairs. The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the provisions of the *Business Corporations Act*.

24.2 Inspection of Accounting Records. Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

24.3 Remuneration of Auditors. The remuneration of the auditors, if any, shall be set by the directors regardless of whether the auditor is appointed by the shareholders, by the directors or otherwise. For greater certainty, the directors may delegate to the audit committee or other committee the power to set the remuneration of the auditors.

PART 25
NOTICES

25.1 Method of Giving Notice. Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

(a) mail addressed to the person at the applicable address for that person as follows:

(i) for a record mailed to a shareholder, the shareholder's registered address;

(ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the mailing address of the intended recipient;

(b) delivery at the applicable address for that person as follows, addressed to the person:

(i) for a record delivered to a shareholder, the shareholder's registered address;

(ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the delivery address of the intended recipient;

(c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(d) sending the record, or a reference providing the intended recipient with immediate access to the record, by electronic communication to an address provided by the intended recipient for the sending of that record or records of that class;

(e) sending the record by any method of transmitting legibly recorded messages, including without limitation by digital medium, magnetic medium, optical medium, mechanical reproduction or graphic imaging, to an address provided by the intended recipient for the sending of that record or records of that class; or

(f) physical delivery to the intended recipient.

25.2 Deemed Receipt. A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 25.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during statutory business hours on the day which statutory business hours next occur if not given during such hours on any day.

25.3 Certificate of Sending. A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 25.1, prepaid and mailed or otherwise sent as permitted by Article 25.1 is conclusive evidence of that fact.

25.4 Notice to Joint Shareholders. A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

25.5 Notice to Trustees. A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(a) mailing the record, addressed to them:

(i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

PART 26
SEAL

26.1 Who May Attest Seal. Except as provided in Articles 26.2 and 26.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signature or signatures of:

(a) any two directors;

(b) any officer, together with any director;

(c) if the Company only has one director, that director; or

(d) any one or more directors or officers or persons as may be determined by resolution of the directors.

26.2 Sealing Copies. For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 26.1, the impression of the seal may be attested by the signature of any director or officer.

26.3 Mechanical Reproduction of Seal. The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

PART 27
PROHIBITIONS

27.1 Definitions. In this Part 27:

(a) "**designated security**" means:

(i) a voting security of the Company;

(ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or

(iii) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);

(b) "**security**" has the meaning assigned in the ***Securities Act*** (British Columbia);

(c) "**voting security**" means a security of the Company that:

(i) is not a debt security, and

(ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

27.2 Application. Except as otherwise contemplated in Article 30.5, Article 27.3 does not apply to the Company if and for so long as it is a public company.

27.3 Consent Required for Transfer of Shares or Designated Securities. No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

PART 28
DEFINITIONS

28.1 Definitions In Part 28, Part 29, Part 30, Part 31, and Part 32 of these Articles:

(a) "**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlled" and "controlling" have meanings correlative thereto.

(b) "**Automatic Conversion**" means the automatic conversion into Common Shares of the Class A Special Shares, Class B Special Shares, Class C Special Shares, Class D Special Shares, Class E Special Shares, Class F Special Shares, Class G Special Shares, Class H Special Shares, Class I Special Shares or Class J Special Shares, as applicable, each in accordance with the terms and conditions set forth in Part 31 of these Articles.

(c) "**Automatic Conversion Date**" has the meaning set forth in Article 31.11.

(d) "**Change of Control**" means any transaction or series of related transactions (x) under which any Person or one or more Persons that are Affiliates or that are acting as a "group" (as defined in Section 13(d)(3) of the Exchange Act), directly or indirectly, acquires or otherwise purchases (i) the Company or (ii) all or a material portion of assets, businesses or Equity Securities of the Company or (y) that results, directly or indirectly, in the shareholders of the Company as of immediately prior to such transaction holding, in the aggregate, less than fifty percent (50%) of the voting Equity Securities of the Company immediately after the consummation thereof (excluding, for the avoidance of doubt, any Special Shares and the Common Shares issuable upon conversion thereof pursuant to Part 31) (in the case of each of clause (x) and (y), whether by amalgamation, merger, consolidation, arrangement, tender offer, recapitalization, purchase or issuance of Equity Securities or otherwise).

(e) "**Class A Special Shares**" means the Class A Special Shares in the capital of the Company.

(f) "**Class B Special Shares**" means the Class B Special Shares in the capital of the Company.

(g) "**Class C Special Shares**" means the Class C Special Shares in the capital of the Company.

(h) "**Class D Special Shares**" means the Class D Special Shares in the capital of the Company.

(i) "**Class E Special Shares**" means the Class E Special Shares in the capital of the Company.

(j) "**Class F Special Shares**" means the Class F Special Shares in the capital of the Company.

(k) "**Class G Special Shares**" means the Class G Special Shares in the capital of the Company.

(l) "**Class H Special Shares"** means the Class H Special Shares in the capital of the Company.

(m) "**Class I Special Shares"** means the Class I Special Shares in the capital of the Company.

(n) "**Class J Special Shares"** means the Class J Special Shares in the capital of the Company.

(o) "**Common Shares**" means the common shares in the capital of the Company.

(p) "**Conversion Rate**" has the meaning set forth in Article 30.6.

(q) "**Equity Securities**" means the Common Shares, the Preferred Shares, the Special Shares or any other class of shares or series thereof in the capital of the Company or similar interest in the Company (including any stock appreciation, phantom stock, profit participation or similar rights), and any option, warrant, right or security (including debt securities) convertible, exchangeable or exercisable therefor.

(r) "**Exchange Act**" means the United States Securities Exchange Act of 1934.

(s) "**holder**" of any share referred to herein means the holder of such share as registered on the central securities register of the Company and, in respect of shares held by joint holders, means all such joint holders.

(t) "**Letter of Transmittal**" means the letter of transmittal executed and delivered by holders of securities of DeepGreen Metals Inc. as a condition to obtaining Equity Securities arising from or in connection with the Business Combination Agreement (the "**BCA**") between DeepGreen Metals Inc., 1291924 B.C. Unlimited Liability Company and the Company dated as of March 4, 2021 (including, for greater certainty, Equity Securities issued pursuant to the exercise of Rollover Options (as defined therein) after the completion of the transactions contemplated therein).

(u) "**Liquidation Distribution**" means a distribution of assets of the Company among its shareholders arising on the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs.

(v) "**Original Issue Date**" means the date, on or about September 9, 2021, on which the first Special Share is issued.

(w) "**Permitted Transfer**" means, in respect of a proposed Transfer by a holder of Special Shares:

(i) in the case of an individual, by gift to a member of one of the individual's immediate family, to a trust, the beneficiaries of which are members of the individual's immediate family or an Affiliate of such individual, in each case for estate planning purposes;

(ii) in the case of an individual, by virtue of laws of descent and distribution upon death of the individual;

(iii) in the case of an individual, pursuant to a qualified domestic relations order;

(iv) by virtue of the holder's organizational documents upon liquidation or dissolution of the holder; or

(v) subject to the provisions of Article 30.5, a Transfer to the officers or directors of such holder, the members or partners of such holder, any Affiliates of such holder or any employee of such Affiliate.

(x) "**Permitted Transferee**" means any transferee arising from a Permitted Transfer.

(y) "**Preferred Shares**" means the preferred shares in the capital of the Company, issuable in series.

(z) "**Redemption Price**" with respect to each Class A Special Share, Class B Special Share, Class C Special Share, Class D Special Share, Class E Special Share, Class F Special Share, Class G Special Share, Class H Special Share, Class I Special Share and Class J Special Share, shall be equal to US$0.00000000001 per share.

(aa) "**Redemption Time**" has the meaning set forth in Article 30.4.

(bb) "**Person**" means an individual, partnership, corporation, limited liability company, joint stock company, unincorporated organization or association, trust, joint venture or other similar entity, whether or not a legal entity.

(cc) "**Special Shares**" means, collectively, the Class A Special Shares, Class B Special Shares, Class C Special Shares, Class D Special Shares, Class E Special Shares, Class F Special Shares, Class G Special Shares, Class H Special Shares, Class I Special Shares and Class J Special Shares.

(dd) "**Trading Day**" means any day on which Common Shares are actually traded on the principal securities exchange or securities market on which Common Shares are then traded.

(ee) "**Transfer**" means any, direct or indirect, sale, transfer, assignment, pledge, mortgage, exchange, hypothecation, grant of a security interest or encumbrance in or disposition of an interest (whether with or without consideration, whether voluntarily or involuntarily or by operation of law or otherwise, provided that a Permitted Transfer as contemplated in Article 28.1(w)(i) and Article 28.1(w)(v) shall be without consideration or for nominal consideration).

PART 29
COMMON SHARES

29.1 Voting The holders of the Common Shares shall be entitled to one vote for each Common Share held at all meetings of shareholders of the Company, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series.

29.2 Dividends Subject to the prior rights of the Preferred Shares and any other class ranking senior to the Common Shares, the holders of the Common Shares shall be entitled to receive and the Company shall pay thereon, as and when declared by the directors of the Company out of moneys of the Company properly applicable to the payment of dividends, such non-cumulative dividends as the directors may from time to time declare.

29.3 Liquidation Distribution In the event of any Liquidation Distribution, subject to the prior rights of the holders of Special Shares, the holders of the Preferred Shares of all series and the holders of the shares of any other class ranking senior to the Common Shares, the holders of the Common Shares shall be entitled to receive all remaining property and assets of the Company.

PART 30
SPECIAL SHARES

30.1 Non-Voting The holders of the Special Shares shall not be entitled to any voting rights except as otherwise required under the Business Corporations Act.

30.2 Dividends The holders of the Special Shares shall not be entitled to any dividends or other distributions other than a Liquidation Distribution.

30.3 Liquidation Distribution In the event of any Liquidation Distribution, the holders of Special Shares shall be entitled to receive, before any repayment of capital or any distribution of any part of the assets of the Company to the holders of the Common Shares, and any shares ranking junior to the Special Shares, an amount per Special Share equal to the Redemption Price. After payment to the holders of the Special Shares of the amount so payable to them as above provided, the holders of the Special Shares shall not be entitled to share in any further distribution of the property or assets of the Company.

30.4 Redemption Subject to Section 79 of the Business Corporations Act, the Company shall:

(a) at any time after the 15th year anniversary of the Original Issue Date; or

(b) at any time after a Change of Control;

without notice, redeem at any time the whole of the then outstanding Special Shares on payment, in respect of each Special Share to be redeemed, of the Redemption Price thereon (provided that the ability to redeem Special Shares shall not apply in respect of any Special Shares which are automatically converted into Common Shares in accordance with the provisions of Part 31).

Subject to Section 79 of the *Business Corporations Act*, in the event that any holder of Special Shares breaches any covenant of such holder, in respect of its ownership of the Special Shares, contained in the Letter of Transmittal, such holder's Special Shares shall be deemed to be immediately redeemed, without notice or formality, whereupon such holder shall cease to hold any rights in respect of such Special Shares and shall only be entitled to receive an amount equal to the aggregate of the Redemption Price in respect of such holder's Special Shares. Any such redemption of Special Shares shall be immediate upon the occurrence of such breach (the "**Redemption Time**"), and such holder's only rights in respect thereof shall be to receive the Redemption Price in respect of such Special Shares. For greater certainty, after the Redemption Time, the rights in respect of Special Shares of such holder shall no longer be exercisable by such holder in respect thereof. The Company shall thereafter deliver to such holder of Special Shares the Redemption Price thereon.

30.5 Limits on Transferability None of the Special Shares may be Transferred without the prior approval of the board of directors, which shall only be given if:

(a) the board of directors is satisfied that the Transfer is a Permitted Transfer; and

(b) the transferring holder and the Permitted Transferee enter into a written agreement in form and substance reasonably satisfactory to the Company providing such assurances as the Company may require relating to, among other things:

(i) the eligibility of the Transfer as a Permitted Transfer;

(ii) the Permitted Transferee's acknowledgement of the transfer restrictions in respect of the Special Shares being transferred; and

(iii) the Permitted Transferee's agreement to be bound by all of the covenants, agreements and obligations of the transferring holder to the Company in respect of (x) matters relating to the Special Shares and (y) the transferring holder's ownership of the Special Shares.

The Company shall not register, and no holder shall have any right to request, any Transfer of the registered ownership of any Special Shares without such approval. For greater certainty, no holder shall be entitled to pledge, mortgage, exchange, hypothecate or grant a security interest or encumbrance in any Special Shares. Notwithstanding the foregoing, any holder or proposed holder of Special Shares may, at such Person's option, at any time (whether before or after the issuance of any Special Shares to such Person) provide an irrevocable direction and agreement (the "**Direction**") in favour of the Company (which Direction may be contained in the Letter of Transmittal or in a separate document delivered to the Company), that a proposed Transfer contemplated in Article 28.1(w)(v) shall be deemed not be a Permitted Transfer in respect of any Special Shares held or proposed to be held by such Person (and, for greater certainty, such Direction may (but need not) also provide that any other proposed Transfer contemplated in Article 28.1(w)(v) shall be conditional upon the proposed transferee executing an identical Direction), whereupon the Company shall thereafter disregard any request by such Person for a Transfer to be made pursuant to Article 28.1(w)(v) unless such request complies with such Direction.

30.6 Conversion Provisions Unless and until adjusted as provided for in this Article 30.6, for all conversions of Special Shares, each Special Share shall be converted into Common Shares on a 1:1 basis (the "Conversion Rate").

(a) No fractional Common Shares shall be issued upon conversion of the Special Shares. All Common Shares (including fractions thereof) issuable upon conversion of more than one Special Share by a holder thereof shall be aggregated for the purpose of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of any fractional Common Share, the holder shall be entitled to the number of Common Shares determined by rounding the entitlement down to the nearest whole number.

(b) If the Company shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding Common Shares, the Special Shares shall be similarly subdivided at the same time (failing which the Conversion Rate shall be adjusted accordingly). If the Company shall at any time or from time to time after the Original Issue Date effect a consolidation of the outstanding Common Shares, the Special Shares shall be similarly consolidated at the same time (failing which the Conversion Rate shall be adjusted accordingly). In each case, the dollar values set forth in Part 31 shall be appropriately adjusted to provide the holders of the Special Shares the same economic effect as contemplated by these Articles prior to such event.

(c) If the Common Shares of the Company shall be changed into the same or a different number of shares of any class, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares, or a reorganization, merger, amalgamation, arrangement, consolidation, business combination or sale of assets provided for below), then in the event that any Special Shares are thereafter converted into Common Shares, the holders of the Special Shares shall be entitled to receive the kind and amount of shares or other securities or property receivable, upon such reorganization, reclassification or other change, that would have otherwise been receivable by the holders of the number of Common Shares into which such Special Shares would have been converted immediately prior to such reorganization, reclassification or change, all subject to further adjustment as provided herein.

(d) In case of any merger, amalgamation, consolidation, arrangement, reorganization or other business combination involving the Company and any other corporation or other entity or Person (in each case, other than a Change of Control), then in the event that any Special Shares are thereafter converted into Common Shares, such Special Shares shall thereafter be convertible (or shall be converted into a security which shall be convertible) into the kind and amount of shares or other securities or property to which a holder of the number of Common Shares of the Company that would have otherwise been deliverable upon conversion of such Special Shares would have been entitled upon such event; and, in such case, appropriate adjustment (as determined in good faith by the board of directors of the Company) shall be made in the application of the provisions in this Article 30.6(d) set forth with respect to the rights and interest thereafter of the holders of the Special Shares, to the end that the provisions set forth in this Article 30.6(d) (including provisions with respect to changes in and other adjustments of the Conversion Rate) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares or other securities or property thereafter deliverable upon the conversion of the Special Shares.

(e) Upon any Special Shares being converted as herein provided, all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall immediately cease and terminate on the Automatic Conversion Date, other than the right of the holders thereof to receive Common Shares in exchange therefor.

PART 31
AUTOMATIC CONVERSIONS OF SPECIAL SHARES

31.1 Class A Special Shares Class A Special Shares shall be converted automatically into Common Shares in accordance with the provisions set forth in this Part 31 if:

(a) on any twenty (20) Trading Days within any thirty (30) Trading Day period, the Common Shares trade on the principal securities exchange or securities market on which Common Shares are then traded for a price that is greater than or equal to US$15.00; or

(b) there occurs any transaction resulting in a Change of Control with a valuation of the Common Shares that is greater than or equal to US$15.00 per Common Share.

31.2 Class B Special Shares Class B Special Shares shall be converted automatically into Common Shares in accordance with the provisions set forth in this Part 31 if:

(a) on any twenty (20) Trading Days within any thirty (30) Trading Day period, the Common Shares trade on the principal securities exchange or securities market on which Common Shares are then traded for a price that is greater than or equal to US$25.00; or

(b) there occurs any transaction resulting in a Change of Control with a valuation of the Common Shares that is greater than or equal to US$25.00 per Common Share.

31.3 Class C Special Shares Class C Special Shares shall be converted automatically into Common Shares in accordance with the provisions set forth in this Part 31 if:

(a) on any twenty (20) Trading Days within any thirty (30) Trading Day period, the Common Shares trade on the principal securities exchange or securities market on which Common Shares are then traded for a price that is greater than or equal to US$35.00; or

(b) there occurs any transaction resulting in a Change of Control with a valuation of the Common Shares that is greater than or equal to US$35.00 per Common Share.

31.4 Class D Special Shares Class D Special Shares shall be converted automatically into Common Shares in accordance with the provisions set forth in this Part 31 if:

(a) on any twenty (20) Trading Days within any thirty (30) Trading Day period, the Common Shares trade on the principal securities exchange or securities market on which Common Shares are then traded for a price that is greater than or equal to US$50.00; or

(b) there occurs any transaction resulting in a Change of Control with a valuation of the Common Shares that is greater than or equal to US$50.00 per Common Share.

31.5 Class E Special Shares Class E Special Shares shall be converted automatically into Common Shares in accordance with the provisions set forth in this Part 31 if:

(a) on any twenty (20) Trading Days within any thirty (30) Trading Day period, the Common Shares trade on the principal securities exchange or securities market on which Common Shares are then traded for a price that is greater than or equal to US$75.00; or

(b) there occurs any transaction resulting in a Change of Control with a valuation of the Common Shares that is greater than or equal to US$75.00 per Common Share.

31.6 Class F Special Shares Class F Special Shares shall be converted automatically into Common Shares in accordance with the provisions set forth in this Part 31 if:

(a) on any twenty (20) Trading Days within any thirty (30) Trading Day period, the Common Shares trade on the principal securities exchange or securities market on which Common Shares are then traded for a price that is greater than or equal to US$100.00; or

(b) there occurs any transaction resulting in a Change of Control with a valuation of the Common Shares that is greater than or equal to US$100.00 per Common Share.

31.7 Class G Special Shares Class G Special Shares shall be converted automatically into Common Shares in accordance with the provisions set forth in this Part 31 if:

(a) on any twenty (20) Trading Days within any thirty (30) Trading Day period, the Common Shares trade on the principal securities exchange or securities market on which Common Shares are then traded for a price that is greater than or equal to US$150.00; or

(b) there occurs any transaction resulting in a Change of Control with a valuation of the Common Shares that is greater than or equal to US$150.00 per Common Share.

31.8 Class H Special Shares Class H Special Shares shall be converted automatically into Common Shares in accordance with the provisions set forth in this Part 31 if:

(a) on any twenty (20) Trading Days within any thirty (30) Trading Day period, the Common Shares trade on the principal securities exchange or securities market on which Common Shares are then traded for a price that is greater than or equal to US$200.00; or

(b) there occurs any transaction resulting in a Change of Control with a valuation of the Common Shares that is greater than or equal to US$200.00 per Common Share.

31.9 Class I Special Shares Class I Special Shares shall be converted automatically into Common Shares in accordance with the provisions set forth in this Part 31 if:

(a) on any twenty (20) Trading Days within any thirty (30) Trading Day period, the Common Shares trade on the principal securities exchange or securities market on which Common Shares are then traded for a price that is greater than or equal to US$50.00; or

(b) there occurs any transaction resulting in a Change of Control with a valuation of the Common Shares that is greater than or equal to US$50.00 per Common Share.

31.10 Class J Special Shares Class J Special Shares shall be converted automatically into Common Shares in accordance with the provisions set forth in this Part 31 if**:**

(a) on any twenty (20) Trading Days within any thirty (30) Trading Day period, the Common Shares trade on the principal securities exchange or securities market on which Common Shares are then traded for a price that is greater than or equal to US$12.00; or

(b) there occurs any transaction resulting in a Change of Control with a valuation of the Common Shares that is greater than or equal to US$12.00 per Common Share.

31.11 Automatic Conversion. Upon the occurrence of an Automatic Conversion under the foregoing Articles, all the then issued and outstanding Special Shares of the applicable class shall be converted automatically without any further action by the holders thereof and whether or not the certificates (if any) representing such shares are surrendered to the Company or its transfer agent; provided, however, that in each case all holders of Special Shares being converted shall be **given written notice of the** occurrence of an Automatic Conversion, including the date such event occurred (the "Automatic Conversion Date"), and the Company shall not be obligated to issue certificates evidencing the Common Shares issuable upon such conversion unless certificates evidencing such Special Shares being converted, if any, are either delivered to the Company, or its transfer agent, or the holder notifies the Company, or its transfer agent, that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company (and its transfer agent, if applicable) from any loss incurred by it in connection therewith**.**

31.12 Effect of Automatic Conversion On the Automatic Conversion Date, all rights with respect to the Special Shares so converted shall terminate, except for any of the rights of the holder thereof, upon surrender of the holder's certificate or certificates therefor, to receive certificates for the number of Common Shares into which such Special Shares have been converted. Upon the automatic conversion of the applicable Special Shares, the holders of such Special Shares shall surrender the certificates representing such shares at the registered office of the Company or of its transfer agent. Upon surrender of such certificates, the Company shall promptly issue and deliver to such holder, in such holder's name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of Common Shares into which the Special Shares surrendered were converted on the Automatic Conversion Date. Such conversion shall be deemed to have been made upon the occurrence of the Automatic Conversion and the Person or Persons entitled to receive the Common Shares issuable upon conversion shall be treated for all purposes as the record holder or holders of such Common Shares at such time**.**

PART 32
PREFERRED SHARES

32.1 Issuable in Series

(a) The Preferred Shares may include one or more series.

(b) Subject to Article 32.1(c) of these Articles and the *Business Corporations Act*, from time to time, the directors by resolution or the shareholders by ordinary resolution may, if none of the Preferred Shares of any particular series are issued, alter these Articles and authorize the alteration of the Notice of Articles of the Company, as the case may be, to do one or more of the following:

(i) determine the maximum number of shares of any of those series of Preferred Shares that the Company is authorized to issue, determine that there is no such maximum number, or alter any determination made under this Article 32.1(b)(i) or otherwise in relation to a maximum number of those shares;

(ii) create an identifying create an identifying name by which the shares of any of those series of Preferred Shares may be identified, or alter any identifying name created for those shares; and

(iii) attach or alter special rights or restrictions to the shares of any of those series of Preferred Shares, including, but without limiting or restricting the generality of the foregoing, special rights or restrictions with respect to:

(A) the rate, amount, method of calculation and payment of any dividends, whether cumulative, partly cumulative or non-cumulative, and whether such rate, amount, method of calculation or payment is subject to change or adjustment in the future;

(B) any rights upon a dissolution, liquidation or winding-up of the Company or upon any other return of capital or distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs;

(C) any rights of redemption, retraction or purchase for cancellation and the prices and terms and conditions of any such rights;

(D) any rights of conversion, exchange or reclassification and the terms and conditions of any such rights;

(E) any rights to vote; and

(F) any other special rights or restrictions, not inconsistent with these share provisions, attaching to such series of Preferred Shares.

(c) No special rights or restrictions attached to any series of Preferred Shares shall confer upon the shares of such series a priority over the shares of any other series of Preferred Shares in respect of dividends or a return of capital in the event of the dissolution of the Company or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred Shares to a return of capital. The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of dissolution or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred Shares to a return of capital, rank on a parity with the shares of every other series.

Unless the special rights or restrictions attached to any series of Preferred Shares otherwise state, each series of Preferred Shares shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of dissolution or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred Shares to a return of capital, rank in priority to the rights of holders of Common Shares and Special Shares and any other class of shares stated to be ranking junior to the Preferred Shares. For greater certainty, the amount of the priority in respect of the return of capital in the case of the distribution of assets or return of capital in the event of dissolution or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred Shares to a return of capital shall be the amount stated or calculated in accordance with the special rights or restrictions of the particular series of Preferred Shares.

Dated September 9, 2021.

/s/ Scott Leonard

SCOTT LEONARD

Exhibit 4.1

COMMON SHARE CERTIFICATE

NUMBER SHARES

TMC THE METALS COMPANY INC.
INCORPORATED UNDER THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)
COMMON SHARES

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP 87261Y 106

This Certifies that _____is the registered owner of_____

FULLY PAID AND NON-ASSESSABLE COMMON SHARES WITHOUT PAR VALUE IN THE CAPITAL OF TMC THE METALS COMPANY INC.

subject to the Company's notice of articles and articles, as the same may be amended from time to time, and transferable on the books of the Company in person or by duly authorized attorney upon surrender of this certificate properly endorsed. THERE ARE SPECIAL RIGHTS OR RESTRICTIONS ATTACHED TO THESE SHARES AND A COPY OF THE FULL TEXT THEREOF IS OBTAINABLE FROM THE REGISTERED OFFICE OF THE COMPANY ON DEMAND AND WITHOUT CHARGE.

This certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.

In witness whereof the Company has caused this Certificate to be signed by its duly authorized officers.

Dated: _____

Chief Executive Officer

Chief Financial Officer

Countersigned and Registered
Transfer Agent and Registrar

Authorized Officer

TMC THE METALS COMPANY INC.

This certificate and the shares represented thereby are issued and shall be held subject to all the provisions of the Company's notice of articles and articles, as the same may be amended from time to time, to all of which the holder of this certificate by acceptance hereof assents. The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants in common

TEN ENT — as tenants by the entireties

JT TEN — as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT — _____ Custodian _____

(Cust) (Minor)

under Uniform Gifts to Minors Act _____

(State)

Additional abbreviations may also be used though not in the above list.

For value received, _____ hereby sells, assigns and transfers unto

_____

(PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER(S) OF ASSIGNEE(S))

_____

(PLEASE PRINT OR TYPEWRITE NAME(S) AND ADDRESS(ES), INCLUDING ZIP CODE, OF ASSIGNEE(S))

_____Shares represented by the within Certificate, and does hereby irrevocably constitute and appoint _____ Attorney to transfer the said shares on the books of the within named Company with full power of substitution in the premises.

Dated:

_____ _____

Shareholder

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Signature(s) Guaranteed:

By

_____

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15 OR ANY SUCCESSOR RULE).

_____

Exhibit 10.18

INDEMNITY AGREEMENT

This Agreement is made as of the ___ day of ___, 202___.

BETWEEN:

TMC THE METALS COMPANY INC., a company incorporated under the *Business Corporations Act* (British Columbia) (the "**Act**")

(the "**Company**")

AND

_____, an individual having an address for mailing at **_____**

(the "**Indemnified Party**")

WHEREAS:

A. The Company wishes to have the Indemnified Party serve as **_____** of the Company and, if applicable, as a director or officer of the entities listed in Schedule A attached hereto (collectively, the "**Subsidiaries**", and each as applicable, a "**Subsidiary**");

B. As a condition to the Indemnified Party providing the service to the Company the Indemnified Party has requested an indemnity from the Company and the Company wishes that the Indemnified Party be indemnified in respect of the Indemnified Party's service to the Company.

NOW THEREFORE, in consideration of the covenants contained herein, of the Indemnified Party's agreement for continued service to the Company and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties hereto agree as follows:

1. Indemnification

(a) The Company hereby agrees to indemnify and save harmless the Indemnified Party (and _____ heirs and successors or personal or other legal representatives) from and against any and all costs, charges and expenses and any and all judgments, penalties or fines, or any amount paid in settlement, (including, but not limited to, legal and other fees, a judgment, penalty, or fine awarded or imposed in, or any amount paid to settle any action or to satisfy any judgment), reasonably incurred by the Indemnified Party (or _____ heirs or successors or personal or other legal representatives) in respect of any civil, criminal, administrative, investigative or other proceeding or action, whether current, threatened, pending, or completed, in which the Indemnified Party is involved, including if joined as a party, or if liable for or in respect of a judgment, penalty or fine in, or expenses related to, such proceeding or action, by reason of:

(i) being or having been the _____ of or acted in a similar capacity to, the Company, and/or

(ii) being or having been a director or officer of each Subsidiary, and/or

(iii) being or having been a director or officer of another corporation (i) at a time when the corporation is or was an affiliate of the Company or (ii) at the request of the Company; and/or

(iv) holding or having held, at the request of the Company, a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

unless:

(v) the Indemnified Party did not act honestly and in good faith with a view to the best interests of the Company or the applicable entity referenced in (ii) – (iv) above, as the case may be; and

(vi) other than in a civil proceeding, the Indemnified Party did not have reasonable grounds for believing that _____ conduct in respect of which the proceeding was brought was lawful.

(b) In addition, for the avoidance of doubt and without limitation of Section 1(a) above, the Company agrees:

(i) to indemnify the Indemnified Party (and _____ heirs and successors or personal or other legal representatives) (and, if requested by the Indemnified Party, advance monies to the Indemnified Party under section 2) in respect of any proceeding by or on behalf of the Company or an affiliate to procure a judgment in its favour, to which the Indemnified Party is made a party because of the Indemnified Party's association with the Company, against all costs, charges and expenses, as more fully referenced in Section 1(a), reasonably incurred by _____ in connection with such proceeding, provided the Indemnified Party has fulfilled the conditions described in subsections 1(a)(i) and 1(a)(ii) above and subject to the Company obtaining any necessary approval of a Court or the Company's Articles, if required, to pay such indemnity or make such advance; and

(ii) in the event that the approval of a Court is required to permit the payment of any indemnity or advance hereunder, the Company agrees to make application for and use its best efforts to obtain the Court's approval to such payment or advance.

(c) The intention of this Agreement is to provide the Indemnified Party indemnification and advancement of monies to the fullest extent permitted by law, including for negligence on the part of the Indemnified Party, and without limiting the generality of the foregoing and notwithstanding anything contained herein:

(i) nothing in this Agreement shall be interpreted, by implication or otherwise, in limitation of the scope of the indemnification provided in subsections 1(a) and (b) hereof; and

(ii) subsections 1(a) and 1(b) and section 2 are intended to provide indemnification to the Indemnified Party to the fullest extent permitted by the Act and, in the event that such statute is amended to permit a broader scope of indemnification (including, without limitation, the deletion or limiting of one or more of the provisos to the applicability of indemnification), subsections 1(a) and 1(b) and section 2, as applicable, shall be deemed to be amended concurrently with such amendment so as to provide such broader indemnification.

2. Advance of Costs

The Company agrees that it will advance monies to the Indemnified Party without security or interest for the costs, charges and expenses of a civil, criminal or administrative action or proceeding contemplated by section 1 above, promptly at the request of the Indemnified Party, with the understanding and agreement that, in the event it is ultimately determined that the Indemnified Party did not fulfil the conditions described in paragraph 1(a)(i) and 1(a)(ii) above, the Indemnified Party will repay to the Company the monies or the appropriate portion thereof, so paid in advance, and the Company may require a written undertaking to that effect as a condition to advancing such monies.

3. Other Rights and Remedies

Neither the right to indemnification and advance of moneys to cover costs, charges and expenses of the Indemnified Party set out in Sections 1 and 2 above, nor the making of any payment to the Indemnified Party pursuant thereto will be deemed to derogate from or exclude any other rights of indemnification or contribution to which the Indemnified Party may be entitled under any provision of the Act or otherwise at law or under the Articles of the Company or any vote of shareholders of the Company or otherwise, and the Company will, to the extent permitted by law, indemnify and save the Indemnified Party harmless from and against all other losses, liabilities, claims, damages, costs, charges or expenses that the Indemnified Party may suffer or incur by or as a result of the Indemnified Party serving as, or in a similar capacity to, the _____ Company, a director or officer of each Subsidiary, a director or officer of another corporation at a time when the corporation is or was an affiliate of the Company or at the request of the Company and/or, at the require of the company, a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity, as applicable.

4. No Presumption as to Absence of Good Faith

(a) In respect of any claim for indemnification pursuant to this Indemnity, the Indemnified Party shall be presumed to have acted honestly and in good faith and with a view to the best interests of the Company.

(b) Determination of any civil, criminal or administrative action or proceeding by judgment, order, settlement or conviction, or upon a plea of “nolo contendere” or its equivalent, shall not, of itself, create any presumption for the purposes of this Indemnity that the Indemnified Party did not act honestly and in good faith with a view to the best interests of the Company.

5. Right to Retain Independent Counsel

The Company shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of any claim, proceeding or other matter in which the Company has agreed to indemnify the Indemnified Party pursuant to this Agreement, including by approving counsel to act for the Indemnified Person jointly with the other indemnitees. In any such matter the Indemnified Party shall be entitled to retain other counsel to act on _____ behalf and, without limiting any other indemnification to which the Indemnified Party may be entitled, the fees and disbursements of such other counsel retained by the Indemnified Party shall be paid by the Company provided (i) the employment of such counsel has been authorized by the Company; or (ii) the Company has not assumed the defence and employed counsel therefor within a reasonable time after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Company or the Indemnified Party has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including without limitation because there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Company or another indemnitee or that there is a conflict of interest between the Company and the Indemnified Party or another indemnitee (in either of which events the Company shall not have the right to assume control of the defence on the Indemnified Party’s behalf). No admission of liability shall be made by the Indemnified Party without the Company’s consent, which consent shall not be unreasonably withheld, and the Company shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent, which consent shall not be unreasonably withheld.

6. Fee for Service

If the Indemnified Party, at the request of the Company or otherwise, assists or is required to assist in investigation, defending or appealing any civil, criminal or administrative action or proceeding, actual or threatened, against the Company, an Affiliate or any other officer or director of the Company or an Affiliate, in addition to being indemnified as provided above for any losses, liabilities, claims, damages, costs, charges or expenses incurred or suffered by the Indemnified Party, if the Indemnified Party is not then a full-time employee of the Company, the Indemnified Party shall be paid a daily fee by the Company for such services as determined appropriate by the Company, acting reasonably, in addition to any other remuneration to which the Indemnified Party may be legally entitled to receive from the Company.

7. Income or Other Tax

Without limiting the generality of the foregoing, should any payment made pursuant to this Agreement be deemed by Canada Revenue Agency or any other taxation authority of Canada or any political subdivision thereof to constitute a taxable benefit or otherwise be or become subject to any tax, then the Company shall pay to the Indemnified Party such additional amount as may be necessary to ensure that the amount received by or on behalf of the Indemnified Party, after the payment of or withholding for such tax, is equal to the amount of the actual losses, liabilities, claims, damages, costs, charges or expenses against which the Indemnified Party was to be indemnified hereunder.

8. Insurance

(a) The Company agrees to make commercially reasonable efforts to purchase and maintain or cause to be purchased and maintained, while the Indemnified Party remains the _____ of, or continues to act in a similar capacity to the Company and for a minimum of six years thereafter, insurance for the benefit of the Indemnified Party against any liabilities incurred by _____ in _____ current capacity, or in a similar capacity to, the Company, on terms no less favourable (in terms of coverage and amounts) than such insurance maintained by the Company as at the date hereof.

(b) The Company agrees to provide evidence to the Indemnified Party on an annual basis (on the anniversary date of this Agreement) for so long as the Company is obligated to maintain such insurance under the terms hereof, that it has procured such insurance and shall, upon request of the Indemnified Party, provide the Indemnified Party with a copy of the relevant insurance policy.

(c) The Company will be subrogated to all rights that the Indemnified Party or any of the heirs and personal or other personal or legal representatives of the Indemnified Party may have under policies of insurance.

9. Effective Time

This Agreement shall be effective as and from the date hereof.

10. Legal Advice

The Indemnified Party hereby acknowledges that _____ has not received any legal advice from the Company and has been advised to seek independent legal advice as _____ deems necessary.

11. Notices

Unless otherwise permitted by this Agreement, all notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been fully given or made as of the date delivered or sent if delivered personally or sent by facsimile or as of the following business day if sent by courier or on the fifth business day after the date on which it is mailed if mailed by prepaid registered mail (provided that if there is an interruption in the regular postal service during such period arising out of a strike, walk-out, work slowdown or similar labour dispute in the postal system, all days during such interruption occurs shall not be counted) to the parties hereto at the following addresses:

(a) if to the Indemnified Party, at:

_____
Vancouver, B.C. _____

Attention: _____

(b) if to the Company, at:

_____
Attention: _____
Email: _____

or to such other address as each party may from time to time notify the other of in writing.

12. Severability

If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever:

(a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing such provisions held to be invalid, illegal or unenforceable, that are not of themselves in whole invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and

(b) to the fullest possible extent, the provisions of this Agreement (including, without limitations, all portions of any paragraphs of this Agreement containing any such provisions held to be invalid, illegal or unenforceable, that are not of themselves in whole invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision which is held to be invalid, illegal or unenforceable.

13. Governing Law

The parties hereto agree that this agreement shall be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada enforceable therein and the parties hereto submit to the jurisdiction of the Courts of British Columbia.

14. Further Assurances.

The parties hereto will, from time to time, execute and deliver, or cause to be executed and delivered, such additional or further consents, documents and other instruments as another party hereto may reasonably request and is necessary or desirable to give effect to the provisions hereof.

15. Modification and Waiver

This Agreement contains the entire agreement of the parties hereto relating to the subject matter hereof and supersedes all prior agreements and undertakings between the parties with respect to the subject matter herein. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

16. Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of the Company and its successors and assigns and to the Indemnified Party and _____ estate, executors, administrators, legal representatives, lawful heirs, successors and assigns.

17. Successor Legislation

Any references herein to any enactment shall be deemed to be references to such enactment as the same may be amended or replaced from time to time and, in the event that the Company is continued, incorporated, amalgamated or otherwise becomes governed by an enactment other than the Act, then all references herein to the Act shall be deemed to be references to such enactment as the same may be amended or replaced from time to time.

18. Counterparts

This agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed electronic coy of this Agreement and such executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as at the date first above written.

TMC THE METALS COMPANY INC.

By: _____
Name: _____
Title: _____
Address: _____

INDEMNITEE

By: _____
Name: _____
Title: _____
Address: _____

NONEMPLOYEE DIRECTOR COMPENSATION POLICY

The Board of Directors of TMC the metals company Inc. (the "Company") has approved the following Nonemployee Director Compensation Policy (this "Policy") to obtain and retain the services of qualified persons to serve as members of the Company's Board of Directors. The Policy establishes compensation to be paid to nonemployee directors of the Company.

Applicable Persons

This Policy shall apply to each director of the Company who is not an employee of the Company or any Affiliate (each, an "Outside Director"). "Affiliate" shall mean an entity which is a direct or indirect parent or subsidiary of the Company, as determined pursuant to Section 424 of the Internal Revenue Code of 1986, as amended.

Compensation

A. Equity Grants

1. Annual Grants

Each Outside Director shall be granted, annually under the Company's 2021 Equity Incentive Plan or a successor plan (the "Equity Plan"), a number of restricted stock units ("RSUs") (each RSU relating to one Common Share, having an aggregate fair market value equal to $100,000) determined by dividing (A) $100,000 by (B) the closing price of the Common Shares on the Nasdaq Stock Market on the date of the grant (rounded down to the nearest whole share), each year on the first business day after the Company's annual meeting of shareholders (the "Annual Grant"); provided, however, that if there has been no annual meeting of shareholders held by the first business day of the third fiscal quarter, each Outside Director shall be granted, such Annual Grant on the first business day of the third fiscal quarter of such year.

2. Initial Grants for Newly Appointed or Elected Directors

Each new Outside Director shall be granted, under the Equity Plan, a number of restricted stock units ("RSUs") (each RSU relating to one Common Share, having an aggregate fair market value equal to $100,000) determined by dividing (A) $100,000 by (B) the closing price of the Common Shares on the Nasdaq Stock Market on the date of the grant (rounded down to the nearest whole share), on the first business day after the date that the Outside Director is first appointed or elected to the Board of Directors (the "Initial Grant" and, together with the Annual Grants, the "Outside Director Grants").

3. Terms of Outside Director Grants

Unless otherwise specified by the Board of Directors or the Compensation Committee at the time of grant, each Outside Director Grant shall: (i) vest, in the case of (A) an Annual Grant, at the end of the "Directors' Compensation Year," which shall be defined as the period beginning on the date of each regular Annual Shareholders Meeting (or the first business day of the third fiscal quarter, as applicable) and ending on the date of the next regular Annual Shareholders Meeting, subject to the Outside Director's continued service on the Board of Directors through the applicable Directors' Compensation Year, and (B) an Initial Grant, in equal annual installments over three years from the date of the grant, subject to the Outside Director's continued service on the Board of Directors on the applicable vesting dates; and (ii) be granted under the Company's standard form of agreement unless on or prior to the date of grant the Board of Directors or the Compensation Committee shall determine that other terms or conditions shall be applicable.

B. Cash Fees

1. Annual Cash Fees

Each Outside Director will receive an annual cash retainer fee in the amount of $90,000, and the following additional annual cash fees shall be paid to the Outside Directors serving on the Audit Committee, Compensation Committee, Nominating and Governance Committee and Sustainability and Innovation Committee, as applicable or as the Lead Director (collectively, the "Annual Fees").

Committee of Board of Directors	Annual Retainer Amount for Chair	Annual Retainer Amount for Other Members
Audit Committee	$ 22,500	$ 7,500
Compensation Committee	$ 15,000	$ 5,000
Nominating and Governance Committee	$ 15,000	$ 5,000
Sustainability and Innovation Committee	$ 15,000	$ 5,000
Lead Director Fees	$ 30,000	$ n/a

2. Payment Terms for All Cash Fees

Annual Fees payable to Outside Directors shall be paid quarterly in arrears as soon as practicable following the last business day of each fiscal quarter.

Following an Outside Director's first election or appointment to the Board of Directors, such Outside Director shall receive his or her cash compensation prorated during the first fiscal quarter in which he or she was initially appointed or elected for the number of days during which he or she provides service. If an Outside Director dies, resigns or is removed during any quarter, he or she shall be entitled to a cash payment on a prorated basis through his or her last day of service that shall be paid as soon as practicable following the last business day of the fiscal quarter.

Expenses

Upon presentation of documentation of such expenses reasonably satisfactory to the Company, each Outside Director shall be reimbursed for his or her reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board of Directors and Committees thereof or in connection with other business related to the Board of Directors. Each Outside Director shall abide by the Company's travel and other expense policies applicable to Company personnel.

Amendments

The Compensation Committee or the Board of Directors shall review this Policy from time to time to assess whether any amendments in the type and amount of compensation provided herein should be adjusted in order to fulfill the objectives of this Policy.

TMC THE METALS COMPANY INC.

2021 INCENTIVE EQUITY PLAN

1. DEFINITIONS.

Unless otherwise specified or unless the context otherwise requires, the following terms, as used in this TMC the metals company Inc. 2021 Incentive Equity Plan, have the following meanings:

Active Employment means the period in which a Participant who is an Employee performs work for the Company or an Affiliate. For certainty, "Active Employment" shall be deemed to include only the period of minimum notice of termination as may be required to be provided to a Participant pursuant to applicable employment standards legislation but shall exclude any other period that follows the later of the end of the minimum statutory notice period or the Participant's last day of performing work for the Company or an Affiliate, including at common law.

Active Engagement means any period in which a Participant who is not an Employee provides services to the Company or an Affiliate. For certainty, "Active Engagement" shall exclude any period that follows, or ought to have followed, a Participant's last day of providing services to the Company or an Affiliate, including at common law.

Administrator means the Board of Directors, unless it has delegated power to act on its behalf to the Committee, in which case the term "Administrator" means the Committee.

Affiliate means a corporation or other entity, which, for purposes of Section 424 of the Code, is a parent or subsidiary of the Company, direct or indirect.

Agreement means a written or electronic document setting forth the terms of a Stock Right delivered pursuant to the Plan, in such form as the Administrator shall approve.

Board of Directors means the Board of Directors of the Company.

Cause means, with respect to a Participant: (a) "Cause" as defined in such Participant's written employment or service agreement with the Company or an Affiliate; or (b) if there is no such defined term, then: (i) dishonesty with respect to the Company or any Affiliate, (ii) gross negligence, serious misconduct or a material failure to discharge the duties relating to the employment or service with the Company or Affiliate, including insubordination, (iii) material breach by a Participant of any provision of any written employment, consulting, advisory, nondisclosure, non-competition or similar agreement between the Participant and the Company or any Affiliate or any material written policy of the Company or any Affiliate, or (iv) any act or omission which would constitute Cause at common law.

Closing means the date on which the transactions contemplated by the Business Combination Agreement among the Company, 1291924 B.C. Unlimited Liability Company, an unlimited liability company existing under the laws of British Columbia, and DeepGreen Metals Inc., a company existing under the laws of British Columbia, dated March 4, 2021, are consummated.

Code means the United States Internal Revenue Code of 1986, as amended including any successor statute, regulation and guidance thereto.

Committee means the committee of the Board of Directors, if any, to which the Board of Directors has delegated power to act under or pursuant to the provisions of the Plan.

Common Shares means the Common Shares of the Company.

Company means TMC the metals company Inc. a company existing under the laws of British Columbia, Canada.

Consultant means any natural person who is an advisor or consultant who provides bona fide services to the Company or its Affiliates, provided that such services are not in connection with the offer or sale of securities in a capital raising transaction, and do not directly or indirectly promote or maintain a market for the Company's or its Affiliates' securities.

Corporate Transaction means a merger, consolidation, or sale of all or substantially all of the Company's assets or the acquisition of all of the outstanding voting stock of the Company (or similar transaction) in a single transaction or a series of related transactions by a single entity, other than a transaction to merely change the state of incorporation or in which the Company is the surviving corporation. Where a Corporate Transaction involves a tender offer that is reasonably expected to be followed by a merger (as determined by the Administrator), the Corporate Transaction will be deemed to have occurred upon consummation of the tender offer.

Date of Disability means: (a) the date on which a Participant's service is deemed terminated due to a Disability in accordance with a Participant's written employment or service agreement with the Company or an Affiliate or, (b) if there is no such defined term, on the last day of the relevant period as set out in the definition of Disability herein, subject to applicable human rights legislation.

Disability or Disabled has the meaning attributed thereto in a Participant's written employment or service agreement with the Company or an Affiliate or, if there is no such defined term, means the Participant's inability to substantially fulfil his or her duties on behalf of the Company or Affiliate as a result of illness or injury for a continuous period of nine (9) months or more or for an aggregate period of twelve (12) months or more during any consecutive twenty-four (24) month period.

Employee means any employee of the Company or of an Affiliate (including, without limitation, an employee who is also serving as an officer or director of the Company or of an Affiliate), designated by the Administrator to be eligible to be granted one or more Stock Rights under the Plan.

Exchange Act means the United States Securities Exchange Act of 1934, as amended.

Fair Market Value of a Common Share means:

(a) If the Common Shares are listed on a national securities exchange or traded in the over-the-counter market and sales prices are regularly reported for the Common Shares, the closing or, if not applicable, the last price of the Common Shares on the composite tape or other comparable reporting system for the trading day on the applicable date and if such applicable date is not a trading day, the last market trading day prior to such date;

(b) If the Common Shares are not traded on a national securities exchange but is traded on the over-the-counter market, if sales prices are not regularly reported for the Common Shares for the trading day referred to in clause (a), and if bid and asked prices for the Common Shares are regularly reported, the mean between the bid and the asked price for the Common Shares at the close of trading in the over-the-counter market for the most recent trading day on which Common Shares was traded on the applicable date and if such applicable date is not a trading day, the last market trading day prior to such date; and

(c) If the Common Shares are neither listed on a national securities exchange nor traded in the over-the-counter market, such value as the Administrator, in good faith, shall determine in compliance with applicable laws.

Option means an option to acquire Common Shares granted under the Plan.

Participant means an Employee, director or Consultant of the Company or an Affiliate to whom one or more Stock Rights are granted under the Plan. As used herein, "Participant" shall include "Participant's Survivors" where the context requires.

Performance-Based Award means a Stock Grant or Stock-Based Award which vests based on the attainment of written Performance Goals as set forth in Paragraph 9 hereof.

Performance Goals means performance goals determined by the Committee in its sole discretion and set forth in an Agreement. The satisfaction of Performance Goals shall be subject to certification by the Committee. The Committee has the authority to take appropriate action with respect to the Performance Goals (including, without limitation, making adjustments to the Performance Goals or determining the satisfaction of the Performance Goals in connection with a Corporate Transaction) provided that any such action does not otherwise violate the terms of the Plan.

Permitted Designee means, with respect to a Participant: (a) an entity that is wholly-owned by the Participant; (b) a spouse (common law or otherwise) or child (natural or adopted) of the Participant; (c) the estate and heirs and beneficiaries (arising from death) of the Participant and persons identified in (b) herein; or (d) a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity, the sole shareholders, partners or beneficiaries of which only include the Participant and persons referred to in (b) or (c) herein.

Plan means this TMC the metals company Inc. 2021 Incentive Equity Plan.

SAR means a stock appreciation right.

Securities Act means the United States Securities Act of 1933, as amended.

Shares means Common Shares as to which Stock Rights have been or may be granted under the Plan or any shares of capital stock into which the Shares are changed or for which they are exchanged within the provisions of Paragraph 3 of the Plan. The Shares issued under the Plan may be authorized and unissued shares or shares held by the Company in its treasury, or both.

Stock-Based Award means a grant by the Company under the Plan of an equity award or an equity based award, which is not an Option, or a Stock Grant.

Stock Grant means a grant by the Company of Shares under the Plan.

Stock Right means an Option, a Stock Grant or a Stock-Based Award or a right to Shares or the value of Shares of the Company granted pursuant to the Plan.

Substitute Award means an award issued under the Plan in substitution for one or more equity awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition.

Survivor means a deceased Participant's legal representatives and/or any person or persons who acquired the Participant's rights to a Stock Right by will or by the laws of descent and distribution.

Termination Date means, in respect of a Participant, such Participant's last day of Active Employment or Active Engagement (as applicable) with the Company or an Affiliate, whether such date is selected by the Participant, by mutual agreement between the Company or an Affiliate and the Participant, or unilaterally by the Company or an Affiliate.

2. PURPOSES OF THE PLAN.

The Plan is intended to encourage ownership of Shares by Employees and directors of and certain Consultants to the Company and its Affiliates in order to attract and retain such people, to induce them to work for the benefit of the Company or of an Affiliate and to provide additional incentive for them to promote the success of the Company or of an Affiliate. The Plan provides for the granting of Options, Stock Grants and Stock-Based Awards.

3. SHARES SUBJECT TO THE PLAN.

(a) The number of Shares that may be issued from time to time pursuant to this Plan shall be 24,682,386 Common Shares; provided that 2,243,853 of the outstanding Common Shares shall only be available for Stock Rights made to non-employee directors of the Company.

(b) Notwithstanding Subparagraph (a) above, on the first day of each fiscal year of the Company during the period beginning in fiscal year 2022 and ending on the tenth anniversary of the Closing, the number of Shares that may be issued from time to time pursuant to the Plan, shall be increased automatically by an amount equal to the lesser of (i) 4% of the number of outstanding Common Shares on such date and (ii) an amount determined by the Administrator (the "Annual Increase").

(c) If an Option ceases to be "outstanding", in whole or in part (other than by exercise), or if the Company shall reacquire (at not more than its original issuance price) any Shares issued pursuant to a Stock Grant or Stock-Based Award, or if any Stock Right expires or is forfeited, cancelled, or otherwise terminated or results in any Shares not being issued, the unissued or reacquired Shares which were subject to such Stock Right shall again be available for issuance from time to time pursuant to this Plan; provided, however, that the number of Shares underlying any awards under the Plan that are retained or repurchased on the exercise of an Option or the vesting or issuance of any Stock Right to cover the exercise price and/or tax withholding required by the Company in connection with vesting shall not be added back to the Shares available for issuance under the Plan. In addition, any Shares repurchased using exercise price proceeds will not be available for issuance under the Plan.

(e) The Administrator may grant Substitute Awards under the Plan. To the extent consistent with applicable legal requirements (including applicable stock exchange requirements), Shares issued in respect of Substitute Awards will be in addition to and will not reduce the shares available under the Plan. Notwithstanding the foregoing, if any Substitute Award is settled in cash or expires, becomes unexercisable, terminates or is forfeited to or repurchased by the Company without the issuance or retention of Shares, the Shares previously subject to such Award will not be available for future issuance under the Plan. The Administrator will determine the extent to which the terms and conditions of the Plan apply to Substitute Awards, if at all; provided, however, that Substitute Awards will not be subject to the limits described in Paragraph 4(c) below.

4. ADMINISTRATION OF THE PLAN.

The Administrator of the Plan will be the Board of Directors, except to the extent the Board of Directors delegates its authority to the Committee, in which case the Committee shall be the Administrator. Subject to the provisions of the Plan, the Administrator is authorized to:

(a) Interpret the provisions of the Plan and all Stock Rights and to make all rules and determinations which it deems necessary or advisable for the administration of the Plan;

(b) Determine which Employees, directors and Consultants shall be granted Stock Rights;

(c) Determine the number of Shares for which a Stock Right or Stock Rights shall be granted; provided, however, that in no event shall the aggregate grant date fair value (determined in accordance with ASC 718) of Stock Rights to be granted and any other cash compensation paid to any non-employee director in any calendar year, exceed US$500,000, increased US$750,000 in the year in which such non-employee director initially joins the Board of Directors.

(d) Specify the terms and conditions upon which a Stock Right or Stock Rights may be granted provided that no dividends or dividend equivalents shall be paid on any Stock Right prior to the vesting of the underlying Shares.

(e) Amend any term or condition of any outstanding Stock Right, provided that (i) such term or condition as amended is not prohibited by the Plan and (ii) any such amendment shall not impair the rights of a Participant under any Stock Right previously granted without such Participant's consent or in the event of death of the Participant the Participant's Survivors.

(f) Determine and make any adjustments in the Performance Goals included in any Performance-Based Awards; and

(g) Adopt any sub-plans applicable to residents of any specified jurisdiction as it deems necessary or appropriate in order to comply with or take advantage of any tax or other laws applicable to the Company, any Affiliate or to Participants or to otherwise facilitate the administration of the Plan, which sub-plans may include additional restrictions or conditions applicable to Stock Rights or Shares issuable pursuant to a Stock Right;

Subject to the foregoing, the interpretation and construction by the Administrator of any provisions of the Plan or of any Stock Right granted under it shall be final, unless otherwise determined by the Board of Directors, if the Administrator is the Committee. In addition, if the Administrator is the Committee, the Board of Directors may take any action under the Plan that would otherwise be the responsibility of the Committee.

To the extent permitted under applicable law, the Board of Directors or the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any portion of its responsibilities and powers to any other person selected by it. The Board of Directors or the Committee may revoke any such allocation or delegation at any time. Notwithstanding the foregoing, only the Board of Directors or the Committee shall be authorized to grant a Stock Right to any director of the Company or to any "officer" of the Company as defined by Rule 16a-1 under the Exchange Act.

5. ELIGIBILITY FOR PARTICIPATION.

The Administrator will, in its sole discretion, name the Participants in the Plan; provided, however, that each Participant must be an Employee, director or Consultant of the Company or of an Affiliate at the time a Stock Right is granted. Notwithstanding the foregoing, the Administrator may authorize the grant of a Stock Right to a person in anticipation of such person becoming an Employee, director or Consultant of the Company or of an Affiliate, provided, that the actual grant of such Stock Right shall be conditioned upon such person becoming eligible to become a Participant at or prior to the time of the execution of the Agreement evidencing such Stock Right. Options, Stock Grants and Stock-Based Awards may be granted to any Employee, director or Consultant of the Company or an Affiliate. The granting of any Stock Right to any individual shall neither entitle that individual to, nor disqualify that individual from, participation in any other grant of Stock Rights or any grant under any other benefit plan established by the Company or any Affiliate for Employees, directors or Consultants.

A Participant to whom an Option is granted may request, by written notice to the Administrator, to have such Options issued in the name of a Permitted Designee. The Administrator may, in its sole and absolute discretion, accept or reject such request, provided that if the request is accepted: (a) the Participant and the Permitted Designee shall execute and deliver to the Company an instrument in writing providing such representations, warranties and covenants as the Company may require (including satisfying the Company that the intended designee is a Permitted Designee), and (b) the Company is satisfied, in its sole and absolute discretion, that the Company may do so (i) in compliance with all applicable laws (including the Exchange Act and the Securities Act), and (ii) without imposing any additional financial or other obligations upon the Company. If the Permitted Designee ceases at any time to qualify as a Permitted Designee of the Participant, then any Option held by such Permitted Designee shall immediately terminate and be of no further force and effect.

References in Section 4(c) of the Plan to limits on the number of Shares under Stock Rights which may be granted shall be read as being the cumulative aggregation of Stock Rights granted to a Participant and such Participant's Permitted Designees. The Permitted Designee shall be bound by the same provisions, effects and limitations set forth in the Plan (including, for greater certainty, the provisions of Sections 4(c), 9 and 14-22 inclusive), such that the effect of any provision on a Participant shall apply to the Participant's Permitted Designee.

6. TERMS AND CONDITIONS OF OPTIONS.

Each Option shall be set forth in an Option Agreement duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Administrator may provide that Options be granted subject to such terms and conditions, consistent with the terms and conditions specifically required under this Plan, as the Administrator may deem appropriate including, without limitation, subsequent approval by the shareholders of the Company of this Plan or any amendments thereto. In addition, the Option Agreements shall be subject to at least the following terms and conditions:

(a) Options: Each Option shall be subject to the terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards for any such Option:

(i) Exercise Price: Each Option Agreement shall state the exercise price (per share) of the Shares covered by each Option which exercise price shall be determined by the Administrator and shall be at least equal to the Fair Market Value per Common Share on the date of grant of the Option, unless otherwise determined by the Administrator.

(ii) Number of Shares: Each Option Agreement shall state the number of Shares to which it pertains.

(iii) Vesting: Each Option Agreement shall state the date or dates on which it first is exercisable and the date after which it may no longer be exercised, and may provide that the Option rights accrue or become exercisable in installments over a period of months or years, or upon the occurrence of certain performance conditions or the attainment of stated goals or events.

(iv) Term of Option: Each Option shall terminate not more than ten years from the date of the grant or at such earlier time as the Option Agreement may provide.

(b) Except in connection with a corporate transaction involving the Company (which term includes, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares) or as otherwise contemplated by Paragraph 25 below, the Company may not, without obtaining stockholder approval, (i) amend the terms of outstanding Options to reduce the exercise price of such Options, (ii) cancel outstanding Options in exchange for Options that have an exercise price that is less than the exercise price value of the original Options, or (iii) cancel outstanding Options that have an exercise price greater than the Fair Market Value of a Share on the date of such cancellation in exchange for cash or other consideration.

7. TERMS AND CONDITIONS OF STOCK GRANTS.

Each Stock Grant to a Participant shall state the principal terms in an Agreement duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Agreement shall be in a form approved by the Administrator and shall contain terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company, subject to the following minimum standards:

(a) Each Agreement shall state the purchase price per Share, if any, of the Shares covered by each Stock Grant, which purchase price shall be determined by the Administrator on the date of the grant of the Stock Grant;

(b) Each Agreement shall state the number of Shares to which the Stock Grant pertains;

(c) Each Agreement shall include the terms of any right of the Company to restrict or reacquire the Shares subject to the Stock Grant, including the time period or attainment of Performance Goals or such other performance criteria upon which such rights shall accrue and the purchase price therefor, if any; and

(d) Dividends (other than stock dividends to be issued pursuant to Paragraph 25 of the Plan) may accrue but shall not be paid prior to the time, and may be paid only to the extent that, the restrictions or rights to reacquire the Shares subject to the Stock Grant lapse.

8. TERMS AND CONDITIONS OF OTHER STOCK-BASED AWARDS.

The Administrator shall have the right to grant other Stock-Based Awards based upon the Common Shares having such terms and conditions as the Administrator may determine, including, without limitation, the grant of Shares based upon certain conditions, the grant of securities convertible into Shares and the grant of SARs, phantom stock awards or stock units. The principal terms of each Stock-Based Award shall be set forth in an Agreement, duly executed by the Company and, to the extent required by law or requested by the Company, by the Participant. The Agreement shall be in a form approved by the Administrator and shall contain terms and conditions which the Administrator determines to be appropriate and in the best interest of the Company. Each Agreement shall include the terms of any right of the Company including the right to terminate the Stock-Based Award without the issuance of Shares, the terms of any vesting conditions, Performance Goals or events upon which Shares shall be issued, provided that dividends (other than stock dividends to be issued pursuant to Paragraph 25 of the Plan) or dividend equivalents may accrue but shall not be paid prior to and may be paid only to the extent that the Shares subject to the Stock-Based Award vest. Under no circumstances may the Agreement covering SARs (a) have an exercise or base price (per share) that is less than the Fair Market Value per Common Share on the date of grant or (b) expire more than ten years following the date of grant.

9. PERFORMANCE-BASED AWARDS.

The Committee shall determine whether, with respect to a performance period, the applicable Performance Goals have been met with respect to a given Participant and, if they have, to so certify and ascertain the amount of the applicable Performance-Based Award. No Performance-Based Awards will be issued for such performance period until such certification is made by the Committee. The number of Shares issued in respect of a Performance-Based Award determined by the Committee for a performance period shall be paid to the Participant at such time as determined by the Committee in its sole discretion after the end of such performance period, and any dividends (other than stock dividends to be issued pursuant to Paragraph 25 of the Plan) or dividend equivalents that accrue shall only be paid in respect of the number of Shares earned in respect of such Performance-Based Award.

10. EXERCISE OF OPTIONS AND ISSUE OF SHARES.

An Option (or any part or installment thereof) shall be exercised by giving written notice to the Company or its designee (in a form acceptable to the Administrator, which may include electronic notice), together with provision for payment of the aggregate exercise price in accordance with this Paragraph for the Shares as to which the Option is being exercised, and upon compliance with any other condition(s) set forth in the Option Agreement. Such notice shall be signed by the person exercising the Option (which signature may be provided electronically in a form acceptable to the Administrator), shall state the number of Shares with respect to which the Option is being exercised and shall contain any representation required by the Plan or the Option Agreement. Payment of the exercise price for the Shares as to which such Option is being exercised shall be made (a) in United States dollars in cash or by check; or (b) at the discretion of the Administrator, through delivery of Common Shares held for at least six months (if required to avoid negative accounting treatment) having a Fair Market Value equal as of the date of the exercise to the aggregate cash exercise price for the number of Shares as to which the Option is being exercised; or (c) at the discretion of the Administrator, by having the Company retain from the Shares otherwise issuable upon exercise of the Option, a number of Shares having a Fair Market Value equal as of the date of exercise to the aggregate exercise price for the number of Shares as to which the Option is being exercised; (d) at the discretion of the Administrator, by permitting the Participant to surrender such number of Options in respect of Shares having a Fair Market Value that, when the aggregate exercise price of such Options is subtracted from such Fair Market Value, equals a difference as of the date of exercise to the aggregate exercise price for the number of Shares as to which the Option is being exercised; or (e) at the discretion of the Administrator, in accordance with a cashless exercise program established with a securities brokerage firm, and approved by the Administrator, providing for the sale of securities on the Participant's behalf; or (f) at the discretion of the Administrator, by any combination of (a), (b), (c), (d) and (e) above or (g) at the discretion of the Administrator, by payment of such other lawful consideration as the Administrator may determine.

The Company shall then reasonably promptly deliver the Shares as to which such Option was exercised to the Participant (or to the Participant's Survivors, as the case may be). In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company if the Administrator determines it is necessary to comply with any law or regulation (including, without limitation, federal securities laws) that requires the Company to take any action with respect to the Shares prior to their issuance. The Shares shall, upon delivery, be fully paid, non-assessable Shares.

11. PAYMENT IN CONNECTION WITH THE ISSUANCE OF STOCK GRANTS AND STOCK-BASED AWARDS AND ISSUE OF SHARES.

Any Stock Grant or Stock-Based Award requiring payment of a purchase price for the Shares as to which such Stock Grant or Stock-Based Award is being granted shall be made (a) in United States dollars in cash or by check; or (b) at the discretion of the Administrator, through delivery of Common Shares held for at least six months (if required to avoid negative accounting treatment) and having a Fair Market Value equal as of the date of payment to the purchase price of the Stock Grant or Stock-Based Award; or (c) by delivery of a promissory note, if the Board of Directors has expressly authorized the loan of funds to the Participant for the purpose of enabling or assisting the Participant to effect such purchase; (d) at the discretion of the Administrator, by any combination of (a) through (c) above; or (e) at the discretion of the Administrator, by payment of such other lawful consideration as the Administrator may determine.

The Company shall when required by the applicable Agreement, reasonably promptly deliver the Shares as to which such Stock Grant or Stock-Based Award was made to the Participant (or to the Participant's Survivors, as the case may be), subject to any escrow provision set forth in the applicable Agreement. In determining what constitutes "reasonably promptly," it is expressly understood that the issuance and delivery of the Shares may be delayed by the Company if the Administrator determines it is necessary to comply with any law or regulation (including, without limitation, federal securities laws) which requires the Company to take any action with respect to the Shares prior to their issuance.

12. RIGHTS AS A SHAREHOLDER.

No Participant to whom a Stock Right has been granted shall have rights as a shareholder with respect to any Shares covered by such Stock Right except after due exercise of an Option or issuance of Shares as set forth in any Agreement, tender of the aggregate exercise or purchase price, if any, for the Shares being purchased and registration of the Shares in the Company's share register in the name of the Participant. In addition, at the discretion of the Administrator, the Company shall have received an opinion of its counsel that the Shares may be issued in compliance with the Securities Act without registration thereunder.

13. ASSIGNABILITY AND TRANSFERABILITY OF STOCK RIGHTS.

By its terms, a Stock Right granted to a Participant shall not be transferable by the Participant other than (i) by will or by the laws of descent and distribution, or (ii) as approved by the Administrator in its discretion and set forth in the applicable Agreement provided that no Stock Right may be transferred by a Participant for value.

The designation of a beneficiary of a Stock Right by a Participant, with the prior approval of the Administrator and in such form as the Administrator shall prescribe, shall not be deemed a transfer prohibited by this Paragraph. Except as provided above during the Participant's lifetime a Stock Right shall only be exercisable by or issued to such Participant (or his or her legal representative) and shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of any Stock Right or of any rights granted thereunder contrary to the provisions of this Plan, or the levy of any attachment or similar process upon a Stock Right, shall be null and void.

14. EFFECT ON OPTIONS OF CESSATION OF SERVICE OTHER THAN FOR CAUSE OR DEATH OR DISABILITY.

Except as otherwise provided in a Participant's Option Agreement in the event of a cessation of service (whether as an Employee, director or Consultant) with the Company or an Affiliate before the Participant has exercised an Option, the following rules apply:

(a) A Participant who ceases to be an Employee, director or Consultant of the Company or of an Affiliate (for any reason other than for Cause, Disability, or death for which events there are special rules in Paragraphs 15, 16, and 17, respectively), may exercise any Option granted to such Participant to the extent that the Option is exercisable on the Termination Date, but only within such term as the Administrator has designated in a Participant's Option Agreement. Except as otherwise determined by the Administrator, any Option, or portion thereof, that is not exercisable on the Termination Date will automatically terminate and become void on the Termination Date.

(b) The provisions of this Paragraph, and not the provisions of Paragraph 16 or 17, shall apply to a Participant who subsequently becomes Disabled or dies after their Termination Date; provided, however, in the case of a Participant's Disability or death within three months after the Termination Date, the Participant or the Participant's Survivors may exercise the Option within one year after the Termination Date, but in no event after the date of expiration of the term of the Option.

(c) Notwithstanding anything herein to the contrary, if subsequent to a Participant's Termination Date, but prior to the exercise of an Option, the Administrator determines that, prior to the Participant's Termination Date, the Participant engaged in conduct which would constitute Cause, then any Option which the Participant has not exercised at such time will automatically terminate and become void.

(d) A Participant to whom an Option has been granted under the Plan who is absent from the Company or an Affiliate because of temporary disability (any disability other than a Disability as defined in Paragraph 1 hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have ceased to provide service (whether as an Employee, director or Consultant) to the Company or an Affiliate, except as the Administrator may otherwise expressly provide to the extent permitted by applicable legislation.

(e) Except as required by law or as set forth in a Participant's Option Agreement, Options granted under the Plan shall not be affected by any change of a Participant's status within or among the Company and any Affiliates, so long as the Participant continues to be an Employee, director or Consultant of the Company or any Affiliate.

15. EFFECT ON OPTIONS OF CESSATION OF SERVICE FOR CAUSE.

Except as otherwise provided in a Participant's Option Agreement, the following rules apply if the Participant's service (whether as an Employee, director or Consultant) with the Company or an Affiliate ceases for Cause prior to the time that all his or her outstanding Options have been exercised:

(a) All outstanding and unexercised Options as of the Termination Date will immediately terminate and become void.

(b) It is not necessary that the Administrator's finding of Cause occur prior to the Termination Date. If the Administrator determines, subsequent to a Participant's Termination Date but prior to the exercise of an Option, that prior to the Participant's Termination Date, the Participant engaged in conduct which would constitute Cause, then such Option will automatically terminate and become void.

16. EFFECT ON OPTIONS OF CESSATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in a Participant's Option Agreement:

(a) A Participant who ceases to be an Employee, director or Consultant of the Company or of an Affiliate by reason of Disability may exercise any Option granted to such Participant to the extent that the Option has become exercisable but has not been exercised as of the Date of Disability; and in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through to the Date of Disability of any additional vesting rights that would have accrued on the next vesting date had the Participant not become Disabled. The proration shall be based upon the number of days accrued in the current vesting period prior to Date of Disability.

(b) A Disabled Participant may exercise the Option only within the period ending one year after the Date of Disability, notwithstanding that the Participant might have been able to exercise the Option as to some or all of the Shares on a later date if the Participant had continued to be an Employee, director or Consultant or, if earlier, within the originally prescribed term of the Option.

17. EFFECT ON OPTIONS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

Except as otherwise provided in a Participant's Option Agreement:

(a) In the event of the death of a Participant while the Participant is an Employee, director or Consultant of the Company or of an Affiliate, such Option may be exercised by the Participant's Survivors to the extent that the Option has become exercisable but has not been exercised on the date of death; and in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of death of any additional vesting rights that would have accrued on the next vesting date had the Participant not died. The proration shall be based upon the number of days accrued in the current vesting period prior to the Participant's date of death.

(b) If the Participant's Survivors wish to exercise the Option, they must take all necessary steps to exercise the Option within one year after the date of death of such Participant, notwithstanding that the decedent might have been able to exercise the Option as to some or all of the Shares on a later date if he or she had not died and had continued to be an Employee, director or Consultant or, if earlier, within the originally prescribed term of the Option.

18. EFFECT OF CESSATION OF SERVICE ON UNACCEPTED STOCK GRANTS AND STOCK-BASED AWARDS.

In the event of a cessation of service (whether as an Employee, director or Consultant) with the Company or an Affiliate for any reason before the Participant has accepted a Stock Grant or a Stock-Based Award and paid the purchase price, if required, such grant will automatically terminate on the Termination Date, Date of Disability or date of death, as applicable.

For purposes of this Paragraph 18 and Paragraph 19 below, a Participant to whom a Stock Grant or a Stock-Based Award has been issued under the Plan who is absent from work with the Company or with an Affiliate because of temporary disability (any disability other than a Disability as defined in Paragraph 1 hereof), or who is on leave of absence for any purpose, shall not, during the period of any such absence, be deemed, by virtue of such absence alone, to have ceased to provide service (whether as an Employee, director or Consultant) to the Company or an Affiliate, except as the Administrator may otherwise expressly provide to the extent permitted by applicable legislation.

In addition, for purposes of this Paragraph 18 and Paragraph 19 below, any change of employment or other service within or among the Company and any Affiliates shall not be treated as a cessation of service (whether as an Employee, director or Consultant) so long as the Participant continues to be an Employee, director or Consultant of the Company or any Affiliate.

19. EFFECT ON STOCK GRANTS AND STOCK-BASED AWARDS OF CESSATION OF SERVICE OTHER THAN FOR CAUSE, DEATH OR DISABILITY.

Except as otherwise provided in a Participant's Agreement, in the event of a cessation of service for any reason (whether as an Employee, director or Consultant), other than for Cause, death or Disability for which there are special rules in Paragraphs 20, 21, and 22 below, before all forfeiture provisions or Company rights of repurchase shall have lapsed, then as of the Termination Date the Company shall have the right to cancel or repurchase that number of Shares subject to a Stock Grant or Stock-Based Award as to which the Company's forfeiture or repurchase rights have not lapsed.

20. EFFECT ON STOCK GRANTS AND STOCK-BASED AWARDS OF CESSATION OF SERVICE FOR CAUSE.

Except as otherwise provided in a Participant's Agreement, the following rules apply if the Participant's service (whether as an Employee, director or Consultant) with the Company or an Affiliate ceases for Cause:

(a) All Shares subject to any Stock Grant or Stock-Based Award that remain subject to forfeiture provisions or as to which the Company shall have a repurchase right shall be immediately forfeited to the Company as of the Termination Date.

(b) It is not necessary that the Administrator's finding of Cause occur prior to the Termination Date. If the Administrator determines, subsequent to a Participant's Termination Date, that prior to the Participant's Termination Date, the Participant engaged in conduct which would constitute Cause, then all Shares subject to any Stock Grant or Stock-Based Award that remained subject to forfeiture provisions or as to which the Company had a repurchase right on the Termination Date shall be immediately forfeited to the Company.

21. EFFECT ON STOCK GRANTS AND STOCK-BASED AWARDS OF CESSATION OF SERVICE FOR DISABILITY.

Except as otherwise provided in a Participant's Agreement, the following rules apply if a Participant ceases to be an Employee, director or Consultant of the Company or of an Affiliate by reason of Disability: to the extent the forfeiture provisions or the Company's rights of repurchase have not lapsed on the Date of Disability, they shall be exercisable; provided, however, that in the event such forfeiture provisions or rights of repurchase lapse periodically, such provisions or rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant or Stock-Based Award through to the Date of Disability as would have lapsed had the Participant not become Disabled. The proration shall be based upon the number of days accrued prior to the Date of Disability.

22. EFFECT ON STOCK GRANTS AND STOCK-BASED AWARDS OF DEATH WHILE AN EMPLOYEE, DIRECTOR OR CONSULTANT.

Except as otherwise provided in a Participant's Agreement, the following rules apply in the event of the death of a Participant while the Participant is an Employee, director or Consultant of the Company or of an Affiliate: to the extent the forfeiture provisions or the Company's rights of repurchase have not lapsed on the date of death, they shall be exercisable; provided, however, that in the event such forfeiture provisions or rights of repurchase lapse periodically, such provisions or rights shall lapse to the extent of a pro rata portion of the Shares subject to such Stock Grant or Stock-Based Award through the date of death as would have lapsed had the Participant not died. The proration shall be based upon the number of days accrued prior to the Participant's date of death.

23. NO RIGHTS TO STOCK RIGHTS OR DAMAGES.

No Participant shall have any claim to be granted any Stock Right under the Plan, and there is no obligation for uniformity of treatment of Participants. The granting of any Stock Right hereunder shall not impose any obligation on the Company to grant any Stock Right to any Participant in the future nor shall it entitle any Participant to receive any further Stock Right. No Participant shall have any entitlement to damages or other compensation whatsoever arising from or related to not receiving any Stock Right under the Plan, including with respect to any Stock Right which may have vested or been granted after the Participant's Termination Date, including but not limited to damages in lieu of notice at common law.

24. DISSOLUTION OR LIQUIDATION OF THE COMPANY.

Upon the dissolution or liquidation of the Company, all Options granted under this Plan which as of such date shall not have been exercised and all Stock Grants and Stock-Based Awards which have not been accepted, to the extent required under the applicable Agreement, will terminate and become null and void; provided, however, that if the rights of a Participant or a Participant's Survivors have not otherwise terminated and expired, the Participant or the Participant's Survivors will have the right immediately prior to such dissolution or liquidation to exercise or accept any Stock Right to the extent that the Stock Right is exercisable or subject to acceptance as of the date immediately prior to such dissolution or liquidation. Upon the dissolution or liquidation of the Company, any outstanding Stock-Based Awards shall immediately terminate unless otherwise determined by the Administrator or specifically provided in the applicable Agreement.

25. ADJUSTMENTS.

Upon the occurrence of any of the following events, a Participant's rights with respect to any Stock Right granted to such Participant hereunder shall be adjusted as hereinafter provided, unless otherwise specifically provided in a Participant's Agreement.

(a) Changes with respect to Common Shares.

(i) If (1) the Common Shares shall be subdivided or combined into a greater or smaller number of shares or if the Company shall issue any Common Shares as a stock dividend on its outstanding Common Shares, or (2) additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such Common Shares, each Stock Right and the number of Common Shares deliverable thereunder shall be appropriately increased or decreased proportionately, and appropriate adjustments shall be made including, in the exercise, base or purchase price per share and in the Performance Goals applicable to outstanding Performance-Based Awards to reflect such events. The number of Shares subject to the limitations in Paragraphs 3(a), 3(b), 3(d) and 4(c) shall also be proportionately adjusted upon the occurrence of such events.

(ii) The Administrator may also make adjustments of the type described in Paragraph 25(a) above to take into account distributions to stockholders other than those provided for in Paragraphs 25(b) below, or any other event, if the Administrator determines that adjustments are appropriate to avoid distortion in the operation of the Plan or any Award.

(ii) References in the Plan to Shares will be construed to include any stock or securities resulting from an adjustment pursuant to this Paragraph 25(a).

(b) Corporate Transactions. If the Company is to be consolidated with or acquired by another entity in a Corporate Transaction, the Administrator or the board of directors of any entity assuming the obligations of the Company hereunder (the "Successor Board"), may, as to outstanding Options, take any of the following actions: (i) make appropriate provision for the continuation of such Options by substituting on an equitable basis for the Shares then subject to such Options either the consideration payable with respect to the outstanding Common Shares in connection with the Corporate Transaction or securities of any successor or acquiring entity; or (ii) upon written notice to the Participants, provide that such Options must be exercised (either (A) to the extent then exercisable or (B) at the discretion of the Administrator, any such Options being made partially or fully exercisable for purposes of this Subparagraph), within a specified number of days of the date of such notice, at the end of which period such Options which have not been exercised shall terminate; or (iii) terminate such Options in exchange for payment of an amount equal to the consideration payable upon consummation of such Corporate Transaction to a holder of the number of shares of Common Shares into which such Option would have been exercisable (either (A) to the extent then exercisable or, (B) at the discretion of the Administrator, any such Options being made partially or fully exercisable for purposes of this Subparagraph) less the aggregate exercise price thereof. For purposes of determining the payments to be made pursuant to Subclause (iii) above, in the case of a Corporate Transaction the consideration for which, in whole or in part, is other than cash, the consideration other than cash shall be valued at the fair value thereof as determined in good faith by the Board of Directors. For the avoidance of doubt, if the per share exercise price of an Option or portion thereof is equal to or greater than the Fair Market Value of one Share of Common Shares, such Option may be cancelled with no payment due hereunder or otherwise in respect thereof.

With respect to outstanding Stock Grants or Stock-Based Awards, the Administrator or the Successor Board, shall make appropriate provision for the continuation of such Stock Grants or Stock-Based Awards on the same terms and conditions by substituting on an equitable basis for the Shares then subject to such Stock Grants or Stock-Based Awards either the consideration payable with respect to the outstanding Shares of Common Shares in connection with the Corporate Transaction or securities of any successor or acquiring entity. In lieu of the foregoing, in connection with any Corporate Transaction, the Administrator may provide that each outstanding Stock Grant or Stock-Based Award shall be terminated in exchange for payment of an amount equal to the consideration payable upon consummation of such Corporate Transaction to a holder of the number of shares of Common Shares comprising such Stock Grant or Stock-Based Award (to the extent such Stock Grant or Stock-Based Award is no longer subject to any forfeiture or repurchase rights then in effect or, at the discretion of the Administrator, all forfeiture and repurchase rights being waived). For the avoidance of doubt, if the purchase or base price of a Stock Grant or Stock-Based Award or portion thereof is equal to or greater than the Fair Market Value of one Share, such Stock Grant or Stock-Based Award, as applicable, may be cancelled with no payment due hereunder or otherwise in respect thereof.

In taking any of the actions permitted under this Paragraph 25(b), the Administrator shall not be obligated by the Plan to treat all Stock Rights, all Stock Rights held by a Participant, or all Stock Rights of the same type, identically.

(c) Recapitalization or Reorganization. In the event of a recapitalization or reorganization of the Company other than a Corporate Transaction pursuant to which securities of the Company or of another corporation are issued with respect to the outstanding Common Shares, a Participant upon exercising an Option or accepting a Stock Grant after the recapitalization or reorganization shall be entitled to receive for the price paid upon such exercise or acceptance if any, the number of replacement securities which would have been received if such Option had been exercised or Stock Grant accepted prior to such recapitalization or reorganization.

(d) Adjustments to Stock-Based Awards. Upon the happening of any of the events described in Subparagraphs (a), (b) or (c) above, any outstanding Stock-Based Award shall be appropriately adjusted to reflect the events described in such Subparagraphs. The Administrator or the Successor Board shall determine the specific adjustments to be made under this Paragraph 25, including, but not limited to the effect of any, Corporate Transaction and, subject to Paragraph 4, its determination shall be conclusive.

(e) Termination of Awards upon Consummation of a Corporate Transaction. Except as the Administrator may otherwise determine, each Stock Right will automatically terminate (and in the case of outstanding Shares of restricted Common Shares, will automatically be forfeited) immediately upon the consummation of a Corporate Transaction, other than (i) any award that is assumed, continued or substituted pursuant to Paragraph 25(b) above, and (ii) any cash award that by its terms, or as a result of action taken by the Administrator, continues following the consummation of the Corporate Transaction.

26. ISSUANCES OF SECURITIES.

(a) Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares subject to Stock Rights. Except as expressly provided herein, no adjustments shall be made for dividends paid in cash or in property (including without limitation, securities) of the Company prior to any issuance of Shares pursuant to a Stock Right.

(b) The Company will not be obligated to issue any Shares pursuant to the Plan or to remove any restriction from Shares previously issued under the Plan until: (i) the Company is satisfied that all legal matters in connection with the issuance of such Shares have been addressed and resolved; (ii) if the outstanding Shares is at the time of issuance listed on any stock exchange or national market system, the Shares to be issued have been listed or authorized to be listed on such exchange or system upon official notice of issuance; and (iii) all conditions of the award have been satisfied or waived. The Company may require, as a condition to the exercise of an award or the issuance of Shares under an award, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of the Securities Act of 1933, as amended, or any applicable state or non-U.S. securities law. Any Shares issued under the Plan will be evidenced in such manner as the Administrator determines appropriate, including book-entry registration or delivery of stock certificates. In the event that the Administrator determines that stock certificates will be issued in connection with Shares issued under the Plan, the Administrator may require that such certificates bear an appropriate legend reflecting any restriction on transfer applicable to such Stock, and the Company may hold the certificates pending the lapse of the applicable restrictions.

27. FRACTIONAL SHARES.

No fractional shares shall be issued under the Plan. The person exercising a Stock Right shall receive from the Company cash in lieu of such fractional shares equal to the Fair Market Value thereof, provided that, notwithstanding the foregoing, in the case of any Stock Right subject to section 7 of the *Income Tax Act* (Canada), the fractional shares subject to such Stock Right shall be rounded down to the nearest whole number of Shares with no further consideration payable to the Participant.

28. WITHHOLDING.

In the event that any federal, state, provincial or local income taxes, employment taxes, Federal Insurance Contributions Act withholdings or other amounts are required by applicable law or governmental regulation to be withheld in connection with the issuance of a Stock Right or Shares under the Plan, the Company or an Affiliate may withhold the amount necessary to satisfy such obligations from any amount which would otherwise be delivered, provided or paid to the Participant by the Company or an Affiliate, whether under this Plan or otherwise, or may require that the Participant advance in cash to the Company, or to any Affiliate of the Company which employs or employed the Participant, the statutory minimum amount of such withholdings unless a different withholding arrangement, including the use of shares of the Company's Common Shares or a promissory note, is authorized by the Administrator (and permitted by law). For purposes hereof, the fair market value of the shares withheld for purposes of payroll withholding shall be determined in the manner set forth under the definition of Fair Market Value provided in Paragraph 1 above, as of the most recent practicable date. If the Fair Market Value of the shares withheld is less than the amount of payroll withholdings required, the Participant may be required to advance the difference in cash to the Company or the Affiliate employer.

29. TERMINATION OF THE PLAN.

The Plan will terminate on the date which is ten years from the earlier of the date of its adoption by the Board of Directors and the date of its approval by the shareholders of the Company. The Plan may be terminated at an earlier date by vote of the shareholders or the Board of Directors of the Company; provided, however, that any such earlier termination shall not affect any Agreements executed prior to the effective date of such termination. Termination of the Plan shall not affect any Stock Rights theretofore granted.

30. AMENDMENT OF THE PLAN AND AGREEMENTS.

The Plan may be amended by the shareholders of the Company. The Plan may also be amended by the Administrator; provided that any amendment approved by the Administrator which the Administrator determines is of a scope that requires shareholder approval shall be subject to obtaining such shareholder approval including, without limitation, to the extent necessary to qualify any or all outstanding Stock Rights granted under the Plan or Stock Rights to be granted under the Plan for favorable federal income tax treatment as may be afforded ISOs under Section 422 and to the extent necessary to qualify the Shares issuable under the Plan for listing on any national securities exchange or quotation in any national automated quotation system of securities dealers. Any modification or amendment of the Plan shall not, without the consent of a Participant, adversely affect his or her rights under a Stock Right previously granted to such Participant, unless such amendment is required by applicable law or necessary to preserve the economic value of such Stock Right. With the consent of the Participant affected, the Administrator may amend outstanding Agreements in a manner which may be adverse to the Participant but which is not inconsistent with the Plan. In the discretion of the Administrator, outstanding Agreements may be amended by the Administrator in a manner which is not adverse to the Participant. Nothing in this Paragraph 30 shall limit the Administrator's authority to take any action permitted pursuant to Paragraph 25.

31. EMPLOYMENT OR OTHER RELATIONSHIP.

Nothing in this Plan or any Agreement shall be deemed to prevent the Company or an Affiliate from terminating the employment, consultancy or director status of a Participant, nor to prevent a Participant from terminating his or her own employment, consultancy or director status or to give any Participant a right to be retained in employment or other service by the Company or any Affiliate for any period of time.

32. INDEMNITY.

Neither the Board of Directors nor the Administrator, nor any members of either, nor any employees of the Company or any parent, subsidiary, or other Affiliate, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with their responsibilities with respect to this Plan, and the Company hereby agrees to indemnify the members of the Board or Directors, the members of the Committee, and the employees of the Company and its parent or subsidiaries in respect of any claim, loss, damage, or expense (including reasonable counsel fees) arising from any such act, omission, interpretation, construction or determination to the full extent permitted by law.

33. CLAWBACK.

Notwithstanding anything to the contrary contained in this Plan, the Company may recover from a Participant any compensation received from any Stock Right (whether or not settled) or cause a Participant to forfeit any Stock Right (whether or not vested) in the event that the Company's Clawback Policy as then in effect is triggered.

34. WAIVER OF JURY TRIAL.

By accepting or being deemed to have accepted an award under the Plan, each Participant waives (or will be deemed to have waived), to the maximum extent permitted under applicable law, any right to a trial by jury in any action, proceeding or counterclaim concerning any rights under the Plan or any award, or under any amendment, waiver, consent, instrument, document or other agreement delivered or which in the future may be delivered in connection therewith, and agrees (or will be deemed to have agreed) that any such action, proceedings or counterclaim will be tried before a court and not before a jury. By accepting or being deemed to have accepted an award under the Plan, each Participant certifies that no officer, representative, or attorney of the Company has represented, expressly or otherwise, that the Company would not, in the event of any action, proceeding or counterclaim, seek to enforce the foregoing waivers. Notwithstanding anything to the contrary in the Plan, nothing herein is to be construed as limiting the ability of the Company and a Participant to agree to submit any dispute arising under the terms of the Plan or any ward to binding arbitration or as limiting the ability of the Company to require any individual to agree to submit such disputes to binding arbitration as a condition of receiving an award hereunder.

35. UNFUNDED OBLIGATIONS.

The Company's obligations under the Plan are unfunded, and no Participant will have any right to specific assets of the Company in respect of any award under the Plan. Participants will be general unsecured creditors of the Company with respect to any amounts due or payable under the Plan.

36. GOVERNING LAW.

This Plan shall be construed and enforced in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

Addendum
Terms of Grant of Options to United States Employees

U.S. SUB-PLAN TO THE
TMC THE METALS COMPANY INC.

2021 INCENTIVE EQUITY PLAN

The Board of Directors of TMC the metals company Inc. (the "Company") established the TMC the metals company Inc. 2021 Incentive Equity Plan (the "Plan"). Through the Plan, the Company established a framework to aid the Company in attracting and retaining the best available individuals for positions of substantial responsibility, and to promote the success of the Company's and its Affiliates' business by aligning the financial interests of individuals providing services to the Company and the Affiliates with long-term shareholder value.

The Board determined that it was necessary and desirable to establish a sub-plan of the Plan for the purpose of granting Options to Employees who are residents of the United States or who are or may become subject to U.S. tax (i.e., income tax, social security and/or withholding tax ("U.S. Participant")), with such Options qualifying as either Non-Qualified Stock Options or Incentive Stock Options (within the meaning of Section 422 of the Code), to cause all Options under the Plan to be exempt from or comply with Section 409A of the Code, and to cause Options to comply with certain other provisions and exemptions under U.S. law. The terms of the Plan, as amended from time to time, shall, subject to the provisions hereof, constitute this U.S. Sub-Plan of the Plan (this "U.S. Sub-Plan"). This U.S. Sub-Plan supplements, and shall be read in conjunction with the Plan, and is subject to the terms and conditions of the Plan; provided, that to the extent that the terms and conditions of the Plan differ from or conflict with the terms or conditions of this U.S. Sub-Plan, the terms and conditions of this U.S. Sub-Plan shall prevail.

1. DEFINITIONS

For the purposes of this U.S. Sub-Plan, the definitions set out in the Plan shall apply to this U.S. Sub-Plan as such definitions apply to the Plan and in addition the following terms shall have the following meanings (unless the context requires otherwise):

Disability or Disabled means a permanent and total disability as defined in Section 22(e)(3) of the Code.

ISO means an Option intended to qualify as an "incentive stock option" under Section 422.

Non-Qualified Option means an Option which is not intended to qualify as an ISO.

Section 409A means Section 409A of the Code.

Section 422 means Section 422 of the Code.

SHARES SUBJECT TO THE PLAN

All of the Shares available for grant as set forth in Paragraph 3 under the Plan may be issued as ISOs; provided, however, that the maximum number of Shares available for grant under the Plan as ISOs will be equal to 440,000,000. The limits set forth in Paragraph 3 of the Plan will be construed to comply with the applicable requirements of Section 422. For purposes of determining the number of Shares available for grant under the Plan as ISOs under Paragraph 3(c) of the Plan, such provisions shall be subject to any limitations under the Code. In addition, Shares issued in respect of Substitute Awards that are ISOs shall be consistent with Section 422.

ELIGIBILITY

ISOs may be granted only to Employees.

TERMS AND CONDITIONS OF OPTIONS TO U.S. PARTICIPANTS

Each Option intended to be a Non-Qualified Option shall meet the minimum standards required of Options, as described in Paragraph 6(a) of the Plan, except that the exercise price per share of the Shares covered by each ISO shall not be less than 100% of the Fair Market Value per share of the Common Shares on the date of grant of the Option so as to be exempt from the requirements of Section 409A. If the Administrator determines to grant an Option at less than 100% of the Fair Market Value per Common Share, the Option must comply with the requirements of Section 409A or be exempt from the requirements of Section 409A pursuant Treas. Reg. Section 1.409-1(b)(4).

Each Option intended to be an ISO shall be issued only to an Employee who is deemed to be a resident of the United States for tax purposes, and shall be subject to the following terms and conditions, with such additional restrictions or changes as the Administrator determines are appropriate but not in conflict with Section 422 and relevant regulations and rulings of the Internal Revenue Service:

(i) Minimum Standards: The ISO shall meet the minimum standards required of Options, as described in Paragraph 6(a) of the Plan, except clause (i) and (iv) thereunder.

(ii) Exercise Price: Immediately before the ISO is granted, if the U.S. Participant owns, directly or by reason of the applicable attribution rules in Section 424(d) of the Code:

A. 10% or less of the total combined voting power of all classes of stock of the Company or an Affiliate, the exercise price per share of the Shares covered by each ISO shall not be less than 100% of the Fair Market Value per share of the Common Shares on the date of grant of the Option; or

B. More than 10% of the total combined voting power of all classes of stock of the Company or an Affiliate, the exercise price per share of the Shares covered by each ISO shall not be less than 110% of the Fair Market Value per share of the Common Shares on the date of grant of the Option.

(iii) Term of Option: For U.S. Participants who own:

A. 10% or less of the total combined voting power of all classes of stock of the Company or an Affiliate, each ISO shall terminate not more than ten years from the date of the grant or at such earlier time as the Option Agreement may provide; or

B. More than 10% of the total combined voting power of all classes of stock of the Company or an Affiliate, each ISO shall terminate not more than five years from the date of the grant or at such earlier time as the Option Agreement may provide.

(iv) Limitation on Yearly Exercise: To the extent that aggregate Fair Market Value (determined on the date each ISO is granted) of the Shares with respect to which ISOs are exercisable for the first time by the U.S. Participant in any calendar year exceeds US$100,000, such Options shall be treated as Non-Qualified Options even if denominated ISOs at grant.

DIVIDENDS

With respect to Stock Grants, any entitlement to dividend equivalents or similar entitlements will be established and administered either consistent with an exemption from, or in compliance with the applicable requirements of Section 409A.

EXERCISE OF OPTIONS - PAYMENT

The Administrator shall accept only such payment on exercise of an ISO as is permitted by Section 422.

TRANSFER

An ISO transferred except in compliance with clause (i) of Paragraph 13 shall no longer qualify as an ISO.

TERMINATION OF SERVICE; LEAVE OF ABSENCE

Except as provided in Subparagraph (b) of Paragraph 14 of the Plan, or Paragraph 16 or 17 of the Plan, in no event may an ISO be exercised later than three months after the U.S. Participant’s termination of employment. If the U.S. Participant does not exercise the ISO within three months after termination, to the extent is not yet terminated, it shall automatically convert to a Non-Qualified Option.

With respect to ISOs, any leave of absence granted by the Administrator of greater than three months, unless pursuant to a contract or statute that guarantees the right to reemployment, shall cause such ISO to become a Non-Qualified Option on the date that is six months following the commencement of such leave of absence.

ADJUSTMENTS

Any adjustments under Paragraph 25 of the Plan shall have due regard for the qualification of ISOs under Section 422, the requirements of Section 409A, to the extent applicable

SECTION 409A AND SECTION 422

The Company intends that the Plan and any Stock Rights granted to U.S Participants be exempt from or comply with Section 409A, to the extent applicable. The Company intends that ISOs comply with Section 422, to the extent applicable. Any ambiguities in the Plan or any Stock Right shall be construed to effect the intent as described herein.

If a U.S Participant is a “specified employee” as defined in Section 409A (and as applied according to procedures of the Company and its Affiliates) as of his or her separation from service, to the extent any payment under this Plan or pursuant to a Stock Right constitutes non-exempt deferred compensation under Section 409A that is being paid by reason of separation from service, no payments due under this Plan or pursuant to a Stock Right may be made until the earlier of: (i) the first day of the seventh month following the U.S. Participant’s separation from service, or (ii) the U.S. Participant’s date of death; provided, however, that any payments delayed during this six-month period shall be paid in the aggregate in a lump sum, without interest, on the first day of the seventh month following the U.S. Participant’s separation from service.

The Administrator shall administer the Plan with respect to Stock Rights to U.S. Participants with a view toward ensuring that Stock Rights under the Plan that are subject to Section 409A or Section 422, as applicable, comply with the requirements thereof and that Options under the Plan be exempt from the requirements of Section 409A or compliant with Section 422, as applicable, but neither the Administrator nor any member of the Board of Directors, nor the Company nor any of its Affiliates, nor any other person acting hereunder on behalf of the Company, the Administrator or the Board of Directors shall be liable to a U.S. Participant or any Survivor by reason of the acceleration of any income, or the imposition of any additional tax or penalty, with respect to any Stock Right, whether by reason of a failure to satisfy the requirements of Section 409A or Section 422 or otherwise.

GOVERNING LAW

This U.S. Sub Plan shall be construed and enforced in accordance with the laws of the State of Delaware.

Exhibit 10.23.2

TMC THE METALS COMPANY INC.

Stock Option Grant Notice
Stock Option Grant under the Company's
2021 Incentive Equity Plan

Name:

Grant Number:

Grant Date:

Vest Commencement Date:

Grant Type:

Grant Shares:

Exercise Price:

Expiration Date:

Vesting Schedule: This Option shall become exercisable (and the Shares issued upon exercise shall be vested) as follows provided the Participant is an Employee, Director or Consultant of the Company or of an Affiliate on the applicable vesting date:

[Vesting Schedule Description]

The foregoing rights are cumulative and are subject to the other terms and conditions of this Agreement and the Plan.

The Company and the Participant acknowledge receipt of this Stock Option Grant Notice and agree to the terms of the Stock Option Agreement attached hereto and incorporated by reference herein, the Company's 2021 Incentive Equity Plan [and the Addendum thereto titled "Terms and Conditions of Options to United States Employees"], and the terms of this Option Grant as set forth above.

TMC THE METALS COMPANY INC.

By: _____
Name:
Title:

_____
Participant

TMC THE METALS COMPANY INC.

STOCK OPTION AGREEMENT - INCORPORATED TERMS AND CONDITIONS

AGREEMENT (this "Agreement") made as of the date of grant set forth in the Stock Option Grant Notice by and between TMC the metals company Inc. (the "Company"), a company existing under the laws of British Columbia, Canada, and the individual whose name appears on the Stock Option Grant Notice (the "Participant").

WHEREAS, the Company desires to grant to the Participant an Option to purchase Common Shares (the "Shares"), under and for the purposes set forth in the Company's 2021 Incentive Equity Plan [and the Addendum thereto titled "Terms and Conditions of Options to United States Employees"] (the "Plan");

WHEREAS, the Company and the Participant understand and agree that any terms used and not defined herein have the same meanings as in the Plan; and

WHEREAS, the Company and the Participant each intend that the Option granted herein shall be of the type set forth in the Stock Option Grant Notice.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. GRANT OF OPTION. The Company hereby grants to the Participant the right and option to purchase all or any part of an aggregate of the number of Shares set forth in the Stock Option Grant Notice, on the terms and conditions and subject to all the limitations set forth herein, under United States securities and tax laws, and in the Plan, which is incorporated herein by reference. The Participant acknowledges receipt of a copy of the Plan.

2. EXERCISE PRICE. The exercise price of the Shares covered by the Option shall be the amount per Share set forth in the Stock Option Grant Notice, subject to adjustment, as provided in the Plan, in the event of a stock split, reverse stock split or other events affecting the holders of Shares after the date hereof (the "Exercise Price"). Payment shall be made in accordance with Paragraph 10 of the Plan.

3. EXERCISABILITY OF OPTION. Subject to the terms and conditions set forth in this Agreement and the Plan, the Option granted hereby shall become vested and exercisable as set forth in the Stock Option Grant Notice and is subject to the other terms and conditions of this Agreement and the Plan.

4. TERM OF OPTION. This Option shall terminate on the Expiration Date as specified in the Stock Option Grant Notice and, if this Option is designated in the Stock Option Grant Notice as an ISO and the Participant owns as of the date hereof more than 10% of the total combined voting power of all classes of capital stock of the Company or an Affiliate, such date may not be more than five years from the date of this Agreement, but shall be subject to earlier termination as provided herein or in the Plan.

If the Participant ceases to be an Employee, director or Consultant of the Company or of an Affiliate for any reason other than the death or Disability of the Participant, or termination of the Participant for Cause (the "Termination Date"), the Option to the extent then vested and exercisable pursuant to Section 3 hereof as of the Termination Date, and not previously terminated in accordance with this Agreement, may be exercised within three months after the Termination Date, or on or prior to the Expiration Date as specified in the Stock Option Grant Notice, whichever is earlier, but may not be exercised thereafter except as set forth below. In such event, the unvested portion of the Option shall not be exercisable and shall expire and be cancelled on the Termination Date.

If this Option is designated in the Stock Option Grant Notice as an ISO and the Participant ceases to be an Employee of the Company or of an Affiliate but continues after termination of employment to provide service to the Company or an Affiliate as a director or Consultant, this Option shall continue to vest in accordance with Section 3 above as if this Option had not terminated until the Participant is no longer providing services to the Company. In such case, this Option shall automatically convert and be deemed a Non-Qualified Option as of the date that is three months from termination of the Participant's employment and this Option shall continue on the same terms and conditions set forth herein until such Participant is no longer providing service to the Company or an Affiliate.

Notwithstanding the foregoing, in the event of the Participant's Disability or death within three months after the Termination Date, the Participant or the Participant's Survivors may exercise the Option within one year after the Termination Date, but in no event after the Expiration Date as specified in the Stock Option Grant Notice.

In the event the Participant's service is terminated by the Company or an Affiliate for Cause, the Participant's right to exercise any unexercised portion of this Option even if vested shall cease immediately as of the time the Participant is notified his or her service is terminated for Cause, and this Option shall thereupon terminate. Notwithstanding anything herein to the contrary, if subsequent to the Participant's termination, but prior to the exercise of the Option, the Administrator determines that, either prior or subsequent to the Participant's termination, the Participant engaged in conduct which would constitute Cause, then the Participant shall immediately cease to have any right to exercise the Option and this Option shall thereupon terminate.

In the event of the Disability of the Participant, as determined in accordance with the Plan, the Option shall be exercisable within one year after the Participant's termination of service due to Disability or, if earlier, on or prior to the Expiration Date as specified in the Stock Option Grant Notice. In such event, the Option shall be exercisable:

(a) to the extent that the Option has become exercisable but has not been exercised as of the date of the Participant's termination of service due to Disability; and

(b) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of the Participant's termination of service due to Disability of any additional vesting rights that would have accrued on the next vesting date had the Participant not become Disabled. The proration shall be based upon the number of days accrued in the current vesting period prior to the date of the Participant's termination of service due to Disability.

In the event of the death of the Participant while an Employee, director or Consultant of the Company or of an Affiliate, the Option shall be exercisable by the Participant's Survivors within one year after the date of death of the Participant or, if earlier, on or prior to the Expiration Date as specified in the Stock Option Grant Notice. In such event, the Option shall be exercisable:

(x) to the extent that the Option has become exercisable but has not been exercised as of the date of death; and

(y) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of death of any additional vesting rights that would have accrued on the next vesting date had the Participant not died. The proration shall be based upon the number of days accrued in the current vesting period prior to the Participant's date of death.

5. METHOD OF EXERCISING OPTION. Subject to the terms and conditions of this Agreement, the Option may be exercised by electronic notice to the Company or its designee, in such form as is acceptable to the Company. Such notice shall state the number of Shares with respect to which the Option is being exercised and shall be signed by the person exercising the Option (which signature may be provided electronically in a form acceptable to the Company). Payment of the Exercise Price for such Shares shall be made in accordance with Paragraph 10 of the Plan. The Company shall deliver such Shares as soon as practicable after the notice shall be received, provided, however, that the Company may delay issuance of such Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including, without limitation, state securities or "blue sky" laws). In the event the Option shall be exercised, pursuant to Section 4 hereof, by any person other than the Participant, such notice shall be accompanied by appropriate proof of the right of such person to exercise the Option. All Shares that shall be purchased upon the exercise of the Option as provided herein shall be fully paid and nonassessable.

6. PARTIAL EXERCISE. Exercise of this Option to the extent above stated may be made in part at any time and from time to time within the above limits, except that no fractional share shall be issued pursuant to this Option.

7. NON-ASSIGNABILITY. The Option shall not be transferable by the Participant otherwise than by will or by the laws of descent and distribution. If this Option is a Non-Qualified Option then it may also be transferred pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act or the rules thereunder**.** Except as provided above in this paragraph, the Option shall be exercisable, during the Participant's lifetime, only by the Participant (or, in the event of legal incapacity or incompetency, by the Participant's guardian or representative) and shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of the Option or of any rights granted hereunder contrary to the provisions of this Section 7, or the levy of any attachment or similar process upon the Option shall be null and void.

8. NO RIGHTS AS STOCKHOLDER UNTIL EXERCISE. The Participant shall have no rights as a stockholder with respect to Shares subject to this Agreement until registration of the Shares in the Company's share register in the name of the Participant. Except as is expressly provided in the Plan with respect to certain changes in the capitalization of the Company, no adjustment shall be made for dividends or similar rights for which the record date is prior to the date of such registration.

9. ADJUSTMENTS. The Plan contains provisions covering the treatment of Options in a number of contingencies such as stock splits and mergers. Provisions in the Plan for adjustment with respect to stock subject to Options and the related provisions with respect to successors to the business of the Company are hereby made applicable hereunder and are incorporated herein by reference**.**

10. TAXES. The Participant acknowledges and agrees that (i) any income or other taxes due from the Participant with respect to this Option or the Shares issuable pursuant to this Option shall be the Participant's responsibility; (ii) the Participant was free to use professional advisors of his or her choice in connection with this Agreement, has received advice from his or her professional advisors in connection with this Agreement, understands its meaning and import, and is entering into this Agreement freely and without coercion or duress; (iii) the Participant has not received and is not relying upon any advice, representations or assurances made by or on behalf of the Company or any Affiliate or any employee of or counsel to the Company or any Affiliate regarding any tax or other effects or implications of the Option, the Shares or other matters contemplated by this Agreement; and (iv) neither the Administrator, the Company, its Affiliates, nor any of its officers or directors, shall be held liable for any applicable costs, taxes, or penalties associated with the Option if, in fact, the Internal Revenue Service were to determine that the Option constitutes deferred compensation under Section 409A of the Code.

If this Option is designated in the Stock Option Grant Notice as a Non-Qualified Option or if the Option is an ISO and is converted into a Non-Qualified Option and such Non-Qualified Option is exercised, the Participant agrees that the Company may withhold from the Participant's remuneration, if any, the minimum statutory amount of federal, state and local withholding taxes attributable to such amount that is considered compensation includable in such person's gross income. At the Company's discretion, the amount required to be withheld may be withheld in cash from such remuneration, or in kind from the Shares otherwise deliverable to the Participant on exercise of the Option. The Participant further agrees that, if the Company does not withhold an amount from the Participant's remuneration sufficient to satisfy the Company's income tax withholding obligation, the Participant will reimburse the Company on demand, in cash, for the amount under-withheld.

11. PURCHASE FOR INVESTMENT. Unless the offering and sale of the Shares to be issued upon the particular exercise of the Option shall have been effectively registered under the Securities Act, the Company shall be under no obligation to issue the Shares covered by such exercise unless the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act and until the following conditions have been fulfilled:

(a) The person(s) who exercise the Option shall warrant to the Company, at the time of such exercise, that such person(s) are acquiring such Shares for their own respective accounts, for investment, and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person(s) acquiring such Shares shall be bound by the provisions of the following legend which shall be endorsed upon any certificate(s) evidencing the Shares issued pursuant to such exercise:

> "The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, unless (1) either (a) a Registration Statement with respect to such shares shall be effective under the Securities Act of 1933, as amended, or (b) the Company shall have received an opinion of counsel satisfactory to it that an exemption from registration under such Act is then available, and (2) there shall have been compliance with all applicable state securities laws;" and

(b) If the Company so requires, the Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise in compliance with the Securities Act without registration thereunder. Without limiting the generality of the foregoing, the Company may delay issuance of the Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including without limitation state securities or "blue sky" laws).

12. RESTRICTIONS ON TRANSFER OF SHARES.

(a) The Participant agrees that in the event the Company proposes to offer for sale to the public any of its equity securities and such Participant is requested by the Company and any underwriter engaged by the Company in connection with such offering to sign an agreement restricting the sale or other transfer of Shares, then it will promptly sign such agreement and will not transfer, whether in privately negotiated transactions or to the public in open market transactions or otherwise, any Shares or other securities of the Company held by him or her during such period as is determined by the Company and the underwriters, not to exceed 180 days following the closing of the offering, plus such additional period of time as may be required to comply with FINRA rules or similar rules thereto promulgated by another regulatory authority (such period, the "Lock-Up Period"). Such agreement shall be in writing and in form and substance reasonably satisfactory to the Company and such underwriter and pursuant to customary and prevailing terms and conditions. Notwithstanding whether the Participant has signed such an agreement, the Company may impose stop-transfer instructions with respect to the Shares or other securities of the Company subject to the foregoing restrictions until the end of the Lock-Up Period.

(b) The Participant acknowledges and agrees that neither the Company, its stockholders nor its directors and officers, has any duty or obligation to disclose to the Participant any material information regarding the business of the Company or affecting the value of the Shares before, at the time of, or following a termination of the service of the Participant by the Company, including, without limitation, any information concerning plans for the Company to make a public offering of its securities or to be acquired by or merged with or into another firm or entity.

13. NO OBLIGATION TO MAINTAIN RELATIONSHIP. The Participant acknowledges that: (i) the Company is not by the Plan or this Option obligated to continue the Participant as an employee, director or Consultant of the Company or an Affiliate; (ii) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (iii) the grant of the Option is a one-time benefit which does not create any contractual or other right to receive future grants of options, or benefits in lieu of options; (iv) all determinations with respect to any such future grants, including, but not limited to, the times when options shall be granted, the number of shares subject to each option, the option price, and the time or times when each option shall be exercisable, will be at the sole discretion of the Company; (v) the Participant's participation in the Plan is voluntary; (vi) the value of the Option is an extraordinary item of compensation which is outside the scope of the Participant's employment or consulting contract, if any; and (vii) the Option is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

14. IF OPTION IS INTENDED TO BE AN ISO. If this Option is designated in the Stock Option Grant Notice as an ISO so that the Participant (or the Participant's Survivors) may qualify for the favorable tax treatment provided to holders of Options that meet the standards of Section 422 of the Code then any provision of this Agreement or the Plan which conflicts with the Code so that this Option would not be deemed an ISO is null and void and any ambiguities shall be resolved so that the Option qualifies as an ISO. The Participant should consult with the Participant's own tax advisors regarding the tax effects of the Option and the requirements necessary to obtain favorable tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements.

Notwithstanding the foregoing, to the extent that the Option is designated in the Stock Option Grant Notice as an ISO and is not deemed to be an ISO pursuant to Section 422(d) of the Code because the aggregate Fair Market Value (determined as of the Date of Option Grant) of any of the Shares with respect to which this ISO is granted becomes exercisable for the first time during any calendar year in excess of $100,000, the portion of the Option representing such excess value shall be treated as a Non-Qualified Option and the Participant shall be deemed to have taxable income measured by the difference between the then Fair Market Value of the Shares received upon exercise and the price paid for such Shares pursuant to this Agreement.

Neither the Company nor any Affiliate shall have any liability to the Participant, or any other party, if the Option (or any part thereof) that is intended to be an ISO is not an ISO or for any action taken by the Administrator, including without limitation the conversion of an ISO to a Non-Qualified Option.

15. NOTICE TO COMPANY OF DISQUALIFYING DISPOSITION OF AN ISO. If this Option is designated in the Stock Option Grant Notice as an ISO then the Participant agrees to notify the Company in writing immediately after the Participant makes a Disqualifying Disposition of any of the Shares acquired pursuant to the exercise of the ISO. A Disqualifying Disposition is defined in Section 424(c) of the Code and includes any disposition (including any sale) of such Shares before the later of (a) two years after the date the Participant was granted the ISO or (b) one year after the date the Participant acquired Shares by exercising the ISO, except as otherwise provided in Section 424(c) of the Code. If the Participant has died before the Shares are sold, these holding period requirements do not apply and no Disqualifying Disposition can occur thereafter.

16. NOTICES. Any notices required or permitted by the terms of this Agreement or the Plan shall be given by recognized courier service, facsimile, registered or certified mail, return receipt requested, addressed as follows:

If to the Company:

TMC the metals company Inc.
[Address]
Attention: General Counsel

If to the Participant at the Participant's most recent address as shown in the employment or stock records of the Company. Any such notice shall be deemed to have been given upon the earlier of receipt, one business day following delivery to a recognized courier service or three business days following mailing by registered or certified mail.

17. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

18. BENEFIT OF AGREEMENT. Subject to the provisions of the Plan and the other provisions hereof, this Agreement shall be for the benefit of and shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

19. ENTIRE AGREEMENT. This Agreement, together with the Plan, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof (with the exception of acceleration of vesting provisions contained in any other agreement with the Company). No statement, representation, warranty, covenant or agreement not expressly set forth in this Agreement shall affect or be used to interpret, change or restrict, the express terms and provisions of this Agreement. Notwithstanding the foregoing in all events, this Agreement shall be subject to and governed by the Plan.

20. MODIFICATIONS AND AMENDMENTS. The terms and provisions of this Agreement may be modified or amended as provided in the Plan.

21. WAIVERS AND CONSENTS. Except as provided in the Plan, the terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

22. DATA PRIVACY. By entering into this Agreement, the Participant: (i) authorizes the Company and each Affiliate, and any agent of the Company or any Affiliate administering the Plan or providing Plan recordkeeping services, to disclose to the Company or any of its Affiliates such information and data as the Company or any such Affiliate shall request in order to facilitate the grant of options and the administration of the Plan; (ii) to the extent permitted by applicable law waives any data privacy rights he or she may have with respect to such information, and (iii) authorizes the Company and each Affiliate to store and transmit such information in electronic form for the purposes set forth in this Agreement.

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Exhibit 10.23.3

TMC THE METALS COMPANY INC.

Restricted Stock Unit Award Grant Notice
Restricted Stock Unit Grant under the Company's
2021 Incentive Equity Plan

Name:

Grant Number:

Grant Date:

Grant Type:

Grant Shares:

Vesting of Award: This Restricted Stock Unit Award shall vest as follows provided the Participant is an Employee, director or Consultant of the Company or of an Affiliate on the applicable vesting date:

[Vesting Schedule Description]

The Company and the Participant acknowledge receipt of this Restricted Stock Unit Award Grant Notice and agree to the terms of the Restricted Stock Unit Agreement attached hereto and incorporated by reference herein, the Company's 2021 Incentive Equity Plan [and the Addendum thereto titled "Terms and Conditions of Options to United States Employees"], and the terms of this Restricted Stock Unit Award as set forth above.

TMC THE METALS COMPANY INC.

By: _____
Name:
Title:

_____
Participant

TMC THE METALS COMPANY INC.

RESTRICTED STOCK UNIT AGREEMENT –

INCORPORATED TERMS AND CONDITIONS

AGREEMENT made as of the date of grant set forth in the Restricted Stock Unit Award Grant Notice between TMC the metals company Inc. (the "Company"), a company existing under the laws of British Columbia, Canada, and the individual whose name appears on the Restricted Stock Unit Award Grant Notice (the "Participant").

WHEREAS, the Company has adopted the 2021 Incentive Equity Plan [and the Addendum thereto titled "Terms and Conditions of Options to United States Employees"] (the "Plan"), to promote the interests of the Company by providing an incentive for Employees, directors and Consultants of the Company and its Affiliates;

WHEREAS, pursuant to the provisions of the Plan, the Company desires to grant to the Participant restricted stock units ("RSUs") related to the Company's Common Shares ("Shares"), in accordance with the provisions of the Plan, all on the terms and conditions hereinafter set forth; and

WHEREAS, the Company and the Participant understand and agree that any terms used and not defined herein have the meanings ascribed to such terms in the Plan.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Grant of Award. The Company hereby grants to the Participant an award for the number of RSUs set forth in the Restricted Stock Unit Award Grant Notice (the "Award"). Each RSU represents a contingent entitlement of the Participant to receive one Share, on the terms and conditions and subject to all the limitations set forth herein and in the Plan, which is incorporated herein by reference. The Participant acknowledges receipt of a copy of the Plan.

2. Vesting of Award.

(a) Subject to the terms and conditions set forth in this Agreement and the Plan, the Award granted hereby shall vest as set forth in the Restricted Stock Unit Award Grant Notice and is subject to the other terms and conditions of this Agreement and the Plan. On each vesting date set forth in the Restricted Stock Unit Award Grant Notice, the Participant shall be entitled to receive such number of Shares equivalent to the number of RSUs as set forth in the Restricted Stock Unit Award Grant Notice provided that the Participant is providing service to the Company or an Affiliate on such vesting date. Such Shares shall thereafter be delivered by the Company to the Participant within five business days of the applicable vesting date and in accordance with this Agreement and the Plan.

(b) Except as otherwise set forth in this Agreement, if the Participant ceases to be providing services for any reason by the Company or by an Affiliate (the "Termination") prior to a vesting date set forth in the Restricted Stock Unit Award Grant Notice, then as of the date on which the Participant's employment or service terminates, all unvested RSUs shall immediately be forfeited to the Company and this Agreement shall terminate and be of no further force or effect.

3. Prohibitions on Transfer and Sale. This Award (including any additional RSUs received by the Participant as a result of stock dividends, stock splits or any other similar transaction affecting the Company's securities without receipt of consideration) shall not be transferable by the Participant otherwise than (i) by will or by the laws of descent and distribution, or (ii) pursuant to a qualified domestic relations order as defined by the Internal Revenue Code or Title I of the Employee Retirement Income Security Act or the rules thereunder. Except as provided in the previous sentence, the Shares to be issued pursuant to this Agreement shall be issued, during the Participant's lifetime, only to the Participant (or, in the event of legal incapacity or incompetence, to the Participant's guardian or representative). This Award shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of this Award or of any rights granted hereunder contrary to the provisions of this Section 3, or the levy of any attachment or similar process upon this Award shall be null and void.

4. Adjustments. The Plan contains provisions covering the treatment of RSUs and Shares in a number of contingencies such as stock splits. Provisions in the Plan for adjustment with respect to this Award and the related provisions with respect to successors to the business of the Company are hereby made applicable hereunder and are incorporated herein by reference.

5. Securities Law Compliance. The Participant specifically acknowledges and agrees that any sales of Shares shall be made in accordance with the requirements of the Securities Act of 1933, as amended. The Company does not currently have an effective registration statement on file with the Securities and Exchange Commission with respect to the Shares to be granted hereunder. Without an effective registration statement with respect to the Shares to be granted hereunder, Participant will not be able to transfer or sell any of the Shares issued to the Participant pursuant to this Agreement unless exemptions from registration or filings under applicable securities laws are available. Furthermore, despite registration, applicable securities laws may restrict the ability of the Participant to sell his or her Shares, including due to the Participant's affiliation with the Company. The Company shall not be obligated to either issue the Shares or permit the resale of any Shares if such issuance or resale would violate any applicable securities law, rule or regulation.

6. Rights as a Stockholder. The Participant shall have no right as a stockholder, including voting and dividend rights, with respect to the RSUs subject to this Agreement.

7. Incorporation of the Plan. The Participant specifically understands and agrees that the RSUs and the Shares to be issued under the Plan will be issued to the Participant pursuant to the Plan, a copy of which Plan the Participant acknowledges he or she has read and understands and by which Plan he or she agrees to be bound. The provisions of the Plan are incorporated herein by reference.

8. Tax Liability of the Participant and Payment of Taxes. The Participant acknowledges and agrees that any income or other taxes due from the Participant with respect to this Award or the Shares to be issued pursuant to this Agreement or otherwise sold shall be the Participant's responsibility. Without limiting the foregoing, the Participant agrees that if under applicable law the Participant will owe taxes at each vesting date on the portion of the Award then vested the Company shall be entitled to immediate payment from the Participant of the amount of any tax or other amounts required to be withheld by the Company by applicable law or regulation. Any taxes or other amounts due shall be paid, at the option of the Administrator as follows:

(a) through reducing the number of Shares entitled to be issued to the Participant on the applicable vesting date in an amount equal to the statutory minimum of the Participant's total tax and other withholding obligations due and payable by the Company. Fractional shares will not be retained to satisfy any portion of the Company's withholding obligation. Accordingly, the Participant agrees that in the event that the amount of withholding required would result in a fraction of a share being owed, that amount will be satisfied by withholding the fractional amount from the Participant's paycheck;

(b) requiring the Participant to deposit with the Company an amount of cash equal to the amount determined by the Company to be required to be withheld with respect to the statutory minimum amount of the Participant's total tax and other withholding obligations due and payable by the Company or otherwise withholding from the Participant's paycheck an amount equal to such amounts due and payable by the Company; or

(c) if the Company believes that the sale of shares can be made in compliance with applicable securities laws, authorizing, at a time when the Participant is not in possession of material nonpublic information, the sale by the Participant on the applicable vesting date of such number of Shares as the Company instructs a registered broker to sell to satisfy the Company's withholding obligation, after deduction of the broker's commission, and the broker shall be required to remit to the Company the cash necessary in order for the Company to satisfy its withholding obligation. To the extent the proceeds of such sale exceed the Company's withholding obligation the Company agrees to pay such excess cash to the Participant as soon as practicable. In addition, if such sale is not sufficient to pay the Company's withholding obligation the Participant agrees to pay to the Company as soon as practicable, including through additional payroll withholding, the amount of any withholding obligation that is not satisfied by the sale of Shares. The Participant agrees to hold the Company and the broker harmless from all costs, damages or expenses relating to any such sale. The Participant acknowledges that the Company and the broker are under no obligation to arrange for such sale at any particular price. In connection with such sale of Shares, the Participant shall execute any such documents requested by the broker in order to effectuate the sale of Shares and payment of the withholding obligation to the Company. The Participant acknowledges that this paragraph is intended to comply with Section 10b5-1(c)(1)(i)(B) under the Exchange Act.

It is the Company's intention that the Participant's tax obligations under this Section 8 shall be satisfied through the procedure of Subsection (c) above, unless the Company provides notice of an alternate procedure under this Section, in its discretion. The Company shall not deliver any Shares to the Participant until it is satisfied that all required withholdings have been made.

9. Participant Acknowledgements and Authorizations.

The Participant acknowledges the following:

(a) The Company is not by the Plan or this Award obligated to continue the Participant as an employee, director or consultant of the Company or an Affiliate.

(b) The Plan is discretionary in nature and may be suspended or terminated by the Company at any time.

(c) The grant of this Award is considered a one-time benefit and does not create a contractual or other right to receive any other award under the Plan, benefits in lieu of awards or any other benefits in the future.

(d) The Plan is a voluntary program of the Company and future awards, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of any grant, the amount of any award, vesting provisions and the purchase price, if any.

(e) The value of this Award is an extraordinary item of compensation outside of the scope of the Participant's employment or consulting contract, if any. As such the Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments. The future value of the Shares is unknown and cannot be predicted with certainty.

(f) The Participant (i) authorizes the Company and each Affiliate and any agent of the Company or any Affiliate administering the Plan or providing Plan recordkeeping services, to disclose to the Company or any of its Affiliates such information and data as the Company or any such Affiliate shall request in order to facilitate the grant of the Award and the administration of the Plan; and (ii) authorizes the Company and each Affiliate to store and transmit such information in electronic form for the purposes set forth in this Agreement.

10. Notices. Any notices required or permitted by the terms of this Agreement or the Plan shall be given by recognized courier service, facsimile, registered or certified mail, return receipt requested, addressed as follows:

If to the Company:

TMC the metals company Inc.
[Address]
Attention: General Counsel

If to the Participant at the Participant's most recent address as shown in the employment or stock records of the Company. Any such notice shall be deemed to have been given on the earliest of receipt, one business day following delivery by the sender to a recognized courier service, or three business days following mailing by registered or certified mail.

11. Assignment and Successors.

(a) This Agreement is personal to the Participant and without the prior written consent of the Company shall not be assignable by the Participant otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Participant's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

12. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

13. Severability. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, then such provision or provisions shall be modified to the extent necessary to make such provision valid and enforceable, and to the extent that this is impossible, then such provision shall be deemed to be excised from this Agreement, and the validity, legality and enforceability of the rest of this Agreement shall not be affected thereby.

14. Entire Agreement. This Agreement, together with the Plan, constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement not expressly set forth in this Agreement shall affect or be used to interpret, change or restrict the express terms and provisions of this Agreement provided, however, in any event, this Agreement shall be subject to and governed by the Plan.

15. Modifications and Amendments; Waivers and Consents. The terms and provisions of this Agreement may be modified or amended as provided in the Plan. Except as provided in the Plan, the terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

16. Section 409A. The Award of RSUs evidenced by this Agreement is intended to be exempt from the nonqualified deferred compensation rules of Section 409A of the Code as a "short term deferral" (as that term is used in the final regulations and other guidance issued under Section 409A of the Code, including Treasury Regulation Section 1.409A-1(b)(4)(i)), and shall be construed accordingly.

17. Data Privacy. By entering into this Agreement, the Participant: (i) authorizes the Company and each Affiliate, and any agent of the Company or any Affiliate administering the Plan or providing Plan recordkeeping services, to disclose to the Company or any of its Affiliates such information and data as the Company or any such Affiliate shall request in order to facilitate the grant of options and the administration of the Plan; (ii) to the extent permitted by applicable law waives any data privacy rights he or she may have with respect to such information, and (iii) authorizes the Company and each Affiliate to store and transmit such information in electronic form for the purposes set forth in this Agreement.

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Exhibit 16.1

September 15, 2021

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Commissioners:

We have read the statements made by TMC the metals company, Inc. (formerly known as Sustainable Opportunities Acquisition Corp.) under Item 4.01 of its Form 8-K dated September 9, 2021. We agree with the statements concerning our Firm in such Form 8-K; we are not in a position to agree or disagree with other statements of TMC the metals company, Inc. (formerly known as Sustainable Opportunities Acquisition Corp.) contained therein.

Very truly yours,

/s/ Marcum LLP

Marcum LLP

Exhibit 99.1

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined balance sheet of TMC as of June 30, 2021 and the unaudited pro forma condensed combined statement of operations of TMC for the six months ended June 30, 2021 and the year ended December 31, 2020 present the combination of the financial information of SOAC and DeepGreen after giving effect to the Business Combination, PIPE Financing and related adjustments described in the accompanying notes. SOAC and DeepGreen are collectively referred to herein as the "Companies," and the Companies, subsequent to the Business Combination and the PIPE Financing, are referred to herein as "TMC."

The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2021 and for the year ended December 31, 2020 give pro forma effect to the Business Combination and PIPE Financing as if they had occurred on January 1, 2020. The unaudited pro forma condensed combined balance sheet as of June 30, 2021 gives pro forma effect to the Business Combination and PIPE Financing as if they were completed on June 30, 2021.

The unaudited pro forma condensed combined financial information is based on and should be read in conjunction with the audited historical financial statements of each of SOAC and DeepGreen and the notes thereto, as well as the disclosures contained in the sections titled "SOAC's Management's Discussion and Analysis of Financial Condition and Results of Operations" and "DeepGreen's Management's Discussion and Analysis of Financial Condition and Results of Operations," contained elsewhere in this filing.

The unaudited pro forma condensed combined financial information has been presented for illustrative purposes only and does not necessarily reflect what TMC's financial condition or results of operations would have been had the Business Combination and PIPE Financing occurred on the dates indicated. Further, the unaudited pro forma condensed combined financial information also may not be useful in predicting the future financial condition and results of operations of TMC. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors. The unaudited pro forma adjustments represent management's estimates based on information available as of the date of this filing and are subject to change as additional information becomes available and analyses are performed.

On March 4, 2021, SOAC entered into the Business Combination Agreement with DeepGreen. SOAC has changed its jurisdiction of incorporation by deregistering as an exempted company in the Cayman Islands and continuing as a company under the laws of British Columbia, Canada, upon which SOAC has changed its name to "TMC the metal company Inc." On the Closing Date, promptly following the Continuance, pursuant to the Arrangement, (i) SOAC has acquired all of the issued and outstanding DeepGreen Common Shares, (ii) the shareholders and the optionholders of DeepGreen are entitled to receive, in exchange for their DeepGreen Common Shares or DeepGreen Options, as applicable, an aggregate of (a) 203,874,981 TMC Common Shares, (b) the DeepGreen Earnout Shares, or, as applicable, options to purchase such TMC Common Shares and DeepGreen Earnout Shares, (iii) DeepGreen has become a wholly-owned subsidiary of TMC and (iv) DeepGreen and NewCo Sub have amalgamated to continue as one unlimited liability company existing under the laws of British Columbia. In addition, the Allseas Warrant has been assumed by TMC and has become a warrant to purchase TMC Common Shares upon the consummation of the Business Combination, in accordance with its terms.

The historical financial information of SOAC and DeepGreen has been adjusted in the unaudited pro forma condensed combined financial information to give effect to events that are (1) directly attributable to the Business Combination and the PIPE Financing and (2) factually supportable. The pro forma adjustments are prepared to illustrate the effect of the Business Combination and the PIPE Financing and certain other adjustments.

The Business Combination will be accounted for as a reverse recapitalization because DeepGreen has been determined to be the accounting acquirer under Financial Accounting Standards Board's Accounting Standards Codification Topic 805, Business Combinations ("ASC 805"). The determination is primarily based on the evaluation of the following facts and circumstances:

- the pre-combination equityholders of DeepGreen will hold the majority of voting rights in TMC;
- the pre-combination equityholders of DeepGreen will have the right to appoint the majority of the directors on the TMC Board;
- the senior management of DeepGreen will comprise the senior management of TMC; and
- the operations of DeepGreen will comprise the ongoing operations of TMC.

Under the reverse recapitalization model, the Business Combination will be treated as DeepGreen issuing equity for the net assets of SOAC, with no goodwill or intangible assets recorded. Transaction costs that were direct and incremental to the Business Combination will be recorded in equity in the balance sheet to offset against proceeds.

The unaudited pro forma condensed combined financial information does not reflect the income tax effects of the pro forma adjustments as any change in the deferred tax balance would be offset by an increase in the valuation allowance given that DeepGreen incurred significant losses during the historical periods presented.

The following summarizes the pro forma TMC Common Shares outstanding based on actual redemptions of 27.3 million shares for $272.9 million:

	Shares	**%**
SOAC Public Shareholders	**2,721,343**	**1.2%**
SOAC Initial Shareholders	**6,759,000**	**3.0%**
Total SOAC	**9,480,343**	**4.2%**
DeepGreen Metals shareholders	**203,874,981**	**90.9%**
PIPE Investor(s)	**11,030,000**	**4.9%**
Total Shares at Closing	**224,385,324**	**100.0%**

The following unaudited pro forma condensed combined balance sheet as of June 30, 2021 and the unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2021 and the year ended December 31, 2020 are based on the historical financial statements of SOAC and DeepGreen.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
As of June 30, 2021
(Amounts in U.S. dollars, except per share data)

	SOAC (Historical)	DeepGreen Metals (Historical)	Pro Forma Transaction Adjustments		Combined Pro Forma
ASSETS					
Current					
Cash and equivalents	$ 293,323	$ 16,880,031	$ 27,217,744	**2a**	$ 121,198,478
	-	-	110,300,000	**2b**	-
	-	-	(33,492,620)	**2g**	-
Receivable and prepayments	133,778	55,116	-		188,894
Total Current	427,101	16,935,147	104,025,124		121,387,372
Non-Current					
Exploration licenses	-	43,150,319	-		43,150,319
Equipment	-	1,515,101	-		1,515,101
Operating lease right-of-use assets	-	-	-		-
Investments and cash held in Trust Account	300,078,204	-	(300,078,204)	**2a**	-
Total non-current	300,078,204	44,665,420	(300,078,204)		44,665,420
TOTAL ASSETS	$ 300,505,305	$ 61,600,567	$ (196,053,080)		$ 166,052,792
LIABILITIES					
Current					
Accounts payable and accrued liabilities	$ 7,289,022	$ 9,033,765	$ (6,712,817)	**2g**	$ 9,609,970
Allseas milestone payments	-	-	9,359,223	**2j**	9,359,223
Warrant liability	35,755,000	-	(21,600,000)	**2k**	14,155,000
Deferred underwriter compensation	10,500,000	-	(10,500,000)	**2g**	-
Total current	53,544,022	9,033,765	(29,453,594)		33,124,193
Non-Current					
Convertible debentures	-	26,160,589	(26,160,589)	**2i**	-
Deferred tax liability	-	10,675,366	-		10,675,366
Total Non-current liabilities	-	36,835,955	(26,160,589)		10,675,366
Total liabilities	53,544,022	45,869,720	(55,614,183)		43,799,559
COMMITMENTS					
Class A ordinary shares, $0.0001 par value; 30,000,000 shares subject to possible redemption at $10.00 per share at June 30, 2021	300,078,204	-	(300,078,204)	**2c**	-
EQUITY					
Common shares (unlimited shares, no par value – issued: 170,827,222)	-	188,900,923	(188,900,923)	**2h**	-
Preferred shares (unlimited share, no par value – issued: 550,000)	-	550,000	(550,000)	**2h**	-
Common shares to be issued	-	-	-	**2h**	-
Reserves - Other	-	-	-	**2h**	-
Reserves - Options	-	-	-	**2h**	-
Preference shares, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding	-	-	-		-
TMC Common Shares without par value	-	-	110,300,000	**2b**	283,732,532
	-	-	27,217,744	**2a, 2c**	-
	-	-	750	**2e**	-
	-	-	(53,117,671)	**2d**	-
	-	-	(16,279,803)	**2g**	-
	-	-	189,450,923	**2h**	-
	-	-	26,160,589	**2i**	-
Class A ordinary shares, $0.0001 par value; 300,000,000 shares authorized; -0- shares issued and outstanding (excluding 30,000,000 shares subject to possible redemption) at June 30, 2021	-	-	-	**2c**	-
Class B ordinary shares, $0.0001 par value; 30,000,000 shares authorized; 7,500,000 shares issued and outstanding at June 30, 2021	750	-	(750)	**2e**	-
Class A Special Shares, no par value; 4,448,259 issued and outstanding	-	-	-	**2f**	-
Class B Special Shares, no par value; 8,896,399 issued and outstanding	-	-	-	**2f**	-
Class C Special Shares, no par value; 8,896,399 issued and outstanding	-	-	-	**2f**	-
Class D Special Shares, no par value; 17,792,922 issued and outstanding	-	-	-	**2f**	-
Class E Special Shares, no par value; 17,792,922 issued and outstanding	-	-	-	**2f**	-
Class F Special Shares, no par value; 17,792,922 issued and outstanding	-	-	-	**2f**	-

Class G Special Shares, no par value; 22,241,179 issued and outstanding	-	-	-	**2f**	-
Class H Special Shares, no par value; 22,241,179 issued and outstanding	-	-	-	**2f**	-
Class I Special Shares, no par value; 500,000 issued and outstanding	-	-	-	**2e**	-
Class J Special Shares, no par value; 741,000 issued and outstanding	-	-	-	**2e**	-
Additional paid-in capital	-	74,068,708	21,600,000	**2k**	95,668,708
Accumulated Other Comprehensive Loss	-	(1,215,685)	-		(1,215,685)
Deficit	(53,117,671)	(246,573,099)	53,117,671	**2d**	(255,932,322)
			(9,359,223)	**2j**	
TOTAL EQUITY	(53,116,921)	15,730,847	159,639,307		122,253,233
TOTAL LIABILITIES AND EQUITY	$ 300,505,305	$ 61,600,567	$ (196,053,080)		$ 166,052,792

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the six months ended June 30, 2021
(Amounts in thousands of U.S. dollars, except per share data)

	SOAC (Historical)	DeepGreen Metals (Historical)	Pro Forma Adjustments		Combined Pro Forma
Operating expenses					
General and administrative expenses	$ 6,490,059	$ -	$ -		$ 6,490,059
Exploration and evaluation expenditures	-	54,736,036	-		54,736,036
Allseas milestone and expense	-	-	2,343,042	**3b**	2,343,042
Consulting fees	-	1,039,425	-		1,039,425
Investor relations	-	2,582,554	-		2,582,554
Office and sundry	-	209,518	-		209,518
Professional fees	-	4,695,779	-		4,695,779
Salaries and wages	-	731,098	-		731,098
Director fees	-	155,034	-		155,034
Common Share options-based payments	-	18,684,122	-		18,684,122
Transfer agent and filing fees	-	3,280	-		3,280
Travel	-	164,963	-		164,963
	6,490,059	83,001,809	2,343,042		91,834,910
Other items					
Foreign exchange loss	-	52,503	-		52,503
Change in fair value of warrant liability	(21,175,000)	-	12,150,000	**3d**	(9,025,000)
Interest expense	-	660,589	(660,589)	**3c**	-
Gain / Interest income	(9,125)	-	9,125	**3a**	-
(Income) loss for the period	$ (14,694,066)	$ 83,714,901	$ 13,841,578		$ 82,862,413
Other comprehensive income to be reclassified to profit and loss in subsequent periods					
Currency translation differences	-	26	-		26
Comprehensive (income) loss for the period	$ (14,694,066)	$ 83,714,927	$ 13,841,578		$ 82,862,439
(Income) loss per share					
- Basic and diluted	$ 1.46	$ 0.50	-		$ 0.37
Weighted Average Number of Common Shares Outstanding	10,031,583	167,943,190	-		224,385,324

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2020
(Amounts in thousands of U.S. dollars, except per share data)

	SOAC (Historical)	DeepGreen Metals (Historical)	Pro Forma Adjustments		Combined Pro Forma
Operating expenses					
General and administrative expenses	$ 3,003,654	$ -	$ -		$ 3,003,654
Exploration and evaluation expenditures	-	48,881,445	-		48,881,445
Allseas milestone and expense	-	-	7,016,181	**3b**	7,016,181
Consulting fees	-	1,385,882	-		1,385,882
Investor relations	-	857,810	-		857,810
Office and sundry	-	303,006	-		303,006
Professional fees	-	663,293	-		663,293
Salaries and wages	-	915,855	-		915,855
Director fees	-	195,101	-		195,101
Common Share options-based payments	-	3,263,131	-		3,263,131
Transfer agent and filing fees	-	6,023	-		6,023
Travel	-	132,821	-		132,821
	3,003,654	56,604,367	7,016,181		66,624,202
Other items					
Foreign exchange loss	-	80,447	-		80,447
Change in fair value of warrant liability	32,730,000	-	(19,050,000)	**3d**	13,680,000
Offering costs allocated to derivative warrant liabilities	877,647	-	-		877,647
Gain / Interest income	(69,246)	(53,435)	69,246	**3a**	(53,435)
Loss for the year	$ 36,542,055	$ 56,631,379	$ (11,964,573)		$ 81,208,861
Other comprehensive income to be reclassified to profit and loss in subsequent periods					
Currency translation differences	-	125	-		125
Comprehensive loss for the year	$ 36,542,055	$ 56,631,504	$ (11,964,573)		$ 81,208,986
Loss per share					
- Basic and diluted	$ 3.50	$ 0.37			$ 0.36
Weighted Average Number of Common Shares Outstanding	10,464,651	154,224,664			224,385,324

Note 1. Basis of Pro Forma Presentation

The historical consolidated financial statements have been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are described elsewhere in this filing and are directly attributable to the Business Combination and factually supportable.

The unaudited pro forma condensed combined financial statements have been prepared for illustrative purposes only and are not necessarily indicative of what the actual results of operations and financial position would have been had the Business Combination and related transactions taken place on the dates indicated, nor do they purport to project the future consolidated results of operations or financial position of the combined company. They should be read in conjunction with the unaudited and audited consolidated financial statements and notes thereto of each of SOAC and DeepGreen as at and for the six months ended June 30, 2021 and the year ended December 31, 2020, respectively, and included elsewhere in this filing.

There were no significant intercompany balances or transactions between SOAC and DeepGreen as of the date and for the periods of these unaudited pro forma condensed combined financial statements.

TMC is currently negotiating certain employment agreements for the post-closing entity. Based on the preliminary terms, these agreements would result in an increase in compensation cost on a pro forma basis. However, as these employment agreements are preliminary and not yet executed, no pro forma adjustment has been made because such amounts are not known and are deemed not factually supportable at this time.

The pro forma basic and diluted earnings per share amounts presented in the unaudited pro forma condensed combined statements of operations are based upon the number of ordinary shares outstanding, assuming the Business Combination and related transactions occurred on January 1, 2020.

Note 2. Unaudited Pro Forma Condensed Combined Balance Sheet Adjustments

The pro forma adjustments included in the unaudited pro forma condensed combined balance sheet as of June 30, 2021 are as follows:

a) Reflects the reclassification of $300.1 million of cash and cash equivalents held in SOAC's trust account offset by actual redemptions of 27.3 million shares for $272.9 million or net reclassification of $27.2 million that becomes available for transaction expenses and operating activities following the Business Combination.

b) Reflects the gross cash proceeds from the PIPE Financing of 11.0 million TMC Common Shares for $110.3 million from PIPE Investors.

c) Represents the reclassification of 2.7 million shares ($27.2 million) of $0.0001 par value SOAC ordinary shares to permanent equity which were previously subject to redemption. Of the 30 million shares previously issued with a value of $300.1 million, shareholders redeemed 27.3 million shares for $272.9 million. The reclassified shares are converted to TMC Common Stock with no par.

d) Reflects the elimination of SOAC's historical deficit.

e) Reflects the reclassification of SOAC Class B ordinary shares. 6.8 million Class B ordinary shares will be converted on a one-for-one basis to TMC Common Shares, 0.7 million Class B common shares will be converted to Class J Special Shares and 0.5 million Class I Special Shares, all of which will be issued to the Sponsor group as part of the Business Combination.

f) Reflects the issuance of 135 million DeepGreen Earnout Shares (Class A through Class H) issued to DeepGreen Shareholders and holders of DeepGreen Options upon the exercise of such DeepGreen Options, as additional consideration for the Business Combination, which will automatically convert in accordance with their terms based on certain TMC Common Share price thresholds.

g) Reflects the payment of SOAC and DeepGreen transaction costs of $33.5 million, expected to be incurred related to the closing of the Business Combination. Of that amount, $10.5 million relates to the cash settlement of deferred underwriter compensation incurred as part of SOAC's IPO to be paid upon the consummation of a Business Combination. The remaining transaction costs of $23.0 million include direct and incremental costs, such as legal, third party advisory, investment banking, other miscellaneous fees and equity financing fees associated with the PIPE Financing described at Note 2(b). Transaction costs previously incurred that are not direct and incremental to the transaction have been included within the historical statement of operations of DeepGreen and SOAC.

h) Reflects the recapitalization of DeepGreen, including the reclassification of historical equity to TMC Common Shares and Additional Paid in Capital.

i) Reflects the conversion of DeepGreen's convertible debentures into DeepGreen Common Shares immediately prior to the Business Combination reflected in equity.

j) Reflects the impact of the Third Amendment to the Pilot Mining Test Agreement ("PMTA") executed on March 4, 2021. This agreement became effective upon the successful completion of the Business Combination and amends previous terms to the Second Amendment to the PMTA. Amount other things, this amendment issues up to 10 million warrants of DeepGreen which will then apply the exchange ratio similar to other DeepGreen Common Shares and allows for three potential milestone payments of $10 million each. The adjustment reflects the accumulated amortization form the beginning of the first amendment as the payments are for R&D related services being evaluated in accordance with ASC 730. The third milestone liability is not determined to be probable at the time of the Business Combination in accordance with ASC 450. The warrants are contingent upon a successful completion of the PMTA as defined therein and will be accounted for under ASC 718 as share based compensation for goods and services with a performance condition. The performance condition is not determined to be probable at the time of the Business Combination and therefore, no adjustment has been reflected related to the warrants. Refer to Note 3(b) for discussion of the impact to the statement of operations associated with this amendment.

k) Reflects the reclassification of the public warrants from liability to equity. Upon the closing of the transaction, the public warrants have been determined to meet the indexation criteria and equity classification criteria in accordance with ASC 815-40. The primary change resulting in the reclassification is the change in capital structure whereby a tender offer for the TMC common stock would result in a change in control, primarily resulting from TMC having a single voting class of common stock compared to the two classes of common stock at SOAC. Refer to Note 3(d) for the impact to the statement of operations associated with this reclassification.

Note 3. Unaudited Pro Forma Condensed Combined Statements of Operations

The pro forma adjustments included in the unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2021 and the year ended December 31, 2020, are as follows:

a) Represents the elimination of interest income on SOAC's trust account for the six months ended June 30, 2021 and the year ended December 31, 2020.

b) Represents the amortization of the first two milestone payments associated with the third amendment to the PMTA over the effective life of the service period which was determined to start in July 2019 as the effective date of the first contract through September 2023 as the date of expected completion. The expense recognized for the year ended December 31, 2020 includes the expense from July 2019 through December 2020 while the expense included in the six months ended June 30, 2021 represents the amortization of expense for that period. Refer to Note 2(j) for further discussion.

c) Represents the elimination of the historical interest expense associated with the convertible debentures which converted to DeepGreen common stock immediately prior to the closing of the Business Combination.

d) Represents the elimination of $12.2 million of historical fair value gains and $19.1 million of historical fair value losses associated with the public warrants for the six months ended June 30, 2021 and year ended December 31, 2020, respectively. The elimination of these fair value adjustments to the public warrants is a result of the public warrants being classified within equity upon closing of the Business Combination. Refer to Note 2(k) for more information.

Note 4. Loss Per Share

Pro Forma Weighted Average Shares (Basic and Diluted)

The following pro forma weighted average shares calculations have been performed for the six months ended June 30, 2021 and for the year ended December 31, 2020. The unaudited condensed combined pro forma loss per share ("LPS"), basic and diluted, are computed by dividing loss by the weighted-average number of shares of common stock outstanding during the period.

Prior to the Business Combination, SOAC had two classes of shares: Class A ordinary shares and Class B ordinary shares. The Class B ordinary shares are held by the Sponsor and directors. In connection with the closing of the Business Combination, each currently issued and outstanding SOAC Class B ordinary share not converted into Sponsor Earnout Shares automatically converted on a one-for-one basis, into SOAC Class A ordinary shares. Each currently issued and outstanding SOAC Class A ordinary share has been renamed, and will have the rights and restrictions attached to the, TMC Common Shares.

SOAC has 15 million outstanding public warrants sold during its initial public offering and 9.5 million warrants sold in a private placement, resulting in warrants to purchase an aggregate of 24.5 million Class A ordinary shares following the initial public offering. The warrants are exercisable at $11.50 per share which exceeded the average market price of SOAC's Class A ordinary shares for the six months ended June 30, 2021 and the year ended December 31, 2020, and were considered anti-dilutive and excluded from the loss per share calculation. These warrants continue through to become warrants of TMC with the same rights.

In connection with the closing of the Business Combination, a total of 136.2 million TMC Special Shares are outstanding (or will be underlying outstanding options) and convertible into TMC Common Shares if the TMC Common Share applicable price threshold is exceeded following the closing of the Business Combination. Because these underlying TMC Common Shares are contingently issuable based upon the price of the TMC Common Shares reaching specified thresholds that are not currently met, these contingent shares have been excluded from basic loss per share. The TMC Special Shares should be considered for diluted loss per share, however, these securities would be anti-dilutive given the historical pro forma net loss and have therefore, been excluded from diluted pro forma loss per share.

As part of the normal course of business, DeepGreen issued warrants to Allseas that shall be assumed by TMC upon consummation of the Business Combination and become exercisable into a variable number of TMC Common Shares, contingent upon the successful completion of the PMTS. The amount of TMC Common Shares to be issued upon exercise of the Allseas Warrant will vary depending on the date of successful completion of the PMTS. The Allseas Warrant has an exercise price of $0.01 per TMC Common Share and is not considered dilutive until the successful completion of the PMTS.

As a result, pro forma diluted LPS is the same as pro forma basic LPS for the periods presented.

	For the six months ended June 30, 2021	For the year ended December 31, 2020
	Pro Forma Combined	Pro Forma Combined
Pro forma net loss attributable to common shareholders - basic and diluted	**$ 82,862,413**	**$ 81,208,861**
Weighted average shares outstanding - basic and diluted	**224,385,324**	**224,385,324**
Pro Forma Loss Per Share - basic and diluted	**$ 0.37**	**$ 0.36**
Pro Forma Weighted Average Shares - Basic and Diluted		
SOAC Public Shareholders	2,721,343	2,721,343
SOAC Initial Shareholders	6,759,000	6,759,000
Total SOAC	**9,480,343**	**9,480,343**
DeepGreen Metals shareholders	203,874,981	203,874,981
PIPE Investor(s)	11,030,000	11,030,000
Total Pro Forma Weighted Average Shares - basic and diluted	**224,385,324**	**224,385,324**

Exhibit 99.2

DEEPGREEN METALS INC.
INDEX TO FINANCIAL STATEMENTS

DeepGreen Metals Inc.
Condensed Consolidated Balance Sheets
(Unaudited)
US Dollars

ASSETS	Note	As at June 30 2021 $	As at December 31 2020 $
Current			
Cash and cash equivalents		**16,880,031**	10,096,205
Receivables and prepayments		**55,116**	128,772
		16,935,147	10,224,977
Non-current			
Exploration licenses	4	**43,150,319**	43,150,319
Equipment		**1,515,101**	1,309,677
		44,665,420	44,459,996
TOTAL ASSETS		**61,600,567**	54,684,973
LIABILITIES			
Current			
Accounts payable and accrued liabilities	4,8	**9,033,765**	4,315,477
Deferred acquisition costs	3	**-**	3,440,000
		9,033,765	7,755,477
Non-current			
Convertible debentures	5	**26,160,589**	-
Deferred tax liability	3	**10,675,366**	10,675,366
		45,869,720	18,430,843
EQUITY			
Common shares ***(unlimited shares, no par value – issued: 170,827,222 (December 31, 2020 – 163,658,134)***	6	**188,900,923**	154,431,291
Preferred shares ***(unlimited share, no par value – issued: 440,000 (December 31, 2020 - 440,000)***	6	**550,000**	550,000
Additional Paid in Capital		**74,068,708**	45,346,696
Accumulated other comprehensive loss		**(1,215,685)**	(1,215,659)
Deficit		**(246,573,099)**	(162,858,198)
		15,730,847	36,254,130
TOTAL LIABILITIES AND EQUITY		**61,600,567**	54,684,973

Nature of Operations *(Note 1)*
Commitments *(Note 9)*
Subsequent Events *(Note 12)*

See accompanying notes

DeepGreen Metals Inc.
Condensed Consolidated Statements of Loss and Comprehensive Loss
(Unaudited)
US Dollars (except weighted average number of shares outstanding)

	Note	For the six months ended June 30 2021 $	For the six months ended June 30 2020 $
Operating expenses			
Exploration expenses	4	**54,736,036**	31,187,993
Consulting fees		**1,039,425**	350,591
Investor relations		**2,582,554**	293,882
Office and sundry		**209,518**	149,037
Professional fees		**4,695,779**	116,849
Salaries and wages		**731,098**	467,852
Director fees		**155,034**	111,130
Common Share options-based payments	7	**18,684,122**	33,760
Transfer agent and filing fees		**3,280**	3,948
Travel		**164,963**	99,170
		83,001,809	32,814,212
Other items			
Foreign exchange loss (gain)		**52,503**	(3,089)
Interest expense (income)		**660,589**	(50,918)
Loss for the period		**83,714,901**	32,760,205
Other comprehensive income to be reclassified to profit and loss in subsequent periods			
Currency translation loss (gain)		**26**	244
Comprehensive loss for the period		**83,714,927**	32,760,449
Loss per share			
- Basic and diluted		**0.50**	0.22
Weighted average number of common shares outstanding		**167,943,190**	146,970,289

See accompanying notes

DeepGreen Metals Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
US Dollars

	Note	For the six months ended June 30 2021 $	For the six months ended June 30 2020 $
Cash resources provided by (used in)			
Operating activities			
Loss for the period		**(83,714,901)**	(32,760,205)
Items not affecting cash:			
Amortization		**196,452**	280,528
Expenses settled in share-based payments	4,7	**60,128,488**	13,128,234
Unrealized foreign exchange		**(8,030)**	3,817
Changes in non-cash working capital			
Receivables and prepayments		**73,656**	(42,279)
Accounts payable and accrued liabilities		**4,718,288**	1,762,030
Interest on convertible debentures and investments	5	**660,589**	50,918
		(17,945,458)	(17,576,957)
Investing activities			
Acquisition of exploration license	3	**(3,440,000)**	(607,376)
Acquisition of equipment		**(401,876)**	-
		(3,841,876)	(607,376)
Financing activities			
Exercise of stock options	7	**2,563,156**	-
Proceeds from issuance of convertible debentures	5	**26,000,000**	-
Proceeds from issuance of common shares (net of fees and other costs)	6	**-**	11,842,521
		28,563,156	11,842,521
Net change in cash and cash equivalents		**6,775,822**	(6,341,812)
Impact of exchange rate changes on cash and cash equivalents		**8,004**	(4,060)
Cash and cash equivalents - beginning of period		**10,096,205**	15,950,624
Cash and cash equivalents - end of period		**16,880,031**	9,604,752

Supplemental cash flow information (Note 10)

See accompanying notes

DeepGreen Metals Inc.
Condensed Consolidated Statements of Changes in Shareholders' Equity
(Unaudited)
United States Dollars

	Share Capital $	Preferred Shares $	Additional Paid in Capital $	Accumulated Other Comprehensive Loss $	Deficit $	Total $
December 31, 2020	154,431,291	550,000	45,346,696	(1,215,659)	(162,858,198)	36,254,130
Exercise of incentive stock options	8,257,763	-	(5,702,107)	-	-	2,555,656
Common shares issued for exploration expenses	25,663,869	-	(12,879,057)	-	-	12,784,812
Conversion of debentures	500,000	-	-	-	-	500,000
Common Share options-payments	-	-	47,295,676	-	-	47,295,676
Common shares issued for services	48,000	-	-	-	-	48,000
Common shares to be issued for options exercise	-	-	7,500	-	-	7,500
Currency translation differences	-	-	-	(26)	-	(26)
Loss for the period	-	-	-	-	(83,714,901)	(83,714,901)
June 30, 2021	188,900,923	550,000	74,068,708	(1,215,685)	(246,573,099)	15,730,847
December 31, 2019	79,824,445	550,000	35,255,520	(1,215,534)	(106,226,819)	8,187,612
Private placement	11,843,215	-	(500,000)	-	-	11,343,215
Financing cost	(26,260)	-	-	-	-	(26,260)
Common shares issued for TOML Acquisition	27,999,997	-	-	-	-	27,999,997
Common shares to be issued for exploration expenses	-	-	11,727,454	-	-	11,727,454
Common Share options-payments	(322,150)	-	556,265	-	-	234,115
Common shares issued for Services	24,745,638	-	(14,745,638)	-	-	10,000,000
Currency translation differences	-	-	-	(244)	-	(244)
Loss for the period	-	-	-	-	(32,760,205)	(32,760,205)
June 30, 2020	**144,064,885**	**550,000**	**32,293,601**	**(1,215,778)**	**(138,987,024)**	**36,705,684**

See accompanying notes

Expressed in US Dollars unless otherwise stated

1. Nature of Operations

DeepGreen Metals Inc. ("DeepGreen" or the "Company") is incorporated under the laws of the Province of British Columbia, Canada. The Company's corporate office, registered address and records office is located at 10th floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

DeepGreen is a Canadian company engaged in seafloor mineral exploration in the Clarion Clipperton Zone (the "CCZ"), approximately 2,000 km west of Mexico in the East Pacific Ocean, a region that hosts high grade polymetallic nodules containing manganese, nickel, copper and cobalt. DeepGreen is considered to have mining operations and mining properties in accordance with US Securities and Exchange Commission ("SEC") regulations. The Company is also developing technology for onshore processing of polymetallic nodules as well as working with Allseas Group S.A ("Allseas") to develop a system to collect, lift and transport nodules to shore. DeepGreen's wholly-owned subsidiary, Nauru Ocean Resources Inc. ("NORI"), sponsored by the Republic of Nauru, was granted an exploration license by the International Seabed Authority (the "ISA") in July 2011 granting NORI exclusive rights to explore for polymetallic nodules in a region of the CCZ covering 74,830 km^2 allocated to the Republic of Nauru ("NORI Area"). Similarly, through Marawa Research and Exploration Limited ("Marawa"), DeepGreen was equally granted rights by the ISA to polymetallic nodules exploration in an area of 74,990 km^2 in the CCZ allocated to the Republic of Kiribati. The Company entered into an option agreement with Marawa to purchase such tenements granted to exclusively collect nodules from this area in return for a royalty payable to Marawa. During the year ended December 31, 2020, DeepGreen acquired Tonga Offshore Mining Limited ("TOML"), which was granted an exploration license by the ISA in January 2012 and has exclusive rights to explore for polymetallic nodules covering 74,713 km^2 of the CCZ under the supervision of the Kingdom of Tonga.

On March 4, 2021, the Company and Sustainable Opportunities Acquisition Corporation ("SOAC"), a NYSE listed Special Purpose Acquisition Corporation ("SPAC"), entered into a business combination agreement (the "BCA") in which SOAC would merge with DeepGreen pursuant to a proposed combination and relist on the NASDAQ (the "Business Combination"). The new entity will be renamed TMC the metals company Inc. ("TMC") in connection with the Business Combination.

In addition to the share-based consideration in SOAC, each DeepGreen shareholder would receive special shares (the "DeepGreen Earnout Shares"). These DeepGreen Earnout Shares would vest and be issued to each DeepGreen shareholder when TMC's share price trades above certain thresholds as follows:

Share price ($)	15	25	35	50	75	100	150	200
DeepGreen Earnout Shares (mil)	5	10	10	20	20	20	25	25

Similarly, in connection with the transaction, the SOAC sponsors will also be entitled to additional 0.5 million special shares when the share price of TMC trades at $50.00.

The Business Combination closed on September 9, 2021 (refer to note 12 for details). In connection with the Business Combination, SOAC, a Cayman entity, redomiciled to Canada. Accordingly, DeepGreen remains a Canadian entity and became a wholly-owned subsidiary of TMC, which is listed in the United States on the NASDAQ.

The recovery of the Company's exploration licenses and attainment of profitable operations is dependent upon many factors including, among other things: financing being arranged by the Company to continue operations, explore and develop the ocean floor for the extraction of polymetallic nodules as well as develop processing technology for the treatment of polymetallic nodules, the establishment of a mineable resource, the commercial and technical feasibility of seafloor polymetallic nodule mining and processing, metal prices, and regulatory approval for mining and environmental permitting. The outcome of these matters cannot presently be determined because they are contingent on future events.

Despite the expected completion of the Business Combination, the Company will require additional funding in the future for administration and to execute its exploration and development plans. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such financing will continue to be available. Factors that could affect the availability of financing include, among other things, progress and exploration results, the state of international debt and equity markets, investor perceptions and expectations, and the global financial and metals markets.

Since March 2020, several measures have been implemented by the governments in Canada, the United States, Australia, and the rest of the world in the form of office closures and limiting the movement of personnel in response to the increased impact from the novel coronavirus ("COVID-19"). While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impact on our business operations, exploration and development plans, results of operations, financial position, and cash flows cannot be reasonably estimated at this time.

2. Summary of Significant Accounting Policies

Basis of Presentation

These unaudited condensed consolidated financial statements are prepared in accordance with US Generally Accepted Accounting Principles ("US GAAP") for interim financial statements. Accordingly, certain information and footnote disclosures required by US GAAP have been condensed or omitted in these unaudited consolidated financial statements pursuant to such rules and regulation. In management's opinion, these unaudited consolidated interim financial statements include all adjustments of a normal recurring nature necessary for the fair presentation of the Company's statement of financial position, operating results for the periods presented, comprehensive loss, stockholder's equity and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be expected for the full year ending December 31, 2021 or for any other period. These unaudited condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2020. The Company has applied the same accounting policies as in the prior year.

Basis of Measurement

These unaudited condensed consolidated financial statements have been prepared under the historical cost convention and are presented in United States ("US") dollars.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts in the unaudited consolidated financial statements and the notes thereto. Significant estimates and assumptions reflected in these unaudited consolidated financial statements include, but are not limited to, the valuation of common-share based payments, including valuation of the incentive stock options (Note 7) and the common shares issued to Maersk Supply Service A/S ("Maersk") (Note 4 & 6). Actual results could differ materially from those estimates.

Recent Accounting Pronouncements Issued and Adopted

i. Accounting for Debt with Conversion and Other Options

In August 2020, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU" 2020-08, *"Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivative and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)"*, which simplifies the accounting for convertible instruments by reducing the number of accounting models and requiring that a convertible instrument be accounted for as a single liability measured at amortized cost. Further the ASU 2020-08 amends the earnings per share guidance by requiring the diluted earnings per share calculation for convertible instruments to follow the if-converted method, with the use of the treasury stock method no longer permitted. The ASU 2020-08 is effective for fiscal period after December 15, 2021, with early adoption permitted, but no earlier than fiscal years and interim periods within those fiscal years, beginning after December 15, 2020. The ASU 2020-08 allows either a modified retrospective method of transition or a fully retrospective method of transition, with any adjustments recognized as an adjustment to the opening balance of deficit. The Company adopted this standard on January 1, 2021. The standard did not have any impact on the Company's historical financial statements but was applied to recognize the impact of the convertible debentures issued during February 2021 (Note 5).

Expressed in US Dollars unless otherwise stated

3. TOML Acquisition

On March 31, 2020, the Company entered into an acquisition agreement ("TOML Acquisition") to acquire the nodules business unit of Tonga Offshore Mining Ltd ("TOML") and other entities in the group (the "TOML Group"), from Deep Sea Mining Finance Ltd. ("Deep Sea Mining"). Total purchase price of the TOML Acquisition, before transaction costs, was $32,000,000. TOML holds an ISA Exploration Contract in the CCZ ("TOML Exploration Contract"). The TOML Acquisition includes the exclusive rights held by TOML to explore for polymetallic nodules in an area covering 74,713 km^2, a priority right to apply for an exploitation contract to mine polymetallic nodules in the same area, and some exploration related equipment. The TOML group also holds various patents and an application right with respect to a prospecting exploration license in the Republic of Kiribati.

The purchase price of $32,000,000 was settled through initial cash payments of $500,000 in two tranches of $250,000 each (paid on March 31, 2020 and May 31, 2020, respectively), issuance of 7,777,777 common shares of the Company, $60,000 payment to ISA on behalf of Deep Sea Mining and deferred consideration of $3.44 million to be paid on January 31, 2021. As long as the deferred consideration remains outstanding, it is secured by the shares of the TOML Group. The Common Share consideration paid by the Company was valued at $3.60 per share, based on the recent private placements completed by the Company, for a total of $28 million.

The Company had the option of settling the deferred consideration in either cash or Common Shares of the Company at its sole discretion. During January 2021, the arrangement with Deep Sea Mining was amended to pay the entire deferred consideration with cash in tranches by June 30, 2021.

The Company incurred legal and regulatory fees to complete the acquisition, totalling $47,375.

The Company determined that the value of TOML Acquisition was substantially concentrated in the TOML Exploration Contract and therefore considered this to be an acquisition of a group of connected assets rather than an acquisition of business. Consequently, the total cost of the transaction was primarily allocated to exploration licenses.

The net assets acquired as part of the TOML acquisition were as follows:

Net Assets acquired	**$**
Cash payment	560,000
Common shares issued for TOML acquisition (7,777,777 @ $3.60)	27,999,997
Transaction costs paid	47,375
Deferred consideration	3,440,000
Total Acquisition Cost	**32,047,372**
Allocated to	
Equipment	21,274
Exploration licenses (Note 4)	42,701,464
Deferred tax liability[1]	(10,675,366)

1. A deferred tax liability of $10,675,366 was recognized by the Company on acquisition during the year ended December 31, 2020 related to the difference between the book value and the tax basis of the TOML exploration license.

The Company made payments to Deep Sea Mining as follow in connection with the deferred consideration: $1,250,000 on January 26, 2021, $440,000 on February 26, 2021, $500,000 on March 31, 2021, $500,000 on April 30, 2021, $500,000 on May 31, 2021, and $250,000 on June 30, 2021. As at June 30, 2021, the Company has no further deferred consideration outstanding for this acquisition.

4. Exploration Licenses

Significant Exploration Agreements

NORI Exploration Contract:

The Company's wholly-owned subsidiary, NORI, was granted a polymetallic nodule exploration contract in the CCZ by the ISA on July 22, 2011. The contract was acquired for $250,000, and provides NORI with exclusive rights to explore for polymetallic nodules in an area covering 74,830 km^2 for 15 years subject to complying with the exploration contract terms (Note 9) and provides NORI with the priority right to apply for an exploitation contract to mine polymetallic nodules in the same area.

NORI has a right to renounce, without penalty, the whole or part of its rights in the exploration area at any time and therefore doesn't have a fixed commitment with relation to the NORI License (Note 9)

Marawa Agreements:

On March 17, 2012 the Company's wholly-owned subsidiary, DeepGreen Engineering Pte. Ltd. ("DGE"), entered into an Option Agreement (the "Marawa Option Agreement") with Marawa and the Republic of Kiribati (the "State"). This Marawa Option Agreement was amended on October 1, 2013. Under the amended Marawa Option Agreement, for an option fee of $250,000, DGE has the right to purchase tenements, as may be granted to Marawa by the ISA or any other regulatory body, for the greater of $300,000 or the value of any amounts owing to DGE by Marawa. This Marawa Option, can be exercised when a default event, as defined by the amendment agreement, occurs and anytime within 40 years after the date of execution of the Marawa Option agreement.

As at June 30, 2021, Marawa had no amounts owing to DGE under the Marawa Services Agreement (defined below) and no purchase tenements had been granted to Marawa.

On October 1, 2013, DGE entered into a services agreement (the "Marawa Services Agreement") with Marawa and the State, which grants the Company the exclusive right to carry out all exploration and mining in the Marawa Area. Under this agreement DGE will pay to the ISA on behalf of Marawa the following dues: $47,000 annual exploration fees, the ISA royalty and taxes and the ISA exploitation application fee of $250,000. Also, DGE will ensure that the activities carried out in the Marawa Area by DGE and any other service contractor complies with the ISA regulations and any other required regulations. The Marawa Area is situated in close proximity to the 74,830 km^2 NORI Area.

The Marawa Services Agreement grants DGE the right to recover any and all polymetallic nodules from the Marawa Area by paying the Republic of Kiribati a royalty per wet tonne of polymetallic nodules (adjusted for inflation from October 1, 2013 onwards).

DGE has the right to terminate the Marawa Services Agreement at its sole discretion by giving written notice to Marawa and the State, and such termination shall take effect two months following the date of the termination notice, provided that DGE shall pay to the ISA on behalf of Marawa the fees or payments legally owed to the ISA by Marawa (including the annual ISA exploration fee and ISA royalties and taxes) that are outstanding at the date of termination or that are incurred within 12 months after the date of such termination. There are no other longer-term commitments with respect to the Marawa Option and the Marawa Services Agreement.

TOML Exploration Contract:

The Company's wholly-owned subsidiary, TOML, was granted a polymetallic nodule exploration contract in the six areas of CCZ by the ISA on Jan 11 2012. The TOML Group was acquired by the Company for $32 million from Deep Sea Mining (Note 3). TOML has the exclusive rights to explore for polymetallic nodules in an area covering 74,713 km^2 for 15 years and a priority right to apply for an exploitation contract to mine polymetallic nodules in the TOML area.

Expressed in US Dollars unless otherwise stated

Strategic Partnerships

Marine Vessel Services:

Effective March 15, 2017, the Company entered into a strategic partnership with Maersk to undertake the exploration, environmental base line and offshore testing required to support development of feasibility studies for economic production of polymetallic nodules from the CCZ. Under the agreement, Maersk provides marine vessel services and project management services, enabling DeepGreen to undertake the various marine cruises to support required prefeasibility studies. During these marine cruises DeepGreen undertook baseline studies required to complete an Environmental and Social Impact Assessment ("ESIA"), collected nodules for metallurgical test work and collected samples for resource evaluation. Up until February 5, 2021, the costs related to the marine vessel use was settled through DeepGreen Common Shares, the number of which was based on a contractual price of $1.25 per Common Share. Project management services provided by Maersk are paid in cash.

Common Shares transactions with Maersk since the inception of the strategic partnership with DeepGreen are as follows:

Year of Service	Invoiced amount $	Contractual Common Share Price $	# of Common Shares	Fair value of Common Shares $ [1]	Cost Recognized $
2017/2018	2,565,500	1.25	2,052,400	0.75	1,539,300
2018	4,593,828	1.25	3,675,062	1.75	6,431,359
2019	5,615,480	1.25	4,492,384	3.60	16,172,582
2019/2020	5,120,013	1.25	4,096,011	3.60	14,745,639
2020/2021 [2]	4,582,834	1.25	3,666,267	7.00	25,663,869
	22,477,655		**17,982,124**		**64,552,749**

1. The fair value of the Company's Common Shares was determined based on the private placements completed around the time of Common Share issuances to Maersk, including the application of weighted average probability for the closing of the Business Combination.
2. During the six months ended June 30, 2021, the Company issued 3,666,267 Common Shares to Maersk of which, 3,577,516 pertained to the marine vessel use during the year ended December 31, 2020. These Common Shares were recognized at their estimated fair value of $7.00 (December 31, 2020 - $3.60 per Common Share).

As at June 30, 2021, Maersk owned 17,982,123 Common Shares of the Company which constituted 10.53% of the total Common Shares outstanding. Maersk is considered a related party to the Company.

Total cost incurred to Maersk for marine campaigns during the six months ended June 30, 2021 amounted to $22,056,802 (June 30, 2020 - $15,547,941).

On March 4, 2021, the agreement with Maersk was amended whereby all costs incurred from February 5, 2021 pertaining to the use of the marine vessel would be paid in cash rather than through issuance of the Common Shares of the Company. The amended agreement is in place until early 2022, at which point the parties will finalize the potential offshore engagement beyond 2022.

As at June 30, 2021, amount payable to Maersk was $5,904,606 (December 31, 2020 - $1,829,268).

Pilot Mining Test Project

On March 29, 2019, DeepGreen and Allseas entered into a strategic alliance to conduct a Pilot Mining Test System ("PMTS"), the successful completion of which would aid DeepGreen's application for an exploitation contract with the ISA. Under the terms of this strategic alliance, Allseas subscribed for 6,666,668 Common Shares of DeepGreen for a total of $20,000,000 in cash (received during the year ended December 31, 2019) and in consideration for a successful PMTS, DeepGreen committed to paying Allseas $30,000,000 in cash and further issuing 10,000,000 Common Shares (with a contractual price of $3.00 per share) for an additional anticipated cost of $30,000,000 to Allseas. This additional payment is contingent upon successful delivery of the PMTS. Allseas will cover all the development cost of the project and will own all intellectual property used and generated in the development of the PMTS.

Upon successful completion of the PMTS, DeepGreen and Allseas have also agreed to enter into a nodule collection and shipping agreement whereby Allseas will provide production services for the production of the first 200 million metric tonnes of polymetallic nodules on a cost plus 50% profit basis.

DeepGreen and Allseas can terminate the strategic alliance without cause at any time subject to the following:

- DeepGreen will have a call option to buy Allseas' Common Shares in DeepGreen at the original contractual price.
- Allseas will have the right to collect 100 million metric tonnes (wet) of manganese nodule resources held by the Company by paying DeepGreen a royalty equivalent to 50% of the royalty charged by the ISA on the nodules collected.
- DeepGreen will have the right of first refusal to acquire and process all nodules collected using Allseas nodule collection and shipping systems.

Upon termination without successful commissioning of the PMTS, Allseas will be compelled to either (at Allseas' sole election):

- Acquire an additional 10,000,000 Common Shares in DeepGreen for a consideration of $30,000,000; or
- Sell at least 6,666,667 Common Shares held in DeepGreen to the Company for total consideration of $1.

The fair value of the Company's Common Shares at the time of the initial subscription of $20,000,000 by Allseas was determined to be $1.75 per Common Share, based on the recent private placements completed by the Company at the time. As a result, the difference between the fair value and the total proceeds of $8,333,335 (i.e. $1.25 per Common Share) was considered to be an additional initial contribution by Allseas during the year ended December 31, 2019.

During 2020, the PMTS agreement was amended and DeepGreen paid an additional $10,000,000 in cash and issued 2,777,778 common shares valued at $3.60 per share for an additional $10,000,000 to allow for higher costs that had been incurred by Allseas. The expense related to the payment and issuance of shares was offset by the additional initial contribution by Allseas received in 2019.

During the year ended December 31, 2020, Allseas subscribed for an additional 2,777,778 Common Shares for cash proceeds of $10 million.

On March 4, 2021 and June 30, 2021, DeepGreen entered into an amended agreement with Allseas (the "Amendment #3 and "Amendment #4", respectively") whereby, upon successful completion of the Business Combination (Note 1), instead of issuing 10 million Common Shares to Allseas in connection with the PMTS, DeepGreen issued to Allseas, on March 4, 2021, a warrant to acquire 10 million DeepGreen Common Shares at a nominal value (the "Allseas Warrant"). The Allseas Warrant will vest and become exercisable upon successful completion of the PMTS and will expire on September 30, 2026. There are vesting conditions associated with the Allseas Warrant whereby a maximum of 10 million DeepGreen Common Shares would be issued if the PMTS is completed by September 30, 2023, gradually decreasing to 5 million DeepGreen Common Shares if PMTS is completed after September 30, 2025.

The Allseas Warrant was assumed by SOAC at the closing of the Business Combination (Note 1) to become a warrant to purchase TMC common shares, adjusted for the exchange ratio for the transaction. If the market price of the TMC common shares on June 1, 2022 is higher than $15 per share (as adjusted based on the exchange ratio for the closing of the Business Combination), the aggregate value of the shares underlying the warrant above $150 million as at June 1, 2022 will automatically become a commercial credit from Allseas to TMC equal to the excess value. This commercial credit will be effective on the vesting date of the Allseas Warrant and the Company will be able to exchange this excess value for any future goods and services from Allseas under the nodule collection and shipping contract for one year after commercial production.

Expressed in US Dollars unless otherwise stated

The cash payment of $30 million in the original agreements was also amended to be paid as follows, provided that the Business Combination is completed:

- $10 million within 10 business days of the closing of the Business Combination, with Allseas providing confirmation of placing an order of certain equipment and demonstrating certain progress on construction of the collector vehicle;
- $10 million on the later of (i) January 1, 2022, and (ii) confirmation of successful collection of the North Sea test; and
- $10 million upon successful completion of the PMTS.

As at June 30, 2021, Allseas has successfully reached the progress milestone for the construction of the collector vehicle and confirmed the order of the required equipment.

The Amendment #3 and Amendment #4 became effective upon the completion of the Business Combination and will be payable within 10 days of the closing of the Business Combination (Note 12).

As at June 30, 2021, Allseas owned 12,222,224 Common Shares of the Company which constituted 7.15% of total Common Shares outstanding.

Exploration Expenses

The breakdown of exploration expenses was as follows:

For the six months period ended June 30, 2021	General $	NORI License $	Marawa Option $	TOML $	Total $
Exploration expenses					
Exploration labour	-	846,167	353,119	338,382	1,537,668
Marine cruise	-	16,883,359	2,053,866	2,053,866	20,991,091
Common Share options-based payments *(Note 7)*	-	15,824,192	6,455,350	6,332,012	28,611,554
Amortization	-	193,846	-	2,234	196,080
External consulting	511	2,084,525	419,941	446,390	2,951,367
Travel, workshop and other	-	249,790	92,837	105,649	448,276
	511	**36,081,879**	**9,375,113**	**9,278,533**	**54,736,036**

Expressed in US Dollars unless otherwise stated

For the six months period ended June 30, 2020	General $	NORI License $	Marawa Option $	TOML $	Total $
Exploration expenses					
Exploration labour	-	748,548	384,537	143,068	1,276,153
Marine cruise	-	11,785,427	2,524,460	510,121	14,820,008
Pilot Mining Test	-	9,333,333	1,166,667	1,166,666	11,666,666
Common Share options-based payments *(Note 7)*	-	116,533	83,822	-	200,355
Amortization	-	277,870	-	2,127	279,997
External consulting	20,550	1,537,775	337,650	236,455	2,132,430
Travel, workshop and other	-	572,424	173,064	66,896	812,384
	20,550	**24,371,910**	**4,670,200**	**2,125,333**	**31,187,993**

5. Convertible Debentures

During February 2021, the Company raised a total of $26 million through a convertible debentures financing. The convertible debentures bear interest at the rate of 7.0% per annum, compounded annually, with a maturity date that is 24 months from the date of the financing. The debentures can be converted into shares of the Company at anytime at the conversion price of $10 per share. Unless any interest is converted prior to the maturity date, all accrued and unpaid interest shall be payable at the maturity date in DeepGreen Common Shares at a conversion price of $10 per share.

In the event that the Company completes the Business Combination (Note 1) or another change of control transaction at any time prior to the maturity date, the debenture value will be automatically converted into the common shares at the conversion price immediately prior to the Business Combination or the change of control transaction. If the debentures, or any portion thereof, are not converted by the holder upon the earlier of the maturity date or the completion of the Business Combination or the change of control transaction, the outstanding debenture value will automatically convert into the common shares of the Company at the conversion price of $10 per share.

On February 18, 2021, convertible debentures with a principal amount of $500,000 were converted into 50,000 Common Shares of the Company.

During the six months ended June 30, 2021, the Company accrued $660,589 as interest on convertible debentures.

As at June 30, 2021, the Company has reserved 2,594,014 Common Shares to be issued upon conversion of the outstanding debentures, consisting of $25,500,000 and $440,137 of principal and accrued interest, respectively.

6. Share Capital

Authorized and Issued

The Company has two classes of shares, being its Common Shares and Class B Preferred Shares. The authorized and issued share capital of the Company is as follows:

Expressed in US Dollars unless otherwise stated

	Authorized	Issued and Outstanding
Common Shares	**Unlimited, with no par value**	**170,827,222**
Class B Preferred Shares	**Unlimited, with no par value**	**440,000**

Class B Preferred Shares are non-dividend earning and include voting rights similar to Common Shares. However, if any dividend is declared on Common Shares, the Company is required to concurrently declare and pay dividend on Class B Preferred Shares in the amount per share equal to the dividend per share paid on the Common shares. These Class B Preferred Shares rank ahead of Common Shares in the event of liquidation and are subject to automatic conversion to Common Shares on the basis of 1 Class B Preferred Share to 1 Common Share upon completion of the Business Combination (Note 1) or any other change in control transaction.

Continuity of Share Capital

Common Shares	**Number**	**Amount $**
Balance – December 31, 2019	141,063,316	79,824,445
Private placement	5,659,920	20,375,712
Financing cost incurred – Cash	-	(28,089)
Financing cost incurred - Stock options-based payments	-	(396,568)
Issued for TOML acquisition (*Note 3*)	7,777,777	27,999,997
Issued for services	6,907,121	24,865,637
Exercise of stock options	2,250,000	1,790,157
Balance – December 31, 2020	163,658,134	154,431,291
Issued for services *(Note 4)*	3,672,267	25,711,869
Exercise of stock options	3,446,821	8,257,763
Conversion of debentures	50,000	500,000
Balance – June 30, 2021	**170,827,222**	**188,900,923**

Class B Preferred Shares	**Number**	**Amount $**
Balance – December 31, 2020 and June 30, 2021	**440,000**	**550,000**

Expressed in US Dollars unless otherwise stated

Fiscal 2021 Activity

The Company issued 3,666,267 Common Shares to Maersk for services valued at $7.00 per share (Note 4). The Company estimated the fair value of common stock based on observable transactions in the Company's common stock and by applying a probability-weighted approach to various outcomes. The approach involves estimates, judgments and assumptions that are highly complex and subjective. Changes in any or all of these estimates and assumptions, or the relationships between these assumptions, impact the Company's valuation of its common stock as of each valuation date which may have a material impact on the valuation of the Company's common stock and equity awards for accounting purposes.

During the period ended June 30, 2021, option holders exercised 3,446,821 stock options for total proceeds of $2,563,156 at a weighted average exercise price of $0.74 per share.

On February 18, 2021, convertible debentures with a principal amount of $500,000 were converted into 50,000 common shares of the Company.

7. Stock Options

Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of stock options to directors, officers, employees, and consultants of the Company and its subsidiaries. The board of directors grants such options with vesting periods and the exercise prices determined at its sole discretion. The Company's stock option plan provides that the aggregate number of Common Shares reserved for issuance under the plan shall not exceed 20% of the total number of issued and outstanding Common Shares of the Company on a non-diluted basis. As at June 30, 2021, there were 15,395,394 stock options outstanding under the Company's Short-Term Incentive Plan ("STIP") and 8,450,000 stock options outstanding under the Company's Long-term Incentive Plan ("LTIP"), leaving 10,320,051 stock options that are reserved for further issuance.

Continuity

A continuity schedule of the Company's stock options in the Company's STIP is as follows:

	Options Outstanding	Weighted average exercise price $	Aggregate Intrinsic value of stock options	Weighted average contractual life (years)
Outstanding – December 31, 2020	13,429,912	0.90	36,126,463	7.34
Granted	5,506,303	2.44		
Expired	(44,000)	0.45		
Cancelled/Forfeited	(50,000)	0.75		
Exercised	(3,446,821)	0.74		
Outstanding – June 30, 2021	**15,395,394**	**1.39**	**101,561,190**	**6.85**
Vested and expected to Vest – June 30, 2021	**15,395,394**	**1.39**	**101,561,190**	**6.85**
Vested and exercisable – June 30, 2021	**13,495,394**	**0.93**	**95,473,684**	**6.84**

Expressed in US Dollars unless otherwise stated

A summary of the Company's stock options outstanding, granted under DeepGreen's STIP as at June 30, 2021 is as follows:

Expiry Date	Exercise price	Weighted average life to expiry (years)	Options Outstanding	Options Exercisable
March 31, 2024	$ 0.75	2.75	63,748	63,748
December 31, 2025	$ 0.75	4.51	10,000	10,000
February 2, 2026	$ 0.75	4.60	50,000	50,000
February 17, 2026	$ 0.60	4.64	80,000	80,000
February 17, 2026	$ 0.25	4.64	307,666	307,666
June 1, 2028	Various	6.93	13,783,980	12,383,980
June 30, 2028	$ 3.00	7.01	1,000,000	500,000
June 30, 2028	$Nil	7.01	100,000	100,000
			15,395,394	**13,495,394**

During the six months ended June 30, 2021, the Company also granted 8,450,000 under its LTIP. Such stock options have an exercise price of $0.75 per Common Share and expire on June 1, 2028. The aggregate intrinsic value of such LTIP stock options as at June 30, 2021, was $61,262,500. None of the LTIP stock options were exercisable on June 30, 2021. The Company expects such options to vest as and when the market and performance milestones described below are achieved. As at June 30, 2021, total unrecognized stock-based compensation expense for the LTIP stock options was $36,566,016.

As at June 30, 2021, the fair value of the Company's Common Shares was $8.00 per share. The Company estimated the fair value of common stock based on observable transactions in the Company's common stock and by applying a probability-weighted approach to various outcomes. The approach involves estimates, judgments and assumptions that are highly complex and subjective. Changes in any or all of these estimates and assumptions, or the relationships between these assumptions, impact the Company's valuation of its common stock as of each valuation date which may have a material impact on the valuation of the Company's common stock and equity awards for accounting purposes.

The aggregate intrinsic value of stock options exercised during the period ended June 30, 2021, was $25,011,412.

The total grant date fair value of STIP stock options that vested during the period ended June 30, 2021, was $25,916,669. As of June 30, 2021, total unrecognized stock-based compensation expense of $3,749,621 is expected to be recognized over a weighted-average recognition period of approximately 1.97 years.

Activity and Valuation

On February 17, 2021, the Company granted a total of 490,666 incentive stock options to certain directors and non-employees. These options have an exercise price of between $0.25 per share and $0.75 per share, vested immediately upon grant, and expire between February 17, 2026 and February 26, 2026.

On February 26, 2021, the Company granted a total of 40,400 incentive stock options to a consultant. These options have an exercise price between $0.25 per share, vested immediately upon grant, and expire on February 26, 2026.

On March 4, 2021, the Company granted 4,973,237 incentive stock options to certain employees, directors and consultants under the Company's STIP, as well as 8,450,000 incentive stock options to the same individuals under its LTIP.

The stock options granted under the STIP expire on June 1, 2028, have and exercise prices ranging between $0.75 per share and $10 per share, and have vesting periods to a maximum of three years.

Expressed in US Dollars unless otherwise stated

The stock options granted under the LTIP have an exercise price of $0.75 per share and expire on June 1, 2028. The LTIP awards vest as follows:

(1) 25% when the Company's market capitalization equals $3 billion ("Tranche 1");

(2) 35% when the Company's market capitalization equals $6 billion ("Tranche 2");

(3) 20% upon the date that the ISA grants an exploitation contract to the Company ("Tranche 3"); and

(4) 20% upon the commencement of the first commercial production following the grant of the exploitation contract ("Tranche 4").

As the vesting of Tranche 1 and Tranche 2 is based on the Company's market capitalization of $3 billion and $6 billion, respectively, these options are determined to be market-based awards ("Market Based Awards") for which the Company has calculated fair value and derived a service period through which to expense the related fair value. The options included in Tranche 1 and Tranche 2 had a day one fair value of $6.47 per share and $6.28 per share and derived service periods of 0.33 years and 1.41 years, respectively. The Company will expense these awards rateably over the remaining service period.

Tranche 3 and Tranche 4 of the LTIP stock options vest based on the ISA contract and the commencement of commercial production. These options are determined to be performance-based awards ("Performance Based Awards"). The Company will recognize compensation costs for the Performance Based Awards if and when the Company concludes that it is probable that the performance conditions will be achieved. As of June 30, 2021, no compensation expense related to the Performance Based Awards was recorded as the awarding of an ISA contract is outside the control of the Company. The Company will reassess the probability of the vesting of the Performance Based Awards at each reporting period and adjust the compensation cost when determined to be probable.

The fair value of the options granted under the Company's STIP was estimated on the date of grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

	2021
Expected dividend yield	0.00%
Expected stock price volatility	89.44%
Risk-free interest rate	0.51%
Expected life of options (years)	3.73
Estimated per share fair value of the Company's Common Shares	7.00

The fair value of the Market Based Awards granted under the LTIP was estimated on the date of grant using a Monte Carlo model to simulate a distribution of future stock prices with the following weighted average assumptions:

	Tranche 1 and Tranche 2
Expected dividend yield	0.00%
Expected stock price volatility	90.98%
Risk-free interest rate	1.25%
Expected life of options (years)	7.25
Estimated per share fair value of the Company's Common Shares	7.00

Expressed in US Dollars unless otherwise stated

The fair value of the Performance Based Awards granted under the LTIP was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Tranche 3	Tranche 4
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	91.23%	91.23%
Risk-free interest rate	0.82%	0.85%
Expected term (years)	5.22	5.35
Estimated per share fair value of the Company's Common Shares	7.00	7.00

Changes in these assumptions could have a material impact on the Company's loss and comprehensive loss.

During the six months ended June 30, 2021, a total of 3,446,821 stock options were exercised for total proceeds of $2,563,156 with a weighted average exercise price of $0.74 per stock option.

During the six months ended June 30, 2021, the Company recognized $47,295,676 as common share option-based payments expense in the statement of loss and comprehensive loss (June 30, 2020 - $234,115). A total of $18,684,122 related to corporate matters and was charged to the statement of loss and comprehensive loss as common share options-based payments ($33,760 for the six months ended June 30, 2020). $28,611,554 represents the allocation of Company's common share options-based payments to exploration activities, included within exploration expenses for the six months ended June 30, 2020 (June 30, 2020 - $200,355).

8. Related Party Transactions

The Company's subsidiary, DGE, is party to a consulting agreement with SSCS Pte. Ltd. ("SSCS") to manage offshore engineering studies. A director of DGE is employed through SSCS Pte. Ltd. Consulting services during the six months period ended June 30, 2021, amounted to $137,500 (June 30, 2020 - $161,820) and are disclosed as external consulting and Exploration labour within exploration expenses (Note 4). As at June 30, 2021, the amount payable to SSCS amounted to $22,917 (December 31, 2020 - $22,917).

The Company's Chief Ocean Scientist provides consulting services to the Company through Ocean Renaissance LLC ("Ocean Renaissance") where he is a principal. Consulting services during the six months ended June 30, 2021 amounted to $187,529 (June 30, 2020 - $186,264) and are disclosed as exploration labour within exploration expenses (Note 4). As at June 30, 2021, the amount payable to Ocean Renaissance amounted to $489 (December 31, 2020 - $175).

9. Commitments

NORI Exploration Contract

As part of NORI's exploration contract with the ISA with respect to the NORI Area (Note 4), NORI committed to expending $5 million over the five-year period from 2017 to 2021. Such commitment has already been met. Such commitment is negotiated with the ISA and has flexibility where the amount can be reduced.

Marawa Exploration Contract

As part of Marawa's exploration contract with the ISA with respect to the Marawa Area (Note 4), Marawa commits to expending funds on exploration activities on an annual basis. The Commitment for fiscal 2021 is Australian dollar $2 million. Such commitment is negotiated with the ISA on an annual basis.

TOML Exploration Contract

As part of TOML's exploration contract with the ISA with respect to the TOML Area (Note 4), TOML has committed to expending $30 million for a period from 2016 to 2021 in the first five-year review finalized in 2016. Such commitment has flexibility where the amount can be reduced by the ISA and such reduction would be dependent upon various factors including the success of the exploration programs and the availability of funding. As at June 30, 2021, the Company expended approximately $14.1 million. DeepGreen is expecting to discuss the progress since the acquisition of the TOML Group with the ISA later during 2021.

Offtake Agreements,

On May 25, 2012, the Company's wholly owned subsidiary, DGE, and Glencore International AG ("Glencore") entered into a copper offtake agreement and a nickel offtake agreement. DGE has agreed to deliver to Glencore 50% of the annual quantity of copper and nickel produced at a DGE owned processing facility from nodules derived from the NORI Area at LME referenced market pricing with allowances for product quality and delivery location. Both the copper and nickel offtake agreements are for the life of the Company's rights to the NORI Area. Either party may terminate the agreement upon a material breach or insolvency of the other party. Glencore may also terminate the agreement by giving twelve months' notice.

Sponsorship Agreements

On July 5, 2017, the Republic of Nauru ("Nauru"), the Nauru Seabed Minerals Authority and NORI entered into a sponsorship agreement (the "NORI Sponsorship Agreement") formalising certain obligations of the parties in relation to NORI's exploration and potential exploitation of the NORI Area. Upon reaching a minimum level of nodule production from the tenement area, NORI will pay Nauru a seabed mineral recovery payment based on the wet tonnes of polymetallic nodules recovered from the tenement area. In addition, NORI will pay an administration fee each year to Nauru for such administration and sponsorship, which is subject to review and increase in the event that NORI is granted an ISA exploitation contract.

On March 8, 2008, the Kingdom of Tonga ("Tonga") and TOML entered into a sponsorship agreement (the "TOML Sponsorship Agreement") formalising certain obligations of the parties in relation to TOML's exploration and potential exploitation of the TOML Area. Upon reaching a minimum recovery level of nodule production from the tenement area, TOML has agreed to pay Tonga a seabed mineral recovery payment based on the wet tonnes of polymetallic nodules recovered from the tenement area. In addition, TOML has agreed to pay the reasonable direct costs incurred by Tonga to administer the ISA obligations of Tonga to the ISA.

Expressed in US Dollars unless otherwise stated

10. Supplemental Cash Flow Information

Non-Cash Investing and Financing Activities	For the six months ended June 30 2021 $	For the six months ended June 30 2020 $
Common Shares issued to settle accounts payable and accrued liabilities. (Note 4)	**12,879,057**	-
Common Shares issued for exploration license acquisition (Note 3)	-	27,999,997

11. Segmented Information

The Company's business consists of only one operating segment, namely exploration of seafloor polymetallic nodules, which includes the development of a metallurgical process to treat such seafloor polymetallic nodules. Details on a geographical basis of the Company's long-lived assets are as follows:

Equipment	June 30 2021 $	December 31 2020 $
Republic of Nauru	**1,500,338**	1,292,308
Tonga	**12,658**	14,892
North America	**2,105**	2,477
Total	**1,515,101**	1,309,677

12. Subsequent Events

In preparing the consolidated financial statements for the period ended June 30, 2021, the Company has evaluated subsequent events for recognition and disclosure through September 9, 2021, the date that these unaudited consolidated financial statements and accompanying notes were available for issuance.

On September 9, 2021, the Company completed the Business Combination with SOAC. The Business Combination was approved by SOAC's shareholders at its extraordinary general meeting held on September 3, 2021. The transaction resulted in the combined company being renamed "TMC the metals company Inc." and the combined company's common shares and warrants to purchase common shares commenced trading on the NASDAQ on September 10, 2021 under the symbols "TMC" and "TMCWW," respectively. As a result of the Business Combination, the Company received gross proceeds of approximately $137.5 million. Additional discussion about the Business Combination is provided in Item 2.01 of this Current Report on Form 8-K.

The Business Combination will be accounted for as a reverse recapitalization. The Company will be deemed the accounting predecessor and the combined entity will be the successor SEC registrant. As such, the Company's financial statements for previous periods will be disclosed in the registrant's future periodic reports filed with the SEC. Under this method of accounting, SOAC will be treated as the acquired company for financial statement reporting purposes.

DEEPGREEN'S MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of DeepGreen Metals Inc. (for purposes of this section, "DeepGreen," "we," "us" and "our") should be read together with DeepGreen's audited financial statements as of and for the years ended December 31, 2020 and 2019 included in the proxy statement/prospectus of TMC the metals company Inc. (formerly Sustainable Opportunities Acquisition Corp. ("SOAC")) filed with the Securities and Exchange Commission (the "SEC") on August 13, 2021 (the "proxy statement/prospectus") and DeepGreen's unaudited interim financial statements as of June 30, 2021 and for the six months ended June 30, 2021 and 2020, together with the related notes thereto, contained in Exhibit 99.2 to this Current Report on Form 8-K. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described under the heading "Risk Factors" section of this Current Report on Form 8-K. Actual results may differ materially from those contained in any forward-looking statements.

Overview

We are a deep-sea minerals exploration company focused on the collection, processing and refining of polymetallic nodules found on the seafloor of the Clarion Clipperton Zone ("CCZ"). We are also developing technology for onshore processing of polymetallic nodules and are working with Allseas Group S.A. ("Allseas") to develop a system to collect, lift and transport nodules from the seafloor to shore. The plan for the collection of polymetallic nodules includes offshore collection systems, which are comprised of collector vehicles on the seafloor, a riser and lift system, and a production support vessel to collect the polymetallic nodules. The nodules would be expected to be collected from the seafloor by self-propelled, tracked collector vehicles. No rock cutting, digging, drill-and-blast or other breakage are expected to be required at the point of collection. The collectors would be remotely controlled and supplied with electric power via umbilical cables from the production support vessel. In order to test the collection system, a contract has been entered into with Allseas to undertake a pre-production collector test.

Our wholly-owned subsidiary, Nauru Ocean Resources Inc. ("NORI"), sponsored by the Republic of Nauru, was granted an exploration license by the International Seabed Authority (the "ISA") in July 2011 granting NORI exclusive rights to explore for polymetallic nodules in a region of the CCZ covering 74,830 km^2 allocated to the Republic of Nauru ("NORI Area"). Similarly, through Marawa Research and Exploration Limited ("Marawa"), we were granted rights by the ISA to polymetallic nodules exploration in an area of 74,990 km^2 in the CCZ allocated to the Republic of Kiribati. We entered into an option agreement with Marawa to purchase such tenements granted to exclusively collect nodules from this area in return for a royalty payable to Marawa. During the year ended December 31, 2020, we acquired Tonga Offshore Mining Limited ("TOML"), which was granted an exploration license by the ISA in January 2012 and has exclusive rights to explore for polymetallic nodules covering 74,713 km^2 of the CCZ under the supervision of the Kingdom of Tonga.

We are an exploration stage company with no revenue to date that has incurred a net loss of $83.7 million for the six months ended June 30, 2021, compared to $32.8 million in the prior year period. We incurred a net loss of $56.6 million for the year ended December 31, 2020 and had an accumulated deficit of approximately $246.6 million from inception through June 30, 2021.

The Business Combination

On September 9, 2021, we completed our business combination (the "Business Combination") with SOAC. The Business Combination was approved by SOAC's shareholders at its extraordinary general meeting held on September 3, 2021. The transaction resulted in the combined company being renamed "TMC the metals company Inc." and the combined company's common shares and warrants to purchase common shares commenced trading on the Nasdaq Global Select Market ("Nasdaq") on September 10, 2021 under the symbols "TMC" and "TMCWW," respectively. As a result of the Business Combination, we received gross proceeds of approximately $137.5 million. Additional discussion about the Business Combination is provided in Item 2.01 of this Current Report on Form 8-K.

The Business Combination will be accounted for as a reverse recapitalization. DeepGreen will be deemed the accounting predecessor and the combined entity will be the successor SEC registrant. As such, DeepGreen's financial statements for previous periods will be disclosed in the registrant's future periodic reports filed with the SEC. Under this method of accounting, SOAC will be treated as the acquired company for financial statement reporting purposes.

Following the Business Combination, we have become the successor to an SEC-registered company and a Nasdaq listed company, which will require us to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices to ensure ongoing compliance with applicable law and Nasdaq listing requirements. We expect to incur additional annual expenses as a public company for, among other things, directors' and officers' liability insurance, director fees, and additional internal and external accounting, legal, and administrative resources, including increased personnel costs, audit and other professional service fees.

Description of the Business

Exploration Contracts

NORI Exploration Contract

NORI was granted the NORI Exploration Contract on July 22, 2011. The contract was acquired for $0.25 million and provides NORI with exclusive rights to explore for polymetallic nodules in an area covering 74,830 km^2 for 15 years subject to complying with the exploration contract terms and the priority right to apply for an exploitation contract to collect polymetallic nodules in the same area.

TOML Exploration Contract

TOML was granted the TOML Exploration Contract on January 11, 2012. The contract was acquired by us during the year ended December 31, 2020 in connection with its acquisition of TOML for $32 million from Deep Sea Mining Finance Ltd. ("Deep Sea Mining"). TOML has exclusive rights to explore for polymetallic nodules in an area covering 74,713 km^2 for 15 years and a priority right to apply for an exploitation contract to collect polymetallic nodules in the TOML Area.

Marawa Agreements

On March 17, 2012, our subsidiary DeepGreen Engineering Pte Ltd. ("DGE") entered into an Option Agreement with Marawa and the Republic of Kiribati (the "Option Agreement"). The Option Agreement was amended on October 1, 2013. Under the amended Option Agreement, for an option fee of $0.3 million, DGE has the right to purchase tenements, as may be granted to Marawa by the ISA or any other regulatory body, for the greater of $0.3 million or the value of any amounts owing to DGE by Marawa. This option, can be exercised when a default event, as defined in the foregoing agreement, occurs at any time within 40 years after the date of execution of the Option agreement.

On October 1, 2013, DGE also entered into the Services Agreement with Marawa and Kiribati, which grants DGE the exclusive right to carry out all exploration and collection in the Marawa Area. Under this agreement, DGE will pay to the ISA on behalf of Marawa, ISA royalty and taxes as well as the ISA exploitation application fee of $0.3 million and annual administrative costs. In addition, DGE will ensure that the activities carried out in the Marawa Area by DGE and any other service contractor complies with the ISA and any other required regulations. The Marawa Area is situated in close proximity to the 74,830 km^2 NORI Area.

The Services Agreement grants DGE the right to recover any and all polymetallic nodules from the Marawa Area by paying the Republic of Kiribati a royalty per wet tonne of polymetallic nodules (adjusted for inflation from October 1, 2013 onwards).

DGE has the right to terminate the Services Agreement at its sole discretion by giving written notice to Marawa and Kiribati, and such termination shall take effect two months following the date of the termination notice, provided that DGE shall pay to the ISA on behalf of Marawa the fees or payments legally owed to the ISA by Marawa (including the annual ISA exploration fee and ISA royalties and taxes) that are outstanding at the date of termination or that are incurred within 12 months after the date of such termination. There are no other longer-term commitments with respect to the Marawa Option and the Services Agreement.

For more information about each of the NORI Exploration Contract, the TOML Exploration Contract and the Marawa Option Agreement and Services Agreement, please see the section entitled "*Information About DeepGreen — Government Regulation*" included in the proxy statement/prospectus.

TOML Acquisition

On March 31, 2020, we entered into an acquisition agreement to acquire the polymetallic nodules business unit from Deep Sea Mining (the "TOML Acquisition"). As part of the TOML Acquisition, we acquired various subsidiaries in the TOML group for a total purchase price of $32 million. TOML holds the TOML Exploration Contract with the ISA. The TOML Acquisition includes the exclusive rights held by TOML to explore for polymetallic nodules in an area covering 74,713 km^2, a priority right to apply for an exploitation contract to collect polymetallic nodules in the same area, and some exploration related equipment. The TOML group also holds various patents and an application right with respect to a prospecting exploration license in the Republic of Kiribati.

The purchase price of $32 million was settled through initial cash payments of $0.5 million in two tranches, the issuance of 7.8 million DeepGreen Common Shares at the mutually agreed price of $3.60 per share between both parties for a total amount of $28 million, $0.06 million payment to ISA on behalf of Deep Sea Mining and deferred consideration of $3.44 million, which was to be paid in tranches. The deferred consideration has been fully paid as at June 30, 2021.

We determined that the value of TOML acquisition was substantially concentrated in the TOML Exploration Contract and therefore considered this to be an acquisition of a group of connected assets rather than an acquisition of a business. As a consequence, the total cost of the transaction was primarily allocated to exploration licenses.

Key Trends, Opportunities and Uncertainties

We are a pre-revenue company. We believe that our performance and future success depends on several factors that present significant opportunities but also poses risks and challenges, including those discussed below and in the section entitled "*Risk Factors*" included in the proxy statement/prospectus.

The recovery of polymetallic nodules from our exploration licenses and attainment of revenue and profitable operations is dependent upon many factors including, among other things: financing being arranged by us to continue operations, exploration and delineation of the resources on the ocean floor; development of collection technology and systems for the extraction of polymetallic nodules as well as development of processing technology for the treatment of polymetallic nodules to produce saleable products, the establishment of a mineable resource, demonstration of the commercial and technical feasibility of seafloor polymetallic nodule collection considering processing, metal prices, and regulatory approval for nodule collection and environmental permitting. The outcome of these matters cannot presently be determined because they are contingent on future events.

To date, no exploitation has occurred under the ISA's regulatory regime. Moreover, despite the release by the ISA of the Draft Regulations on Exploitation of Mineral Resources, finalization of such regulations remains subject to the decision of the members of the ISA. Although the ISA declared a target of July 2020 to have the regulations approved, the July session was deferred as a result of the COVID-19 pandemic. Although we expect that the new regulations will be approved within the next two years, there can be no assurance that such regulations will be approved then, or at all, which would have a material adverse effect on our ability to conduct our business as currently contemplated.

On June 25, 2021, the Republic of Nauru submitted its notice to the ISA requesting that it completes, by July 9, 2023, the adoption of regulations necessary to facilitate the approval of plans of work for the commercial exploitation of polymetallic nodules. The notice submitted by the Republic of Nauru to the ISA has increased the likelihood that regulations will be adopted that will govern and enable commercial-scale polymetallic nodule collection. If the ISA has not completed the adoption of such regulations within the prescribed time and an application for approval of a plan of work for exploitation is pending before the ISA, the ISA shall nonetheless consider and provisionally approve such plan of work based on: (i) the provisions of the United Nations Convention on the Law of the Sea ("UNCLOS"); (ii) any rules, regulations and procedures that the ISA may have adopted provisionally at the time, (iii) on the basis of the norms contained in the UNCLOS, and (iv) the principle of non-discrimination among contractors.

The exploitation and development of polymetallic nodules within the International Seabed Area will require approval of an exploitation contract (which will authorize nodule collection activities), along with approvals including with respect to a required Environmental and Social Impact Assessment ("ESIA"). In order to collect the mineral resources and commercialize our projects, NORI and TOML will each need to obtain an exploitation contract, in addition to related permits that may be required by our partners to conduct operations including with respect to onshore processing and international maritime activities.

The ISA is currently working on the development of a legal framework to regulate the exploitation of polymetallic nodules in the International Seabed Area. Royalties, taxes, and fees payable on any future production from our contract areas will be stipulated in the ISA's exploitation regulations. While the rates of payments are yet to be set by the ISA, the 1994 Implementation Agreement prescribes that the rates of payments "shall be within the range of those prevailing in respect of land-based mining of the same or similar minerals in order to avoid giving deep seabed miners an artificial competitive advantage or imposing on them a competitive disadvantage." The ISA has held workshops with stakeholders to discuss and seek comments on the potential financial regime for the exploitation of polymetallic nodules in the International Seabed Area and forecasts developed by us have been informed by these discussions. There can be no assurance that the ISA will put in place exploitation regulations in a timely manner or at all. Such exploitation regulations may also impose burdensome obligations or restrictions on us, and/or may contain terms that do not enable us to develop our projects.

All phases of exploring for and collecting and processing polymetallic nodules will be subject to environmental regulation in various jurisdictions and under national as well as international laws and conventions. No seafloor polymetallic nodule deposit has been collected on a commercial scale, and it is not clear what environmental parameters may need to be measured to satisfy regulatory authorities that an exploitation contract should be granted. A full ESIA for deep-sea collecting operations has yet to be completed and approved by the ISA, and the full impact of any polymetallic nodule collecting operation on the environment has yet to be determined. Further, the required standards for an ESIA are currently unclear and have not been finalized by the ISA, which could require changes to any submissions made by our subsidiaries in connection with an exploitation contract application. Environmental legislation is evolving in a manner which is likely to require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Additionally, while we intend to produce seafloor polymetallic nodules in a way that mitigates and reduces potential damage to the seafloor and marine environmental conditions, we do not know whether the ISA or any other regulatory body will seek to impose impracticable restoration or rehabilitation obligations on our collecting process. Any such obligations, to the extent they are overly burdensome, could result in material changes to our business as currently contemplated.

Although the environmental impact review process has not yet been finalized, all contractors have been made aware of the requirement to complete baseline studies and an ESIA, culminating in an Environmental Impact Statement ("EIS") prior to collecting. There are no guarantees that the ISA will evaluate any exploration contract application by our subsidiaries in a timely manner, and even if the ISA does timely evaluate such applications(s), such subsidiary may be required to submit a supplementary EIS before being approved. This may result in delays that could impact our projected timeframe for collection and production. Furthermore, in the event that the ISA timely evaluates and approves an application, any aspect of such application and approval theoretically could be subject to legal challenges which could result in further delays that could detrimentally impact our business.

The environmental permitting process is expected to involve a series of checks and balances with reviews being conducted by the ISA. There are no assurances that the work our subsidiaries have done to date or that their contemplated future operations will satisfy the final environmental rules and regulations adopted by the ISA, and any future changes could delay the timing of such submissions to the ISA or our subsidiaries' operations more generally, which could have a material adverse effect on our business. Sponsoring state approvals and permits are currently and may in the future be required in connection with our operations. To the extent such approvals are required and not obtained, our subsidiaries may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Seafloor polymetallic nodules have never been mined on a commercial scale, and there is a risk that our collection methods and the equipment that we intend to utilize during this process may not be adequate for the economic development of seafloor polymetallic nodule deposits. The equipment and technology that we intend to utilize has not been fully proven in such sub-sea conditions and for this specific material and application, and failure to adapt existing equipment or to develop suitable equipment or recovery and development techniques for the prevailing material and seafloor conditions would have a material adverse effect on our business, results of operations and financial condition. We have partnered with Allseas, a leading global offshore contractor, to undertake a pre-production pilot collector test in which a collector vehicle, a riser and lift system and other systems will be tested. Although we expect the pilot collector test to be successful, there can be no assurance that it will be, or that their technology will eventually be adequate to collect polymetallic nodules on a commercial scale.

If NORI and TOML are each able to obtain an exploitation contract after the ISA finalizes the exploitation regulations, in addition to any related permits that may be required, and the Allseas pilot collector test is successful and we are able to collect, transport and process polymetallic nodules on a commercial scale and sell metals from such operations, we expect to be able to generate revenue beginning in 2024.

COVID-19

In March 2020, the World Health Organization declared the global outbreak of COVID-19 to be a pandemic. We continue to closely monitor the recent developments surrounding the continued spread and potential resurgence of COVID-19. The COVID-19 pandemic may have an adverse impact on our operations, particularly as a result of preventive and precautionary measures that our company, other businesses, and governments are taking. Refer to the section entitled "*Risk Factors*" included in the proxy statement/prospectus for more information. We are unable to predict the full impact that the COVID-19 pandemic will have on our future results of operations, liquidity and financial condition due to numerous uncertainties, including the duration of the pandemic and the actions that may be taken by government authorities. However, COVID-19 is not expected to result in any significant changes in costs going forward. We will continue to monitor the performance of our business and reassess the impacts of COVID-19.

Basis of Presentation

We currently conduct our business through one operating segment. As a pre-revenue company with no commercial operations, our activities to date have been limited. Our historical results are reported under U.S. GAAP and in U.S. dollars.

Components of Results of Operations

We are an exploration-stage company and our historical results may not be indicative of our future results for reasons that may be difficult to anticipate. Accordingly, the drivers of our future financial results, as well as the components of such results, may not be comparable to our historical or projected results of operations.

Revenue

To date, we have not generated any revenue. We do not expect to generate revenue until at least 2024 and only if NORI and/or TOML receive an exploitation contract from the ISA and we are able to successfully collect polymetallic nodules and process the nodules into saleable products on a commercial scale. Any revenue from initial production is difficult to predict.

Exploration Expenses

We expense all costs relating to exploration for and development of mineral resources. Such exploration and development costs include, but are not limited to, ISA contract management, geological, geochemical and geophysical studies, environmental baseline studies and process development. The acquisition cost of mineral contracts would be charged to operations on a unit-of-production method based on proven and probable reserves should commercial production commence in the future.

Selling, General and Administrative Expenses

Selling, general and administrative, or SG&A, expenses consist primarily of compensation for employees, consultants and directors, including stock-based compensation, consulting fees, investor relations expenses; expenses related to advertising and marketing functions, insurance costs, office and sundry expenses, professional fees (including legal, audit and tax fees), travel expenses and transfer and filing fees.

Stock-based compensation cost from the issuance of stock options is measured at the grant date based on the fair value of the award and is recognized over the related service period. Stock-based compensation costs are charged to exploration expenses and general and administrative expense depending on the function fulfilled by the option holder. In instances stock options are issued for financing related services, the costs are included within equity as part of the financing costs. We recognize forfeiture of any awards as they occur.

We expect SG&A expenses to continue to increase in absolute dollars as we expand our infrastructure to commence production and due to additional legal, accounting, insurance and other expenses associated with being a public company.

Interest Income/Expense

Interest income consists primarily of interest income earned on our cash and cash equivalents. We expect interest income to increase considerably into the future given the increase of cash on our balance sheet as a result of the Business Combination.

Interest expense results from our financing transactions, specifically the convertible debentures issued in February 2021, which accrue interest at 7% per annum.

Foreign Exchange Loss

The foreign exchange income or loss for the periods primarily relates to our cash held in Canadian dollars and also to the settlement of costs incurred in foreign currencies, depending on either the strengthening or weakening of the US dollar.

Results of Operations

Comparison of the Six Months Ended June 30, 2021 and 2020

	Six Months Ended June 30,			
	2021	**2020**	**Change**	**% Change**
	(dollar amounts in thousands)			
Exploration expenses	54,736	31,188	23,548	76%
SG&A	28,265	1,626	26,639	1,638%
Interest expense (income)	661	(51)	712	(1,396)%
Foreign exchange loss (gain)	53	(3)	56	(1,867)%
	83,715	32,760	50,955	156%

Exploration Expenses

Exploration expenses increased by approximately $23.5 million, or 76%, to $54.7 million during the six months ended June 30, 2021, compared to $31.2 million during the six months ended June 30, 2020. This increase was primarily due to the recognition of $28.6 million (compared to $0.2 million during the same period in 2020) of stock-based compensation from the issuance of stock options granted to personnel during the six months ended June 30, 2021. The stock-based compensation cost for the stock options granted to individuals involved in the exploration activities is included within exploration expenses for the periods. In addition, the cost of marine cruises that we undertook during the six months ended June 30, 2021 was $21.0 million (compared to $14.8 million during the same period in 2020). We have a strategic partnership with Maersk, as described below, pursuant to which we settled the costs for marine vessel services provided by Maersk through the issuance of DeepGreen Common Shares. Such DeepGreen Common Shares were recognized at their fair value and the changes in such fair value had a significant impact on its exploration expenditures. During March 2021, we revised our arrangement with Maersk, which now requires settlement of marine vessel services in cash instead of DeepGreen Common Shares and going forward, such costs are expected to reflect the cost of the marine cruises undertaken with no additional impact on the cost resulting from the change in the fair value of DeepGreen Common Shares. This overall increase in cost was offset by $11.7 million of cost recognized related to the amendment to our agreement with Allseas (as further described below), whereby we paid an additional $10 million and issued 2.8 million DeepGreen Common Shares to Allseas during the six months ended June 30, 2020. We expect exploration expenses to increase during the remainder of 2021 due to an increase in planned exploration campaigns to undertake environmental baseline surveys to support the ESIA and permitting requirements as well as milestones being reached for the pilot collector test program with Allseas. Processing expenditure is also expected to increase with completion of pyrometallurgical and hydrometallurgical pilot testing.

Selling, General and Administrative Expenses

SG&A expenses increased $26.6 million, or 1,638%, to $28.3 million during the six months ended June 30, 2021, compared to $1.6 million during the six months ended June 30, 2020. The increase in SG&A expenses were a result of the stock-based compensation recognized of $18.7 million and costs incurred in connection with the Business Combination. Total additional professional fees incurred during the six months ended June 30, 2021 amounted to $4.7 million. Our activities overall also increased and we incurred additional consulting fees of $1.0 million and marketing costs of $2.3 million, respectively. We expect SG&A expenses to increase significantly during 2021 due to additional professional fees (including legal, audit and tax fees) and other costs of becoming and being a public company.

Interest Expense

During the six months ended June 30, 2021, we recognized interest expense of $0.7 million as a result of the issuance of 7% convertible debentures of $26 million during February 2021.

Liquidity and Capital Resources

To date, our primary sources of capital have been private placements of DeepGreen Common Shares and DeepGreen Preferred Shares and a recent issuance of convertible debentures completed in February 2021, which were automatically converted into DeepGreen Common Shares immediately prior to the completion of the Business Combination. As of June 30, 2021, we had cash and cash equivalents of $16.9 million and an accumulated deficit of $246.6 million. In addition, on September 9, 2021, we completed the Business Combination with SOAC, and as a result we received gross proceeds of approximately $137.5 million.

As of the date of this Current Report on Form 8-K, we have yet to generate any revenue from our business operations. We are an exploration stage company and the recovery of our investment in mineral exploration contracts and attainment of profitable operations is dependent upon many factors including, among other things, exploring and developing the ocean floor for the collection of polymetallic nodules as well as the development of our processing technology for the treatment of such nodules, the establishment of mineable reserves, the demonstration of commercial and technical feasibility of seafloor polymetallic nodule collection and processing, metal prices, and regulatory approval for exploitation and environmental permitting. While we have obtained financing in the past, there is no assurance that such financing will continue to be available.

Fiscal 2019 Financings

During the year ended December 31, 2019, we issued 10.1 million DeepGreen Common Shares in private placements for total proceeds of $26.2 million. Of this amount, $20 million was received from Allseas in connection with our strategic alliance with Allseas.

We further issued 8.2 million DeepGreen Common Shares for marine vessel services pursuant to an agreement with Maersk to settle Maersk's invoiced cost of $10.2 million at an agreed upon contract price of $1.25 per share. Such shares were recognized in our accounting records at $3.60 per share based on the pricing of the other private placements. Additional 0.5 million of DeepGreen Common Shares were issued upon exercise of incentive stock options at a price of $0.70 per share for total proceeds of $0.35 million.

Fiscal 2020 Financings

During the year ended December 31, 2020, we issued 5.7 million DeepGreen Common Shares in private placements for total proceeds of $20.4 million. Inclusive in this was a subscription from Allseas for 2.8 million DeepGreen Common Shares for total proceeds of $10 million.

We further issued 2.8 million DeepGreen Common Shares for services to Allseas at a price of $3.60 per share for total value of $10.1 million and 4.1 million DeepGreen Common Shares for marine vessel services to Maersk to settle invoiced cost of $5.1 million at an agreed upon contract price of $1.25 per share. Such shares issued to Maersk were recognized for accounting purposes at $3.60 per share.

During the year ended December 31, 2020, option holders exercised 2.3 million stock options for total proceeds of $0.9 million at an average exercise price of $0.41 per share.

Fiscal 2021 Financings

During the six months ended June 30, 2021, we issued 3.7 million DeepGreen Common Shares to Maersk for marine vessel services. Such Common Shares were valued at $7.00 per DeepGreen Common Share. Certain holders of stock options exercised their rights in exchange for 3.4 million DeepGreen Common Shares. The weighted average exercise price of these stock options was $0.74 per DeepGreen Common Share resulting in total proceeds of $2.6 million.

During February 2021, we raised a total of $26 million through convertible debentures financing. The convertible debentures bear interest at the rate of 7.0% per annum, compounded annually, with a maturity date that is 24 months from the date of the financing. The debentures were automatically converted into DeepGreen Common Shares immediately prior to the Business Combination at the conversion price of $10.00 per share.

On February 18, 2021, debentures totaling $0.5 million were converted into 50,000 DeepGreen Common Shares.

We expect our capital expenditures and working capital requirements to increase materially in the near future as NORI and TOML seek to obtain exploitation contracts, perform the required environmental studies, complete pre-feasibility and feasibility studies. We believe that our cash on hand following the closing of the Business Combination will be sufficient to meet our working capital and capital expenditure requirements to at least third quarter 2023. With these funds, we expect to be able to complete pilot nodule collection trials in 2022, complete our environmental impact studies by 2023, and lodge our application to move from exploration phase to exploitation phase in the third quarter of 2023. We may, however, need additional cash resources due to changed business conditions or other developments, including, but not limited to, deferral of approvals, capital cost escalation, currently unrecognized technical and development challenges or change in external business environment. To the extent that our current resources are insufficient to satisfy our cash requirements, we may need to seek additional equity or debt financing. If the financing is not available, or if the terms of financing are less desirable than we expect, we may be forced to delay our exploration and/or exploitation activities or scale back our operations, which could have a material adverse impact on our business and financial prospects.

Cash Flows Summary

Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

The following table summarizes our sources and uses of cash for the six months ended June 30, 2021 and June 30, 2020:

Presented below is a summary of our operating, investing and financing cash flows:

	Six Months Ended June 30,	
	2021	2020
	(in thousands)	(in thousands)
Net cash (used in) operating activities	$ (17,945)	$ (17,577)
Net cash (used in) investing activities	$ (3,842)	$ (607)
Net cash provided by financing activities	$ 28,563	$ 11,842
	$ 6,776	$ (6,342)

Cash flows used in Operating Activities

Net cash used in operating activities for the six months ended June 30, 2021 was $17.9 million, attributable to a net loss of $83.7 million and a net change in net operating assets and liabilities of $4.8 million and non-cash adjustments of $61.0 million. Non-cash adjustments primarily consisted of $12.8 million for the value of shares issued to Maersk and $47.3 million of share-based payments related to the value of the incentive stock options recognized during the six months ended June 30, 2021. The change in our net operating assets and liabilities was primarily due to a $4.7 million increase in accounts payable and accrued liabilities due to the timing of payments.

Net cash used in operating activities for the six months ended June 30, 2020 was $17.6 million, attributable to a net loss of $32.8 million and a net change in net operating assets and liabilities of $1.8 million and non-cash adjustments of $13.4 million. Non-cash adjustments primarily consisted of $12.9 million for the value of shares issued to Allseas and Maersk as described above, $0.2 million of share-based payments related to the value of the incentive stock options recognized during the six months ended June 30, 2020, and $0.3 million for amortization of equipment. The change in our net operating assets and liabilities was primarily due to a $1.8 million increase in accounts payable and accrued liabilities due to the timing of payments.

Cash flows used in Investing Activities

Net cash used in investing activities for the six months ended June 30, 2021 was $3.8 million and related to the payments made to Deep Sea Mining for the deferred consideration that became due during the period. As at June 30, 2021 there was no amount outstanding for the deferred consideration pertaining to TOML Acquisition. We also spent $0.4 million for purchase of equipment.

Net cash used in investing activities for the six months ended June 30, 2020 was $0.6 million and related to the initial payments made to Deep Sea Mining in connection with the TOML Acquisition.

Cash flows provided by Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2021 was $28.6 million related to proceeds of $26 million from the issuance of convertible debentures and $2.6 million from the exercise of incentive stock options.

Net cash provided by financing activities for the six months ended June 30, 2020 was $11.8 million related to proceeds from private placements.

Contractual Obligations and Commitments

NORI Exploration Contract

As part of the NORI Exploration Contract with the ISA with respect to the NORI Area, NORI committed to expending $5 million over the five-year period from 2017 to 2021. Such commitment has already been met.

Marawa Option Agreement and Services Agreement

As part of DGE's Option Agreement and Services Agreement with Marawa with respect to the Marawa Area, Marawa commits to expending funds on exploration activities on an annual basis. The commitment for fiscal 2020 was Australian dollar $1 million and for 2021 is Australian dollar $2 million. Such commitment is negotiated with the ISA for five-year plans and is subject to regular periodic reviews.

TOML Exploration Contract

As part of the TOML Exploration Contract with the ISA with respect to the TOML Area, TOML has committed to expending $30 million for a five-year period from 2016 to 2021 in the first-year review finalized in 2016. Such commitment has flexibility where the amount can be reduced by the ISA and such reduction would be dependent upon various factors including the success of the exploration programs and the availability of funding. As at June 30, 2021, we had expended approximately $14.1 million in connection with the TOML Exploration Contract. We are expecting to discuss the progress since the acquisition of the TOML Group with the ISA later during 2021.

Regulatory Obligations Relating to Exploration Contracts

Each of TOML and NORI require sponsorship from their respective host sponsoring nations, the Kingdom of Tonga and the Republic of Nauru, respectively. Each company has been registered and incorporated within the applicable host nation's jurisdiction. The ISA requires that a contractor must obtain and maintain sponsorship by a host nation that is a member of the ISA and such nation must maintain effective supervision and regulation over such sponsored contractor. Each of TOML and NORI is subject to the registration and incorporation requirements of these nations. In the event the sponsorship is otherwise terminated, such subsidiary will be required to obtain new sponsorship from another host nation that is a member of the ISA. Failure to obtain such new sponsorship would have a material impact on the operations of such subsidiary and us.

Allseas Agreements

On March 29, 2019, we entered into a strategic alliance with Allseas to develop and deploy a Pilot Mining Test System ("PMTS"), successful completion of which would aid our application for an exploitation contract with ISA. Allseas agreed to cover all the development cost of the project and in consideration for a successful PMTS, we had committed to expending $30 million in cash and further issuing 10 million DeepGreen Common Shares (at a contractual price of $3.00 per share at time of the agreement) for a total value of $60 million to Allseas.

During 2020, the PMTS agreement was amended and we paid $10 million in cash and issued 2.8 million DeepGreen Common Shares valued at $3.60 per share for an additional $10 million to allow for higher cost that had been incurred by Allseas and to facilitate the acquisition of the Hidden Gem vessel by Allseas, which has strategic importance to us, by providing a platform to develop a smaller-scale, lower-capital early production system. As at December 31, 2020, our original commitment of $30 million in cash and 10 million DeepGreen Common Shares still remained to be completed as such obligation is dependent upon successful completion by Allseas of the collector test.

On March 4, 2021 and June 30, 2021, we entered into amended agreements with Allseas (the "Amendment #3" and "Amendment #4", respectively) whereby, upon successful completion of the Business Combination, instead of issuing 10 million Common Shares to Allseas in connection with the PMTS, we issued to Allseas a warrant to acquire 10 million DeepGreen Common Shares at a nominal value (the "Allseas Warrant"). The Allseas Warrant will vest and become exercisable upon successful completion of the PMTS and will expire on September 30, 2026. There are vesting conditions associated with the Allseas Warrant whereby a maximum of 10 million DeepGreen Common Shares would be issued if the PMTS is completed by September 30, 2023, gradually decreasing to 5 million DeepGreen Common Shares if PMTS is completed after September 30, 2025.

The Allseas Warrant was assumed by SOAC at the closing of the Business Combination and became a warrant to purchase TMC Common Shares, adjusted for the exchange ratio for the transaction. If the market price of TMC Common Shares on June 1, 2022 is higher than $15 per share (as adjusted based on the exchange ratio for the closing of the Business Combination), the aggregate value of the shares underlying the warrant above $150 million as at June 1, 2022 will automatically become a commercial credit from Allseas to TMC equal to the excess value. This commercial credit will be effective on the vesting date of the Allseas Warrant and we will be able to exchange this excess value for any future goods and services from Allseas under the nodule collection and shipping contract for one year after commercial production.

The cash payment of $30 million in the original agreement was also amended to be paid as follows provided that the Business Combination is completed:

- $10 million within 10 business days of the closing of the Business Combination with Allseas providing confirmation of placing an order of certain equipment and demonstrating certain progress on construction of the collector vehicle;
- $10 million on the later of (i) January 1, 2022, and (ii) confirmation of successful collection of the North Sea test; and
- $10 million upon successful completion of the PMTS.

As at June 30, 2021, Allseas has successfully reached the progress milestone for the construction of the collector vehicle and confirmed the order of the required equipment.

The Amendment #3 and Amendment #4 became effective upon the completion of the Business Combination and will be payable within 10 days of the closing of the Business Combination.

Maersk Agreements

Effective March 15, 2017, we entered into a strategic partnership with Maersk to undertake the exploration, environmental base line and offshore testing required to support development of feasibility studies for economic production of polymetallic nodules from the CCZ. Under the agreement, Maersk provides marine vessel services and project management services, enabling us to undertake the various marine cruises to support required prefeasibility studies. During these marine cruises, we undertook baseline studies required to complete an ESIA, collected nodules for metallurgical test work and collected samples for resource evaluation. The invoiced cost related to the marine vessel was settled through DeepGreen Common Shares at an agreed upon price of $1.25 per DeepGreen Common Share. Services provided by Maersk for managing these marine cruises are paid in cash.

On March 4, 2021, the agreement with Maersk was amended whereby all future costs pertaining to the use of the marine vessels would be paid in cash rather than through issuance of DeepGreen Common Shares. The amended agreement is in place until early 2022, at which point the parties will negotiate any potential future offshore engagements.

Offtake Agreement

On May 25, 2012, DGE and Glencore entered into a copper offtake agreement and a nickel offtake agreement. DGE has agreed to deliver to Glencore 50% of the annual quantity of copper and nickel produced by a DGE owned facility from nodules derived from the NORI Area at LME referenced market pricing with allowances for product quality and delivery location. Either party may terminate the agreement upon a material breach or insolvency of the other party. Glencore may also terminate the agreement by giving twelve months' notice.

Sponsorship Agreements

On July 5, 2017, Nauru, the Nauru Seabed Minerals Authority and NORI entered into the NORI Sponsorship Agreement formalizing certain obligations of the parties in relation to NORI's exploration and potential exploitation of the NORI Area. Upon reaching the minimum recovery level within the tenement area, NORI will pay Nauru a seabed mineral recovery payment based on the polymetallic nodules recovered from the tenement area. In addition, NORI will pay an administration fee each year to Nauru for such administration and sponsorship, which is subject to review and increase in the event that NORI is granted an ISA exploitation contract.

On March 8, 2008, Tonga and TOML entered into the TOML Sponsorship Agreement formalizing certain obligations of the parties in relation to TOML's exploration and potential exploitation of the TOML Area. Upon reaching the minimum recovery level within the tenement area, TOML has agreed to pay Tonga a seabed mineral recovery payment based on the polymetallic nodules recovered from the tenement area. In addition, TOML has agreed to pay the reasonable direct costs incurred by Tonga to administer the ISA obligations of Tonga to the ISA.

Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements, as defined under SEC rules.

Critical Accounting Policies and Estimates

Our financial statements have been prepared in accordance with U.S. GAAP. In the preparation of these financial statements, we are required to use judgment in making estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, as well as the reported expenses incurred during the reporting periods.

We consider an accounting judgment, estimate or assumption to be critical when (1) the estimate or assumption is complex in nature or requires a high degree of judgment and (2) the use of different judgments, estimates and assumptions could have a material impact on the consolidated financial statements. Our significant accounting policies are described in Note 2 to our audited consolidated financial statements included in the proxy statement/prospectus. We have the critical accounting policies and estimates which are described below.

TOML Acquisition

On March 31, 2020, we completed the TOML Acquisition and applied guidance from ASC 805 to understand the accounting treatment regarding this acquisition and make necessary judgements.

ASC 805 defines a business as inputs and processes, when applied to the inputs, resulting in the creation of outputs. The key input acquired in connection with the TOML Acquisition is the TOML Exploration Contract and the related intellectual property. TOML Exploration Contract is in the exploration stage and therefore does not produce outputs. ASC 805 requires that where there is no output, there must be both an input and substantive process which must include an organized workforce with the necessary skills, experience, and knowledge to develop and convert the inputs into outputs, for a group of assets to be considered a business. An organized workforce was not included in the TOML Acquisition and therefore our management deemed that the TOML Acquisition was not a business acquisition and only an acquisition of a group of assets.

Our position is supported by ASC 805's guidance that if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not considered a business. We determined that the value of TOML Acquisition was substantially concentrated in the TOML Exploration Contract.

Our management also determined that other assets acquired (which included other intangible assets, such as patents and trademarks) were connected to the TOML Exploration Contract and would not hold value by themselves. Consequently, the total cost of the transaction was primarily allocated to exploration licenses.

Value of Common Share-Based Payments

We recognize the cost of share-based awards granted to employees and directors based on the estimated grant-date fair value of the awards. We determine the fair value of stock options using the Black-Scholes option pricing model, which is impacted by the following assumptions:

- Fair Value of Common Shares on the Date of the Grant — We used the price of the most recent private placements to assess the value of our shares on the date of the grant of incentive stock options.

- Expected Term — We used the term of the award when calculating the expected term due to insufficient historical exercise data.

- Expected Volatility — As our Common Shares were not actively traded, the volatility is based on a benchmark of comparable companies within the mining industry.

- Expected Dividend Yield — The dividend rate used is zero as we have never paid any cash dividends on our Common Shares and do not anticipate doing so in the foreseeable future.

- Risk-Free Interest Rate — The interest rates used are based on the implied yield available on Canadian Treasury zero-coupon issues with an equivalent remaining term equal to the expected life of the award.

Emerging Growth Company Status

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable.

We are an "emerging growth company" as defined in Section 2(a) of the Securities Act and have elected to take advantage of the benefits of the extended transition period for new or revised financial accounting standards. Following the closing of the Business Combination, we expect to remain an emerging growth company at least through the end of the 2021 fiscal year and we expect to continue to take advantage of the benefits of the extended transition period, although we may decide to early adopt such new or revised accounting standards to the extent permitted by such standards. This may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used.

Recent Accounting Pronouncements

See Note 2 to the consolidated financial statements included in the proxy statement/prospectus for more information about recent accounting pronouncements, the timing of their adoption, and our assessment, to the extent we have made one, of their potential impact on our financial condition and our results of operations and cash flows.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to a variety of markets and other risks including the effects of change in interest rates, inflation and foreign currency translation and transaction risks as well as risks to the availability of funding sources, hazard events and specific asset risks. We also expect to be exposed to commodity risks if and when we commence commercial production.

Interest Rate Risk and Credit Risk

Interest rate risk is the risk that the fair value of our future cash flows and our financial instruments will fluctuate because of changes in market interest rates.

Our current practice is to invest excess cash in investment-grade short-term deposit certificates issued by reputable Canadian financial institutions with which we keep our bank accounts and management believes the risk of loss to be remote. We periodically monitor the investments we make and are satisfied with the credit ratings of our banks. Due to the current low interest rate environment, we have not invested any cash in investments earning interest as at June 30, 2021.

Credit risk is a risk of loss that may arise on outstanding financial instruments should a counter party default on its obligation. Our receivables consist primarily of general sales tax due from the Federal Government of Canada and as a result, the risk of default is considered to be low. Once we commence commercial production, we expect our credit risk to rise with our increased customer base.

Material Weakness

In the course of preparing the financial statements that were included in the proxy statement/prospectus, we identified a material weakness in our internal control over financial reporting as of December 31, 2020, which related to a deficiency in the design and operation of the financial statement close and reporting controls, including maintaining sufficient written policies and procedures and the need to use appropriate technical expertise when accounting for complex or non-routine transactions. Our management has concluded that this material weaknesses was due to the fact that, prior to the Business Combination, we were a private company with limited resources. We recently appointed a chief financial officer and a chief accounting officer, have hired and are currently recruiting additional finance personnel and have engaged reputable independent accounting groups to undertake a review and gap analysis of current systems and processes in order to develop a remediation plan.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates our transactions in foreign currencies, primarily in the Canadian dollar, the Australian dollar, and the Great British Pound. We primarily hold our cash in U.S. dollars and settle our foreign currency payables soon after the receipt of invoices thereby minimizing the foreign currency exposure.

Once we commence commercial production, we expect to be exposed to both currency transaction and translation risk. To date, we have not had material exposure to foreign currency fluctuations and have not hedged such exposure, although we may do so in the future.

Commodity Price Risk

We expect to engage in the collection, transport, processing and sale of products containing nickel, copper, manganese and cobalt from the polymetallic nodules collected from our contract areas of the CCZ. Accordingly, we expect the principal source of future revenue to be the sale of products containing nickel, copper, manganese and cobalt. A significant and sustained decrease in the price of these metals from current levels could have a material and negative impact on our business, financial condition and results of operations.