



# Q3 2022 REPORT



**GREEN MINERALS**

*Enabling the green shift*

## Letter from CEO

The emergence of the marine minerals industry is progressing at a steady pace. The impact assessment in Norway is completed and handed over by the NPD to the OED. All indications point towards a decision on opening Norwegian waters by Q2 2023. On the international stage, both the Metals Company and GSR have successfully tested production systems in the Clarion Clipperton zone in the Pacific. In addition, many cruises and expeditions in the Norwegian Sea, the Atlantic, and the Pacific, focusing on exploration and environmental baseline studies have added to the general knowledge of the Deep Sea. Green Minerals takes an active role in this emerging industry and is involved in scientific cruises as well as discussions and conferences with authorities and other relevant stakeholders and peers.

During the quarter, we successfully completed a private placement where we issued 1,160,000 new shares raising a gross amount of NOK 11.6 million. The funds are being applied towards working capital and general corporate purposes, fully financing the company for a ramp-up in activity beyond expected license wins in early 2024.

We strongly believe in constructing strong partnerships and industrial ecosystems to kickstart this exciting new industry. To this end, the Company is pleased to announce the signing of an agreement with a strong industrial consortium led by OSI and including a major global drilling contractor, global pump supplier, and subsea equipment contractor. All world-leading companies within their field.

Green Minerals continue to have discussions with potential new partners in every part of the value chain. Such as potential collaboration on international licenses, environmental studies, exploration technology, and onshore processing.

Research and development activity is vital to the industry, and we continue our partnership with the University of Southampton & NOC (Project ULTRA) and NTNU in Trondheim (DeepMineX®). We have also established collaboration with the University of Bergen (UiB) and are currently offering sponsorship for two Master theses in Bergen on exciting and important areas within deep-sea geology. UiB is the most renowned Norwegian institution on the topic with knowledge and data gathered through 20 years of activity on the mid-ocean ridge in addition to extensive research cruise experience.

The two Green Minerals-sponsored Ph.D. students in Southampton are currently analysing and interpreting data from the first Project ULTRA cruise. We eagerly await more research results when all the sampled materials are further analysed. We are happy to announce that some of the results were presented at the Geonova Deep-Sea Minerals conference in Bergen in late October. We remain confident that our involvement in the project will prove to be paramount for the Company's exploration strategy and subsequent production activities.

The metallurgy analysis and characterization study the Company initiated in early 2022 is now complete. The study was performed on SMS material from the Mid Atlantic Ridge and provide us with crucial information on how and where to process the ore from deep-sea mining operations. The study confirms the compatibility with existing onshore processing plants and will act as an important foundation for the Company in discussions with onshore processing facilities. Parts of the results were presented at the Underwater Minerals Conference in St.Petersburg, Florida earlier this month.

## Financial review

The Company did not have any revenues in the quarter. Total operating expenses was NOK 0.6 million from NOK 2.5 million in the previous quarter. The cost was positively impacted by a NOK 1.9 million non-cash charge related to mark-to-market accounting of the company's share incentive program; this impact was marginal in Q2 2022. By adjusting for this charge, the operating expense was NOK 2.5 million in the quarter. This compares to NOK 2.5 million in Q2 2022 and NOK 2.4 million in Q3 2021. The operating expenses are mainly related to research and development projects and are representative of the level we expect going forward on an annualized basis.

As of 30 September 2022, the company had NOK 23.6 million of cash, which compares to NOK 14.2 million in the prior quarter. The main driver for the difference was the NOK 11.6 million equity issue we completed 1 September 2022. The equity ratio at the end of the quarter was 95%.

## Outlook

The outlook for the Company remains upbeat. We are truly excited about the journey we have set out on. Inviting more investors in and capitalizing the Company early have proven to be the right strategy for the Company as it provides us with the resources necessary to hire the best talent in the industry, partner up with the preferred suppliers at an early stage, and work with academia to enhance our knowledge and innovate on the technologies already available. Green Minerals AS is in a good position to capitalize on the strong market developments for key battery metals as the green energy transition gathers pace. The Company has chosen the Norwegian Continental Shelf as the most attractive area to kickstart marine minerals exploration and production. Norwegian authority's multi-decade history of successful management of natural resources offshore Norway is one of the main reasons for that, in combination with the large resource potential. The Company expects the environmental standards for activity in the area to be among the highest in the world, which we support and strive for in all our work during the opening process. Notwithstanding the foregoing, the Company is exploring opportunities to win licenses also internationally. Green Minerals will continue to form partnerships with companies, industry groups, investors, authorities, and academia to enable us to work together in the best way possible to provide for a responsible and successful opening for the exploration and production of marine minerals in Norway.

Asker 27.10.2022



Ståle Monstad

CEO

## Profit and loss statement

All figures in NOK '000							
(except EPS)	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	2021	2020
<b>Revenues</b>	-	-	-	-	-	-	-
Personnel expenses	200	-957	-3 331	-2 254	-919	-3 697	-114
Other expenses	-785	-1 565	-811	-2 321	-1 437	-6 954	-487
<b>EBITDA*</b>	<b>-585</b>	<b>-2 523</b>	<b>-4 142</b>	<b>-4 576</b>	<b>-2 356</b>	<b>-10 651</b>	<b>-601</b>
Depreciation and amortization	-	-	-	-	-	-	-
<b>Operating profit (loss) / EBIT</b>	<b>-585</b>	<b>-2 523</b>	<b>-4 142</b>	<b>-4 576</b>	<b>-2 356</b>	<b>-10 651</b>	<b>-601</b>
Other financial income	1	4	-	12	-	15	-
Other financial expenses	-	-	-	-0	-3	-9	-
Net financials	1	4	-	12	-3	6	-
<b>Profit/(loss) before income tax</b>	<b>-584</b>	<b>-2 519</b>	<b>-4 142</b>	<b>-4 563</b>	<b>-2 359</b>	<b>-10 645</b>	<b>-601</b>
Income tax	-	-	-	-	-	-	-
<b>Profit/(loss)</b>	<b>-584</b>	<b>-2 519</b>	<b>-4 142</b>	<b>-4 563</b>	<b>-2 359</b>	<b>-10 645</b>	<b>-601</b>
<b>Earnings per share</b>							
Basic	-0.04	-0.20	-0.32	-0.35	-0.18	-0.83	-0.05

\*Operating profit before depreciation, impairment and gains (losses) on property, plant and equipment

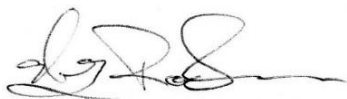
## Balance Sheet

All figures in NOK '000						
(except equity ratio)	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	2020
<b>ASSETS</b>						
<b>Non current assets</b>						
Research & development	-	-	-	-	1 154	-
<b>Total non current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 154</b>	<b>-</b>
<b>Current assets</b>						
Other current assets	624	1 643	2 143	643	778	-
I/C accounts - group companies	75	75	75	9	9	-
Cash and cash equivalents	23 610	14 152	16 783	19 067	21 522	29 068
<b>Total current assets</b>	<b>24 309</b>	<b>15 870</b>	<b>19 001</b>	<b>19 718</b>	<b>22 309</b>	<b>29 068</b>
<b>Total assets</b>	<b>24 309</b>	<b>15 870</b>	<b>19 001</b>	<b>19 718</b>	<b>23 463</b>	<b>29 068</b>
<b>EQUITY</b>						
<i>Capital and reserves attributable to equity holders of the Company</i>						
Paid in Capital	40 853	29 601	29 601	29 601	28 702	29 601
Share options granted	762	2 686	2 695	718	-	-
Retained earnings	-18 658	-17 907	-15 388	-11 246	-6 682	-601
<b>Total equity</b>	<b>22 957</b>	<b>14 381</b>	<b>16 909</b>	<b>19 073</b>	<b>22 019</b>	<b>29 000</b>
<i>EQ ratio</i>	95%	91%	89%	97%	94%	100%
<b>LIABILITIES</b>						
<b>Non current liabilities</b>						
<b>Total non current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>						
Trade payable	795	1 015	1 500	13	1 121	17
Public duties payable	219	270	210	333	192	51
Other current liabilities	338	204	382	298	131	-
<b>Total current liabilities</b>	<b>1 352</b>	<b>1 489</b>	<b>2 093</b>	<b>645</b>	<b>1 444</b>	<b>68</b>
<b>Total liabilities</b>	<b>1 352</b>	<b>1 489</b>	<b>2 093</b>	<b>645</b>	<b>1 444</b>	<b>68</b>
<b>Total equity and liabilities</b>	<b>24 309</b>	<b>15 870</b>	<b>19 001</b>	<b>19 718</b>	<b>23 463</b>	<b>29 068</b>

Please note that Q4 2021 and 2020 are audited figures.

Board of Directors

27.10.2022



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Ståle Rodahl



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Hans Christian Anderson



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Øivind Dahl-Stamnes

## Selected notes and disclosures

### Note 1: General information and basis for preparation

Green Minerals AS is a public limited liability company, incorporated and domiciled in Norway. The company's registered address is Hagaløkkveien 26, 1383 Asker, Norway. The quarterly accounts have been prepared in conformity with the Accounting Act and NRS 8 - Good accounting practice for small companies. The quarterly financial statements are unaudited, except the annual 2020 and 2021 figures that have been derived from the audited annual financial statement.

### Note 2: Related parties transactions

The company has a management service agreement with Seabird Exploration Norway AS, a subsidiary of the largest shareholder Green Energy Group. Nil was booked under the agreement in Q3 2022, and NOK 0.8 million year to date. The Company has entered into an advisory agreement with Storfjell AS, a company controlled by Ståle Rodahl (Chairman of the Board of both the Company and Seabird Exploration Plc, where Storfjell AS is to assist the Company on business development and financial matters. NOK 0.5 million was booked under the agreement in Q3 2022, and NOK 1.5 million year to date.

### Note 3: Share capital and share base payments

The total number of ordinary shares at 30 September 2022 was 14 046 400 with a par value of NOK 0.003.

The company has granted warrants to key personnel. As of 30 September 2022, there are 800,000 outstanding warrants with a weighted average strike of NOK 15.50 per share. The market-to-market book value of these are NOK 0.8 million as of end of Q3 2022, down from NOK 2.7 million in Q2 2022. This change results in a non-cash positive P&L effect of NOK 1.9 million in the quarter, this compares to NOK 0.01 million impacts in Q2 2022.

## Note 4: Year to date cash flow

All figures in NOK '000 (except EPS)	YTD Q3 2022	YTD Q2 2021	2021
<b>Cash flows from operating activities</b>			
Profit / (loss) before income tax	-7 413	-6 082	-10 645
Adjustments for:			
Depreciation, amortization and impairment	-	-	-
(Increase)/decrease in warrents	44	-	718
Other items	184	-899	1 154
Paid income tax	-	-	-
(Increase)/decrease in other current assets	19	-778	-643
(Increase)/decrease in IC accounts	-67	-9	-9
Increase/(decrease) in accounts payable	782	1 104	-4
Increase/(decrease) in public duties payable	-115	141	282
Increase/(decrease) in other payables	40	131	298
<b>Net cash from operating activities</b>	<b>-6 525</b>	<b>-6 392</b>	<b>-8 848</b>
<b>Cash flows from investing activities</b>			
Capital expenditures	-	-1 154	-1 154
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-1 154</b>	<b>-1 154</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares	11 160	-	-
Transaction costs on issuance of ordinary shares	-92	-	-
<b>Net cash from financing activities</b>	<b>11 068</b>	<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>4 543</b>	<b>-7 546</b>	<b>-10 002</b>
Cash and cash equivalents at beginning of the period	19 067	29 068	29 068
<b>Cash and cash equivalents at end of the period</b>	<b>23 610</b>	<b>21 522</b>	<b>19 067</b>



## Note 5: Shareholders

Shareholders in Green Minerals as of 30 September 2022.

Please note that the overview includes the private placement of 1 160 000 shares that was completed on 1 September 2022 and registered on 30 September 2022.

<b>Name</b>	<b>Number of shares</b>	<b>Ownership</b>
Seabird Exploration Plc	7 151 128	50.9%
Anderson Invest As	613 970	4.4%
Møsbu As	505 241	3.6%
Artel As	454 500	3.2%
Dnb Bank Asa	345 779	2.5%
Silvercoin Industries As	319 742	2.3%
Telinet Energi As	282 798	2.0%
Ikm Industri-Invest As	213 978	1.5%
Storfjell As	208 400	1.5%
Ifg Holding As	181 800	1.3%
Mh Capital As	150 000	1.1%
Grunnfjellet As	136 705	1.0%
Norman-Hansen	136 300	1.0%
Nordhaug	109 000	0.8%
Sander Invest As	105 244	0.7%
Alden As	100 000	0.7%
Pan Investment As	96 585	0.7%
Gtba Forvaltning As	90 900	0.6%
Bluebox As	80 000	0.6%
Vicama Capital As	75 000	0.5%
Other	2 689 330	19.1%
<b>Total</b>	<b>14 046 400</b>	<b>100.0%</b>

