

# Q4 2021 REPORT



**GREEN MINERALS**

*Enabling the green shift*

## Letter from the Chairman

Following a busy 1<sup>st</sup> half, the 2<sup>nd</sup> half was characterized by further developing the projects and agreements announced during the first six months of the year. In addition, the Company has developed an industry leading framework for ESG reporting to be presented in the Annual Report.

Subsequent to the end of the year, a key project involving a mineralogy study was initiated. Results are expected in the 2<sup>nd</sup> half of 2022.

The activity towards a license internationally has increased in line with previous communication.

The Company's first research cruise is expected to commence in March 2022 with a duration of approximately 2 months.

Other than the above, the most important milestones during 2021 months were:

Key hires in engineering and geoscience

LOI with a consortium led by Oil States Industries (UK) Ltd for a FEED study on a turnkey HEDSMS for a long-term contract against exclusive use in Norwegian waters

Listing on Euronext Growth in Oslo

NOK 1,9 million grant from Forskningsrådet through Skattefunn for risk-reduction support against further development of the Company's proprietary DeepMineX© software key to the decision gates in deep sea exploration and mining.

Agreement with National Oceanography Centre and University of Southampton regarding the Project ULTRA was signed in April. The project will produce new knowledge of the formation and the evolution of SMS deposits which will be paramount for the Company's exploration strategy and subsequent production activities. Project ULTRA will include 2 research cruises on SMS areas located in international licenses. Through the Project ULTRA, the Company will collaborate with internationally leading scientists and support the education of the future professionals required for the marine minerals industry.

Forskningsrådet granted development support of another NOK 3,6m to the Company through Skattefunn towards development of the Company's exploration methodology incl prospectivity modelling and technology mapping, selection and development.

NOK 11,048m development support from Forskningsrådet was granted towards development of the Company's offshore mineral production methodology and the development of a mineral processing flowsheet.

The market backdrop for the Company's improved further during the quarter. Copper prices increased approximately 6pc during the quarter, ending at USD 9,600 per tonne, which is about 7pc higher than the basis used for the Company's profitability calculations. It is interesting to note that copper prices actually increased by approx. 23pc in 2021, a year when the credit impulse in China contracted sharply. This is in contrast to the previous two times of liquidity contraction since the financial crisis, where copper prices responded with a drop of more than 20pc. Clearly, demand from outside China, not least on the heels of the energy transition, has begun to take center stage in the metals markets. Nickel prices increased by about 15pc while

cobalt increased approx. 33pc to USD 70,300 per tonne. Considering peak supply situations emerging in several of the key battery metals markets over the next 3-5 years, the Company maintains a positive outlook for its key products.

### **Financial review**

The company did not have any revenues in the quarter. Total operating expenses was NOK 2.3 million, improving from NOK 2.9 million in the previous quarter. The operating expenses are mainly related research and development projects. As of 31 December 2021 the company had NOK 19.1 million of cash. The equity ratio at the end of the quarter was 97%.

### **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 from. Norwegian authorities multi-decade history of successful management of natural resources offshore Norway is one of the main reasons for that, in combination with the large estimated resource potential. The Company expects the environmental standards for activity in the area to be among the very highest in the world, which is something 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 exploration and production of marine minerals in Norway.

Asker 18.02.2022

Ståle Rodahl

Executive Chairman

## Profit and loss statement

<b>Interim statement of income</b>						
<b>All figures in NOK 000's (except EPS)</b>	<b>Q4 2021</b>	<b>Q3 2021</b>	<b>Q2 2021</b>	<b>Q1 2021</b>	<b>YTD 2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Revenues</b>	-	-	-	-	-	-
Personnel expenses	-1 415	-911	-711	-345	-3 382	-114
Other expenses	-911	-2 032	-1 877	-1 307	-6 128	-487
<b>EBITDA*</b>	<b>-2 326</b>	<b>-2 943</b>	<b>-2 588</b>	<b>-1 652</b>	<b>-9 510</b>	<b>-601</b>
Depreciation and amortization	-	-	-	-	-	-
<b>Operating profit (loss) / EBIT</b>	<b>-2 326</b>	<b>-2 943</b>	<b>-2 588</b>	<b>-1 652</b>	<b>-9 510</b>	<b>-601</b>
Net financials	17	-5	-7	1	6	-
<b>Profit/(loss) before income tax</b>	<b>-2 310</b>	<b>-2 949</b>	<b>-2 595</b>	<b>-1 651</b>	<b>-9 504</b>	<b>-601</b>
Income tax	-	-	-	-	-	-
<b>Profit/(loss)</b>	<b>-2 310</b>	<b>-2 949</b>	<b>-2 595</b>	<b>-1 651</b>	<b>-9 504</b>	<b>-601</b>
<b>Earnings per share</b>						
Basic	-0,18	-0,23	-0,20	-0,13	-0,74	-0,05
*Operating profit before depreciation, impairment and gains (losses) on property, plant and equipment						

## Balance Sheet

All figures in NOK 000's	31 Dec 2021 (Unaudited)	30 Sep 2021 (Unaudited)	30 June 2021 (Unaudited)	31 March 2021 (Unaudited)	31 December 2020 (Audited)
<b>ASSETS</b>					
<b>Current assets</b>					
Other current assets	132	756	485	-	-
Cash and cash equivalents	19 067	21 522	23 708	27 791	29 068
	<b>19 199</b>	<b>22 278</b>	<b>24 193</b>	<b>27 791</b>	<b>29 068</b>
<b>Total assets</b>	<b>19 199</b>	<b>22 278</b>	<b>24 193</b>	<b>27 791</b>	<b>29 068</b>
<b>EQUITY</b>					
Capital and reserves attributable to equity holders of the Company					
Paid in Capital	28 702	28 702	28 702	28 702	29 601
Retained earnings	-10 105	-7 795	-4 847	-2 252	-601
<b>Total equity</b>	<b>18 597</b>	<b>20 906</b>	<b>23 855</b>	<b>26 450</b>	<b>29 000</b>
<i>EQ ratio</i>	97 %	94 %	99 %	95 %	100 %
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Short term liabilities	602	1 372	337	1 341	68
	<b>602</b>	<b>1 372</b>	<b>337</b>	<b>1 341</b>	<b>68</b>
<b>Total liabilities</b>	<b>602</b>	<b>1 372</b>	<b>337</b>	<b>1 341</b>	<b>68</b>
<b>Total equity and liabilities</b>	<b>19 199</b>	<b>22 278</b>	<b>24 193</b>	<b>27 791</b>	<b>29 068</b>

Board of Directors

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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.

### 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. USD 18 750 was booked under the agreement in Q4 2021. 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), where Storfjell AS is to assist the Company on business development and financial matters. NOK 500 000 was booked under the agreement in Q4 2021.

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

The total number of ordinary shares at 31 December 2021 was 12 886 400 with a par value of NOK 0.003.

The company has granted warrants to key personnel. As of 31.12.2021 there are 800,000 outstanding warrants with a weighted average strike of NOK 15.50 per share.

## Note 4: Shareholders

**Ownership structure**

Shareholders in % at 31 December 2021:

<b>Name</b>	<b>Number of shares</b>	<b>Ownership</b>
SEABIRD EXPLORATION PLC	7 151 128	55,5 %
ANDERSON INVEST AS	548 651	4,3 %
ARTEL AS	454 500	3,5 %
MØSBU AS	405 241	3,1 %
IKM INDUSTRI-INVEST AS	213 978	1,7 %
IFG HOLDING AS	181 800	1,4 %
SILVERCOIN INDUSTRIES AS	177 614	1,4 %
STORFJELL AS	158 400	1,2 %
JARLE NORMAN-HANSEN	136 300	1,1 %
DnB NOR Bank ASA	121 176	0,9 %
MIEL HOLDING AS	115 572	0,9 %
JARLE NORDHAUG	109 000	0,8 %
GRUNNFJELLET AS	106 705	0,8 %
BofA Securities Europe SA	103 022	0,8 %
GTBA FORVALTNING AS	90 900	0,7 %
Nordnet Bank AB	81 055	0,6 %
SVEIN TORE MOE	77 161	0,6 %
ALICERCE FORVALTNING AS	74 208	0,6 %
NORDNET LIVSFORSIKRING AS	72 388	0,6 %
EUROPA LINK AS	69 544	0,5 %
Other	2 438 057	18,9 %
<b>Total</b>	<b>12 886 400</b>	<b>100,0 %</b>

