

The Metals Company (Q3 2025 Update)
November 13, 2025

Corporate Speakers:

- Craig Shesky; The Metals Company; Chief Financial Officer
- Gerard Barron; The Metals Company; Chairman and Chief Executive Officer

Participants:

- Dmitry Silversteyn; Analyst; Water Tower Research
- Jakob Stefanski
- John Alman
- James Silke

PRESENTATION

Operator^ Thank you for standing by. Welcome to The Metals Company's Third Quarter 2025 Earnings Conference Call. (Operator Instructions)

I would now like to hand the call over to Craig Shesky, CFO. Please go ahead.

Craig Shesky^ Thank you very much. Please note that during this call certain statements made by the company will be forward-looking and based on management's beliefs and assumptions from the information available at this time. These statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control. Additionally, please note that the company's actual results may differ materially from those anticipated. And except as required by law, we undertake no obligation to update any forward-looking statement.

Our remarks today may also include non-GAAP financial measures including with respect to free cash flows and additional details regarding these non-GAAP financial measures including reconciliations to the most directly comparable GAAP financial measures can be found in our slide deck being used with this call. And as always, you're welcome to follow along with our slide deck or if joining by phone. You can access it at any time at investors.metals.co.

And I'll now turn the conference call over to our Chairman and CEO, Gerard Barron.

Gerard Barron^ Thanks, Craig, and thanks to everyone for joining this call today. I often like to start our quarterly calls with a small bit of reflection. After so much news this year, it's hard to believe that it's been just over seven months since we announced our pivot to the United States.

Since then, we have seen President Trump's Executive Order to support this industry. We've launched three applications with NOAA, including the first-ever application for a commercial recovery permit. We've seen new investment flow in from Korea Zinc, the Hess family, and even more investment from our partner, Alsea. And as outlined during

our Strategy Day in August, we have published two SEC-compliant technical reports showing a total resource value of more than \$23 billion. All the while, progress with our new regulator, NOAA, has continued, and the tailwinds for critical minerals from both public and private capital providers have only become more clear.

Yet, I'm sure many of you are chomping at the bit for more news. I don't blame you. Yes, we've been relatively quiet in our messaging over the last couple of months, but please don't take that as a sign that things are slow around here. Quite the contrary. And beneath the calm surface, our feet are pedaling faster than ever, and I am very eager to share more color when the time is right.

But let me summarize where we are right now. We continue to feel confident that our U.S. pivot will lead to a commercial recovery permit in 2027. Our regular discussions with NOAA and the U.S. government are productive, and we believe that the directives in the April Executive Order will be delivered upon, including the recent reports of NOAA's streamlined application review process sent to the White House. And given our robust cash position, I can assure you that we have no need anytime soon to tap the public capital markets.

We're in an excellent liquidity and capital position with approximately \$165 million of liquidity today inclusive of our recent warrant exercises, and over \$50 million of potential additional proceeds from in-the-money warrants. This doesn't factor the potential \$48 million proceeds from the Korea Zinc warrants at a \$7 strike price, nor the SOAC business combination warrants at \$11.50, or the warrants held by our sponsoring states. We see a pathway for more than \$400 million of incoming cash from warrant exercise. Certainly, we and our partners have plenty of work to do as we prepare for a commercial production targeted for the fourth quarter of 2027.

We have a strategy in place to ensure we can do so in a shareholder-friendly fashion. But let's start today by highlighting the problem that we're looking to solve for the United States and remind ourselves why this remains such a critical resource. Today, America is critically dependent on foreign sources for the very metals that it once dominated in the late 19th through to the mid-20th centuries. For manganese, cobalt and nickel, America now imports roughly 100%. Even copper is nearly half imported. And just this month, copper joined the other three metals on the critical mineral list published by the U.S. Geological Survey.

So, this is a major strategic risk. We're not just talking about metals, we're talking about national security, energy independence and industrial resilience. A resource of 1 billion tons of nodules can fundamentally transform the United States, offering not just mineral independence but strategic dominance in three metals. Based on today's level of American consumption, it could supply 300 years of manganese and 200 years of cobalt and almost a century of nickel. Through public-private partnerships, the administration is clearly taking steps to solve vulnerabilities in rare earths and lithium, base metals and beyond. Major financial institutions are also following suit.

We believe that for nickel, cobalt and manganese in particular, our nodule resource provides the most scalable and economically viable solution for our reindustrialization in the U.S. And it's clear that the U.S. sees seafloor resources as a key part of a broader solution. Just last week, the United States and Japan announced a landmark partnership to develop rare earth minerals from seafloor muds around Minamitori Island, a framework signed during President Trump's recent visit to Tokyo. And Japan will now begin preparations to test the feasibility of lifting rare earth muds as early as January 2026, with larger-scale testing anticipated one year later.

Separately, we're also pleased to announce that Allseas' Hidden Gem vessel will play a key part in Japanese nodule collection trials alongside the University of Tokyo. The Hidden Gem will head to Japan's exclusive economic zone near Minamitori Island to conduct a new nodule collection pilot in early January 2027. This represents the perfect opportunity to test our own technical readiness and some of the planned upgrades to the mining equipment, while also helping the Japanese advance their own industry.

Together with Allseas, we also see this as a very good commercial opportunity whilst we await the NOAA permits to be issued. The U.S. government shutdown slowed progress on NOAA's review of our applications over the course of several weeks but with the government returning to work, our applications will once again continue to systematically move through NOAA's regulatory process. In fact, NOAA confirmed to us earlier today that they are back at work and again focused on these applications.

And as a reminder, NOAA has confirmed that both the exploration applications were fully compliant, and our exploration applications are currently in the certification stage, which involves an interagency review of the applications. Following certification, an Environmental Impact Statement, or EIS, is expected to be prepared under NEPA, and a public comment period will be provided. Following the public comment period, NOAA will determine whether to issue the requested exploration licenses and commercial recovery permit and if so, under what terms and conditions.

In July 2025, NOAA issued proposed amendments to its regulations under DSHMRA. The proposed regulation introduces a new consolidated application procedure allowing applicants to submit a single application for both an exploration license and a commercial recovery permit. And these changes are intended to modernize and streamline the permitting process under DSHMRA and NOAA's implementing regulations. The public comment period closed on September 5, 2025. On October 29, it was reported that NOAA had sent the proposed regulations to the White House for approval.

Over the past week, our regulatory and environmental teams attended the Underwater Mineral Conference in Florida. And during this event, a former long-time ISA Secretary General gave a tremendous speech, which provided some important context on the U.S. seabed mining regulations. Bottom line, in his eyes, the U.S. position has been legally consistent for decades and NOAA regulations from the 1980s actually formed the basis for the ISA exploration regulations. And of course this is firmly in line with the

conclusions of TMC, our counsel and the United States government. DSHMRA and the NOAA implementing regulations are clear, effective, sophisticated, and enforceable.

Next week, Craig will be presenting at the Benchmark Week Conference in LA, alongside former ISA Secretary-General, Michael Lodge, and a representative from the U.S. Department of Interior regarding seafloor resources. He'll also be meeting with automakers, battery makers and investors as our path to production has never been more clear.

On that note, I'll turn it over to Craig to walk through some project updates and the financials. Over to you, Craig.

Craig Shesky^ Thanks, Gerard. So before getting into the economics and financials, it's worthwhile to take a step back and recognize the myriad world-firsts that this company has already achieved alongside our partners. TMC has now produced the first SEC and Canadian compliant resource statements, the first PFS for a nodule project and the first reserves for a nodule project.

We've achieved the first production of most of the metal products that we intend to produce with significant flexibility based on market conditions and customer needs. We built on decades of environmental research pioneered originally by our regulator, NOAA, including the largest deep-sea data set ever produced. In 2022, we and our partner Allseas achieved the first integrated pilot mining test since the 1970s, lifting over 3,000 tons of nodules to the surface. Of course, we're building on the work of many pioneering U.S. companies back in the 1970s.

So nearly 50 years ago, when this industry first took shape, U.S. companies tested a range of technologies to collect nodules. These early pioneers understood the challenges and, given the technology available at the time, their decisions were very sensible. Lacking today's advanced buoyancy systems, engineers feared heavy track vehicles might get bogged down in soft sediment. The Ocean Minerals Company, therefore, developed an Archimedes-screw-propelled miner that relied on deep-sea sediment sinkage for traction.

Its rotating collector head with hooked teeth gathered nodules effectively but, without height adjustment, it ingested excess sediment and struggled on some uneven terrain. Inside, crushing nodules proved very problematic, as sediment and fines repeatedly clogged the mechanism. And with only a nascent understanding of the pelagic communities, sediment-laden water was discharged at the surface into the ocean's most biologically productive zone. Fast forward 50 years, and we can see clear benefits of partnering with the company that made its name pioneering the development of offshore oil and gas.

With over 250 engineers working on the project, Allseas based engineering decisions on decades' worth of environmental data, resulting in a system designed from the seafloor up to minimize impact while also delivering maximum pickup efficiency. And that principle

is evident in five key innovations. Our Coanda nozzles, refined through modern modeling and real-time height adjustment, dramatically reduced sediment intake.

Inside the vehicle, differential flow and countercurrent washing clear nearly all sediment from the nodules, while advanced rear diffusers keep the sediment plume localized and predictable. Where early pioneers struggled to keep collectors from sinking, our challenge was the opposite. Advanced buoyancy allows our collector to move gently across the seafloor, spreading its weight evenly and leaving only faint 3-centimeter ripples, not the 80-centimeter furrows of older systems. And rather than just discharging separated sediment at the surface, we plan on returning it at 2,000 meters, following independent advice from researchers at the University of Hawaii, a decision that avoids overlap with most marine life.

Make no mistake, what was achieved by those early pioneers was monumental. But after decades of innovation, this is not the 1970s version of deep-sea mining. It's smarter, it's lighter impact, and it's a more responsible approach.

Let's move onshore. For over a decade, we've undertaken a rigorous onshore testing program to prove out the various processes to unlock the value and strategic potential of this enormous resource. From bench-scale lab testing of single-digit kilo samples to commercial scale processing on 2,000-ton batches on existing plant lines, we now know that we can take our nodules from seafloor to high-value products in various formats to support a variety of industries.

And recently, we delivered another industry first with the successful conversion of nodule derived manganese silicate into battery-grade manganese sulfate. This is a very important milestone for two reasons: First, it demonstrates that our natural resource can produce three key metals in sulfate form, nickel, cobalt and now manganese, using a conventional hydrometallurgical route.

Second, with this achievement, TMC USA now is a clear pathway to produce every feedstock required for precursor cathode active materials or pCAM including for the manganese rich chemistries that major U.S. automakers are moving toward in their next-generation EV platforms. This work was done using nodule derived manganese silicate refined at Kingston process Metallurgy's operating facility in Ontario, further validating the flow sheet we've designed and the scalability of our partner's technology. And importantly, this now extends our track record of nodule derived firsts, nickel sulfate, cobalt sulfate, manganese sulfate, reinforcing that the resource is real, the chemistry works and the technical risks continue to come down.

Now this hard-won portfolio of innovation means that TMC is the world leader in nodule project development, and it leaves us in the pole position to kickstart an entire industrial ecosystem around this resource. Our extensive investment in scientific research gives us the most comprehensive deep-sea data set ever compiled. Making this data available to NOAA will enable updates to the Programmatic Environmental Impact Statement which

has not been refreshed since 1980, and will materially reduce the burden for every other U.S. company that might operate in the Clarion Clipperton Zone.

On the processing front, our proven flowsheet opens the door to take Clarion Clipperton Zone nodules and turn them into high-value products. This means real offtake potential and optionality for future American refining capacity as laid out in our Pre-Feasibility Study. In collection technology, our scale positions us to accelerate a broader domestic supply chain from riser systems and dewatering units to subsea equipment and discrete nodule pickers. Operationally, we see clear opportunities to share vessels, assets and methodology with other players.

And finally, in survey technology, we're already working with U.S. AUV, ROV, buoy and subsea battery developers, and we've committed to NOAA that our offshore campaigns can support third-party tech testing. This is how you build a new industry. By creating an ecosystem, not just a single project. And as many of you know, at our Strategy Day in New York we talked quite a bit about this first project, our Pre-Feasibility Study and Initial Assessments, which had two documents including sign-off from qualified persons showing a combined project net present value of \$23.6 billion, while also showing a clear capital-efficient path to first production.

And again, the PFS also included a world first reserves for a nodule project. Just a quick reminder on the geographical areas that each study covers. The PFS covers the area known as NORI-D here seen on this slide in dark blue and the Initial Assessment covers everything else. But keep in mind that neither study covers the additional ground that we've applied for under the U.S. law, where we now have priority right. Just a quick reminder of some of the economics, we expect to generate almost \$600 per dry ton of nodules during steady-state production, defined as our average production from 2031 through 2043.

Overall, the revenue mix is expected to be very similar to what we shared with the market over the last several years. 45% of revenue from nickel products, 28% from manganese, 17% from copper, and, at 9%, cobalt being the smallest source of revenue. With our steady-state revenue per dry ton of nearly \$600 and OpEx per ton of about \$340, we arrived at our EBITDA margin per ton expected to be about 43% or \$250 per dry ton during steady-state years between 2031 and 2043. So again, adding up the NPV of the \$18.1 billion for the Initial Assessment and \$5.5 billion for the PFS, we arrived at a total estimated resource NPV of \$23.6 billion. And, over the life of both projects on an undiscounted basis, revenue of approximately \$369 billion, EBITDA in excess of \$200 billion, and a position in the first quartile of the cost curve. Yet, despite the quality and size of the resource, we remain undervalued in our opinion compared to peer developers and explorers and significantly undervalued compared to producers.

On the left side of this page, this will be familiar to some of you who attended our Strategy Day and listened to our last quarterly call, we'll provide a TMC valuation example for illustrative purposes only. Using a slight premium to the upper end of the nickel developer and explorer valuations applied to our PFS NPV, and then adding in the

average of nickel developer and Explorer valuations for the Initial Assessment, we can see a path for a total illustrative market value based on comps of approximately \$10 billion, or over \$20 a share. So, from there, you can see on the right side of the page, what a nickel or copper producer would trade that as a multiple of NAV, showing the potential for multiple expansion as our path to production approaches and begins.

So on to the financial results for the quarter. In the third quarter of 2025, TMC reported a net loss of \$184.5 million or \$0.46 per share compared to a net loss of \$20.5 million or \$0.06 per share for the same period in 2024. The net loss for the third quarter includes exploration and evaluation expenses of \$9.6 million versus \$11.8 million in Q3 2024. G&A expenses of \$45.7 million versus \$8.1 million in Q3 2024 and other items of \$129.2 million.

Exploration and evaluation expenses decreased by \$2.2 million in the third quarter of 2025, compared to the same period in 2024. General and administration expenses increased by \$37.6 million in the third quarter of 2025 compared to the third quarter of 2024, mainly due to an increase in share-based compensation of \$35 million as a result of amortization of the fair value of retention grants, restricted stock units and options granted to directors and consultants in the third quarter, and an increase of \$2 million in professional and consulting fees, primarily relating to the company pursuing our U.S. regulatory route.

Other significant items impacting the net loss in the third quarter and the most significant is the change in the fair value of the royalty liability, as well as Tonga warrant costs and the change in the fair value and gain on dilution of our investment in the LCR transaction.

So, a bit of additional context on those valuations. Following the company's filing of our PFS on the NORI-D project in August of 2025, the fair value of the royalty liability for NORI-D was valued at \$130 million as at September 30 using an income approach, while for NORI Areas A-C, a market approach was used resulting in a fair value of \$15 million. The resulting royalty liability fair value of NORI Areas A-D totals \$145 million, and therefore an increase of \$131 million in the third quarter of 2025, which is a non-operating, non-cash expense.

The Tonga warrant cost of \$5 million represents the fair value of warrants issued to the Tonga Seabed Minerals Authority as part of a revised sponsorship agreement. The change in the fair value warrant liability resulted from a decrease in the price of the company's shares and the price of our public warrants during the third quarter of 2025.

The free cash flow for the third quarter of 2025 was negative \$11.5 million compared to negative \$5.9 million in the third quarter of 2024, primarily due to higher environmental, personnel, and corporate payments. This is partially offset by interest earned on a higher cash balance in 2025 and higher payments to campaign eight vendors made in the comparative period. Free cash flow is a non-GAAP measure, and I would encourage you to look at the appendix for that non-GAAP reconciliation table.

We believe, as Gerard stated, that our cash on hand is more than sufficient to meet our working capital and CapEx requirements for at least the next 12 months from today. Our accounts payable and accrued liability balance at September 30 was \$46.8 million, which includes \$32.9 million owed to Allseas for various services provided, the majority of which could be settled in equity at TMC's election.

So operator, we'd now like to open up the call for Q&A.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) Our first question comes from the line of Dmitry Silversteyn of Water Tower Research.

Dmitry Silversteyn^ I just want to clarify one thing. I think I missed it when Gerard was talking about potential incoming cash if all of the warrants are exercised. Can you repeat what that number was?

Gerard Barron^ Yes. Well I'll leave it to you, Craig.

Craig Shesky^ Yes. So the total potential proceeds, excluding some that were exercised over the course of Q3 and in October, total potential additional proceeds would be over \$432 million. The majority of these would be the \$11.50 strike price public and private warrants from the SOAC/DeepGreen business combination, and those have an expiration date of September 2026. There's also some nuance Dmitry because there are certain warrants, and there's half a dozen categories outstanding, where they may have cashless exercise. But overall, there's a very significant potential inflow of cash at what we would view to be interesting exercise prices.

So the point being, we do have a very strong liquidity position today at \$165 million. There's over \$50 million of warrant proceeds that could come from in-the-money warrants and then quite a bit more beyond that.

Dmitry Silversteyn^ Understood. Then I was excited to hear you guys are sending Hidden Gem off to Japan. Understanding international relationships and helping out with diplomacy, is this a pro bono work for you? Or are you going to be getting paid for the exploration that you help the Japanese do?

Gerard Barron^ Certainly not pro bono. We didn't step in the middle of that, but Allseas will have a direct contract with the foundation that is funding that program. TMC will also get some financial benefit out of that as well. But yes, certainly not pro bono.

Dmitry Silversteyn^ Understood, Gerard. Then final question. You mentioned that NOAA is streamlining its regulation process, and combining exploration and commercial exploitation licenses. How exactly would that work? In other words, does gaining an exploration license basically mean you have to have a commercial project in place? I

mean why would you combine those two licenses? And how would that work in your case specifically?

Gerard Barron^ Well today if you read the regulations, you have to have an exploration license before they'll consider a commercial recovery permit. That's impractical in our case because we are slightly unique case. In fact, I'd say we're the only company in the world who has an already prepared commercial recovery permit application with all of the substantiating data. And so that meant that from a NOAA perspective, we've already got an exploration license, it's with the ISA. So we'd like them to start work on the commercial recovery permit straight away. They're like, yes, we want to start work on that as well. but we do need to change the regs to allow for that. So it's a little bit of tidy up because it was never anticipated when they put these regs in place in 1980, that an applicant would have already done that work -- they're just making good with the current circumstances. It's a very good opportunity for us.

Operator^ (Operator Instructions)

Craig Shesky^ I think in the meantime, we'll take one from the webcast from Jakob Stefanski. Will the exploration permit be granted at the same time as the production permit? If not, when is the exploration permit anticipated to be approved?

Without getting into specific dates, I think it's worth noting that implicit in our Q4 2027 production start time is the fact that the grant of this permit, the commercial recovery permit, is no longer the critical path, given that TMC and Allseas agree that there is sufficient regulatory certainty provided by the U.S. process that we can get ourselves ready to go on the Hidden Gem vessel and even begin soon ordering some longer lead time items.

So, while there is a possibility of the streamlined and consolidated exploration license and commercial recovery permit process accelerating the potential grant of both, even if this path were to be sequential, first exploration license than commercial recovery permit, that is all still consistent with the Q4 2027 production start date. So we'll provide more data as we continue down the NOAA path. But again, as noted, it was very heartening to see that they were working during the shutdown on the consolidated process and now are back at their desks full time.

Operator^ Thank you. As I show no further questions. I would now like to turn the conference back to Gerard Barron for closing remarks.

Craig Shesky^ You know what, we'll see if we might take another couple if you populated in the webcast. So if others have questions, feel free to drop in the chat.

There is a question from John Alman about why do we call it mining instead of the more palatable word harvesting. Duly noted John, sometimes we refer to it as collection as opposed to mining but we feel very confident that the terminology here, when people

actually look at what's being done on the seafloor, is certainly very different to traditional land-based mining. So we'll take that onboard.

We also see a question from James Silke. The PFS explains an approach of processing that product through capital light at existing facilities in the Eastern Hemisphere. But it also assumes that by year 10 of production, we are bringing some refining capacity to the United States. So Gerard, just kind of an overall question, what opportunities do we see available for funding and permitting and construction of such facilities at scale within the United States?

A comment for you, James, too. I mean we do note the refining capacity that's implicit in the Pre-Feasibility Study and then additional assumptions made for the Initial Assessment, most of that is focused on spending in the 2030s and beyond. But look, the U.S. has a major gap when it comes to certain metals and TMC is fortunate to have not only the expertise here, but the ability to be flexible on what product formats might be. And I think we've demonstrated that with the world first production of manganese sulfate from the nodule derived intermediate manganese silicate product.

So I think our overall message is we've put out our PFS and our Initial Assessment and those assumptions are quite clear in those documents. But there is flexibility that we have through this unique nodule resource and that puts us in a very good position when talking about capital providers, whether it's through the U.S. government or the private markets.

Operator^ And I still show no questions from the phone lines.

Gerard Barron^ Well thank you, everyone, for attending today's call. We have an exciting run in to the end of the year. Craig is off to the Benchmark Conference. I'm off to Washington, D.C. And we're happy the government's back to work. And we'll be sure to keep you updated on exciting developments. If not, we'll chat to you on our next quarterly update.

Operator^ Thank you. This concludes today's conference call. Thank you for participating. You may now disconnect.