



Q2 Report 2024



GREEN MINERALS

Enabling the green shift

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Letter from the CEO

Dear stakeholders,

Another significant step has been taken towards the sustainable development of mineral resources within the Norwegian Exclusive Economic Zone. Following the parliament's decision in January to open the Norwegian shelf for deep-sea mining activities, authorities have invited key players to nominate areas of interest for the first licensing round for marine minerals in Norway. Green Minerals was among the invited companies, and we are thrilled to see all our priority areas included in the proposed announcement. The suggested areas from the Offshore Directorate are currently out for public hearing, with a deadline of September 26th. This paves the way for a licensing round in the second half of 2024, with tangible assets for Green Minerals expected early in 2025.

The Norwegian Offshore Directorate has continued its release of data from recent deep-sea research cruises on the Norwegian shelf, including detailed geophysical and environmental data from the Mohns Treasure area. Additionally, they have released a substantial dataset from the Greenland Sea, covering prospective manganese crust terrain and navigation data from a P-cable survey. We expect to receive the actual data from the P-cable survey later this year. Green Minerals has now acquired deep-sea data valued at over 50 million USD. This data has already been integrated into our internal workflow, significantly enhancing our knowledge and understanding of the resource potential and aiding in the preparation for environmental baseline studies.

From its inception, Green Minerals has recognized that achieving sustainable and impactful value creation requires a deep understanding of the interconnected nature of the marine minerals value chain. Rather than simply meeting externally imposed ESG requirements, Green Minerals is committed to conducting its operations sustainably, ensuring consistent value delivery to its shareholders and, ultimately, the global community. This ethos is ingrained in our Research and Development efforts.

During the last quarter, we completed the concept study for a Harsh Environment Deep Sea Mining System designed for the NCS. This project was executed in collaboration with a consortium led by Oil States Industries, which also includes a prominent global drilling contractor, a leading global pump supplier, and a subsea equipment contractor—each renowned in their respective fields. The system integrates proven components from both the offshore oil and gas industry and traditional onshore mining practices. It addresses critical challenges such as ship-to-ship transfer of personnel and ore in rough seas, as well as mid-water plumes and noise.

Our mineral characterization and processing study at GTK (Finnish Geological Survey) commenced two years ago, culminating in the receipt of final results just before the end of 2023. This groundbreaking study, a world-first, demonstrated that SMS ore can be blended and processed alongside conventional copper ore within the same comminution process. These findings carry significant positive implications, notably reducing the upfront CAPEX required for deep-sea mining of SMS deposits and enabling a low-carbon value chain within the Nordic countries through shortened transport distances and the utilization of existing processing plants.

In the past decade, significant attention has been directed towards deep-sea mining, particularly in the Clarion Clipperton Zone (CCZ) of the Pacific Ocean. These abyssal plains are rich in polymetallic nodules, located at depths exceeding 4000 meters. Green Minerals has expanded its Memorandum of Understanding (MoU) to encompass a sizable CCZ license area, which holds over 200 million tons of measured, indicated, and inferred wet nodules, representing a globally significant resource.

With the rapid advancement of the green energy transition, Green Minerals AS finds itself in a favorable position to leverage the burgeoning market for essential metals. The company strategically targets expansive licenses both in the Clarion-Clipperton Zone (CCZ) on a global scale and the Norwegian Continental Shelf, recognizing these areas as prime locations for initiating marine minerals exploration and extraction. Committed to upholding the highest environmental standards, Green Minerals AS remains steadfast in its pursuit of exploring and harnessing this valuable resource for the betterment of our planet.

I once again want to express my gratitude to all stakeholders for your invaluable support thus far. The collaboration of companies, industry groups, investors, authorities, and academia is paramount for ensuring a responsible and successful delivery of the exploration and production of marine minerals in these key areas. Working together in harmony, we can pave the way for our industry's sustainable and prosperous future.



A handwritten signature in blue ink, appearing to read 'Ståle Monstad'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Ståle Monstad
CEO
Green Minerals AS
Oslo 13 August 2024

Key Highlights

Key figures						
All figures in NOK '000 (except equity ratio)	Quarters*		6 months ending*		Full year*	
	Q2 2024	Q2 2023	30.6.24	30.6.23	2023	2022
Revenues	-	-	-	-	6	206
Operating expenses	-3,742	-4,273	-5,651	-5,290	-10,943	-11,330
EBITDA	-3,742	-4,273	-5,651	-5,290	-10,937	-11,124
EBIT	-3,742	-4,273	-5,651	-5,290	-10,937	-11,124
Profit/(loss)	-3,742	-4,284	-5,653	-5,336	-10,966	-11,110
Cash flow operating activities	-2,481	-2,353	-4,865	-4,722	-9,528	-8,883
Net cash flow	-2,481	-2,353	-4,865	-5,376	-9,528	2,185
Total assets	8,045	17,709			0	0
Cash and cash Equivalents	6,859	15,876			11,723	21,252
Equity ratio	77%	90%			90%	94%

* Quarterly and year to date figures are unaudited. Full year figures are audited

- Q2 EBITDA included a NOK 0.9 million non-cash charge on the company's share incentive program, hence underlying EBITDA was NOK -2.9 million. The last twelve months' run rate is in line with the previous guiding.
- GEM invited to nominate blocks for the upcoming licensing round. All GEM's priority areas are included in the hearing.
- SoDir continues to release data. GEM now holds >50 MUSD worth of exploration data. SoDir data are instrumental in exploration strategy.
- Production system concept study concluded. GEM is the only player with a complete solution for the NCS.
- MoU in CCZ extended. License holds > 200mt wet nodules.
- **Subsequent:** final tranche of equity issued to OSI at NOK 15 per share. OSI becomes a 4% shareholder in GEM

Consolidated interim statement of income.

Consolidated interim statement of income						
All figures in NOK '000 (except EPS)	Quarters*		6 months ending*		Full year*	
	Q2 2024	Q2 2023	30.6.24	30.6.23	2023	2022
Revenues	-	-	-	-	6	206
Personnel expenses	-2,046	-2,545	-3,344	-2,748	-6,537	-6,586
Other expenses	-1,696	-1,728	-2,307	-2,542	-4,407	-4,744
Total operating expenses	-3,742	-4,273	-5,651	-5,290	-10,943	-11,330
EBITDA**	-3,742	-4,273	-5,651	-5,290	-10,937	-11,124
Depreciation	-	-	-	-	-	-
Amortization	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Operating profit (loss) / EBIT	-3,742	-4,273	-5,651	-5,290	-10,937	-11,124
Interest income	-	-	0	-	5	16
Other financial income	1	-	1	-	13	4
Other financial expenses	-1	-11	-3	-47	-47	-6
Profit/(loss) before income tax	-3,742	-4,284	-5,653	-5,336	-10,966	-11,110
Income tax	-	-	-	-	-	-
Profit/(loss) for the period	-3,742	-4,284	-5,653	-5,336	-10,966	-11,110

* Quarterly and year to date figures are unaudited. Full year figures are audited

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

Consolidated interim statement of financial position

Consolidated interim statement of financial position				
All figures in NOK '000 (except equity ratio)	Quarters*		31 December*	
	Q2 2024	Q2 2023	2023	2022
ASSETS				
Non-current assets				
Total non-current assets	-	654	-	-
Current assets				
Other current assets	1,187	1,104	948	672
Due from related parties	-	75	-	75
Cash and cash equivalents	6,859	15,876	11,723	21,252
Total current assets	8,045	17,055	12,671	21,998
TOTAL ASSETS	8,045	17,709	12,671	21,998
EQUITY				
Paid in Capital	41,723	41,723	41,723	40,853
Share options granted	3,456	1,889	3,055	2,188
Retained earnings	-	-	-33,322	-22,356
Total Equity	6,204	15,919	11,457	20,685
<i>EQ ratio</i>	77%	90%	90%	94%
LIABILITIES				
Non-current liabilities				
Total non-current liabilities	-	-	-	-
Current liabilities				
Trade payables	1,311	953	212	91
Public duties payable	320	280	432	432
Other payables	210	556	570	790
Total current liabilities	1,841	1,790	1,215	1,314
Total liabilities	1,841	1,790	1,215	1,314
TOTAL EQUITY AND LIABILITIES	8,045	17,709	12,671	21,998

* Quarterly figures are unaudited. Full year figures are audited

Consolidated interim statement of cash flow

Consolidated interim statement of cash flow						
All figures in NOK '000	Quarters*		6 months ending*		Full year*	
	Q2 2024	Q2 2023	30.6.24	30.6.23	2023	2022
Cash flows from operating activities						
Profit / (loss) before income tax	-3,742	-4,284	-5,653	-5,336	-10,966	-11,110
<i>Adjustments for:</i>						
(Increase)/decrease in warrants	854	1,060	400	-299	867	1,470
Other items	0	870	0	870	870	184
Paid income tax	-	-	-	-	-	-
(Increase)/decrease in trade and other receivables	240	236	-239	-432	-201	-96
Increase/(decrease) in trade and other payables	167	-236	626	476	-99	669
Net cash from operating activities	-2,481	-2,353	-4,865	-4,722	-9,528	-8,883
Cash flows from investing activities						
Capital expenditures	-	-	-	-654	-	-
Other	-	-	-	-	-	-
Net cash used in investing activities	-	-	-	-654	-	-
Cash flows from financing activities						
Proceeds from issuance of ordinary shares	-	-	-	-	-	11,160
Transaction costs on issuance of ordinary shares	-	-	-	-	-	-92
Other	-	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-	11,068
Net (decrease)/increase in cash and cash equivalents	-2,481	-2,353	-4,865	-5,376	-9,528	2,185
Cash and cash equivalents at beginning of the period	9,339	18,229	11,723	21,252	21,252	19,067
Cash and cash equivalents at end of the period	6,859	15,876	6,859	15,876	11,723	21,252

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 Nedre Slottsgate 8, 0157 Oslo. 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 2022 and 2023 figures that have been derived from the audited annual financial statement.

Note 2: Related parties' transactions.

The Company has 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 assists the Company on business development and financial matters. NOK 0.2 million was booked under the agreement in Q2 2024 and NOK 0.4 million for the first six months of 2024.

Note 3: Share capital and share base payments.

The total number of ordinary shares on 30 June 2024 was 14 104 400 with a par value of NOK 0.003.

Reference is made to the 29 August 2022, 30 June 2023 and 1 August 2024 press releases regarding a MoU with Oil States Industries (UK) Ltd ("OSI"). Following the direct equity issue towards OSI, OSI holds 580,000 shares or approximately 4.0% of the issued shares in the Company. The share capital increase was registered on 1 August with the Norwegian Register of Business Enterprises. The new registered share capital of the Company is NOK 43,879.20 divided on 14,626,400 shares, each with a par value of NOK 0.003.

The company has granted warrants to key personnel. As of 30 June 2024, there are 900,000 outstanding warrants with a weighted average strike of NOK 13.22 per share. The market-to-market book value of these is NOK 3.5 million as of the end of Q2 2024, which compares to NOK 3.1 million in Q4 2023. This results in a non-cash P&L effect of NOK 0.4 million for the first six months of 2024.

Shareholders in Green Minerals as of 30 June 2024

SHAREHOLDER OVERVIEW		
Name	Number of shares	Ownership
Telinet Invest As	3,436,942	24.4%
Anderson Invest As	1,162,059	8.2%
Grunnfjellet As	558,919	4.0%
Gekko As	538,577	3.8%
Møsbu As	496,134	3.5%
Storfjell As	479,714	3.4%
Artel As	454,500	3.2%
Seabird Exploration Plc	446,801	3.2%
Nordnet Livsforsikring As	304,116	2.2%
The Bank Of New York Mellon Sa/Nv	217,264	1.5%
lkm Industri-Invest As	213,978	1.5%
Nordnet Bank Ab	203,966	1.4%
Ifg Holding As	181,800	1.3%
Clearstream Banking S.A.	179,129	1.3%
F Storm As	154,030	1.1%
Sander Invest As	143,000	1.0%
Norman-Hansen	136,300	1.0%
Nordhaug	109,000	0.8%
Gtba Forvaltning As	90,900	0.6%
Jarstadmarken	85,000	0.6%
Other	4,512,271	32.0%
Total	14,104,400	100.0%

Disclaimer

All statements contained in this presentation that are not statements of historical facts, including statements on projected operating results, financial position, business strategy, and other plans and objectives for future results, constitute forward-looking statements and are predictions of, or indicate, future events and future trends which do not relate to historical matters. No person should rely on these forward-looking statements because they involve known and unknown risks, uncertainties, and other factors which are, in many cases, beyond the company's control and may cause its actual results, performance, or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by the forward-looking statements and from past results, performance or achievements. These forward-looking statements are made as of the date of this presentation and are not intended to give any assurance as to future results. None of the company, its employees, and its representatives assumes any obligation to update these statements.

