



MEDIA RELEASE | Friday 5 March 2021

Greenwash + Blank Cheque company ≠ Environmental, Social, and Corporate Governance

*DeepGreen Metals attempts environmental facelift
to boost lagging investment*

In a further attempt to distance itself from the significant environmental and social costs of deep sea mining, DeepGreen Metals merged with a special purpose acquisition company (SPAC) called Sustainable Opportunities Acquisition Corp (SOAC).¹ Hard facts refute the claims of the new entity, The Metal Company, that it will promote sustainable development and is an Environmental, Social and Corporate Governance (ESG)-compatible investment.

Andy Whitmore, Finance campaigner, Deep Sea Mining Campaign stated, “there is nothing sustainable about the business model or the extractive mining process proposed. The information released by DeepGreen via its merger with SOAC raises questions about the viability of this new venture in a high-risk, experimental industry. The risks identified by DeepGreen and SOAC include uncertainties about fundamental nuts and bolts aspects such as the commercial and technical feasibility of seafloor polymetallic nodule mining and processing; the supply and demand for battery metals; the future prices of battery metals; the uncertainty in mineral resource estimates.”²

Mr. Whitmore continued, “This public float is very similar to the method that the now bankrupt deep sea miner Nautilus Minerals used to register on the Toronto Stock Exchange.³ DeepGreen founders, Gerard Barron and David Heydon were early investors in Nautilus who departed prior to the company’s downturn in fortunes,⁴ which left the [Papua New Government and other investors in debt](#). This method of public listing not only ensures less transparency, but is also typical of start-up mining companies, despite all the green spin”.

Dr. Helen Rosenbaum, Coordinator, Deep Sea Mining Campaign explained, “Let’s be very clear, DeepGreen Metals is a start-up mining company with an ambitious agenda to make BIG money as quickly as possible regardless of the social and environmental impacts. Describing itself as ‘a developer of lower impact battery metals’ is ludicrous greenwashing. Metals are not ‘developed’, they are mined. DeepGreen under its new moniker - *The Metals Company* - plans to mine unique biodiverse deep sea ecosystems that are largely still unknown to science.”

1. SPACs allows private firms to become publicly traded and listed on stock exchanges without the time, capital, and regulatory expenditures required in a traditional IPO. They are often referred to as ‘blank cheque’ companies.

2. DeepGreen, Developer of the World's Largest Estimated Resource of Battery Metals for EVs, to Combine with Sustainable Opportunities Acquisition Corporation, DeepGreen, 4 March 2021, Press Release, <https://deep.green/wp-content/uploads/2021/03/Press-Release.pdf>

3. Nautilus Minerals achieved its IPO via a ‘reverse takeover’ of a Canadian mining company called Orca Petroleum in 2006 - <http://www.marketwired.com/press-release/nautilus-minerals-inc-rto-orca-petroleum-completed-deep-sea-copper-goldexplorer-commence-tsx-venture-nus-593794.htm>

4. Deep Sea Mining Campaign, London Mining Network, Mining Watch Canada, “Why the Rush? Seabed Mining in the Pacific Ocean”, July 2019 <http://www.deepseaminingoutofourdepth.org/wp-content/uploads/Why-the-Rush.pdf>



There are currently no operating deep sea mining projects in the world and environmental concerns are being raised by internationally recognised scientists and civil society across the globe. The more we explore the deep sea the more we are learning of the complex eco-systems that exist. There is currently no way to assess the environmental or social impacts of deep sea mining which is why over 90 organisations and individuals worldwide are calling for a [moratorium](#) and others, including [Sir David Attenborough](#), are calling for a [ban on deep sea mining](#).

Dr Catherine Coumans, MiningWatch Canada argued, “The rocks that DeepGreen ‘The Metal Company’ plan to mine have taken millions of years to form and host diverse and unique life forms. Scientists warn that the destruction of this seabed ecosystem will affect the health of our oceans and planet. They predict that the impacts would be extensive, severe and last for generations.”⁵

“Based on the science, the United Nations Environment Program (UNEP) has just released [practical guidance for finance institutions](#) on sustainable ocean finance. Investors should note that this UNEP guidance is clear in its exclusion of deep sea mining as a sustainable option,”⁶ continued Dr Coumans.

Dr. Rosenbaum concluded: “ESG and Impact Investors should take a serious look at alternatives to mining virgin metals. A new wave of urban mining companies is on the cusp of supplying minerals with simple, low-cost technologies, flexible scales for diverse locations, and win-win social and environmental outcomes. The scope to produce metals in this manner is immense and recession proof – not only from the huge global stockpiles of electronic wastes but also from existing mine tailings wastes. Investments in deep sea mining might well end up being stranded assets.”

MORE INFO

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5. Chin, A and Hari, K, 2020, Predicting the impacts of mining of deep sea polymetallic nodules in the Pacific Ocean: A review of Scientific literature, Deep Sea Mining Campaign and MiningWatch Canada, <http://www.deepseaminingoutofourdepth.org/impacts-of-mining-deep-sea-polymetallic-nodules-in-the-pacific/>

6. United Nations Environmental Program (UNEP), 2021, Turning the Tide: How to finance a sustainable ocean: A practical guide for financial institutions, <https://www.unepfi.org/publications/turning-the-tide/>