



OCEAN MINERALS

MOANA MINERALS

AN OCEAN MINERALS COMPANY


Cook Islands Exploration License Application

***Local Engagement,
Training & Business
Development Plan***



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1. INTRODUCTION

This document details the Local Engagement, Training and Business Development Plan for the Ocean Minerals' operations in Cook Island waters.

Ocean Minerals group of companies (OM) is comprised of US registered parent company Ocean Minerals, LLC (OML) and wholly owned subsidiary companies including US registered OML Rare Earth, LLC and Cook Islands registered company Moana Minerals Limited (Moana). For practical purposes, all funding, management, and operational activities are performed by OML personnel under intercompany agreements. For purposes of the application, when OM is referenced, it could imply either OML or Moana, or both.

OML and its Cook Islands registered wholly owned subsidiary company Moana, intend to adopt an integrated, holistic, approach to local engagement, training, and business development in order to stimulate local socio-economic development both inside and outside the mining value chain.

The unprecedented Covid-19 restrictions in 2020 have imposed significant challenges in terms of finalizing a local engagement, training and business development plan, and this document describes OML's current best judgement to outline a philosophy and approach/processes in this regard.

If an Exploration Licence and, if required, a consent from the National Environment Service, have been obtained, and the project team can travel more freely to the Cook Islands, commitments, as described in this document, will be enacted. These include firstly the identification and appointment of a suitably qualified point person in the Cook Islands as a full-time employee.

OM's approach to local engagement, training, and business development is expressly stated in OM's Environmental Compliance, Operational Health & Safety Policy. It says that we will consult communities for whom aspects of our operations have both a direct and indirect bearing on their lives and livelihoods. We will act ethically and ensure that we do not harm or threaten the sustainability of local communities, but rather contribute to sustainable development, assisting communities to live to their full potential. It is recognized that Cook Islanders, and all South Pacific peoples, have a strong spiritual and cultural connection to the ocean, and OM will work with Cook Islanders conscious of this connection.

As such, OM is committed to an exploration partnership with the numerous and varied seabed minerals stakeholders of the Cook Islands. We firmly believe that the ultimate success of any exploration program, and possible future exploitation or mining of the Cook Islands' seabed minerals, hinges upon active participation by the local community, and will require their skills and experiences, as well as the many supporting services offered by local businesses. OM will seek to access local experience and competence. In turn OM will seek to develop skills and competencies of Cook Islanders and contribute to the national interest. We provide examples of past performance as evidence of this intent.

OM maintains, as expressed in its Code of Conduct/Values policy, a "Zero Tolerance" position in regard to unethical, illegal, dishonest, or inappropriate behaviors, and strives to ensure our people conduct business with honesty, integrity, and fairness. OM is committed to ethical practices and views business ethics as fundamental to successful business practices. This means that, as a minimum, we conduct our affairs in accordance with the letter and spirit of the applicable laws of the countries in which we do business. This means we are cognizant of the need for proper environmental management and the protection of human rights, particularly on the High Seas. We

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also ensure all significant associates, affiliates, and subcontractors ascribe to our Code, through contracting terms and conditions.

2. DEFINITIONS, ABBREVIATIONS & ACRONYMS

Field	Description or Definition
CI	Cook Islands
EIA	Environmental Impact Assessment
Environmental Permit	Mining companies typically are required to obtain environmental permits signifying government approval for various aspects of their exploration or mine plans, including those for waste disposal, restoration, sewage treatment, drinking water, and construction of dams and other activities.
ESIA	Environmental and Social Impact Assessment
EMP	Environmental Management Program
EWP	Exploration Work Plan
Exploration License	An exploration license gives the license holder exclusive rights to explore for specific minerals within the specified license area. No mining activities can be undertaken on an exploration license.
Mining License	Means a license granted pursuant to relevant applicable regional laws that entitles the holder to all the relevant rights to undertake mining in respect to the designated land to which such license applies.
Moana	Moana Minerals Limited
OM	Ocean Minerals Group comprised of Ocean Minerals LLC, and Moana
OML	Ocean Minerals LLC
Q&A	Question and answer
SBMA	Cook Islands Seabed Minerals Authority
STEM	Science, Technology, Engineering and Mathematics

3. ENGAGEMENT PHILOSOPHY

OM commits to proactive and open engagement with the CI community through our EWP and EMP.

It is recognized that Cook Islanders' traditional subsistence and artisanal activities may be limited to the coastal environment, but there are cultural considerations with deep-sea mining that will be investigated through the ESIA and incorporated in OM's planning.

OM recognizes the need for genuine community engagement not just when applying for licenses and permits, but during the term of operation under them. This includes engaging with the community to:

- Ensure ongoing review of environmental monitoring and the EMP.
- Develop and improve the capacity of the Cook Islanders to participate in adaptive environmental management.
- Ensure ongoing review of priority issues and monitoring through provision of technical advisory resources and third-party review.
- Facilitate a forum wherein the community can make recommendations to OM.
- Integrate and promote use of traditional knowledge in environmental monitoring and management.
- Wherever possible, promote efficiency through the reduction of costs and coordination of efforts.; and

If an Exploration Licence is granted to the company, and when the EWP is finalized, the OM will formulate a Stakeholder Engagement Plan and. A Local Engagement, Training, and Business Development Plan.

The OM team has, through the 2019 Research Program and prior activities in the CI, established a network of contacts. This network will be used to grow a wider consultative forum(s), from which a point person will be identified and employed full time by the local OM subsidiary, Moana, as our Community Engagement Coordinator and Environmental Liaison Officer. This point person will serve as the primary local contact for engagement on, and implementation of Local Engagement, Training, and Business Development. This Liaison Officer will have the responsibility of planning and managing our environmental and stakeholder engagement programs throughout exploration.

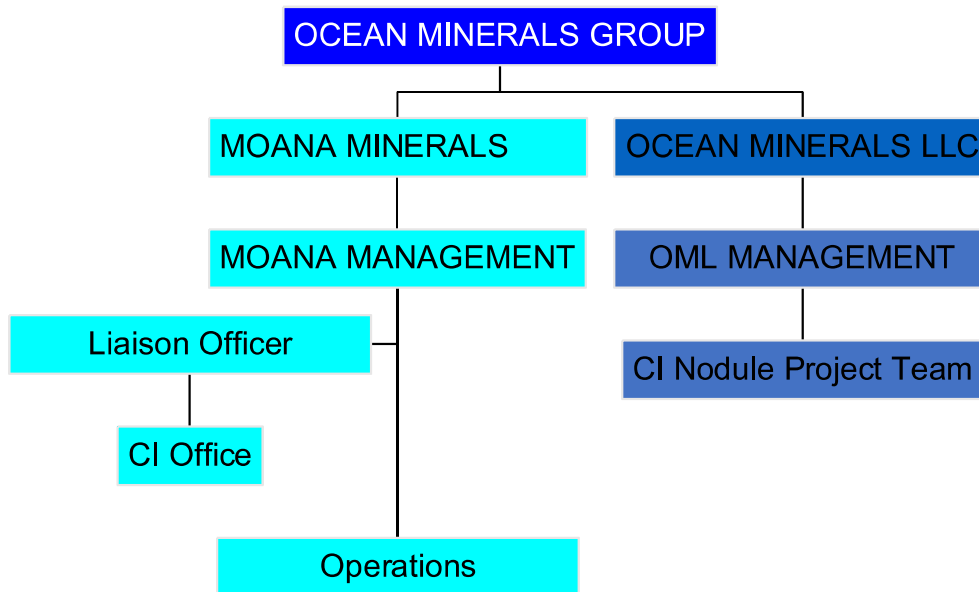


Figure 1: Organizational Structures

The Liaison Officer will work with SBMA, and other Crown agencies, to facilitate a meaningful dialogue with the community, to assess current expectations from Cook Islanders of OM, work with OM management to determine how these can be aligned to OM's strategic requirements and expectations, and to identify opportunities for local engagement, training, and business development. Following this, the Liaison Officer will work together with all stakeholders to draft a five-year plan (duration of the exploration permit).

In August of 2018, OML entered into a lease contract on a commercial office space in which we intend to be operational immediately if in receipt of an Exploration License. Our plan has our Liaison Officer working out of this office. This will also be the place our company management team “lands”, and from which it operates when in the CI, as well as where consultants and advisors will assemble, and from which they will mobilize. This ensures continuity of operations, as well as provides a positive local ‘face’ to OML, a point of contact for Cook Islanders, and will provide a suitable location for hosting meetings with government, local associates, and contractors as needed. OML currently holds a consent from the Business Trade and Investment Board to carry on business in the Cook Islands but these may need to be reviewed.

To the maximum extent possible, OML intends to use local CI talent for conducting marine operations, fabrication, and installation of special purpose equipment on chartered vessels, augmenting the scientific crew for resource and environmental research aspects of our program, and handling the logistics associated with receipt, storage, and shipping of all the supporting equipment and consumables associated with our planned campaigns. In fact, OML hired a Cook Islander as part of the team that compiled our NI 43-101 Resource Report, and employed 5 Cook Islanders to sail onboard (over and above crew) as part of the 2019 Research Expedition.

Examples of our plans, with regards to employment/training/capacity building, include:

- Employment and Service Contracts:
 - Engagement of Community Engagement Coordinator and Environmental Liaison Officer
 - Vessel/Crew

- Fabrication and installation team
- Legal representation
- Accounting and tax services
- Provisioning
- Administration support
- Logistics co-ordination
- Leasing commercial office space
- Training:
 - Environmental monitoring and sampling
 - Contributing data to environment-related studies
 - Marine operations (including SHE Management)
 - Advanced welding
 - QA/QC – non-destructive testing of welds
 - Material testing
- Capacity building:
 - Vessel modifications
 - Use of local fabrication capabilities and enhancing their capabilities
 - Linking with existing environmental research

Opportunities will also be ranked, as:

- Opportunities for Cook Islanders to contribute immediately to OM's work program
- Opportunities to develop Cook Islanders, to be able to support OM's work program in the short to medium term, and
- Opportunities for OM to contribute to training and skills development

The primary focus is thus on services and skills to support the EWP; then developing skills for the wider maritime industry, that can be used to source support for mining operations, including seagoing and shore support.

OM will also seek opportunities to work with stakeholders to contribute to academic research so that Cook Islanders can contribute to OM's environmental baseline and monitoring program

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Figure 2: Government and community members attending a briefing post the 2019 Research Campaign

OM will report progress on local engagement, training, and business development bi-annually as part of its management reporting process to the SBMA. This plan will be reviewed and updated annually or when significant changes require amendment.

4. ENGAGEMENT & COMMUNITY AWARENESS

Participation in OML's 2019 Research Cruise by 5 local Cook Islanders, as well as the chartering of a CI flagged and crewed ship, was the first opportunity to begin the sort of partnership envisaged, even before formally beginning any sort of exploration program or formal commitments in this regard. The CI crew was not only crucial in terms of conducting the operations, but the opportunity to share ideas and philosophies and find common ground upon which to build a path to responsible development of the seabed resource provided a step change in mutual understanding and commitment to common goals.

Locally in some manner or another, everyone will be impacted by exploration activities and it is entirely possible that these impacts will not always be positive. However, what we learned in our December 2019 Research Cruise program was how important it is to understand the delicate balance of supply chains, the significance of certain holidays and religious customs, the scarcity of certain resources, and the lack of control over things like weather and its impacts to operations. At times, difficult decisions had to be made, which required understanding and compromise by all parties involved.

The experience was invaluable. The 2019 research cruise was small scale compared to expeditions planned for exploration, but the experience of working with the local team solidified some key ideas for our community engagement plans going forward:

- 1) Appointment of a well-respected local advocate for Moana and OM is fundamental.
- 2) Community understanding of the operations planned as part of the overall exploration program, as well as specific campaigns is important. A set of presentations, tailored for public engagements, which lay out the multi-year program will be prepared. These presentations will describe how the resource is developed, how the project economics can be understood, and the environmental research that will be part of the exploration license activities to be undertaken - ALL before applying for a mining license. Our objective is to set peoples' minds at ease so they do not perceive the contractors as rushing to do mining without understanding the impacts. Additional engagements, supported as necessary by presentations, which we believe would prove valuable for community understanding overall, would include:
 - a. Overview of 5 Year Exploration Program (mentioned above)
 - b. Products of Interest and What are the steps required to enable the CI Resource to be a Global Game Changer (Contribution to Global Greening)
 - c. Exploration Operations Explained – grab sampling, box coring, dredging, piston coring; surveying (bathy, backscatter, video/photography); water chemistry, environmental arrays, PelagOS
 - d. "Crowdsourcing" Environmental Data Collection – roll out PelagOS to any vessels that will be transecting operational areas near/around application area

Several methodologies exist for community engagement sessions – many of these have been proven elsewhere and would be tailored as necessary to match local CI practices:

- Open House/Social at the Moana Office – consider periodic socials with a focused 15-minute presentation and Q&A. Handout materials should be available.

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- Community gathering session (“Town Hall”) at a central community venue – especially suited for large gatherings and presentations, and engagement sessions outside of Rarotonga. As above, a focused presentation, followed by Q&A, and supported by handouts.
- Social media – an appropriate social media account(s) will be set up, e.g., Facebook, Twitter, Instagram
- Downloads – material will be made available on our website which can be accessed by interested parties, and where necessary downloaded for detailed review.

We recognize the importance of conducting community engagement, not just in Rarotonga and Aitutaki, but also Atiu and the Northern group of Islands (on a less frequent basis).

The frequency of these engagements will be finalized once when and if an Exploration Licence has been granted. In addition, a permanent information area will be available in the planned office.

OM will also contribute to social development initiatives identified in consultation with stakeholders.

5. EMPLOYMENT OF COOK ISLANDERS

It is of fundamental importance to OM and Moana that every employee, regardless of origin and gender, is safe, and has equal opportunity to meaningfully contribute to our success as a team; 'how' we work is as important as 'what' we do. We will seek opportunities to maximize the employment of Cook Islanders in conducting EWP activities.

Hiring preference will be given to Cook islanders who possess the required competencies, or can develop within realistic timeframes to possess the required competencies.

Roles that can ably be filled by Cook Islanders include:

- Community Engagement Coordinator and Environmental Liaison Officer
- Seafarers, crew (support roles on vessels sourced from outside the CI, to full crews for vessels sourced within the CI)
- Seagoing operators (operate OM supplied exploration and sampling equipment)
- Shore support – office and logistics (all office staff and logistics coordinators)
- Researchers and monitors for environmental work
- Employment to support EWP through light industrial manufacturing

It is noted that our activities will also create secondary employment, e.g., companies providing logistic support to our campaigns will create additional employment opportunities.

6. TRAINING AND CAPACITY DEVELOPMENT

OM recognizes, and supports, the requirement and need for the OM ocean nodules project to contribute to the provision of comprehensive training or capacity development to nationals of the CI. Ideally, we want to identify sustainable “skills for the future” partnerships between Cook Islanders and OM.

The following training and capacity development opportunities have been identified. This list will be expanded as further opportunities are identified, through stakeholder and community engagement forums. We will provide opportunities to grow skills and competencies by involving Cook Islanders in our various campaigns, working alongside the OM team, as follows:

- Marine skills

Where non-CI vessels are chartered, OM will seek to provide opportunities for Cook Islanders, with the requisite basic competencies to further develop these through working alongside international seafarers. Where CI vessels are chartered, and berth space is available, OM will seek opportunities for trainees or cadets to sail on our campaigns alongside the permanent crews

- Environmental Monitoring skills

OM will repeat the successful initiative in our 2019 research campaign by employing Cook Islanders with appropriate backgrounds to join the team as environmental monitors. Our scientists and teams will train these monitors onboard. In time, these individuals could run future monitoring programs

- Resource sampling skills

OM will repeat the successful initiative in our 2019 research campaign by employing Cook Islanders with appropriate backgrounds to join the team to support sampling activities. This will include operation of sampling equipment, logging, handling, and reporting of samples.

- Occupational Health and Safety (Offshore)

Trainees for offshore occupational health and safety will be identified and provided the necessary training and exposure on risk identification, establishment of controls, safe working practices, incident investigation, and reporting. These skills can also be applied onshore.

Where opportunity presents, OM will offer bursaries for further academic studies, to enable technical roles in later EWP campaigns and mining activities. These professional development programs will benefit a wider community, in association with our scientists (refer to the application for CVs of our team), the opportunity to contribute to academic papers, and in time possibly in association with international or local academic institutions.

OM recognizes the United Nations Sustainable Development Goal #5 of promoting gender parity and will seek to identify opportunities for women in STEM.

OM commits to working with the Authority, and other Crown agencies, to identify appropriate focus areas, establish operating budgets, develop programs, and identify individuals to participate in the programs, through a fair and transparent process.

7. PROCUREMENT OF LOCAL GOODS AND SERVICES

OM commits to prioritize the procurement of goods and services from appropriate, established entities in the CI. As the exploration work program progresses, and using information from our community engagement forums, we will seek opportunities to add to the identified list below and to grow the capacity of those we deal with to provide goods and services for deep sea exploration and mining. Forecast local expenditure will be finalized with the completion of the EWP budgets

Goods and services to be procured locally, in addition to those set out above, will include:

- Establishment and operation of our local office
- Logistic support for campaigns
- Accommodation and transport
- Provisions, fuel, spares
- Light manufacturing – goods and skills / capability transfer
- Local vessels