Shareholder Advisory Alerts Investors on DeepGreen-SOAC Merger

THE METALS COMPANY IS A HIGH RISK AND FUNDAMENTALLY UNSUSTAINABLE MINING VENTURE

LONDON | Civil society organisations from across the globe have alerted shareholders to the financial, environmental and liability risks of investing in would-be deep sea miner, The Metals Company (TMC), as it seeks to become a publicly traded company on NASDAQ.

“DeepGreen Metals hopes to go public by combining with Sustainable Opportunities Acquisition Corp (SOAC). Shareholders in SOAC will shortly be invited to vote on approving the business combination and/or redeeming their investment.” explained Andy Whitmore, Finance Advocacy Officer, Deep Sea Mining Campaign.

“Yesterday we sent an Advisory to SOAC investors critiquing the Preliminary S-4 Prospectus that was filed by SOAC. The Advisory identifies many environmental, social and governance (ESG) risks of material concern. In our view, it demonstrates that the new entity, The Metals Company (TMC), will not be ESG-compatible and raises concerns about the company’s financial viability.”

The Advisory describes TMC as a high-risk mining venture likely to leave a legacy of environmental damage. It presents a convincing case for potentially far-reaching social and economic liabilities resulting from environmental impacts. These could relate to impacts on high value fisheries such as tuna, Pacific national economies, Pacific islander livelihoods and cultures. In addition, there may be human health impacts given the 24/7 discharge of mine waste over the 30-year life of the operation.

Furthermore, The Advisory highlights the many technological and regulatory hurdles yet to be overcome and questions the basis of TMC’s business model and whether its 2024 commercial production timeframe is realistic.

Dr. Helen Rosenbaum, Coordinator, Deep Sea Mining Campaign stated, “SOAC and DeepGreen promote TMC as a sustainable and environmentally positive investment option. Let’s be clear, DeepGreen is a start-up mining company seeking to extract non-renewable minerals from unique and biodiverse deep sea environments. It plans to do so via TMC despite warnings from scientists that the destruction of deep seabed ecosystems could affect the health of our oceans and planet, and that the impacts would be extensive, severe and last for generations. Concerns over these impacts are leading to global calls for either a deep sea mining moratorium or a ban.”

1 SOAC is a SPAC – Special Purpose Acquisition Company. SPACs allow 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.

Mr. Whitmore concluded, “DeepGreen’s business proposition is predicated on supplying metals such as nickel and cobalt for clean energy technologies. However, battery technology is changing so fast that these metals are increasingly likely to be redundant by the time TMC reaches commercial production. Some electric vehicles are already using batteries not requiring these metals, with major companies planning to ramp up these alternative technologies. Investors in TMC may well be left with a stranded asset - outdated before it gets off the ground.”

The Shareholder Advisory was prepared by the Deep Sea Mining Campaign and is endorsed by organisations spanning the globe (listed in the document).

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