ABN 27 153876 861

Level 5, 126 Phillip Street
Sydney NSW 2000
P: +61 3 8678 4091
E: info@atrumcoal.com
W: atrumcoal.com

28 May 2026

Dear Shareholder,

Please find attached the final Class Ruling published by the Australian Taxation Office (ATO) for your information.

We encourage shareholders to review the ruling and seek independent taxation advice should they require clarification regarding their individual circumstances.

Kind regards,

Glen Koropchuk
Chairman
Atrum Coal Limited

CR 2026/17 - Atrum Coal Limited - return of capital

This cover sheet is provided for information only. It does not form part of *CR 2026/17 - Atrum Coal Limited - return of capital*

Status: **legally binding**

Class Ruling

Atrum Coal Limited – return of capital

Relying on this Ruling

This publication is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

Table of Contents	**Paragraph**
What this Ruling is about	1
Who this Ruling applies to	4
When this Ruling applies	6
Ruling	**7**
Scheme	**17**

What this Ruling is about

1. This Ruling sets out the income tax consequences for Atrum Coal Limited (Atrum) shareholders who were paid the return of capital of $0.012039 per Atrum ordinary share (Capital Return) on 23 December 2025 (Payment Date).

2. Details of this scheme are set out in paragraphs 17 to 32 of this Ruling.

3. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997*, unless otherwise indicated.

Who this Ruling applies to

4. This Ruling applies to you if you:

- were registered on the Atrum share register on 15 December 2025 (Record Date), and
- held your Atrum shares on capital account – that is, you did not hold your Atrum shares as revenue assets (as defined in section 977-50) or as trading stock (as defined in subsection 995-1(1)).

5. This Ruling does not apply to anyone who is subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 17 to 32 of this Ruling.

Note: Division 230 will not apply to individuals unless they have made an election for it to apply.

When this Ruling applies

6. This Ruling applies from 1 July 2025 to 30 June 2026.

Status: **legally binding**

Ruling

Return of Capital is not a dividend

7. No part of the Capital Return that Atrum paid you on the Payment Date is a dividend as defined in subsection 6(1) of the *Income Tax Assessment Act 1936* (ITAA 1936). This is because the entire amount of the Capital Return has been debited against an amount standing to the credit of Atrum's share capital account. Therefore, no part of the Capital Return is included in your assessable income as a dividend under subsection 44(1) of the ITAA 1936.

Sections 45A, 45B and 45C of the ITAA 1936 do not apply

8. The Commissioner will not make a determination that section 45C of the ITAA 1936 applies to any part of the Capital Return that Atrum paid you on the Payment Date, under either:

- subsection 45A(2) of the ITAA 1936 – because there was no streaming of capital benefits to some Atrum shareholders and dividends to other Atrum shareholders as required by subsection 45A(1) of the ITAA 1936, or
- paragraph 45B(3)(b) of the ITAA 1936 – because the requirements of subsection 45B(2) of the ITAA 1936 were not satisfied.

Capital gains tax consequences

CGT event G1

9. CGT event G1 happened on the Payment Date when Atrum paid you the Capital Return in respect of each Atrum share you owned on the Record Date and continued to own on the Payment Date (section 104-135).

10. You made a capital gain when CGT event G1 happened if the Capital Return was more than your Atrum share's cost base (subsection 104-135(3)). The amount of the gain is equal to the excess. If you made a capital gain, the share's cost base and reduced cost base is reduced to nil (subsection 104-135(3)).

11. If the Capital Return was not more than the cost base of your Atrum share, the cost base or reduced cost base of your Atrum share is reduced by the amount of the Capital Return (subsection 104-135(4)).

12. You cannot make a capital loss when CGT event G1 happens (Note 1 to subsection 104-135(3)).

CGT event C2

13. CGT event C2 happened to your right to receive the Capital Return on the Payment Date when Atrum paid you the Capital Return in respect of each Atrum share you owned on the Record Date but ceased to own before the Payment Date (section 104-25).

14. In working out the capital gain or capital loss when CGT event C2 happened:

- The capital proceeds are equal to the amount of the Capital Return for each share you owned on the Record Date but ceased to own before the Payment Date ($0.012039 per Atrum share) (subsection 116-20(1)).

- The cost base of your right to receive the Capital Return is worked out under Division 110 (modified by Division 112). The cost base of the right does not include the cost base or reduced cost base of the Atrum share previously owned by you to the extent that it was applied in working out a capital gain or capital loss made when a CGT event happened to that share – for example, when you disposed of the share after the Record Date but before the Payment Date. Therefore, if the cost base or reduced cost base of the Atrum share previously owned by you has been fully applied in working out a capital gain or capital loss on the share, the right to receive the Capital Return will have a nil cost base. As a result, you will (in those circumstances) make a capital gain equal to the capital proceeds, being $0.012039 per Atrum share owned at the Record Date.

Discount capital gain

15. You can treat a capital gain made when CGT event G1 or CGT event C2 happened as a discount capital gain if you acquired your Atrum shares at least 12 months before the Payment Date (subsection 115-25(1)), provided the other conditions in Subdivision 115-A are satisfied.

Foreign resident shareholders

16. If, just before the Payment Date, you were a foreign resident or the trustee of a foreign trust for CGT purposes, as defined in subsection 995-1(1), you disregard any capital gain made from CGT event G1 or any capital gain or capital loss from CGT event C2 happening, pursuant to subsection 855-10(1), unless you:

- have used your Atrum shares at any time in carrying on a business through a permanent establishment in Australia (table item 3 of section 855-15), or
- are an individual and your Atrum shares were covered by subsection 104-165(3) (choosing to disregard a capital gain or capital loss on ceasing to be an Australian resident) (table item 5 of section 855-15).

Scheme

17. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

Atrum Coal Limited

18. Atrum is a public company incorporated in Australia on 25 October 2011. It was listed on the Australian Securities Exchange on 24 July 2012 and delisted on 10 March 2025.

19. Atrum is a metallurgical coal development company, primarily engaged in the exploration and development of hard coking coal and anthracite projects in Canada.

20. Atrum has a number of subsidiary companies, including Elan Coal Limited (Elan), a wholly owned company incorporated in Canada.

Status: **legally binding**

21. On 17 July 2025, Atrum announced that it had agreed to discontinue its legal action in respect of coal leases held by Elan in Alberta, Canada and will distribute the settlement proceeds of up to C$136.8 million to shareholders.

22. As at 30 June 2025, Atrum had:

- share capital of $142,876,990
- accumulated losses of $23,556,007, and
- reserves of $11,568,639.

23. As at 15 December 2025, Atrum had 4,101,381,332 ordinary shares on issue. Approximately 1.62% of Atrum shares on issue were held by non-resident shareholders.

Return of capital

24. On 21 November 2025, Atrum announced its intention to seek shareholder approval to undertake the Capital Return, being a return of capital of $0.012039 per Atrum share by way of an equal reduction of share capital in accordance with sections 256B and 256C of the *Corporations Act 2001*. Further, Atrum announced its intention to pay an unfranked special dividend (Special Dividend).

25. The Capital Return was approved by the shareholders of Atrum on 17 December 2025.

26. On the Payment Date, Atrum shareholders were paid the Capital Return (being $0.012039 per share) in respect of each Atrum share they held on the Record Date.

27. The total Capital Return amount of $49,376,530.29 was paid by Atrum from its available cash balance and debited to Atrum's share capital account.

28. There was no change to the proportionate interest of each shareholder in Atrum following the Capital Return.

29. On the Payment Date, Atrum shareholders were also paid the Special Dividend of $44,490,431.31, being $0.01084767 per share for each Atrum share they held on the Record Date.

Other matters

30. The share capital account (as defined in section 975-300) of Atrum is not tainted within the meaning of Division 197.

31. Less than 50% of the market value of Atrum's assets were 'taxable Australian real property' (as defined in section 855-20).

32. Since incorporation, Atrum has only made one dividend payment to shareholders, being the payment of the Special Dividend, and it has not issued bonus shares or previously returned share capital to its shareholders.

Commissioner of Taxation
29 April 2026

Status: **not legally binding**

References

Legislative references:

- ITAA 1936 6(1)
- ITAA 1936 44(1)
- ITAA 1936 45A
- ITAA 1936 45A(1)
- ITAA 1936 45A(2)
- ITAA 1936 45B
- ITAA 1936 45B(2)
- ITAA 1936 45B(3)(b)
- ITAA 1936 45C
- ITAA 1997 104-25
- ITAA 1997 104-135
- ITAA 1997 104-135(3)
- ITAA 1997 104-135(4)
- ITAA 1997 104-165(3)
- ITAA 1997 Div 110
- ITAA 1997 Div 112
- ITAA 1997 Div 197
- ITAA 1997 Div 230
- ITAA 1997 Subdiv 115-A
- ITAA 1997 115-25(1)
- ITAA 1997 116-20(1)
- ITAA 1997 855-10(1)
- ITAA 1997 855-15
- ITAA 1997 855-20
- ITAA 1997 975-300
- ITAA 1997 977-50
- ITAA 1997 995-1(1)
- Corporations Act 2001 256B
  Corporations Act 2001 256C

ATO references

NO:	1-1ADOSV9Y
ISSN:	2205-5517
BSL:	PG
ATOlaw topic:	Income tax ~~ Capital management ~~ Share capital return Capital gains tax ~~ CGT events ~~ C1 to C3 – end of a CGT asset Capital gains tax ~~ CGT events ~~ G1 to G3 – shares

© AUSTRALIAN TAXATION OFFICE FOR THE COMMONWEALTH OF AUSTRALIA

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).