

## **Tax Information Statement - In-specie distribution of Ricca shares on 22 December 2021**

The Board of Atlantic Lithium Limited (AIM: ALL, OTC: ALLIF, "Atlantic Lithium" or the "Company"), the funded African-focussed lithium exploration and development company targeting to deliver Ghana's first lithium mine, wishes to advise of the following Australian tax information for its shareholders with regard to the in-specie distribution of Ricca Resources Limited ("Ricca") shares on 22 December 2021.

The purpose of this tax information statement is to set out the expected Australian income tax consequences associated with the in-specie distribution, including:

- how the Australian capital gains tax (CGT) cost base of Atlantic Lithium shares held at the Record Date (see below) should be adjusted; and
- how the CGT cost base of Ricca shares that were distributed set.

The in-specie distribution of all of the shares held by the Company in Ricca to eligible Atlantic Lithium shareholders was completed on 22 December 2021 (Implementation Date).

Eligible Atlantic Lithium shareholders were those eligible shareholders registered on the Atlantic Lithium share register on 23 November 2021 (Record Date).

Atlantic Lithium first engaged with the Australian Taxation Office in October 2021 with a view to seeking, by way of request for class ruling, confirmation of the taxation consequences associated with the in-specie distribution.

Unfortunately, there have been a number of delays with this ruling process owing to various factors and so at this time, eight months on, Atlantic Lithium considers that the appropriate course of action is to withdraw the ruling request and provide shareholders with relevant information concerning the taxation consequences it would expect are associated with the in-specie distribution.

The information provided here does not constitute tax advice and Atlantic Lithium recommends that shareholders obtain their own tax advice concerning the taxation consequences of the receipt of Ricca shares, including for reason that each person's circumstances are different.

Further, Atlantic Lithium cannot guarantee that the Australian Taxation Office may not take a different view of the income tax consequences associated with the in-specie distribution of Ricca shares upon review.

Having regard to the above, Atlantic Lithium advises that on the basis of its records and prior assessments of the market value of the Ricca shares, each Ricca share distributed had a \$0.10 value at the time of the distribution and the distribution of Ricca shares was effected as a capital reduction, which is expected to have not been assessable to Atlantic Lithium shareholders.

Further, Atlantic Lithium expects that for Australian income tax purposes, the first element of the cost base of each Ricca share distributed would be A\$0.10 and the cost base of each Atlantic Lithium share held at the Implementation Date reduced by A\$0.125.

This cost base is relevant for determining the capital gain or loss in respect of any future disposal of the shares.

For foreign resident shareholders any capital gains or losses associated with the disposal of Atlantic Lithium or Ricca shares is disregarded, unless those shares are “taxable Australian property” at the time of disposal.

Atlantic Lithium expects that your Atlantic Lithium share or Ricca share is only taxable Australian property if it:

- is used by you (the foreign resident) at any time in carrying on a business through a permanent establishment in Australia; or
- is a CGT asset that is covered by subsection 104-165(3) of the *Income Tax Assessment Act 1997* (Cth) (choosing to disregard a capital gain or capital loss on ceasing to be an Australian resident).

For any further information, please contact:

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**Notes to Editors:**

**About Atlantic Lithium**

[www.atlanticlithium.com.au](http://www.atlanticlithium.com.au)

*Atlantic Lithium (formerly "IronRidge Resources") is an AIM-listed lithium company advancing a portfolio of projects in Ghana and Côte d'Ivoire through to production.*

*The Company's flagship project, the Ewoyaa Project in Ghana, is a significant lithium pegmatite discovery on track to become Ghana's first lithium producing mine. The project is funded to production under an agreement with Piedmont Lithium for US\$102m, based on the updated Scoping Study dated 7 December 2021, indicating Life of Mine revenues exceeding US\$3.4bn and set to produce a premium lithium product.*

*Atlantic Lithium holds a 560km<sup>2</sup> & 774km<sup>2</sup> tenure across Ghana and Côte d'Ivoire respectively, comprising significantly under-explored, highly prospective licenses.*