



Status: **legally binding**

Class Ruling

Australian Strategic Materials Limited – partial scrip for scrip roll-over

❶ 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.

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What this Ruling is about

1. This Ruling sets out the income tax consequences for the shareholders of Australian Strategic Materials Limited (ASM) in relation to the acquisition of all their ordinary shares in ASM by a wholly owned subsidiary of Energy Fuels Inc. (EFI) on 28 August 2026 (Implementation Date).
2. Details of this scheme are set out in paragraphs 28 to 57 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 ASM share register as the holder of an ordinary share in ASM on 21 August 2026 (Record Date)
 - held your ASM shares on capital account – that is, you did not hold your ASM shares as a ‘revenue asset’ (as defined in section 977-50) or as ‘trading stock’ (as defined in subsection 995-1(1)), and
 - did not acquire your ASM shares pursuant to an ‘employee share scheme’ (as defined in section 83A-10).
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 28 to 57 of this Ruling.

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

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When this Ruling applies

6. This Ruling applies from 1 July 2026 to 30 June 2027.

Ruling

CGT event A1 happened on the disposal of your shares in Australian Strategic Materials Limited

7. CGT event A1 happened when you disposed of your ASM shares to a wholly owned subsidiary of EFI (section 104-10).

8. The time of CGT event A1 was on the Implementation Date of 28 August 2026 (paragraph 104-10(3)(b)).

9. The capital proceeds from CGT event A1 happening to each ASM share consisted of the sum of \$0.13 of money and the market value of either 0.053 of a common share in EFI or 0.053 of a CHESS Depositary Interest (CDI) over a common share in EFI (subsection 116-20(1)). The market value of EFI shares or CDIs is worked out as at the time of CGT event A1.

10. You made a capital gain from CGT event A1 happening if the capital proceeds from the disposal of your ASM shares exceeded their cost base (subsection 104-10(4)). The capital gain is the amount of the excess.

11. You made a capital loss from CGT event A1 happening if the capital proceeds are less than the reduced cost base of your ASM shares (subsection 104-10(4)). The capital loss is the amount of the difference.

Foreign resident shareholders of Australian Strategic Materials Limited

12. You must disregard a capital gain or capital loss you made from CGT event A1 happening when you disposed of your ASM shares to a wholly owned subsidiary of EFI (section 855-10) if:

- you were a foreign resident (that is, you were not a 'resident of Australia' as defined in subsection 6(1) of the *Income Tax Assessment Act 1936* (ITAA 1936)) or the trustee of a foreign trust for CGT purposes just before the Implementation Date, and
- your ASM shares were not 'taxable Australian property' (as defined in section 855-15).

13. Your ASM shares were taxable Australian property if they were:

- used by you at any time in carrying on a business through a permanent establishment in Australia (table item 3 of section 855-15), or
- a CGT asset that is 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).

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Availability of partial scrip for scrip roll-over for your shares in Australian Strategic Materials Limited

14. Subject to the qualification in paragraphs 15 and 16 of this Ruling, if you made a capital gain from the disposal of your ASM shares and received EFI shares or CDIs, you may choose to obtain partial scrip for scrip roll-over for the capital gain (sections 124-780, 124-785 and 124-790).

15. Scrip for scrip roll-over cannot be chosen if any capital gain you might make from the replacement EFI shares or CDIs would be disregarded, except because of a roll-over (paragraph 124-795(2)(a)).

16. If you were a foreign resident just before the Implementation Date, you cannot choose scrip for scrip roll-over unless you received EFI shares or CDIs and they were 'taxable Australian property' (as defined in section 855-15) just after the Implementation Date (subsection 124-795(1)).

Consequences if you choose partial scrip for scrip roll-over

Capital gain is partly disregarded

17. If you choose partial scrip for scrip roll-over, the part of the capital gain that is attributable to the receipt of EFI shares or CDIs is disregarded (subsections 124-785(1) and 124-790(1)).

18. Any part of the capital gain that is attributable to the receipt of money is not disregarded because it is 'ineligible proceeds' for which the roll-over is not available (subsection 124-790(1)).

Acquisition date of shares in Energy Fuels Inc. for discount capital gain purposes

19. If you choose partial scrip for scrip roll-over, the EFI shares or CDIs you acquired in exchange for your ASM shares are taken to have been acquired (for the purposes of determining your eligibility to make a discount capital gain) on the date you acquired, for CGT purposes, the corresponding ASM shares (table item 2 of subsection 115-30(1)).

Cost base and reduced cost base of shares in Energy Fuels Inc.

20. If you choose partial scrip for scrip roll-over, the first element of the cost base and reduced cost base of each replacement EFI share or CDI that you received is worked out by reasonably attributing to it the cost base and reduced cost base (respectively) of the ASM shares for which it was exchanged and for which the roll-over was obtained (subsections 124-785(2) and (4)).

21. You will have to reduce the cost base and reduced cost base of your ASM shares by so much of it that is attributable to the money component of the capital proceeds you received (subsection 124-785(3)).

22. If all of your ASM shares were acquired on the same date, a reasonable method of calculating the first element of the cost base and reduced cost base (respectively) of each replacement share or CDI in EFI is by dividing the total cost bases and reduced cost bases (respectively) of your ASM shares (as reduced under subsection 124-785(3) for the money component) for which you choose partial scrip for scrip roll-over by the number of replacement EFI shares or CDIs you received for those ASM shares.

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Consequences if you do not choose, or cannot choose, partial scrip for scrip roll-over for your shares in Australian Strategic Materials Limited

Capital gain is not disregarded

23. If you do not choose, or cannot choose, partial scrip for scrip roll-over, you must take into account any capital gain or capital loss from CGT event A1 happening on the disposal of your ASM shares in working out your net capital gain or net capital loss for the income year in which CGT event A1 happened (sections 102-5 and 102-10).

24. If you make a capital gain where partial scrip for scrip roll-over is not chosen, or cannot be chosen, you can treat the capital gain as a discount capital gain provided that the conditions of Subdivision 115-A are met. In particular, you must have acquired your ASM shares at least 12 months before the Implementation Date on which CGT event A1 happened (excluding the date on which you acquired the ASM shares and the Implementation Date).

Cost base and reduced cost base of shares in Energy Fuels Inc.

25. If you do not choose, or cannot choose, partial scrip for scrip roll-over, the first element of the cost base and reduced cost base of a replacement EFI share or CDI that you received is equal to that part of the market value of the ASM shares you gave in respect of acquiring the EFI share or CDI that is reasonably attributable to the acquisition of the replacement EFI share or CDI (subsections 110-25(2), 110-55(2) and 112-30(1)).

26. The market value of the ASM shares you gave is to be worked out as at the time when you acquired the EFI shares or CDIs, being the Implementation Date.

Acquisition date of shares in Energy Fuels Inc.

27. If you do not choose, or cannot choose, partial scrip for scrip roll-over, the acquisition date of the EFI shares or CDIs is the date on which those shares or CDIs were issued to you (table item 2 of section 109-10), being the Implementation Date.

Scheme

28. This 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.

Australian Strategic Materials Limited

29. ASM is a company that was incorporated in Australia on 18 March 2014.

30. ASM was the head company of an income tax consolidated group under Part 3-90.

31. ASM was listed on the Australian Securities Exchange (ASX). The shares in ASM were traded under the ASX code 'ASM'.

32. The business of ASM consists of the exploration and processing of critical minerals in Australia.

33. On the Implementation Date, there were 279,481,809 ASM ordinary shares on issue.

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34. Just before the Scheme Implementation Deed (SID) was entered into, ASM had more than 300 shareholders.

Energy Fuels Inc.

35. EFI is a company incorporated in Ontario, Canada.

36. EFI is listed on the New York Stock Exchange (NYSE) and the Toronto Stock Exchange (TSX). The common shares in EFI are traded under the NYSE code 'UUUU' and the TSX code 'EFR'.

37. The business of EFI consists of the exploration for, and mining of, critical minerals.

38. Just before the SID was entered into, EFI had more than 300 shareholders.

39. Prior to the Implementation Date, EFI and its subsidiaries did not hold any shares or interests in ASM.

Acquisition of shares in Australian Strategic Materials Limited by Energy Fuels Inc.

40. On 21 January 2026, ASM and EFI entered into the SID. Under the SID, ASM agreed to propose that ASM and its shareholders enter into a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* pursuant to which EFI (or a wholly owned subsidiary of EFI) would acquire all the ordinary shares in ASM. The SID was amended and restated on 13 March 2026.

41. On 12 August 2026, a resolution in favour of the scheme of arrangement was passed by the shareholders of ASM, as required by subparagraph 411(4)(a)(ii) of the *Corporations Act 2001*.

42. On 18 August 2026, the scheme of arrangement was approved by the Federal Court of Australia under paragraph 411(4)(b) of the *Corporations Act 2001*.

43. On the Implementation Date (28 August 2026), EFR Critical Materials Pty Ltd (a wholly owned subsidiary of EFI) acquired all the shares in ASM.

44. On the Implementation Date, for every ASM ordinary share they held on the Record Date (21 August 2026), the shareholders of ASM (other than Ineligible Foreign Shareholders) received:

- \$0.13 as Cash Consideration, and
- 0.053 of a common share in EFI if validly elected or, in the absence of a valid election, 0.053 of a CDI over a common share in EFI (Scrip Consideration).

45. Each CDI represents a beneficial interest in, but not legal title to, one common share in EFI.

46. An Ineligible Foreign Shareholder is an ASM shareholder whose address on the ASM share register on the Record Date was in a place outside Australia (and its external territories) and New Zealand, unless EFI reasonably believes that it is lawful and not unduly onerous or unduly impractical to issue the new EFI shares or CDIs to that ASM shareholder.

47. An Ineligible Foreign Shareholder did not receive the Scrip Consideration to which they would otherwise be entitled for the disposal of their ASM shares. Those EFI shares were sold through a sale facility and the net sale proceeds were paid to each Ineligible Shareholder.

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48. On 19 August 2026, the shares in ASM were suspended from trading on the ASX from the close of trading.

49. On 31 August 2026, ASM was removed from the official list of the ASX.

Other matters

50. On the Implementation Date, the sum of the market values of ASM's assets that were 'taxable Australian real property' (as defined in section 855-20) did not exceed the sum of the market values of ASM's assets that were not taxable Australian real property.

51. No foreign resident shareholder of ASM (with its associates, as defined in section 318 of the ITAA 1936) owned 10% or more of the shares in ASM on the Implementation Date or at any time during the 24 months before the Implementation Date.

52. Paragraph 124-780(3)(f) is satisfied in respect of the disposal of ASM shares to EFI.

53. The CDIs in relation to common shares in EFI are each a 'Chess Unit of Foreign Security' for the purposes of subsection 124-780(6).

54. An ASM shareholder, ASM and EFI were not all members of the same 'linked group' (within the meaning of that term in section 170-260) just before the SID was entered into.

55. No ASM shareholder was a 'significant stakeholder' or a 'common stakeholder' for the arrangement within the meaning of those terms in section 124-783.

56. EFI did not make a choice under subsection 124-795(4) that ASM shareholders could not obtain the roll-over in Subdivision 124-M for CGT event A1 happening in relation to the exchange of ASM shares.

57. Subsections 124-810(3) and (5) did not apply to ASM or EFI just before they entered into the SID.

Commissioner of Taxation

16 September 2026

Status: **not legally binding**

References

Legislative references:

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 - ITAA 1936 318
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 - ITAA 1997 104-10(3)(b)
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 - ITAA 1997 110-25(2)
 - ITAA 1997 110-55(2)
 - ITAA 1997 Subdiv 115-A
 - ITAA 1997 115-30(1)
 - ITAA 1997 116-20(1)
 - ITAA 1997 Subdiv 124-M
 - ITAA 1997 124-780
 - ITAA 1997 124-780(3)(f)
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 - ITAA 1997 170-260
 - ITAA 1997 Div 230
 - ITAA 1997 Pt 3-90
 - ITAA 1997 855-10
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 - ITAA 1997 977-50
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