

SEABIRD EXPLORATION PLC

Annual General Meeting of 3 August 2022

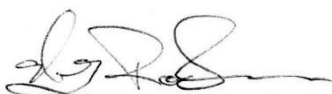
Information regarding Norwegian tax reporting of distribution of Green Minerals AS shares in 2021

When the premium fund was reduced and the subsequent distribution of Green Minerals AS (“GEM”) shares to the Seabird Exploration Plc (“SBX”) shareholders in 2021, the distribution was erroneously reported from Norwegian Central Securities Depository (the “VPS”) to the tax authorities as a taxable dividend and not as a tax-free repayment of paid-in capital. In the case of tax-free repayment of paid-in capital, however, the input value should have been reduced corresponding to the repayment. This was done by correction from VPS to the tax authorities in 2022.

However, it seems that the correction in 2022 did not include automatic reversal of the erroneous reporting in 2021. The individual shareholder / taxpayer had to do this themselves in their own tax return. For shareholders/taxpayers who neither corrected the incorrectly reported dividend nor entry value, double taxation could thus occur when selling the shares, since they have both been taxed for dividends in 2021 and for a higher gain (due to a lower entry value) at a later sale. For these shareholders, it now appears most appropriate to correct the entry value so that the reduction in entry value reported by VPS in 2022 is reversed. Alternatively, they must enter into a dialogue with the tax authorities about revising the equation for 2021.

Shareholders who did not correct the dividend in 2021, but who in their own tax return have corrected the change in input value in 2022, avoid double taxation, even if they have not benefited from deferred taxation on the distribution.

The Tax Directorate has returned to VPS and announced that they do not wish to make any changes, i.e. will not remove the correction in 2022. The extent of potential double taxation is unknown, both in terms of amount and in relation to how many shareholders it concerns. In conclusion, this is a matter for which the individual shareholder / taxpayer is responsible.



Ståle Rodahl
Chairman of the Board of Directors