



Status: **legally binding**

Class Ruling

Spartan Resources Limited – partial scrip for scrip roll-over

❗ Relying on this Ruling

This publication (excluding appendix) 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 holders of ordinary shares in Spartan Resources Limited (SPR) in relation to the acquisition of those shares by Ramelius Resources Limited (RMS) on 31 July 2025 (Implementation Date).
2. Details of this scheme are set out in paragraphs 28 to 51 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 SPR's share register on 24 July 2025 (Record Date)
 - held your SPR shares on capital account – that is, your SPR shares were neither held as revenue assets (as defined in section 977-50) nor as trading stock (as defined in subsection 995-1(1)), and
 - did not acquire your SPR shares pursuant to an employee share scheme (as defined in section 83A-10).

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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 51 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.

Ruling

CGT event A1 happened on the disposal of your Spartan Resources Limited shares

7. CGT event A1 happened when you disposed of each of your SPR shares to RMS (section 104-10).

8. The time of CGT event A1 is the Implementation Date (paragraph 104-10(3)(b)).

9. The capital proceeds received from CGT event A1 happening to each SPR share are the total of the:

- \$0.25 per SPR share you received (Cash Component) (subsection 116-120(1)), and
- market value of the 0.6957 RMS shares you received in respect of your disposal of the SPR share (Share Component) which is worked out as at the time of CGT event A1 happening (subsection 116-20(1)).

10. You made a capital gain from CGT event A1 happening if the capital proceeds from the disposal of your SPR share exceeded the cost base of that share (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 from the disposal of your SPR share were less than the reduced cost base of that share (subsection 104-10(4)). The capital loss is the amount of the difference.

Foreign resident shareholders

12. If you were a foreign resident shareholder just before the Implementation Date (that is, you were not a resident of Australia as defined in subsection 6(1) of the *Income Tax Assessment Act 1936*) and your SPR shares were not 'taxable Australian property', you disregard a capital gain or capital loss you made from CGT event A1 happening when you disposed of your SPR shares to RMS (subsection 855-10(1)).

13. Your SPR shares were taxable Australian property if you (together with your associates) held 10% or more SPR shares on the Implementation Date or for at least 12 months during the 24 months prior to disposal of your SPR shares (table item 2 of section 855-15).

14. Your SPR shares were also taxable Australian property if they were either:

- used by you at any time in carrying on a business through a permanent establishment in Australia in the circumstances specified in table item 3 of section 855-15, or

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- 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).

Availability of partial scrip for scrip roll-over for your Spartan Resources Limited shares

15. Subject to the qualifications in paragraphs 16 to 17 of this Ruling, if you made a capital gain from the disposal of your SPR shares, you may choose partial scrip for scrip roll-over for that part of the capital gain that is attributable to the receipt of the RMS shares (that is, the Share Component) (sections 124-780, 124-785 and 124-790).

16. Scrip for scrip roll-over cannot be chosen if any capital gain you made from the replacement RMS shares would be disregarded, except because of a roll-over (paragraph 124-795(2)(a)).

17. If you were a foreign resident just before the Implementation Date, you cannot choose scrip for scrip roll-over unless your replacement RMS shares 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 for your Spartan Resources Limited shares

Capital gain partially disregarded

18. If you choose scrip for scrip roll-over, the part of the capital gain that is attributable to the receipt of the RMS shares is disregarded (subsections 124-785(1) and 124-790(1)). Any part of the capital gain that is attributable to the Cash Component is not disregarded because it is 'ineligible proceeds' for which roll-over is not available (subsection 124-790(1)).

Cost base and reduced cost base of replacement Ramelius Resources Limited shares

19. If you received your replacement RMS shares and choose scrip for scrip roll-over, the first element of the cost base and reduced cost base of each replacement RMS share you received is calculated by reasonably attributing to it the cost base and reduced cost base (respectively) of your original SPR shares for which it was exchanged and for which the roll-over was obtained (subsections 124-785(2) and (4)).

20. You have to reduce the cost base and reduced cost base of the SPR shares by so much of it that is attributable to the Cash Component of the capital proceeds you received (subsection 124-785(3)).

21. You can calculate the first element of the cost base and reduced cost base of each replacement RMS share by dividing the aggregate cost bases of your SPR shares (as reduced under subsection 124-785(3) for the Cash Component you received) by the number of replacement RMS shares you received (subsections 124-785(2) and (4)).

Acquisition date of a replacement Ramelius Resources Limited share

22. For the purposes of determining your eligibility to make a discount capital gain on a later disposal of a RMS share, if you choose partial scrip for scrip roll-over, the RMS

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shares you acquired in exchange for your SPR shares are taken to have been acquired on the date you acquired, for capital gains tax purposes, the corresponding SPR shares (table item 2 of subsection 115-30(1)).

Consequences if you do not choose, or cannot choose, partial scrip for scrip roll-over for your Spartan Resources Limited shares

Capital gain or capital loss not disregarded

23. If you do not, or cannot, choose 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 SPR 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 made a capital gain and 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.

Cost base and reduced cost base of replacement Ramelius Resources Limited shares

25. If you do not choose, or cannot choose, scrip for scrip roll-over, the first element of the cost base and reduced cost base of each replacement RMS share that you received is equal to that part of the market value of the SPR shares you gave in respect of acquiring the RMS share (paragraph 110-25(2)(b) and subsections 110-55(2) and 112-30(1)), reduced by the proportion of the market value of the SPR shares that is reasonably attributable to the Cash Component of the capital proceeds you received (subsection 112-30(1)).

26. The market value of the SPR shares you gave is to be worked out as at the time when you acquired the RMS share, being the Implementation Date.

Acquisition date of replacement Ramelius Resources Limited shares

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

Scheme

28. 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.

Spartan Resources Limited

29. SPR is a gold mining and exploration company that was incorporated in Australia on 25 September 2009.

30. The shares in SPR were listed on the Australian Securities Exchange (ASX) on 11 December 2009. SPR has only one class of shares on issue.

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31. Just before the Implementation Date, SPR had approximately 1,336,824,852 fully paid ordinary shares on issue.

32. Approximately 1.5% of the SPR shares on issue were held by foreign resident shareholders.

Ramelius Resources Limited

33. RMS is a public company incorporated in Australia and its shares have been listed on the ASX since 31 March 2003.

34. RMS is an established gold production and exploration company based in Western Australia.

Scheme of arrangement

35. On 16 March 2025, SPR and RMS entered into the Transaction Implementation Deed, under which RMS proposed to acquire 100% of the ordinary shares in SPR pursuant to a scheme of arrangement under Part 5.1 of the *Corporations Act 2001*.

36. On 11 July 2025, a resolution in favour of the scheme of arrangement was passed by the SPR shareholders as required by subparagraph 411(4)(a)(ii) of the *Corporations Act 2001*.

37. On 21 July 2025, the scheme of arrangement was approved by the Supreme Court of Western Australia under paragraph 411(4)(b) of the *Corporations Act 2001*.

38. SPR shares were suspended from trading on the ASX from close of trading on 22 July 2025.

39. RMS acquired 100% of the shares in SPR on the Implementation Date.

40. On the Implementation Date, in consideration for the disposal of each of their SPR shares held on the 24 July 2025 (Record Date), SPR shareholders received:

- \$0.25 cash payment (being the Cash Component), and
- 0.6957 RMS shares (being the Share Component).

41. Ineligible Foreign Shareholders did not receive the RMS shares to which they would otherwise be entitled for the disposal of their SPR shares. Those RMS shares were sold through a sale facility and the net proceeds were paid to each Ineligible Foreign Shareholder. An Ineligible Foreign Shareholder was a SPR shareholder whose address was at a place outside of Australia, New Zealand, France, Germany, Guernsey, Hong Kong, Malaysia, Singapore, Spain, the United Kingdom and the United States, unless RMS and SPR determined that it was lawful and not unduly onerous or impracticable to issue that SPR shareholder with new RMS shares when the scheme of arrangement became effective.

42. Unmarketable Parcel Shareholders who did not provide an Opt-In Notice, did not receive the Share Component. Instead, the new RMS share to which they would otherwise have been entitled to was sold through a sale facility and the net proceeds of sale were paid to each Unmarketable Parcel Shareholder. An Unmarketable Parcel Shareholder was a shareholder who, based on their holding of SPR Shares, would be entitled to receive less than a marketable parcel of new RMS shares.

43. SPR was removed from the official list of the ASX on 1 August 2025.

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Other matters

44. All SPR shareholders acquired their SPR shares after 20 September 1985.
45. All parties that participated in the scheme dealt with each other at arm's length for the purposes of subsection 124-780(4).
46. RMS did not make a choice under subsection 124-795(4) that SPR shareholders could not obtain the roll-over in Subdivision 124-M for CGT event A1 happening in relation to the exchange of SPR shares.
47. Both SPR and RMS had more than 300 shareholders just before the Transaction Implementation Deed was entered into and just before the Implementation Date.
48. Subsection 124-810(3) and (5) did not apply to SPR.
49. The SPR shareholders, SPR and RMS were not all members of the same linked group (within the meaning given by section 170-260) just before the Transaction Implementation Deed was entered into.
50. Neither RMS nor any of its wholly owned subsidiaries issued equity (other than the RMS shares issued to SPR shareholders in exchange for their SPR shares), or owed new debt under the scheme, to an entity that was not a member of the group and in relation to the issuing of the replacement RMS shares (paragraph 124-780(3)(f)).
51. On the Implementation Date, the sum of the market value of the assets of SPR that were 'taxable Australian real property' (as defined under section 855-20) exceeded the sum of the market values of the assets of SPR that were not taxable Australian real property.

Commissioner of Taxation

27 August 2025

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Appendix – Explanation

❶ *This Explanation is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.*

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Availability of partial scrip for scrip roll-over under Subdivision 124-M if a capital gain is made

52. Scrip for scrip roll-over under Subdivision 124-M enables a shareholder to disregard a capital gain from the disposal of a share if the shareholder receives a replacement share in exchange. It also provides special rules for calculating the cost base and reduced cost base of the replacement share.

53. Subdivision 124-M contains a number of conditions for, and exceptions to, a shareholder being able to choose scrip for scrip roll-over. The main requirements that are relevant to the scheme that is the subject of this Ruling are:

- an entity exchanges shares in a company for shares in another company (paragraph 124-780(1)(a))
- the exchange is in consequence of a single arrangement that satisfies subsection 124-780(2) or (2A)
- the conditions for the roll-over under subsection 124-780(3) are satisfied
- further conditions in subsection 124-780(4), if applicable, are satisfied, and
- exceptions for the roll-over in section 124-795 are not applicable.

54. A shareholder can only obtain a partial roll-over if the capital proceeds for their share include something (ineligible proceeds) other than a replacement share (ineligible part) (subsection 124-790(1)). The scheme that is the subject of this Ruling satisfies the requirements for partial roll-over under Subdivision 124-M.

Consequences if you choose partial scrip for scrip roll-over for your Ramelius Resources Limited shares

55. If you choose partial scrip for scrip roll-over, the capital gain you made from the disposal of your SPR shares is disregarded to the extent you received replacement RMS shares for the disposal of your SPR shares (eligible proceeds) (subsection 124-785(1)). The capital gain is not disregarded to the extent that you received cash consideration for the disposal of your SPR share (ineligible proceeds).

56. Subsection 124-790(2) provides that the cost base of the ineligible proceeds is that part of the cost base of the original interest as is reasonably attributable to the ineligible proceeds.

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57. The method to be used by a SPR shareholder to calculate that part of the cost base of each SPR share that is reasonably attributable to the Cash Component (ineligible proceeds cost base) is:

ineligible proceeds cost base =

cost base of SPR share $\times$ $(\$0.25 \div (\text{market value of RMS shares received} + \$0.25))$

58. The method to be used by a SPR shareholder to calculate that part of the cost base of each SPR share that is reasonably attributable to the Share Component (eligible proceeds cost base) is:

eligible proceeds cost base =

cost base of SPR share $\times$ $(\text{market value of RMS shares received} \div (\text{market value of RMS shares received} + \$0.25))$

59. In working out the amount of the capital gain that is subject to scrip for scrip roll-over, the following method may be applied:

capital gain (roll-over) = eligible proceeds – eligible proceeds cost base

60. In working out the amount of the capital gain that is not subject to scrip for scrip roll-over, the following method may be applied:

capital gain = ineligible proceeds – ineligible proceeds cost base

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References

Legislative references:

- | | |
|---|---|
| <ul style="list-style-type: none"> - ITAA 1936 6(1) - ITAA 1997 83A-10 - ITAA 1997 102-5 - ITAA 1997 102-10 - ITAA 1997 104-10 - ITAA 1997 104-10(3)(b) - ITAA 1997 104-10(4) - ITAA 1997 104-165(3) - ITAA 1997 109-10 - ITAA 1997 110-25(2)(b) - ITAA 1997 110-55(2) - ITAA 1997 112-30(1) - ITAA 1997 Subdiv 115-A - ITAA 1997 115-30(1) - ITAA 1997 116-120(1) - ITAA 1997 Subdiv 124-M - ITAA 1997 124-780 - ITAA 1997 124-780(1)(a) - ITAA 1997 124-780(2) - ITAA 1997 124-780(2A) - ITAA 1997 124-780(3) - ITAA 1997 124-780(3)(f) - ITAA 1997 124-780(4) | <ul style="list-style-type: none"> - ITAA 1997 124-785 - ITAA 1997 124-785(1) - ITAA 1997 124-785(2) - ITAA 1997 124-785(3) - ITAA 1997 124-785(4) - ITAA 1997 124-790 - ITAA 1997 124-790(1) - ITAA 1997 124-790(2) - ITAA 1997 124-795 - ITAA 1997 124-795(1) - ITAA 1997 124-795(2)(a) - ITAA 1997 124-795(4) - ITAA 1997 124-810(3) - ITAA 1997 124-810(5) - ITAA 1997 170-260 - ITAA 1997 Div 230 - ITAA 1997 855-10(1) - ITAA 1997 855-15 - ITAA 1997 855-20 - ITAA 1997 977-50 - ITAA 1997 995-1(1) - Corporations Act 2001 Pt 5.1 - Corporations Act 2001 411(4)(a)(ii) - Corporations Act 2001 411(4)(b) |
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ATO references

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