Status: **legally binding**

Class Ruling

Winsome Resources Limited – scrip for scrip roll-over

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. This Ruling sets out the income tax consequences for the holders of ordinary shares in Winsome Resources Limited (Winsome) who disposed of their Winsome shares on 21 May 2026 (Implementation Date) pursuant to a scheme of arrangement (Scheme of Arrangement) in exchange for shares (Li-FT Shares) or CHESS Depositary Interests (CDIs) in Li-FT Power Ltd (Li-FT) (Li-FT CDIs).

2. Details of this Scheme of Arrangement are set out in paragraphs 26 to 53 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 Winsome share register on 14 May 2026 (Record Date), participated in the Scheme of Arrangement and received Li-FT Shares or Li-FT CDIs in exchange for your Winsome shares (Eligible Winsome Shareholders)
- are a 'resident of Australia' or a 'non-resident' as defined in subsection 6(1) of the *Income Tax Assessment Act 1936* (ITAA 1936), and
- held your Winsome shares on capital account – that is, your Winsome shares were not held 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 you if you:

- are a non-resident who carried on a business at or through a permanent establishment, as defined in subsection 6(1) of the ITAA 1936, in Australia when you acquired your Winsome shares
- are a 'temporary resident' as defined in subsection 995-1(1)
- acquired your Winsome shares under an employee share scheme (as defined in section 83A-10)
- are subject to the investment manager regime in Subdivision 842-I in relation to your Winsome shares, or
- are subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 26 to 53 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 consequences

CGT event A1

7. CGT event A1 happened when you disposed of each of your Winsome shares to Li-FT in accordance with the Scheme of Arrangement (section 104-10).

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

9. The capital proceeds from CGT event A1 happening to each Winsome share is the market value of the Li-FT Shares or Li-FT CDIs which you received in respect of your disposal of each Winsome share (subsection 116-20(1)). The market value of the Li-FT Shares or Li-FT CDIs is worked out as at the time of CGT event A1 happening.

10. You made a capital gain from CGT event A1 happening if the capital proceeds from the disposal of your Winsome share exceed its cost base (subsection 104-10(4)). The capital gain is the difference.

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

Foreign resident shareholders

12. If you are a foreign resident (that is, you were not a 'resident of Australia' as defined in subsection 6(1) of the ITAA 1936) or the trustee of a foreign trust for CGT purposes (as defined is subsection 995-1(1)) just before the Implementation Date, you

disregard any capital gain or capital loss made as a result of CGT event A1 happening, if your shares were not taxable Australian property for the purposes of section 855-10.

13. Your Winsome shares were 'taxable Australian property' if they were either:

- 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).

Availability of scrip for scrip roll-over for your shares in Winsome Resources Limited

14. Subject to the qualifications in paragraphs 15 and 16 of this Ruling, if you made a capital gain from the disposal of your Winsome shares, you may choose to obtain scrip for scrip roll-over for the capital gain (sections 124-780 and 124-785).

15. If any capital gain you might make from a replacement Li-FT Share or Li-FT CDI would be disregarded, otherwise than because of a roll-over, you cannot choose scrip for scrip roll-over (paragraph 124-795(2)(a)).

16. If you were a foreign resident, or the trustee of a foreign trust for CGT purposes, just before the Implementation Date and you made a capital gain that is not disregarded (see paragraph 12 of this Ruling), you cannot choose scrip for scrip roll-over unless your replacement Li-FT Shares or Li-FT CDIs were taxable Australian property (as defined in section 855-15) just after the Implementation Date (subsection 124-795(1)).

Consequences if you choose scrip for scrip roll-over

Capital gain is disregarded

17. If you choose scrip for scrip roll-over, the capital gain you made when CGT event A1 happened on the disposal of each of your Winsome shares is disregarded (subsection 124-785(1)).

Acquisition date of shares in Li-FT Power Ltd

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

Cost base and reduced cost base of shares in Li-FT Power Ltd

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

20. If all of your Winsome shares were acquired on the same date and they have identical rights and obligations, then we accept that a reasonable method of attribution would be to calculate the first element of the cost base and reduced cost base

(respectively) of each replacement Li-FT Share or Li-FT CDI by dividing the total cost bases and total reduced cost bases (respectively) of your Winsome shares by the number of replacement Li-FT Shares or Li-FT CDIs you received.

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

Capital gain is not disregarded

21. If you do not choose, 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 Winsome 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).

22. If you made a capital gain, 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 Winsome shares at least 12 months before the Implementation Date on which CGT event A1 happened (excluding the date on which you acquired the Winsome shares and the Implementation Date).

Cost base and reduced cost base of shares in Li-FT Power Ltd

23. 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 Li-FT Share or Li-FT CDI that you received is equal to the market value of the Winsome share you gave in respect of acquiring the Li-FT Share or Li-FT CDI (subsections 110-25(2) and 110-55(2)).

24. The market value of the Winsome shares you gave is to be worked out as at the Implementation Date, when you acquired the Li-FT Shares or Li-FT CDIs.

Acquisition date of shares in Li-FT Power Ltd

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

Scheme

26. 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.

Background

Winsome Resources Limited

27. Winsome is a public company registered on 6 April 2021 and admitted to the official list of the Australian Securities Exchange (ASX) on 26 November 2021.

28. Winsome is a lithium-focused exploration and development company.

29. Just before the Implementation Date, Winsome was a stand-alone Australian entity and not part of an Australian tax consolidated group.

30. Just before the Implementation Date, Winsome had 253,623,451 ordinary shares on issue.

Li-FT Power Ltd

31. Li-FT is a Canadian company incorporated on 28 May 2021 and listed on the TSX Venture Exchange.

32. Li-FT is a mineral exploration company which engages in the acquisition, exploration and development of lithium projects.

Acquisition of shares in Winsome Resources Limited by Li-FT Power Ltd – scheme of arrangement

33. On 15 December 2025, Winsome and Li-FT entered into a Scheme Implementation Deed (SID) under which Li-FT agreed to acquire 100% of the issued share capital in Winsome by way of a scheme of arrangement under Part 5.1 of the *Corporations Act 2001*. Under the Scheme of Arrangement, Li-FT would acquire all the ordinary shares in Winsome in exchange for shares or CDIs in Li-FT.

34. The terms of the SID provide that each share in Winsome held by a Winsome shareholder would be transferred to Li-FT, resulting in Winsome becoming a wholly owned subsidiary of Li-FT.

35. In consideration for the transfer of each Winsome share, Eligible Winsome Shareholders – other than Ineligible Foreign Shareholders and Non-electing Small Shareholders – received Scheme Consideration, being either:

- if they made a valid election, ordinary shares in Li-FT that can be traded on the TSX Venture Exchange – 0.107 Li-FT shares for each Winsome ordinary share, or
- by default if no valid election was made, Li-FT CDIs quoted on the ASX in relation to ordinary shares in Li-FT – 0.107 Li-FT CDIs for each Winsome ordinary share.

36. Entitlements to a fraction of a Li-FT Share or Li-FT CDI were rounded down to the nearest whole number of Li-FT Shares or Li-FT CDIs without any compensation for the fractional entitlement.

37. An Ineligible Foreign Shareholder is a shareholder whose address on the Winsome share register on the Record Date was in a place outside Australia, New Zealand, Canada, Germany, Hong Kong, Luxembourg, Singapore, Switzerland and the United States of America.

38. A Non-electing Small Shareholder was a Small Shareholder (a Winsome shareholder – other than an Ineligible Foreign Shareholder – who, based on their shareholding on the Record Date, would on implementation of the Scheme of Arrangement be entitled to receive less than a marketable parcel (as defined in the ASX Listing Rules) of Li-FT Shares or Li-FT CDIs as Scheme Consideration) who had not provided the Winsome share registry with a valid Small Shareholders Election (a notice requesting to receive the Scheme Consideration as Li-FT Shares or Li-FT CDIs) by 12 May 2026.

39. Ineligible Foreign Shareholders or Non-electing Small Shareholders did not receive the Li-FT Shares or Li-FT CDIs to which they would otherwise be entitled for the disposal of their Winsome shares. Instead, Li-FT issued Li-FT CDIs to which Ineligible Foreign Shareholders and Non-electing Small Shareholders would otherwise have been entitled to

a sale agent. These Li-FT CDIs were sold and the net sale proceeds were paid to each of the Ineligible Foreign Shareholders and Non-electing Small Shareholders.

40. At a shareholder meeting held on 5 May 2026, Winsome shareholders approved the Scheme of Arrangement.

41. On 11 May 2026, the Supreme Court of Western Australia approved the Scheme of Arrangement and made orders pursuant to Part 5.1 of the *Corporations Act 2001*.

42. Entitlements to the Scheme Consideration were determined on the Record Date.

43. Winsome shares were transferred to Li-FT, and Li-FT Shares or Li-FT CDIs were issued to Eligible Winsome Shareholders on the Implementation Date.

44. The shares in Winsome were suspended from trading on the ASX from the close of trading on 12 May 2026.

45. Winsome was removed from the official list of the ASX at the close of trading on 22 May 2026.

46. Li-FT remains headquartered in Canada and has its shares trading on the ASX in the form of Li-FT CDIs.

47. The Li-FT CDIs were quoted on the ASX on 26 May 2026.

Other matters

48. Paragraph 124-780(3)(f) is satisfied in respect of the disposal of Winsome shares to Li-FT.

49. There was no Winsome shareholder who was a 'significant stakeholder' or 'common stakeholder' for the Scheme of Arrangement within the meaning of those terms in section 124-783.

50. Winsome had more than 300 members just before 15 December 2025, when the SID was executed.

51. Just before the SID was executed, there was no linked group (within the meaning given by section 170-260) with a Winsome shareholder, Winsome and Li-FT as members.

52. The aggregate market value of Winsome's taxable Australian real property (as defined in section 855-20) assets does not exceed the aggregate market value of Winsome's non-taxable Australian real property assets.

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

Commissioner of Taxation
17 June 2026

Status: **not legally binding**

References

Legislative references:
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- 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)
- 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)
- ITAA 1997 124-783
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- ITAA 1997 124-795(1)
- ITAA 1997 124-795(2)(a)
- ITAA 1997 124-795(4)
- ITAA 1997 170-260
- ITAA 1997 Div 230
- ITAA 1997 Subdiv 842-I
- ITAA 1997 855-10
- ITAA 1997 855-15
- ITAA 1997 855-20
- ITAA 1997 977-50
- ITAA 1997 995-1(1)
- Corporations Act 2001 Pt 5.1

ATO references

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