Status: **legally binding**

Class Ruling

Ascend Resources Pty Limited – exchange of shares for Ascend Metals Limited shares

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 shareholders in Ascend Resources Pty Limited (Ascend) that exchanged their shares for Ascend Metals Limited (Newco) shares under the Share Sale and Purchase Agreement (Share Exchange Agreement) implemented on 5 June 2026 (Implementation Date).

2. Details of this scheme are set out in paragraphs 22 to 35 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:

- exchanged your Ascend shares for Newco shares under the Share Exchange Agreement
- were, at the time of the exchange, either
  - a resident of Australia within the meaning of subsection 6(1) of the *Income Tax Assessment Act 1936* (and not a temporary resident as defined in subsection 995-1(1)), or
  - a non-resident of Australia who does not carry on a business at or through a permanent establishment in Australia, and
- held your Ascend shares on capital account and not as trading stock (as defined in subsection 995-1(1)) or as revenue assets (as defined in section 977-50), and you held your Newco shares on capital account immediately after the Implementation Date.

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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 22 to 35 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

Disposal of Ascend Resources Pty Limited shares – CGT event A1

7. CGT event A1 happened when you disposed of each of your Ascend shares to Newco under the Share Exchange Agreement (subsection 104-10(1)).

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

9. You made a capital gain from CGT event A1 happening if the capital proceeds from the disposal of your Ascend share were more than the cost base of that share (subsection 104-10(4)). The capital gain is the amount of that excess.

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

11. The capital proceeds in respect of CGT event A1 happening were the market value of the Newco share received by you as consideration for each Ascend share exchanged (subsection 116-20(1)). The market value of the Newco share received is worked out as at the time of CGT event A1, which was the Implementation Date (paragraph 116-20(1)(b)).

Availability of Division 615 roll-over

12. If you are an Australian resident, you can choose to obtain a roll-over because all relevant conditions under Division 615 were satisfied when you disposed of your Ascend share to Newco in exchange for Newco shares (and nothing else) (section 615-5).

13. If you are not an Australian resident, you cannot choose to obtain a roll-over because the Newco shares you received were not taxable Australian property immediately after the completion time of the exchange (subparagraph 615-20(3)(b)(ii)).

Consequences if you choose a roll-over

14. Where you choose a roll-over under Division 615, you disregard any capital gain or capital loss made from the disposal of the Ascend share in exchange for the Newco share (sections 615-10 and 615-40, and subsection 124-15(2)).

15. The first element of the cost base and reduced cost base of each Newco share that you acquired under the Share Exchange Agreement will equal the cost base of the Ascend share for which it was exchanged (section 615-40 and subsection 124-15(3)).

16. For the purposes of determining any discount capital gain under Division 115, you are taken to have acquired the Newco share on the same date you acquired your corresponding Ascend share (table item 2 of subsection 115-30(1)).

Capital gains tax consequences for Australian residents if a roll-over is not chosen

17. Where a roll-over under Division 615 is not chosen, you must take into account any capital gain or capital loss from CGT event A1 happening on the disposal of your Ascend share in working out your net capital gain or net capital loss for the income year in which CGT event A1 happens (sections 102-5 and 102-10).

18. If you make a capital gain on disposal of your Ascend share, you can treat the capital gain as a discount capital gain provided that the conditions of Subdivision 115-A are met. In particular, the Ascend share that was disposed of must have been acquired by you at least 12 months before the Implementation Date (section 115-25).

19. The date of acquisition of the Newco share is the date you were issued your Newco share, being the Implementation Date (table item 2 of section 109-10).

20. The first element of the cost base and reduced cost base of each replacement Newco share received is equal to the market value of the corresponding Ascend share you exchanged for that Newco share (subsections 110-25(2) and 110-55(2)).

Capital gains tax consequences for non-residents if a roll-over is not chosen

21. You will be able to disregard a capital gain or a capital loss from CGT event A1 happening in respect of your Ascend shares if you are a non-resident, or the trustee of a non-resident trust for CGT purposes, just before the CGT event happened (section 855-10).

Scheme

22. 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.

23. Ascend is a private Australian-resident company incorporated on 30 July 2024. It only has ordinary shares on issue, which all have the same attached rights.

24. The primary asset of Ascend is a prospecting licence in the Solomon Islands, with which it is undertaking exploration activities. Ascend also has a wholly owned Solomon Islands subsidiary that services the exploration project and employs Solomon Islands employees.

Investment by ACC New Energy Limited

25. Ascend signed an investment agreement with ACC New Energy Limited (ACC) for an equity investment by ACC into Ascend.

26. The investment agreement is being implemented in 3 ordered tranches. Where a tranche cannot be implemented, any remaining tranches will not proceed. However, previous tranches remain as implemented.

27. The first tranche was successfully implemented in December 2025, whereby ACC acquired new and existing Ascend shares.

28. As a pre-requisite to further investment into Ascend under the second tranche, the investment agreement required the incorporation of a new holding company and for shareholders to agree to exchange their Ascend shares for shares in the new holding company.

29. For completeness, any further investments made under the second and third tranches will be fulfilled following implementation of the Share Exchange Agreement and do not form part of the Scheme this Ruling applies to.

Interposition of Ascend Metals Limited

30. To facilitate the interposition, a new company, Ascend Metals Limited (referred to in this Ruling as Newco) was incorporated in the British Virgin Islands.

31. Ascend, Newco and all the Ascend shareholders signed the Share Exchange Agreement to implement the interposition in the second tranche.

32. Under the Share Exchange Agreement, Newco acquired all Ascend shares. Ascend shareholders received one Newco share, and nothing else, in exchange for each Ascend share held by that shareholder as at the Implementation Date.

33. The completion time for the scheme (as defined in section 615-15) was the Implementation Date, being the point in time all shareholders exchanged their Ascend shares for Newco shares.

Other matters

34. This Ruling is made on the basis that Newco will make a choice under subsection 615-30(1) that section 615-65 applies within 2 months of the Implementation Date, being the completion time, in accordance with paragraph 615-30(3)(a).

35. Neither Ascend shares or Newco shares are taxable Australian real property (as defined in section 855-20).

Commissioner of Taxation
17 June 2026

Status: **not legally binding**

References

Legislative references:
- ITAA 1936 6(1)
- ITAA 1997 102-5
- ITAA 1997 102-10
- ITAA 1997 104-10(1)
- ITAA 1997 104-10(3)(b)
- ITAA 1997 104-10(4)
- ITAA 1997 109-10
- ITAA 1997 110-25(2)
- ITAA 1997 110-55(2)
- ITAA 1997 Div 115
- ITAA 1997 Subdiv 115-A
- ITAA 1997 115-25
- ITAA 1997 115-30(1)
- ITAA 1997 116-20(1)
- ITAA 1997 116-20(1)(b)
- ITAA 1997 124-15(2)
- ITAA 1997 124-15(3)
- ITAA 1997 Div 230
- ITAA 1997 Div 615
- ITAA 1997 615-5
- ITAA 1997 615-10
- ITAA 1997 615-15
- ITAA 1997 615-20(3)(b)(ii)
- ITAA 1997 615-30(1)
- ITAA 1997 615-30(3)(a)
- ITAA 1997 615-40
- ITAA 1997 615-65
- ITAA 1997 855-10
- ITAA 1997 855-20
- ITAA 1997 977-50
- ITAA 1997 995-1(1)

ATO references

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