



Status: **legally binding**

Class Ruling

Peel Mining Limited – return of capital by in specie distribution of shares in Spectre Metals Limited

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 shareholders of Peel Mining Limited (Peel) who received from Peel a pro rata in specie distribution (Distribution) of ordinary shares in Spectre Metals Limited (Spectre) on 30 June 2026 (Implementation Date).
2. Details of this scheme are set out in paragraphs 23 to 39 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 as a holder of ordinary shares in Peel at 7:00 pm on 24 June 2026 (Record Date)
 - received the in specie distribution of Spectre shares on the Implementation Date, and
 - held your Peel shares on capital account – that is, your Peel shares were neither held as revenue assets (as defined in section 977-50) nor as trading stock (as defined in subsection 995-1(1)).
5. This Ruling does not apply to you if you:
 - are exempt from Australian income tax
 - are a temporary resident of Australia (as defined in subsection 995-1(1))

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- acquired your Peel shares under an employee share scheme (as defined in section 83A-10)
- are a non-resident of Australia and, together with your associates, held 10% or more of the shares in Peel on the Implementation Date or throughout a 12-month period that began no earlier than 24 months before the Implementation Date
- are a non-resident of Australia who carries on, or has carried on, a business at or through a permanent establishment in Australia
- are subject to the investment manager regime in Subdivision 842-I in relation to your Peel shares, or
- are subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 23 to 39 of this Ruling.

When this Ruling applies

6. This Ruling applies from 1 July 2025 to 30 June 2026.

Ruling

Return of capital is not a dividend

7. The return of capital you received in the form of an in specie distribution of shares in Spectre is not a dividend as defined in subsection 6(1) of the *Income Tax Assessment Act 1936* (ITAA 1936). Therefore, it is not included in assessable income under subsection 44(1) of the ITAA 1936.

8. The return of capital you received in the form of an in specie distribution of shares in Spectre is not assessable as ordinary income under section 6-5.

Sections 45A, 45B and 45C of the *Income Tax Assessment Act 1936* do not apply

9. The Commissioner will not make a determination under subsection 45A(2) of the ITAA 1936 that section 45C of the ITAA 1936 applies to the whole, or any part, of the return of capital you received in the form of an in specie distribution of shares in Spectre.

10. The Commissioner will not make a determination under paragraph 45B(3)(b) of the ITAA 1936 that section 45C of the ITAA 1936 applies to the whole, or any part, of the return of capital you received in the form of an in specie distribution of shares in Spectre.

Capital gains tax consequences

Demerger roll-over relief is not available

11. Demerger relief (being demerger roll-over relief pursuant to Division 125) is not available as the requirements under subsection 125-70(1) were not satisfied.

CGT event G1

12. CGT event G1 happened to you on the Implementation Date when you received the return of capital in the form of in specie distribution of shares in Spectre in respect of

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each Peel share you owned on the Record Date and continued to own on the Implementation Date (section 104-135).

13. You made a capital gain from CGT event G1 if the amount of the return of capital for each Peel share was more than the cost base of your Peel share. The capital gain is equal to the difference. If you made a capital gain, the cost base and reduced cost base of your Peel share is reduced to nil (subsection 104-135(3)).

14. You cannot make a capital loss when CGT event G1 happens (Note 1 of subsection 104-135(3)).

15. If you did not make a capital gain, the cost base and reduced cost base of the Peel share is reduced by the amount of the return of capital (subsection 104-135(4)).

CGT event C2

16. CGT event C2 happened on the Implementation Date when you received the return of capital for each Peel share you owned on the Record Date but ceased to own before the Implementation Date (section 104-25).

17. You made a capital gain from CGT event C2 happening if the capital proceeds (being the return of capital) were more than the cost base of your right to receive the return of capital. You made a capital loss if the capital proceeds were less than the reduced cost base of the right (subsection 104-25(3)).

18. The cost base of your right to receive the return of capital does not include the cost base or reduced cost base of the Peel share you disposed of, to the extent that it was applied in working out a capital gain or capital loss made when you disposed of the share (Division 110, as modified by Division 112). If the cost base or reduced cost base of your Peel share had been fully applied in working out a capital gain or capital loss on its disposal, your right to receive the return of capital will have a nil cost base and you will have made a capital gain equal to the capital proceeds per Peel share you owned at the Record Date but disposed of before the Implementation Date.

Discount capital gain

19. You can treat a capital gain made when CGT event G1 or CGT event C2 happened as a discount capital gain if you acquired your Peel share at least 12 months before the Implementation Date (subsection 115-25(1)), provided the other conditions in Subdivision 115-A are satisfied.

Cost base and reduced cost base of shares in Spectre Metals Limited

20. The first element of the cost base and reduced cost base of each Spectre share you received on the Implementation Date is equal to the market value of each Spectre share on the Implementation Date (subsections 110-25(2) and 110-55(2), section 112-20).

21. You are taken to have acquired your Spectre share you received by way of the in specie distribution on the Implementation Date (table event A1 (case 1) of subsection 109-5(2)).

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Foreign resident shareholders

22. If you were a foreign resident as defined in subsection 995-1(1) on the Implementation Date, you disregard any capital gain made from CGT event G1 or any capital gain or capital loss from CGT event C2 happening to your Peel shares, pursuant to subsection 855-10(1), unless you are an individual and your Peel shares were covered by subsection 104-165(3) (table item 5 of section 855-15).

Scheme

23. 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.

Peel Mining Limited

- 24. Peel was a public company that was incorporated in Australia on 20 April 2006.
- 25. Peel was listed on the Australian Securities Exchange on 11 May 2007. The shares in Peel were traded under the Australian Securities Exchange code 'PEX'.
- 26. Peel is a base and precious metal exploration company, with a primary focus in copper.
- 27. Peel has only one class of shares on issue, being ordinary shares.
- 28. On the Implementation Date, Peel had \$139,643,812 share capital and 891,810,882 shares on issue.
- 29. As at 31 December 2025, Peel had \$17,845,279 accumulated losses.

Spectre Metals Limited

- 30. Spectre was incorporated on 23 February 2026 and was a wholly owned subsidiary of Peel.

Demerger of Spectre Metals Limited

- 31. In March 2026, Peel and Spectre entered into a Demerger Implementation Deed, under which Peel would demerge Spectre and its wholly owned subsidiaries via an in specie distribution of Spectre shares to Peel shareholders.
- 32. On 15 June 2026, pursuant to sections 256B and 256C of the Corporations Act 2001, shareholders of Peel approved the in specie distribution of 100% of Spectre shares to Peel shareholders.
- 33. On the Implementation Date, Peel shareholders received one Spectre share for every approximately 4.4591 Peel shares held at the Record Date.
- 34. Peel debited \$40 million (or \$0.0449 per Peel share), being the market value of the Spectre shares, against Peel's capital account.
- 35. Ineligible Foreign Shareholders did not receive the Spectre shares to which they would otherwise be entitled under the in specie distribution. Those Spectre shares were sold through a sale facility and the net proceeds were paid to each Ineligible Foreign

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Shareholder. An Ineligible Foreign Shareholder was a Peel shareholder whose address was at a place outside of Australia, New Zealand, United Kingdom or Germany.

36. After the Demerger, Spectre will own the following key assets:

- the Southern Nights Complex located in the Cobar Basin (includes the Southern Nights and Wagga Tank deposits)
- the May Day deposit located in the Cobar Basin
- approximately 1,375 square kilometres of 100%-owned highly prospective exploration tenure in the Cobar Basin, and
- Peel's cash on completion, net of transaction costs and completion adjustment.

Scheme of arrangement

37. On 15 June 2026, Peel shareholders voted to approve Aeris Resources Limited acquiring all Peel shares under a court scheme of arrangement. This scheme is subject to a separate class ruling (see Class Ruling CR 2026/42 *Peel Mining Limited – scrip for scrip roll-over*).

Other matters

38. Immediately before the Implementation Date, Peel's share capital account (as defined in section 975-300) was not tainted (within the meaning of Division 197).

39. Prior to the Implementation Date, Peel has not made any returns of capital or declared any dividends since its incorporation.

Commissioner of Taxation

15 July 2026

Status: **not legally binding**

References

Related rulings and determinations:

CR 2026/42

Legislative references:

- | | |
|--|---|
| <ul style="list-style-type: none"> - ITAA 1936 6(1) - ITAA 1936 44(1) - ITAA 1936 45A - ITAA 1936 45A(2) - ITAA 1936 45B - ITAA 1936 45B(3)(b) - ITAA 1936 45C - ITAA 1997 6-5 - ITAA 1997 83A-10 - ITAA 1997 104-25 - ITAA 1997 104-25(3) - ITAA 1997 104-135 - ITAA 1997 104-135(3) - ITAA 1997 104-135(4) - ITAA 1997 104-165(3) | <ul style="list-style-type: none"> - ITAA 1997 109-5(2) - ITAA 1997 Div 110 - ITAA 1997 110-25(2) - ITAA 1997 110-55(2) - ITAA 1997 Div 112 - ITAA 1997 Subdiv 115-A - ITAA 1997 115-25(1) - ITAA 1997 Div 125 - ITAA 1997 125-70(1) - ITAA 1997 Div 197 - ITAA 1997 Div 230 - ITAA 1997 Subdiv 842-I - ITAA 1997 855-10(1) - ITAA 1997 855-15 - ITAA 1997 975-300 - ITAA 1997 977-50 - ITAA 1997 995-1(1) - Corporations Act 256B - Corporations Act 256C |
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