Status: **legally binding**

Class Ruling

Emmerson 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 former shareholders of Emmerson Resources Limited (Emmerson) in relation to the disposal of their ordinary shares in Emmerson to Tennant Consolidated Mining Group Pty Ltd (TCMG) in exchange for CHESS Depositary Interests (CDIs) in Pan African Resources plc (Pan African), under a scheme of arrangement implemented on 1 July 2026 (Implementation Date).

2. Details of this scheme are set out in paragraphs 22 to 49 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 Emmerson share register on 24 June 2026 (Record Date) and participated in the scheme of arrangement
- acquired, or are taken to have acquired, your shares in Emmerson on or after 20 September 1985
- held your Emmerson shares on capital account – that is, your Emmerson 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
- were a 'resident of Australia', as defined in subsection 6(1) of the *Income Tax Assessment Act 1936*, on the Implementation Date.

5. This Ruling does not apply to you if you:

- were a 'temporary resident' of Australia, as defined in subsection 995-1(1), on the Implementation Date, or

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- are subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 22 to 49 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 2026 to 30 June 2027.

Ruling

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

7. CGT event A1 happened when you disposed of your Emmerson shares to TCMG (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 Emmerson share is the market value, on the Implementation Date, of the 0.1493 Pan African CDIs you received in respect of your disposal of each Emmerson share (subsection 116-20(1)).

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

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

12. Subject to the qualification in paragraph 13 of this Ruling, if you made a capital gain from the disposal of your Emmerson shares, you may choose to obtain scrip for scrip roll-over for the capital gain (section 124-780).

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

Consequences if you choose scrip for scrip roll-over for your shares in Emmerson Resources Limited

Capital gain is disregarded

14. If you choose scrip for scrip roll-over, you disregard the capital gain you made from CGT event A1 happening on the disposal of your Emmerson shares (subsection 124-785(1)).

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Acquisition date of CHESS Depositary Interests in Pan African Resources plc

15. If you choose scrip for scrip roll-over, for the purposes of determining your eligibility to make a discount capital gain, you are taken to have acquired your Pan African CDIs on the date you acquired, for CGT purposes, the corresponding Emmerson shares (table item 2 of subsection 115-30(1)).

Cost base and reduced cost base of CHESS Depositary Interests in Pan African Resources plc

16. If you choose scrip for scrip roll-over, the first element of the cost base and reduced cost base of each replacement Pan African CDI you received is worked out by reasonably attributing to it the cost base and reduced cost base (respectively) of the Emmerson shares for which it was exchanged and for which the roll-over was obtained (subsections 124-785(2) and (4)).

17. If all of your Emmerson 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 Pan African CDI by dividing the total cost bases and total reduced cost bases (respectively) of your Emmerson shares by the number of replacement Pan African CDIs you received.

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

Capital gain is not disregarded

18. 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 Emmerson 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).

19. If you make a capital gain where you do not, or cannot, choose scrip for scrip roll-over, 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, or are taken to have acquired, your Emmerson shares at least 12 months before the Implementation Date (excluding the date on which you acquired the Emmerson shares and the Implementation Date) (subsection 115-25(1)).

Cost base and reduced cost base of CHESS Depositary Interests in Pan African Resources plc

20. If you do not, or cannot, choose scrip for scrip roll-over, the first element of the cost base and reduced cost base of each replacement Pan African CDI you received is equal to the market value, on the Implementation Date, of the Emmerson shares you exchanged in respect of acquiring that replacement Pan African CDI (subsections 110-25(2) and 110-55(2)).

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Acquisition date of CHESS Depositary Interests in Pan African Resources plc

21. If you do not, or cannot, choose scrip for scrip roll-over, you are taken to have acquired your Pan African CDIs on the Implementation Date (table item 2 of section 109-10).

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.

Emmerson Resources Limited

23. Emmerson is a company that was incorporated in Australia in November 2005.

24. Emmerson was listed on the Australian Securities Exchange (ASX) on 17 December 2007.

25. Just before the Implementation Date, Emmerson was the head company of an income tax consolidated group under Part 3-90.

26. Emmerson's business is primarily focused on gold and copper exploration across its projects in the Northern Territory and New South Wales.

27. Emmerson is also a party to the Tennant Creek Joint Venture with TCMG, under which the parties hold interests in various exploration and mining tenements in the Tennant Creek region of the Northern Territory.

28. On the Record Date, Emmerson had one class of shares on issue, being fully paid ordinary shares.

Pan African Resources plc

29. Pan African is a gold mining company incorporated in England and Wales, and a tax resident of South Africa.

30. Pan African is the ultimate holding company of a wholly owned group, for the purposes of subsection 124-780(7).

31. Prior to the Implementation Date, Pan African did not hold any interest in Emmerson.

32. Pan African has primary listings on the London Stock Exchange and Johannesburg Stock Exchange.

Tennant Consolidated Mining Group Pty Ltd

33. TCMG is a company that was incorporated in Australia on 20 October 2020.

34. TCMG is a wholly owned subsidiary of Pan African.

Scheme of arrangement

35. On 8 March 2026, Emmerson and Pan African entered into a scheme implementation deed (SID), as amended and restated on 21 April 2026, under which Pan

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African (or one of its wholly owned subsidiaries) would acquire 100% of the ordinary shares in Emmerson by way of a scheme of arrangement under Part 5.1 of the *Corporations Act 2001*.

36. On 15 June 2026, a resolution in favour of the scheme of arrangement was passed by Emmerson shareholders, as required by subparagraph 411(4)(a)(ii) of the *Corporations Act 2001*.

37. On 19 June 2026, the scheme of arrangement was approved by order of the Supreme Court of Western Australia, under paragraph 411(4)(b) of the *Corporations Act 2001*.

38. The shares in Emmerson were suspended from quotation on the ASX from the close of trading on 22 June 2026.

39. Pan African CDIs were admitted to the official list of the ASX as an ASX foreign exempt listing on 22 June 2026.

40. TCMG acquired all the ordinary shares in Emmerson on the Implementation Date, resulting in Emmerson becoming a wholly owned subsidiary of TCMG.

41. On the Implementation Date, Emmerson shareholders received the scheme consideration, being 0.1493 Pan African CDIs for each Emmerson share held on the Record Date.

42. Emmerson shareholders did not receive any other consideration or benefit in relation to the scheme of arrangement. The scheme consideration was considered fair and reasonable according to the Independent Expert's Report, prepared by BDO Corporate Finance Australia Pty Ltd.

43. The shares in Emmerson were removed from the official list of the ASX at the close of trading on 2 July 2026.

Other matters

44. As a Pan African CDI is a unit of beneficial ownership in a Pan African share, each replacement Pan African CDI is a 'Chess Unit of Foreign Security' for the purposes of subsection 124-780(6).

45. There was no Emmerson shareholder who was a 'significant stakeholder' or 'common stakeholder' within the meaning of those terms in section 124-783.

46. No member of Pan African's wholly owned group has, or will, issue equity (other than Pan African CDIs under the scheme of arrangement) or owe new debt under the arrangement to any entity that is not a member of the group in relation to the issuing of the Pan African CDIs.

47. Just before the SID was entered into, both Emmerson and Pan African had more than 300 members and were not treated as not having at least 300 members (under section 124-810).

48. Just before the SID was entered into, there was no 'linked group' (within the meaning given by section 170-260) with an Emmerson shareholder, Emmerson and TCMG as members.

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49. Pan African did not make a choice under subsection 124-795(4) that Emmerson shareholders could not obtain the roll-over in Subdivision 124-M for CGT event A1 happening in relation to the exchange of their Emmerson shares.

Commissioner of Taxation
22 July 2026

Status: **not legally binding**

References

Legislative references:

- ITAA 1936 6(1)
- 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 109-10
- ITAA 1997 110-25(2)
- ITAA 1997 110-55(2)
- ITAA 1997 Subdiv 115-A
- ITAA 1997 115-25(1)
- ITAA 1997 115-30(1)
- ITAA 1997 116-20(1)
- ITAA 1997 Subdiv 124-M
- ITAA 1997 124-780
- ITAA 1997 124-780(6)
- ITAA 1997 124-780(7)
- ITAA 1997 124-783
- ITAA 1997 124-785(1)
- ITAA 1997 124-785(2)
- ITAA 1997 124-785(4)
- ITAA 1997 124-795(2)(a)
- ITAA 1997 124-795(4)
- ITAA 1997 124-810
- ITAA 1997 170-260
- ITAA 1997 Div 230
- ITAA 1997 Pt 3-90
- 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)

ATO references

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