Status: **legally binding**

Class Ruling

Toro Energy Limited – scrip for scrip roll-over for shareholders

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 holders of ordinary shares in Toro Energy Limited (Toro) who disposed of their shares in Toro to Iso Australia Operations Pty Ltd (Iso Australia) in exchange for shares in IsoEnergy Ltd. (IsoEnergy) on 25 June 2026 (Implementation Date).

2. Details of this scheme are set out in paragraphs 26 to 66 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 Toro share register as the holder of a fully paid ordinary share in Toro at 7:00 pm Australian Eastern Standard Time (AEST) on 18 June 2026 (Record Date)
- were not an Excluded Shareholder or Non-Electing Small Shareholder under the scheme that is described in paragraphs 47 and 50 of this Ruling
- were an Australian resident as defined in subsection 6(1) of the *Income Tax Assessment Act 1936* or a non-resident (who did not hold their Toro shares in relation to carrying on a business at or through a permanent establishment in Australia)
- held your Toro shares on capital account – that is, you did not hold your Toro shares as revenue assets (as defined in section 977-50) or as trading stock (as defined in subsection 995-1(1)), and

- did not acquire your Toro shares pursuant to an employee share scheme (as defined in section 83A-10).

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 26 to 66 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 shares in Toro Energy Limited

7. CGT event A1 happened when you disposed of your Toro shares to Iso Australia (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 your Toro shares is the market value of the IsoEnergy shares you received in respect of the disposal of your Toro shares (subsection 116-20(1)). The market value of the IsoEnergy shares is worked out as at the time of CGT event A1.

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

Foreign resident shareholders of Toro Energy Limited

12. You must disregard a capital gain or capital loss you made from CGT event A1 happening when you disposed of your Toro shares to Iso Australia (section 855-10) if:

- you were a foreign resident (that is, you were not a ‘resident of Australia’ as defined in subsection 6(1) of the *Income Tax Assessment Act 1936* or the trustee of a foreign trust for CGT purposes just before the Implementation Date, and
- your Toro shares were not ‘taxable Australian property’ (as defined in section 855-15).

13. Your Toro 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)

- an indirect Australian real property interest (as defined in section 855-25) that is not a CGT asset that is covered by subsection 104-165(3) (table item 2 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 Toro

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

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

16. If you were a foreign resident just before the Implementation Date and you make a capital gain that is not disregarded (see paragraphs 12 and 13 of this Ruling), you cannot choose scrip for scrip roll-over unless you received IsoEnergy shares and they 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, you disregard the capital gain you made from CGT event A1 happening on the disposal of your Toro shares (subsection 124-785(1)).

Cost base and reduced cost base of share in IsoEnergy Ltd.

18. If you choose scrip for scrip roll-over, the first element of the cost base and reduced cost base of a replacement share in IsoEnergy that you received is worked out by reasonably attributing to it the cost base and reduced cost base (respectively) of the Toro shares for which it was exchanged and for which the roll-over was obtained (subsections 124-785(2) and (4)).

19. If all of your Toro shares were acquired on the same date and they have identical rights and obligations, 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 IsoEnergy share by dividing the total cost bases and total reduced cost bases (respectively) of your Toro shares by the number of replacement IsoEnergy shares you received.

Acquisition date of shares in IsoEnergy for discount capital gain purposes

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

Consequences if you do not choose, or cannot choose, scrip for scrip roll-over

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 Toro 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 make a capital gain where 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. In particular, you must have acquired your Toro shares at least 12 months before the Implementation Date on which CGT event A1 happened (excluding the date on which you acquired the Toro shares and the Implementation Date).

Cost base and reduced cost base of shares in IsoEnergy 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 a replacement IsoEnergy share that you received is equal to the market value of the Toro shares you gave in respect of acquiring the IsoEnergy share (subsections 110-25(2) and 110-55(2)).

24. The market value of the Toro shares you gave is to be worked out as at the time when you acquired the IsoEnergy shares.

Acquisition date of shares in IsoEnergy

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

Scheme

26. The 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.

Toro Energy Limited

27. Toro is a public company incorporated in Australia on 14 November 2005.

28. Toro was admitted to the official list of the Australian Securities Exchange (ASX) on 24 March 2006. The ordinary shares in Toro were traded under the ASX code ‘TOE’.

29. Toro is the head company of an income tax consolidated group under Part 3-90. The Toro tax consolidated group has the following members, which are all wholly owned Australian subsidiaries:

- Toro Energy Exploration Pty Ltd
- Toro Energy Canada Pty Ltd
- Nova Energy Pty Ltd
- Nova Energy (Africa) Pty Ltd

- Redport Exploration Pty Ltd
- Mega Stations Holdings Pty Ltd
- Mega Lake Maitland Pty Ltd.

30. Toro's principal activities include:

- the development of the Wiluna Uranium Project (in Western Australia)
- the exploration of the Dusty Nickel Project and the Yandal Gold and Base Metals Projects (in Western Australia)
- generating and investing in securities and financial instruments
- projects in uranium (though not exclusively) exploration, and
- evaluation of its tenement holdings.

31. Toro has one class of shares on issue, being fully paid ordinary shares.

32. On the Implementation Date, Toro had 128,406,848 ordinary shares on issue, held by 8,477 shareholders.

33. On the Implementation Date, Toro's largest 20 shareholders owned 66.02% of its ordinary shares.

34. On the Implementation Date, approximately 5.91% of Toro's shareholders are non-residents for Australian taxation purposes.

35. As at the Implementation Date, Mega Uranium Ltd (one of Toro's largest shareholders) was a non-resident beneficial shareholder who held an interest in Toro of 6.15% through HSBC Custody Nominees (Australia) (the registered shareholder). Mega Redport, a wholly owned subsidiary of Mega Uranium Ltd, held an interest in Toro of 5.70%.

IsoEnergy Ltd*.*

36. IsoEnergy was formed by an amalgamation (completed on 12 October 2016) between a company also called 'IsoEnergy Ltd.' (Old IsoEnergy) and 1089338 B.C. Ltd. (then a wholly owned subsidiary of NexGen Energy Ltd (NexGen)), pursuant to the *Business Corporations Act* (British Columbia, Canada) (BCBCA). Old IsoEnergy was incorporated on 2 February 2016 under the BCBCA as a wholly owned subsidiary of NexGen. Effective 20 June 2024, IsoEnergy filed articles of continuance to continue from the Province of British Columbia into the Province of Ontario and is now governed by the *Business Corporations Act* (Ontario, Canada).

37. Shares in IsoEnergy are listed on the Toronto Stock Exchange and New York Stock Exchange.

38. IsoEnergy is a globally diversified uranium company with substantial current and historical mineral resources in top uranium mining jurisdictions of Canada, the United States of America and Australia at varying stages of development.

39. IsoEnergy has one class of shares, being common shares.

40. At the Implementation Date:

- IsoEnergy had 3,709 shareholders, and
- the largest 20 shareholders of IsoEnergy owned 28.91% of its common shares.

41. Just before the Implementation Date, IsoEnergy held 6 million Toro shares (4.67%).

42. Iso Australia is a wholly owned subsidiary of IsoEnergy.

43. As at 23 April 2026, the IsoEnergy Group consisted of IsoEnergy and its wholly owned subsidiaries.

Acquisition of shares and options in Toro Energy Limited by IsoEnergy Ltd.

44. On 13 October 2025, Toro announced on the ASX that it had entered into a Scheme Implementation Deed (SID) with IsoEnergy, which was amended and restated on 2 April 2026.

45. Under the SID, Toro agreed to propose that Toro and its shareholders would enter into a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* pursuant to which Iso Australia would acquire all the shares in Toro (other than those held by any Excluded Shareholder) in exchange for shares in IsoEnergy (Scheme).

46. Under the Scheme, Australian-resident and non-resident Toro shareholders, except Excluded Shareholders, would receive 0.036 ordinary IsoEnergy shares per ordinary share held in Toro and nothing else (Offer).

47. An Excluded Shareholder is any member of the IsoEnergy Group and any other person to the extent they hold Toro shares on behalf of or for the benefit of any member of the IsoEnergy group.

48. An Ineligible Foreign Shareholder is a Toro shareholder whose address as recorded in the Toro share register on the Record Date is not in Australia (or its external territories), New Zealand, Canada or the United States of America.

49. A Small Shareholder is a Toro shareholder who (based on their holding of Toro shares on the Record Date) would, on implementation of the Scheme, be entitled to receive less than C$500 of IsoEnergy shares (as assessed by reference to the last traded price of IsoEnergy shares on the Toronto Share Exchange on the trading day prior to the Record Date).

50. A Non-Electing Small Shareholder is a Small Shareholder who has not provided the Toro share registry with an Opt-in Notice requesting to receive IsoEnergy shares as consideration in accordance with the terms of the Scheme.

51. Non-Electing Small Shareholders and Ineligible Foreign Shareholders were not issued with the IsoEnergy shares to which they would otherwise be entitled to for the disposal of their Toro shares. Those IsoEnergy shares were issued instead to a Sale Nominee on the Implementation Date and the Non-Electing Small Shareholders and Ineligible Foreign Shareholders would receive their portion of the net sale proceeds.

52. The Sale Nominee is the person appointed by IsoEnergy under the Scheme to sell the IsoEnergy shares that would have otherwise been issued to Non-Electing Small Shareholders and Ineligible Foreign Shareholders. IsoEnergy appointed Canaccord Genuity (Australia) Limited as the Sale Nominee.

53. On 1 May 2026, Toro lodged its Scheme Booklet with the ASX and the Australian Securities and Investment Commission, with distribution of the Scheme Booklet to its shareholders being completed by 7 May 2026.

54. On 9 June 2026, a resolution in favour of the Scheme was passed by the shareholders of Toro, as required by subparagraph 411(4)(a)(ii) of the *Corporations Act 2001*.

Status: **legally binding**

55. On 16 June 2026, the Scheme became effective and shares in Toro were suspended from trading on the ASX from the close of trading.

56. On 26 June 2026, Toro was removed from the official list of the ASX.

57. On the Implementation Date, Toro had no performance rights or options.

58. On the Implementation Date, Iso Australia acquired all the shares in Toro that IsoEnergy did not already hold.

Other matters

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

60. Just before the SID was entered into and prior to the Implementation Date, Toro had more than 300 shareholders.

61. There was no 'significant stakeholder' or 'common stakeholder' in Toro within the meaning of those terms in section 124-783.

62. Paragraph 124-780(3)(f) is satisfied in respect of the Scheme.

63. Subsections 124-810(3) and (5) did not apply to Toro just before the SID was entered into.

64. Just before the Implementation Date, Toro shareholders and IsoEnergy were not members of the same wholly owned group.

65. For the purposes of section 855-30, the sum of the market values of the assets of Toro that were 'taxable Australian real property' (as defined in section 855-20) exceeded the sum of the market values of the assets of Toro that were not taxable Australian real property on the Implementation Date.

66. All parties that participated in the Scheme were dealing with each other at arm's length.

Commissioner of Taxation
22 July 2026

Status: **not legally binding**

References

Legislative references:
- 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)
- 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
- ITAA 1997 124-785
- ITAA 1997 124-785(1)
- ITAA 1997 124-785(2)
- ITAA 1997 124-785(4)
- 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 Div 230
- ITAA 1997 Pt 3-90
- ITAA 1997 855-10
- ITAA 1997 855-15
- ITAA 1997 855-20
- ITAA 1997 855-30
- ITAA 1997 995-1(1)
- Corporations Act 2001 Part 5.1
- Corporations Act 2001 411(4)(a)(ii)

ATO references

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