



Status: **legally binding**

Class Ruling

African Gold Ltd – scrip for scrip roll-over for shareholders

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.

Table of Contents	Paragraph
What this Ruling is about	1
Who this Ruling applies to	4
When this Ruling applies	6
Ruling	7
Scheme	26

What this Ruling is about

1. This Ruling sets out the income tax consequences for holders of ordinary shares in African Gold Ltd (African Gold) who disposed of their shares in African Gold to Montage Gold Corp (Montage) in exchange for shares in Montage on 29 April 2026 (Implementation Date).
2. Details of this scheme are set out in paragraphs 26 to 55 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 African Gold share register as the holder of a fully paid ordinary share in African Gold at 5:00 pm (AWST) on 22 April 2026 (Record Date) or otherwise a 'Scheme Shareholder' under the Share Scheme described in paragraphs 36 to 44 of this Ruling
 - were not an Excluded Shareholder under the Share Scheme that is described in paragraphs 36 to 44 of this Ruling
 - held your African Gold shares on capital account – that is, you did not hold your African Gold 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 African Gold shares pursuant to an 'employee share scheme' (as defined in section 83A-10).

Status: **legally binding**

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 55 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 African Gold Ltd

7. CGT event A1 happened when you disposed of your African Gold shares to Montage (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 African Gold shares is the market value of the shares in Montage you received in respect of the disposal of your African Gold shares (subsection 116-20(1)). The market value of the Montage 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 African Gold 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 African Gold 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 African Gold Ltd

12. You must disregard a capital gain or capital loss you made from CGT event A1 happening when you disposed of your African Gold shares to Montage (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 African Gold shares were not 'taxable Australian property' (as defined in section 855-15).

13. Your African Gold 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).

Status: **legally binding**

Availability of scrip for scrip roll-over for your shares in African Gold Ltd

14. Subject to the qualification in paragraphs 15 and 16 of this Ruling, if you made a capital gain from the disposal of your African Gold shares and received Montage 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 Montage 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 Montage 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 African Gold shares (subsection 124-785(1)).

Cost base and reduced cost base of share in Montage Gold Corp

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 Montage that you received is worked out by reasonably attributing to it the cost base and reduced cost base (respectively) of the African Gold 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 African Gold 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 Montage share by dividing the total cost bases and total reduced cost bases (respectively) of your African Gold shares by the number of replacement Montage shares you received.

Acquisition date of shares in Montage Gold Corp for discount capital gain purposes

20. If you choose scrip for scrip roll-over, the Montage shares you acquired in exchange for your African Gold 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 African Gold 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

Status: **legally binding**

your African Gold 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 African Gold shares at least 12 months before the Implementation Date on which CGT event A1 happened (excluding the date on which you acquired the African Gold shares and the Implementation Date).

Cost base and reduced cost base of shares in Montage Gold Corp

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 Montage share that you received is equal to the market value of the African Gold shares you gave in respect of acquiring the Montage share (subsections 110-25(2) and 110-55(2)).

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

Acquisition date of shares in Montage Gold Corp

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

Scheme

26. This 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.

African Gold Ltd

27. African Gold is a public company incorporated in Australia on 1 February 2018.

28. African Gold was admitted to the official list of the Australian Securities Exchange (ASX) on 13 February 2019. The ordinary shares in African Gold were traded under the ASX code 'A1G'.

29. African Gold is the head company of an income tax consolidated group under Part 3-90. African Gold has the following subsidiaries:

- Tanzanian Nickel Pty Ltd (a dormant company that is wholly owned by African Gold and a member of the African Gold income tax consolidated group)
- Golden Ivoire SARL (a wholly owned subsidiary that is a tax resident of Côte d'Ivoire)
- Millerite Tanzania Limited (a tax resident of Tanzania)
- Kouroufaba Gold Limited (an Australian resident company in which African Gold holds 80% of the shares on issue).

Status: **legally binding**

30. African Gold is a Western Australia based mineral exploration company with its assets located in Côte d'Ivoire.

31. African Gold has one class of shares on issue, being fully paid ordinary shares. On the Implementation Date, African Gold had 569,418,128 ordinary shares on issue.

32. On the Implementation Date, African Gold also had on issue 47,000,000 unlisted options to subscribe for fully paid shares in African Gold, which consisted of:

- 6,000,000 options with expiry date 25 November 2027 and exercise price of \$0.10 (Option Class A1GAO)
- 6,000,000 options with expiry date 25 November 2027 and exercise price of \$0.065 (Option Class A1GAP)
- 35,000,000 options with expiry date 27 June 2028 and exercise price of \$0.10 (Option Class A1GAR).

Montage Gold Corp

33. Montage is a listed entity incorporated in British Columbia, Canada in 2019. The shares in Montage are listed on the Toronto Stock Exchange.

34. Montage is a Canadian based gold exploration and development company. Its flagship asset is the Koné Gold Project located in Côte d'Ivoire.

35. Just before the Implementation Date, Montage held 92,377,787 African Gold shares (16.22%).

Acquisition of shares and options in African Gold Ltd by Montage Gold Corp

36. On 1 December 2025, African Gold announced that it had entered into a Scheme Implementation Deed (SID) with Montage on 28 November 2025. Under the SID, African Gold agreed to propose that African Gold and its shareholders enter into a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Corporations Act) pursuant to which Montage would acquire all the shares in African Gold in exchange for shares in Montage (Share Scheme).

37. Under the SID, African Gold also agreed to propose that African Gold and its option holders enter into a separate scheme of arrangement under Part 5.1 of the Corporations Act pursuant to which all African Gold options would be cancelled and extinguished in exchange for options in Montage (Option Scheme). The Option Scheme was implemented on the Implementation Date.

38. On 13 April 2026, a resolution in favour of the Share Scheme was passed by the shareholders of African Gold as required by subparagraph 411(4)(a)(ii) of the Corporations Act.

39. The Share Scheme was approved by the Supreme Court of Western Australia under paragraph 411(4)(b) of the Corporations Act on 17 April 2026.

40. Montage acquired all the shares in African Gold that it did not already hold on the Implementation Date (29 April 2026).

41. Under the Share Scheme, a Scheme Shareholder (other than Ineligible Foreign Shareholders) received the Share Scheme Consideration on the Implementation Date, being 0.0628 common share in the capital of Montage for every ordinary share they held in

Status: **legally binding**

African Gold on the Record Date. Fractional entitlements were rounded down to the nearest whole number of shares in Montage.

42. A Scheme Shareholder is a registered holder of fully paid ordinary share in the capital of African Gold as at Record Date, taking into account registration of all registrable transfers and transmission applications in accordance with clause 4.1 of the Share Scheme. A Scheme Shareholder does not include Montage or its subsidiaries who hold shares in African Gold, each being an Excluded Shareholder under the Share Scheme.

43. An Ineligible Foreign Shareholder is a Scheme Shareholder whose address as recorded in the share register on the Record Date is not in Australia (or its external territories), New Zealand, Canada, the United States of America, France or Côte d'Ivoire, unless Montage determined before the Implementation Date that it was lawful and unduly onerous or impracticable for Montage shares to be provided to the Scheme Shareholder under the Share Scheme.

44. Ineligible Foreign Shareholders were not issued with the Montage shares to which they would otherwise be entitled to for the disposal of their African Gold shares. Those Montage shares were issued instead to a Sale Agent on the Implementation Date and the Ineligible Foreign Shareholders would receive their portion of the net sale proceeds.

45. The shares in African Gold were suspended from trading on the ASX from the close of trading on 20 April 2026.

46. African Gold was removed from the official list of the ASX on 30 April 2026.

Other matters

47. Just before the SID was entered into and prior to the Implementation Date, African Gold had more than 300 shareholders.

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

49. Paragraph 124-780(3)(f) is satisfied in respect of the Share Scheme and Option Scheme.

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

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

52. Just before the Implementation Date, African Gold shareholders and Montage were not members of the same wholly owned group.

53. For the purposes of section 855-30, the sum of the market values of the assets of African Gold that were 'taxable Australian real property' (as defined in section 855-20) did not exceed the sum of the market values of the assets of African Gold that were not taxable Australian real property on the Implementation Date.

54. Other than Montage, no foreign resident (together with their associates, as defined in section 318 of the *Income Tax Assessment Act 1936*) held 10% or more of the shares in African Gold at any time in the 24 months before the Implementation Date.

CR 2026/75

Status: **legally binding**

55. African Gold shareholders and Montage were dealing with each other at arm's length.

Commissioner of Taxation

7 October 2026

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References

Legislative references:

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 - ITAA 1997 Subdiv 124-M
 - ITAA 1997 124-780
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