


CR 2025/77 - Gold Road Resources Limited - scheme of arrangement and special dividend

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Status: **legally binding**

Class Ruling

Gold Road Resources Limited – scheme of arrangement and special dividend

📌 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	31

What this Ruling is about

1. This Ruling sets out the income tax consequences of the special dividend (Special Dividend) paid by Gold Road Resources Limited (Gold Road) on 7 October 2025 and the scheme of arrangement whereby Gruyere Holdings Pty Ltd (Gruyere Holdings) acquired 100% of the ordinary shares in Gold Road (Scheme of Arrangement) on 14 October 2025 (Scheme Implementation Date).
2. Details of this scheme are set out in paragraphs 31 to 56 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 a Gold Road shareholder on 8 October 2025 (Scheme Record Date) who participated in the Scheme of Arrangement
 - held your Gold Road shares on capital account – that is, your Gold Road 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
 - received the Special Dividend.
5. This Ruling does not apply to you if you:
 - acquired your Gold Road shares under, or in connection with, an employee share or incentive plan of Gold Road

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- are subject to the investment manager regime in Subdivision 842-I in relation to your Gold Road shares
- are a 'temporary resident' of Australia within the meaning of that term in subsection 995-1(1), or
- are subject to the taxation of financial arrangement rules in Division 230 in relation to your Gold Road shares.

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

Special Dividend

7. The Special Dividend of \$0.43694 per Gold Road share is a 'dividend' as defined in subsection 6(1) of the *Income Tax Assessment Act 1936* (ITAA 1936).

8. The Special Dividend is a frankable distribution pursuant to section 202-40.

Assessability of the Special Dividend, franking credits and tax offsets

Resident shareholders

9. If you are a 'resident of Australia' as defined in subsection 6(1) of the ITAA 1936, you are required to include the Special Dividend in your assessable income (subparagraph 44(1)(a)(i) of the ITAA 1936).

10. If you satisfy the residency requirements in section 207-75, you include the franking credits attached to the Special Dividend in your assessable income and you are entitled to a tax offset equal to the amount of those credits (section 207-20), provided you are a 'qualified person' (as defined in Division 1A of former Part IIIAA of the ITAA 1936).

11. If you received the Special Dividend as a trustee of a trust (not being a complying superannuation entity) or as a partnership and you are not a corporate tax entity, the franking credits attached to the Special Dividend are included in your assessable income, provided you are a qualified person (subsection 207-35(1)).

12. If you are a partner in a partnership or a beneficiary of a trust and the Special Dividend flows indirectly through the partnership or trust to you, you include your share of the Special Dividend in your assessable income and you are entitled to a tax offset equal to your share of the franking credit attached to the Special Dividend, provided both you and the partnership or trust (as relevant) are each a qualified person (section 207-45 and former subsection 160APHU(1) of the ITAA 1936).

13. The tax offset is refundable, subject to the refundable tax offset rules in Division 67.

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Non-resident shareholders*Special Dividend attributable to a permanent establishment in Australia*

14. If you are a non-resident and the Special Dividend is attributable to a permanent establishment in Australia, you include the Special Dividend in your assessable income (paragraphs 44(1)(b) and 44(1)(c) of the ITAA 1936) and you are not liable to pay withholding tax in respect of the Special Dividend (subsection 128B(3E) of the ITAA 1936).

15. If you are also a 'qualified person' (as defined in Division 1A of the former Part IIIAA of the ITAA 1936), you include the amount of the franking credits attached to the Special Dividend in your assessable income and you are entitled to a tax offset equal to the amount of those credits (section 207-20 and subsection 207-75(2)). The tax offset is not refundable (subsection 67-25(1DA)).

Special Dividend not attributable to a permanent establishment in Australia

16. If you are a non-resident and the Special Dividend is not attributable to a permanent establishment in Australia, the Special Dividend is not included in your assessable income (section 128D of the ITAA 1936) and you are not liable to withholding tax in respect of the Special Dividend (paragraph 128B(3)(ga) of the ITAA 1936).

17. You do not include the amount of the franking credits attached to the Special Dividend in your assessable income and you are not entitled to a tax offset for those franking credits (sections 207-20 and 207-70).

Qualified persons

18. The Special Dividend you received constitutes a 'related payment' for the purposes of paragraph 207-145(1)(a) and former section 160APHN of the ITAA 1936 and the secondary qualification period therefore applies.

19. You will be a qualified person in relation to the Special Dividend if, during the period from 18 August 2025 to 7 October 2025 (inclusive), you held your Gold Road shares for a continuous period of at least 45 days during which you did not have 'materially diminished risks of loss or opportunities for gain' (as defined in former section 160APHM of the ITAA 1936) in respect of the shares. The period of 45 days does not include the day on which your Gold Road share was acquired.

Exempting entity

20. Gold Road was not an 'exempting entity' when the Special Dividend was paid to you, nor was it a 'former exempting entity' at that time (Division 208).

21. Therefore, section 208-195 will not apply to deny the gross up of your assessable income by the amount of the franking credit attached to the Special Dividend you received, nor to deny the tax offset to which you are otherwise entitled to under Division 207 at the time when the Special Dividend was paid.

Status: **legally binding**

Anti-avoidance provisions**Section 177EA of the ITAA 1936**

22. The Commissioner will not make a determination under paragraph 177EA(5)(b) of the ITAA 1936 to deny the whole, or any part, of the imputation benefit received in relation to the Special Dividend.

Section 204-30

23. The Commissioner will not make a determination under paragraph 204-30(3)(c) to deny the whole, or any part, of the imputation benefit received in relation to the Special Dividend as there was no streaming of distributions.

Capital gains tax consequences**CGT event A1**

24. CGT event A1 happened on 14 October 2025 (Scheme Implementation Date) when you disposed of each of your Gold Road shares to Gruyere Holdings in accordance with the Scheme of Arrangement (section 104-10).

Capital proceeds

25. The Scheme Consideration of \$3.06423 you received for each Gold Road share is your capital proceeds from CGT event A1 happening (subsection 116-20(1)).

26. The capital proceeds do not include the Special Dividend of \$0.43694.

Capital gain or capital loss

27. You made a capital gain if the capital proceeds from the disposal of your Gold Road share exceed its cost base (subsection 104-10(4)). The capital gain is the difference.

28. You made a capital loss if the capital proceeds from the disposal of your Gold Road share are less than its reduced cost base (subsection 104-10(4)). The capital loss is the difference.

Discount capital gain

29. If you made a capital gain from the disposal of a Gold Road share, you are eligible to treat the capital gain as a 'discount capital gain' provided you acquired, or are taken to have acquired, your Gold Road share on or before 13 October 2024 and you satisfy the other requirements of Division 115.

Non-resident shareholders

30. If you were a non-resident shareholder of Gold Road just before CGT event A1 happened to your Gold Road shares on 14 October 2025, you disregard any capital gain or capital loss made as a result of CGT event A1 happening, if your Gold Road shares were not taxable Australian property for the purposes of section 855-10.

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Scheme

31. 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.

Background

Gold Road Resources Limited

32. Gold Road is a public company incorporated in May 2004 and has been listed on the Australian Securities Exchange since 4 July 2006.

33. Gold Road is an Australian resident for tax purposes.

34. Gold Road carries on the business of being a gold producer, developer and explorer.

35. As at 30 July 2025, Gold Road had approximately 1.1 billion ordinary shares on issue (and 6,439,485 performance rights on issue).

36. The sum of the market values of Gold Road's assets that are taxable Australian real property exceeds the sum of the market values of its other assets.

Gruyere Holdings Pty Ltd

37. Gruyere Holdings is an Australian resident for tax purposes.

38. Gruyere Holdings is wholly owned by Gold Fields Limited (Gold Fields).

39. Gold Fields is a diversified gold producer with 9 operating mines in Australia, Chile, Ghana, Peru and South Africa, and one major development project in Québec, Canada.

40. Gold Fields is a foreign resident headquartered in Johannesburg, South Africa and is listed on the Johannesburg Stock Exchange.

Scheme of arrangement

41. On 5 May 2025, Gold Road announced that it had entered into a Scheme Implementation Deed with Gruyere Holdings under which Gruyere Holdings would acquire all of the issued shares in Gold Road.

42. To give effect to the Scheme Implementation Deed, a Scheme of Arrangement was proposed to the Gold Road shareholders pursuant to Part 5.1 of the *Corporations Act 2001* (Corporations Act).

43. Under the terms of the Scheme Implementation Deed, each share in Gold Road held by a Gold Road shareholder would be transferred to Gruyere Holdings resulting in Gold Road becoming a wholly owned subsidiary of Gruyere Holdings.

44. In consideration for each Gold Road share, Gruyere Holdings would pay Gold Road shareholders a cash amount of \$3.06423 per Gold Road share which is \$3.50117 less the Special Dividend of \$0.43694 (Scheme Consideration).

45. At a shareholder meeting held on 22 September 2025, Gold Road shareholders approved the Scheme of Arrangement.

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46. On 25 September 2025, the Supreme Court of Western Australia approved the Scheme of Arrangement and provided orders pursuant to Part 5.1 of the Corporations Act. The Scheme of Arrangement became effective on 26 September.

47. Entitlements to the Scheme Consideration were determined on 8 October 2025 (Scheme Record Date).

48. Payment of the Scheme Consideration to Gold Road shareholders and the transfer of Gold Road shares to Gruyere Holdings occurred on 14 October 2025 (Scheme Implementation Date).

Special Dividend

49. Gold Road declared to pay a fully franked dividend of \$0.43694 per Gold Road share out of accumulated profits prior to the Scheme Record Date.

50. Entitlements to the Special Dividend were determined on 30 September 2025 (Special Dividend Record Date).

51. Payment of the Special Dividend occurred on 7 October 2025.

52. The Special Dividend was:

- debited from Gold Road's retained earnings account
- not debited against Gold Road's share capital account
- funded by existing cash reserves and an existing debt facility, and
- compliant with the requirements of the Corporations Act, including section 254T of that Act

53. The Special Dividend was paid wholly at the discretion of the directors of Gold Road. Neither Gruyere Holdings nor any one or more of its associates had any influence or control over the declaration and payment of the Special Dividend.

54. Neither Gruyere Holdings nor any one or more of its associates funded, or were in any way connected to the funding of the Special Dividend.

55. No proceeds from the issue of any equity interests by Gold Road (or any of its subsidiaries) will be applied towards the repayment of any portion of the debt incurred to pay the Special Dividend, or to replenish the money expended by Gold Road in paying the Special Dividend.

Key dates

56. Table 1 of this Ruling provides a summary of the key dates for the Scheme of Arrangement and Special Dividend.

Table 1: Summary of key dates for the scheme of arrangement and special dividend

Event	Date
Scheme Implementation Deed executed	4 May 2025
Announcement date	5 May 2025
First court hearing (lodged Scheme Booklet with Court)	14 August 2025
Scheme meeting	22 September 2025

CR 2025/77

Status: legally binding

Second court hearing (court approved Scheme of Arrangement)	25 September 2025
Effective Date of the Scheme of Arrangement	26 September 2025
Special Dividend Record Date	30 September 2025
Special Dividend Payment Date	7 October 2025
Scheme Record Date	8 October 2025
Scheme Implementation Date	14 October 2025

Commissioner of Taxation29 October 2025

Status: **not legally binding**

References

Related rulings and determinations:

TR 2010/4

Legislative references:

- ITAA 1936 6(1)
 - ITAA 1936 44(1)(a)(i)
 - ITAA 1936 44(1)(b)
 - ITAA 1936 44(1)(c)
 - ITAA 1936 128B(3)(ga)
 - ITAA 1936 128B(3E)
 - ITAA 1936 128D
 - ITAA 1936 177EA
 - ITAA 1936 177EA(5)(b)
 - ITAA 1936 former Pt IIIAA Div 1A
 - ITAA 1936 former 160APHM
 - ITAA 1936 former 160APHN
 - ITAA 1936 former 160APHU(1)
 - ITAA 1997 Div 67
 - ITAA 1997 67-25(1DA)
 - ITAA 1997 104-10
 - ITAA 1997 104-10(4)
 - ITAA 1997 Div 115
 - ITAA 1997 116-20(1)
 - ITAA 1997 202-40
 - ITAA 1997 204-30
 - ITAA 1997 204-30(3)(c)
 - ITAA 1997 Div 207
 - ITAA 1997 207-20
 - ITAA 1997 207-35(1)
 - ITAA 1997 207-45
 - ITAA 1997 207-70
 - ITAA 1997 207-75
 - ITAA 1997 207-75(2)
 - ITAA 1997 207-145(1)(a)
 - ITAA 1997 Div 208
 - ITAA 1997 208-195
 - ITAA 1997 Div 230
 - ITAA 1997 Subdiv 842-l
 - ITAA 1997 855-10
 - ITAA 1997 977-50
 - ITAA 1997 995-1(1)
 - Corporations Act 2001 254T
 - Corporations Act 2001 Pt 5.1
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ATO references

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 Capital gains tax ~~ CGT events ~~ A1 - disposal of a CGT asset
 Income tax ~~ Capital management ~~ Scheme of arrangement

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